

รายงานประจำปี 56-1  
**ONE REPORT**  
**2022**



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## พันธกิจ

- ผลิตและจำหน่ายพลังงานที่มีคุณภาพสูง และมั่นคงเพื่อตอบสนองความต้องการและสร้างความพึงพอใจสูงสุดให้แก่ลูกค้า
- พัฒนาศักยภาพอย่างต่อเนื่องเพื่อเพิ่มศักยภาพขององค์กร
- บริหารงานภายใต้ระบบธรรมาภิบาลด้วยความรับผิดชอบต่อสังคม 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



## วิสัยทัศน์ VISION

เราจะเป็นผู้นำในกลุ่มผู้ผลิตพลังงานขนาดเล็ก และธุรกิจที่เกี่ยวข้อง โดยการพัฒนางค์กรอย่างต่อเนื่องและยั่งยืน เพื่อสร้างความพึงพอใจสูงสุดแก่ผู้มีส่วนได้ส่วนเสีย

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



## ค่านิยมร่วม CORE VALUE

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



# Board of Directors



at 31 December 2022



**Mr. Sujarit Patchimnan**

- ▶ Chairman
- ▶ Chairman of Nomination and Remuneration Committee



**Miss Choosri Kietkajornkul**

- ▶ Vice Chairman
- ▶ Nomination and Remuneration Committee



**Mr. Sakarin Tangkavachiranon**

- ▶ Director
- ▶ Chairman of Executive Committee
- ▶ Nomination and Remuneration Committee



**Mr. Udompong Chuntharumporn**

- ▶ Director
- ▶ Managing Director
- ▶ Executive Committee
- ▶ Corporate Governance and Risk Management Committee
- ▶ Sustainability Committee



**Mr. Vorayos Thongtan**

- ▶ Director
- ▶ Executive Committee
- ▶ Sustainability Committee



**Mr. Chinapat Visuttiapat**

- ▶ Independent Director
- ▶ Chairman of the Audit Committee
- ▶ Chairman of the Corporate Governance and Risk Management 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  
► Corporate Governance and  
Risk Management Committee



## Message from the Chairman of the Board

Dear Shareholders,

The year 2022 was another challenging year for Sahacogen due to the energy price crisis. The natural gas price, the main production cost, spiked up by more than double comparing to the previous year. The fluctuation of natural gas price affected from unexpected tension between Ukraine and Russia and the unsettled situation of Corona virus (Covid-19) outbreak. However, the Board of Directors, executives and employees have been working hard and been through this turbulence. Meanwhile, the company has built up the strong fundamental in creating resilience to successfully manage the changes. The company also focused on the responsibilities to support society, communities and environment to strive for the sustainability development. The company has practically been driving the reduction of greenhouse gas emission into actions and creating the new business by registering as the certified producer, buyer and seller of Renewable Energy Certificates (RECs) and investing in solar energy business. The company supported the renewable energy consumption and strived for being a “net zero emission” organization based on the agreement COP26 and global trend that put the climate change as an urgent agenda.

The company’s consolidated financial operating result of the year 2022 was net loss of THB 229 million or decreasing by 314 percent comparing to the previous year which was the first time since the company has become a listed company in the Stock Exchange of Thailand. This result caused by government’s policy to adjust the Fuel Adjustment tariff (Ft) that was not in line with the dramatic increment of the natural gas price, the main production cost, affected by global energy crisis. However, the company considered that the situation shall be recovering since the Fuel Adjustment tariff (Ft) was increased and the natural gas price tends to go down for the year 2023.

Meanwhile, the financial stability of the company and the major shareholders resulted the company received credit rating at “A” with “Stable” from TRIS Rating Co., Ltd. The company has issued and offered the debentures for the first time in September 2022 which offered through the Private Placement to Institutional and High Net-worth Investors (PP-II&HNW) with total amount of THB 2,650 million. This debentures were fixed the repayment period and interest rates in order to restructure the debt for supporting the business expansion including mitigating the risk from the higher interest rates in accordance with inflation.

In addition, the company won Investors’ Choice Award granted by Thai Investors Association and the Securities and Exchange Commission and other related awards from the dedication to good corporate governance and developing sustainable organization.

On behalf of the company’s Board of Directors, I would like to show the great appreciation to our shareholders, business partners and employees for your trust and contribution to our company and assure that we will focus on the business development for the sustainable growth aligning with good corporate governance practice and environmental 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. The Audit Committee members consists of 3 independent directors.

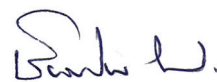
1. Mr. Chinapat Visuttiapat
2. Mr. Natapong Vanarat
3. Mr. Pongtep Thithapand

The Audit Committee arranged 6 meetings in 2022. The meetings were held quarterly allowing 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. 2562 (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 2023.

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 operation of the auditor, KPMG Phoomchai Audit Company Limited (KPMG), is satisfied with professionalism and independence with acceptable service fee. The Audit Committee proposed to the Board of Directors to re-appoint KPMG as the external auditor. This auditor appointment agenda will be proposed 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 Board of Directors in order to take care of the company's management based on the assigned missions from the Board of Directors and according to the charter of the Executive Committee.

In the year 2022, the Executive Committee has been strategically running the company's operation and business development to create long term sustainable growth. The company successfully closed the deal to invest in solar energy based on guideline and policy from the Board of Directors. The Executive Committee worked closely with management in last year to overcome the net loss due to the incompatibility of change in Fuel Adjustment tariff (Ft) based on government policy and the dramatic increment of natural gas price, the main production cost, which was affected by global energy price crisis. The company also successfully issued debentures amounting THB 2,650 million in order to adjust the financial structure for business expansion. The Executive Committee held 11 meetings in order to perform on the assigned missions. The details can be 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 new business development 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 solar business investment, 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.



Mr. Sakarin Tangkavachiranon  
Chairman of Executive Committee

# Message from Chairman of Corporate Governance and Risk Management Committee

The Corporate Governance and Risk Management Committee members compose of directors and management totaling 6 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 2022, the Corporate Governance and Risk Management Committee held 4 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 (PDPA). The overall corporate governance practices were all complied. As a result of the matters, the company has been being rated 5 stars (Excellent) for many consecutive years 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 has been being 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. The committee reported the operating result, the result of risk management framework review and reviewed version of charter of the Corporate Governance and Risk Management Committee to the Board of Directors.
3. Anti-corruption: The internal and external activities participation was promoted and supported. The company was certified as members of the Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) for the third time. The company planned to re-submit the certification application for the subsidiaries to be certified for the third time as well. 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 and compliance with anti-corruption policy. The committee is committed to the constant development in corporate governance, risk management and anti-corruption policy to strive for the company's sustainable growth.



Mr. Chinapat Visuttiapat

Chairman of Corporate Governance and  
Risk Management Committee

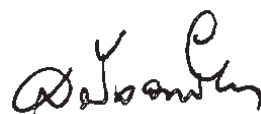
## Report of the Nomination and Remuneration Committee

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.

In the year 2022, 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, propose the policy of the nomination and remuneration for the Board of Directors' approval, select and nominate new directors, sub-committees and managements. The recruitment process included the consideration of knowledge, capability, skills that related to Board's skill matrix aiming to create the combination of the Board members with diverse background and expertise supporting company's strategy. The selection and nomination of the Board member and management also focused on other factors which are 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 members of sub-committees. The committee was also responsible for determining the benefits and compensation for directors and sub-committees' members of the company, subsidiaries and associated company as well as 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 allowed minor shareholders to participate in nominating candidate(s) to be considered as the director(s) prior to the annual general meeting. In the year 2022, 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.

The Nomination and Remuneration Committee has been independently performing roles and responsibilities by focusing on good corporate governance. The Committee would like to ensure that the process of nomination and remuneration has been suitably running and beneficial to organization with the due care of shareholders and stakeholders' trust.



Mr. Sujarit Patchimnan

Chairman of the Nomination and Remuneration Committee



# Report of Sustainability Committee

In 2022, the Board of Directors approved the resolution to transform the Corporate Social Responsibility Committee into the Sustainability Board, as well as to elevate policies and the charter of operation to align with the United Nations' Sustainable Development Goals (SDGs) in all dimensions.

The Sustainability Committee's operations in the year received support from other subcommittees and cooperation from the company's management and subsidiaries, resulting in the successful and effective continuation of their duties. The company was announced as a member of the Thailand Sustainability Investment List 2022 (THSI) in the group of resources for the fifth consecutive year and received the Sustainability Disclosure Acknowledgement for the year 2022 from Thaipat Institute for the fourth consecutive year.

In relation to the Climate Change Response, the Board of Directors announced the Management Policy to address the issue of climate change, and also established a management team to oversee the evaluation of the Carbon Footprint For Organization (CFO) in order to set targets, measures, and effectively reduce greenhouse gas emissions. The company expects to receive certification from the Thailand Greenhouse Gas Management Organization (TGO) by May 2023. In terms of campaigning to promote greenhouse gas reduction, the company has registered the products from the renewable energy production process for certification and delivered I-RECs (International Renewable Energy Certificates) to the business partners who have committed to reducing greenhouse gas emissions as a key business strategy.

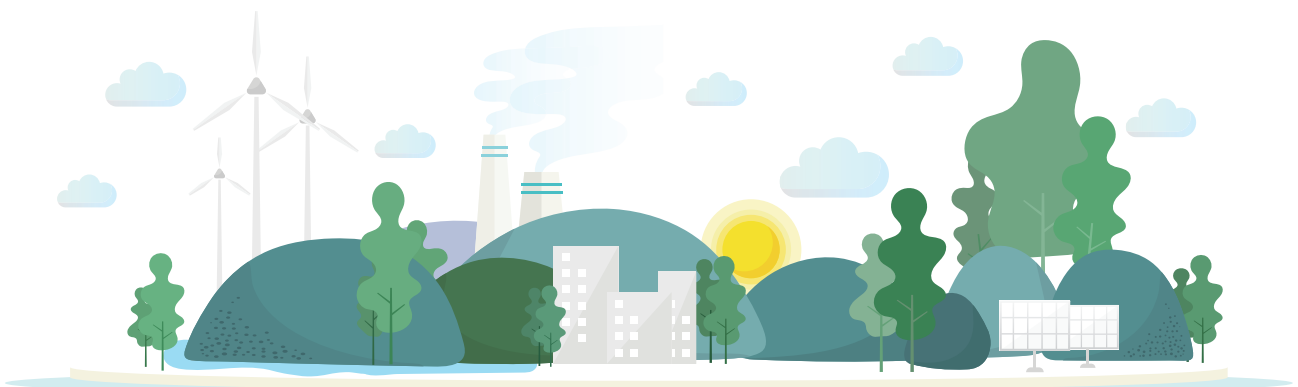
The company has continuously encouraged provides support for all levels of employees by providing to receive training on the Corporate Sustainability Strategy course from the Stock Exchange of Thailand, and registered personnel responsible for social responsibility at the factory in accordance with the Ministry of Industry's announcement as well as hiring experts from various fields for continuous consulting. The Sustainability Committee firmly believes that the driving force behind the implementation of policies and measures aimed at achieving the stated objectives will lead to continuous and sustainable business development.



(Mr. Viroj Theeravatvatee)  
Chairman of Sustainability committee



## **Business Operations and Performance**



# 1. Structure and Business Operations

## 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 PCL. 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).

On October 4, 2022, the company set up a new subsidiary named Solarist Holding Co., Ltd. to investment in solar power energy business. The subsidiary company increased capital to THB 2,610 million and set up 8 other subsidiary companies.

### **Sahacogen & Affiliates consist of**

#### **Company**

- Sahacogen (Chonburi) Public Company Limited

#### **Subsidiaries**

- Sahacogen Green Co., Ltd.
- Sahagreen Forest Co., Ltd.
- Solarist Holding Co., Ltd.
- Solarist Nongyuang Co., Ltd.
- Solarist Maepu Co., Ltd.
- Solarist Namphu Co., Ltd.
- Solarist Nonsi Co., Ltd.
- Solarist Kokha Co., Ltd.
- Solarist Nakaew Co., Ltd.
- Solarist Thungfai Co., Ltd.
- Solarist Banueam Co., Ltd.



### 1.1.1 Objectives, goals and strategy

After the change of major shareholder in 2021, RATCH Group PCL. (RATCH) became the major share holder holding 51.67% of total share as of the end of the year 2022. RATCH is a Thailand leading public electricity generator with the ambition of becoming a leading company in energy and infrastructure business. RATCH focuses on creating value in Asia Pacific region by investing in electricity generator business in multiple formats. RATCH's projects includes conventional, renewable, and infrastructural projects in both local and international and multiple sizes.

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. 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**

P	I	T	E	P
<b>Positive Thinking</b>	<b>Initiative</b>	<b>Teamwork</b>	<b>Entrepreneurship</b>	<b>Proactive</b>
Having positive attitude and be ready to motivate surrounded people to have the positive thoughts	Being innovative, suggest new ideas or projects beneficial to the company	Supporting working as a team and seeking ways to achieve goals as a team	Having the sense of ownership, caring and protecting the company from what would cause negative effects	Having visionary plans before execution and actively striving for the results planned

## Goals

By 2027, the company set the capacity expansion goal of total capacity not less than 400 Megawatts.

## Business Strategy

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 Saha Group 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 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 2022, 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

On November 20, Sahacogen (Chonburi) Co., Ltd. was established with the registered capital of Baht 12 million to conduct electricity generation and steam power business.

1997

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 PCL. 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

Sahacogen signed the raw water purchase agreement with Eastern Water Resources Development and Management PCL. for 25 years.

Sahacogen signed the purchase of natural gas with the PTT PCL. 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

Sahacogen Commercial Operation Date (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



<b>2002</b>	On October 4, Sahacogen registered as a public limited company and changed its name to Sahacogen (Chonburi) PCL.
<b>2003</b>	<p>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.</p> <p>Sahacogen obtained authorization from Securities and Exchange Commission to sell its recapitalized shares to public on November 26, and conduct an Initial Public Offering (IPO) shares at 3.20 Baht/share during December 17-19.</p>
<b>2004</b>	On January 7, Sahacogen traded its IPO shares on the Stock Exchange of Thailand, with the symbol of “SCG”
<b>2005</b>	The company started the Commercial Operation Date to distribute the electricity (COD) in November 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.
<b>2006</b>	On November 2, Sahacogen established its subsidiary named Sahacogen Green Co., Ltd. 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 Co., Ltd. increased capital to Baht 1,520 million.
<b>2008</b>	Sahacogen established its subsidiary named Sahagreen Forest Co., Ltd. with the registered capital of Baht 5 million on December 18, 2008, which is the joint venture at holding 75:25 with Siam Forestry Co., Ltd. to operate biomass power plant with the electricity generating capacity of 7.5 megawatts located at Prankratai district, Kamphaengphet province. Sahagreen Forest Co., Ltd. On June 1, 2012, had registered capital of Baht 190 million.
<b>2009</b>	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.
<b>2012</b>	On March 16, Sahacogen established its subsidiary named Sahagreen Energy Co., Ltd. with the registered capital of Baht 40 million to operate and distribute biomass pellets. On December 11, the Board of Directors approved that Sahacogen Green Co., Ltd. (the subsidiary company) divested its entire shares to a none related perso

<b>2015</b>	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.
<b>2016</b>	Sahacogen Green Co., Ltd. and Sahagreen Forest Co., Ltd. (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).
<b>2017</b>	In November, the company started Commercial Operation Date of phase 3 power plant expansion. The additional capacity of electricity was 28.68 MW and 15 tons per hour for steam.
<b>2018</b>	The Board of Directors' Meeting No. 4/2018 has approved the investment in Impact Solar Co., Ltd. for 21% by holding 9,093,000 shares equivalent to Baht 90.93 million. Impact Solar Co., Ltd. is a private solar power producer and supplier of solar rooftop system.
<b>2019</b>	On August 13, the Board of Directors approved to subscribe rights offering capital increase in the joint venture company, Impact Solar Co., Ltd. (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.
<b>2020</b>	On March 13, the company paid the un-paid capital in jointed investment company, Impact Solar Co., Ltd. The additional amount was 13,650,000 Baht which made the total investment value of 118,230,000 Baht.
<b>2021</b>	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 PCL. (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 PCL. 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.

## 2022

On May 17, the company held the main post blessing ceremony for the new power plant building according to SPP Replacement project. This new power plant will replace the existing one which has contract with EGAT expiring in 2024.

On June 17, TRIS Rating Co., Ltd. ("TRIS Rating") assigned the company rating to the Company for the first time at "A" with "Stable".

On August 30, the Company signed MOU with Principal Healthcare Co., Ltd. to corporate in a solar rooftop project with private power purchase agreement (PPA).

On August 30, Sahacogen Green Co., Ltd. (Subsidiary) signed a agreement to supply power generated from solar rooftop system to company in Pricipal Healthcare group. The agreement will last for 25 years starting from the initial power generation.

On September 22, the Company has issued and offered the Debentures No. 1/2022 which are Senior and Unsecured Debentures with Debenture holder's Representative ("Debentures") in total of 3 series with amount of THB 2,650 million. These Debentures are offered through the Private Placement to Institutional and High Net-worth Investors (PP-II&HNW).

On October 4, the company setup a subsidiary company named Solarist Holding Co., Ltd. with registered capital of THB 1 million. On October 26, the subsidiary increased capital to THB 2,610 million with 25% paid-up in share. The object is to invest in solar power business. The subsidiary later on setup new 8 subsidiary companies with registered capital of 100,000 baht each. The details of paid-up capital of each company are listed here below.

Solarist Nongyuang Co., Ltd.	222	Million Baht	Solarist Kokha Co., Ltd.	198	Million Baht
Solarist Maepu Co., Ltd.	324	Million Baht	Solarist Nakaew Co., Ltd.	540	Million Baht
Solarist Namphu Co., Ltd.	540	Million Baht	Solarist Thungfai Co., Ltd.	162	Million Baht
Solarist Nonsi Co., Ltd.	324	Million Baht	Solarist Banueam Co., Ltd.	288	Million Baht

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

#### 1. Capital raised and usage as December 31, 2022

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	662.45	237.55
b) Working Capital	Within Quarter 4 of 2021 - Quarter 2 of 2022	200-300	300	-
<b>Total</b>		<b>1,200</b>	<b>962.45</b>	<b>237.55</b>

## 2. Capital utilization from issued debt instruments. (debentures)

Purpose	Capital Used (THB million)	Scheduled	Details / Use of proceeds
1. Investment and business expansion	No more than THB 2,500 million	Within 2024	<ul style="list-style-type: none"> <li>- Invest in a new co-heat power generation project with maximum capacity of 79.5 MW and steam 75 tons/hour. The project is under construction expecting to finish within April 2024.</li> <li>- Invest in small power generating projects in Thailand and other countries depending on investment opportunity and feasibility.</li> <li>- The total capital proceeds is THB 351.72 million.</li> </ul>
2. Debt repayment	No more than THB 1,200 million	Within 2024	<ul style="list-style-type: none"> <li>- Repay the long-term debt to the financial institute which is not related to the debentures issuer as the underwriter. The total amount is not exceeding to THB 500 million due within 2024.</li> <li>- Repay the loan used as bridging facility, without collateral to Bank of Ayudhaya Public Company Limited. The amount of money was used in the new power plant construction during the period before debenture issuance.</li> <li>- Total approximated amount: THB 700 million</li> <li>- Interest rate: Fixed rate referring to market rate</li> <li>- Debt balance repayment: single payment at due date</li> <li>- Due date: within 2024</li> <li>- The total capital proceeds is THB 223.37 million.</li> </ul>
3. Working Capital	No more than THB 1,500 million	Within 2024	<ul style="list-style-type: none"> <li>- Use as working capital among group company</li> </ul>

## 3. Law enforcing to debt instruments.

Thai laws.

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

- **Equity issuance (Capital Increase)**

-None-

- **Securities issuance (Debentures)**

The company will maintain “Net Debt to Equity Ratio” at not more than 3:1 (Three to one) as the debentures last. The calculation will be based on the audited company annual consolidated financial statement as at December 31 of each year. The details of debenture conversion and redemption of each debentures (if any) will be disclosed in topic number 1.5 Other securities issuance.



### 1.1.5 General Information

<b>Name</b>	: Sahacogen (Chonburi) Public Company Limited
<b>Stock Code</b>	: SCG (Listed on the Stock Exchange of Thailand – SET)
<b>Registered Number</b>	: 0107545000306
<b>Registered Date</b>	: November 20, 1996
<b>Registered Date to Public Company</b>	: October 4, 2002
<b>First Trading in the Stock Market</b>	: January 7, 2004
<b>Sector</b>	: Energy & Utilities
<b>Business type</b>	: Generation of electricity and distribution of steam
<b>Industry</b>	: Resources
<b>Foreign Limit</b>	: 30.00%
<b>Free Float</b>	: 17.66 % @ March 10, 2022
<b>Head Office Location</b>	: 636 Moo 11, Sukaphiban 8 Road, Nongkharm, Sriracha, Chonburi 20230
<b>Telephone</b>	: 66 3848 1555
<b>Fax</b>	: 66 3848 1551
<b>Website</b>	: <a href="http://www.sahacogen.com">www.sahacogen.com</a>
<b>Registered and Paid-up Capital</b>	: 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 2022

- The revenue from electricity 88.96%
- The revenue from steam generation 10.79%
- The revenue from Biomass products 0.06%
- Other revenue 0.89%

Unit : Thousand Baht

Revenue	Company	Share holding (%)	2020		2021		2022	
			Amount	%	Amount	%	Amount	%
Electricity	SCG		3,117,672	91.71	3,319,658	87.06	4,590,415	89.83
	SGN	99.99	285,270	84.60	220,101	69.61	278,064	70.85
	SGF	75	253,320	99.84	240,192	99.74	241,395	100.00
	<b>Total</b>		<b>3,656,262</b>	<b>91.63</b>	<b>3,779,951</b>	<b>86.50</b>	<b>5,109,874</b>	<b>88.96</b>
Steam generation	SCG		265,064	7.80	357,741	9.38	508,744	9.96
	SGN	99.99	45,246	13.42	78,684	24.88	110,824	28.24
	SGF	75	-	-	-	-	-	-
	<b>Total</b>		<b>310,310</b>	<b>7.78</b>	<b>436,425</b>	<b>9.99</b>	<b>619,568</b>	<b>10.79</b>
Biomass products	SCG		-	-	-	-	-	-
	SGN	99.99	4,464	1.32	4,114	1.30	3,587	0.91
	SGF	75	-	-	-	-	-	-
	<b>Total</b>		<b>4,464</b>	<b>0.11</b>	<b>4,114</b>	<b>0.09</b>	<b>3,587</b>	<b>0.06</b>
Other Revenue	SCG		16,670	0.49	135,551	3.56	11,036	0.22
	SGN	99.99	2,229	0.66	13,310	4.21	-	-
	SGF	75	407	0.16	615	0.26	-	-
	<b>Total</b>		<b>19,306</b>	<b>0.48</b>	<b>149,476</b>	<b>3.42</b>	<b>51,375</b>	<b>0.89</b>
<b>Total</b>	<b>SCG</b>		<b>3,399,406</b>	<b>100</b>	<b>3,677,398</b>	<b>100</b>	<b>5,110,195</b>	<b>100</b>
	<b>SGN</b>	<b>99.99</b>	<b>337,209</b>	<b>100</b>	<b>302,900</b>	<b>100</b>	<b>392,475</b>	<b>100</b>
	<b>SGF</b>	<b>75</b>	<b>253,727</b>	<b>100</b>	<b>240,192</b>	<b>100</b>	<b>241,395</b>	<b>100</b>
	<b>Total</b>		<b>3,990,342</b>	<b>100</b>	<b>4,220,490</b>	<b>100</b>	<b>5,744,065</b>	<b>100</b>

## 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 PCL., 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 294.2 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 commencement date will be 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. In 2022, it signed a long-term solar power electricity supply agreement with companies in Principal Healthcare group.

**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).

**Solarist Holding Company Limited** was established to invest and operate in solar power business. There is 8 subsidiary companies under Solarist Holding Co., Ltd. to participate in bidding process of the Energy Regulatory Commission (ERC). The bidding process is for the renewable energy purchase in Feed-in Tariff (FiT) for the year 2022-2030 specified for on-land construction solar power plant. The result will be announced in April 2023.

## 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 <sup>1</sup>
	December 20,2021	65-0361-1-00-1-01 Dated March 29,2022	Non-Activity-based Incentives	Electricity & Steam <sup>1</sup>
Sahacogen Green Co., Ltd.	December 2,2008	1563(1)/2009 Dated July 31,2009	March 22, 2011- March 21,2019	Electricity & Steam <sup>2</sup>
	April 18,2013	1858(3)/2013 Dated June 19,2013	July 2, 2015 - July 1,2023	Plantation <sup>3</sup>
	July 15,2016	59-1260-0-00-2-0 Dated October 3,2016	June 16, 2017 - June 15, 2025	Plantation <sup>4</sup>
	December 15,2016	59-1632-0-00-1-2 Dated December 15, 2016	September 15, 2016 - September 8,2023	Biomass Pellet <sup>5</sup>
Sahagreen Forest Co., Ltd.	October 19,2010	1856(1)/2011 Dated July 27,2011	December 25, 2012 - March 24,2020	Electricity <sup>6</sup>

### Remark

- <sup>1</sup> 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.
- <sup>2</sup> 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.
- <sup>3,4</sup> Exemption of corporate income tax for net profit from promoted business for 8 years and import duty exemption on machinery.
- <sup>5</sup> Exemption of corporate income tax for net profit from promoted business until September 8,2023 and import duty exemption on machinery.
- <sup>6</sup> 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.

### 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. 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)

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 sell the renewable energy to clients that wish to help reduce greenhouse gas emission within electricity production process.

In 2022, the Company received a renewable energy certification totaling 163,885 RECs . Details are as following.

1. Lion Corporation (Thailand) Limited 40,885 RECs
2. Thai Asahi Kasei Spandex Co., Ltd. 40,000 RECs
3. Asahi Kasei Spunbond (Thailand) Co., Ltd. 25,000 RECs
4. Tepco Energy Partner International (Thailand) Co., Ltd. 58,000 RECs





#### 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. Invest in new energy projects based on the policy stated by the government office related to the energy production development plan, the substitute energy and renewable energy.
3. Seek for investment opportunity in solar power project in all formats i.e. rooftop, on-land construction, and water surface. The objective is to sell to industrial customers in private power purchase agreement. In 2022, Sahacogen Green Co., Ltd., the subsidiary company, signed a long-term solar power selling contract with companies in Principal Healthcare group.
4. Study the government policy about Smart Grid and power liberalization plan (Power Pool)
5. Do research in feasibility study in developing renewable energy project in Feed-in Tariff (FiT) format. This area of investment is aligned with the power purchase policy stated in the electricity production development plan announced in 2018 (PDP 2018 Revision 1). In 2022, the company established Solarist Holding Co., Ltd. and its' 8 subsidiaries. This group company will participate in bidding process of the Energy Regulatory Commission (ERC). The bidding process is for the renewable energy purchase in Feed-in Tariff (FiT) for the year 2022-2030 specified for on-land construction solar power plant.
6. 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.
7. Jointly study the feasibility of the industrial energy management project and also the integration of energy management in Saha Group Sriracha Industrial Park.
8. 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 testedrun 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 2022, 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.

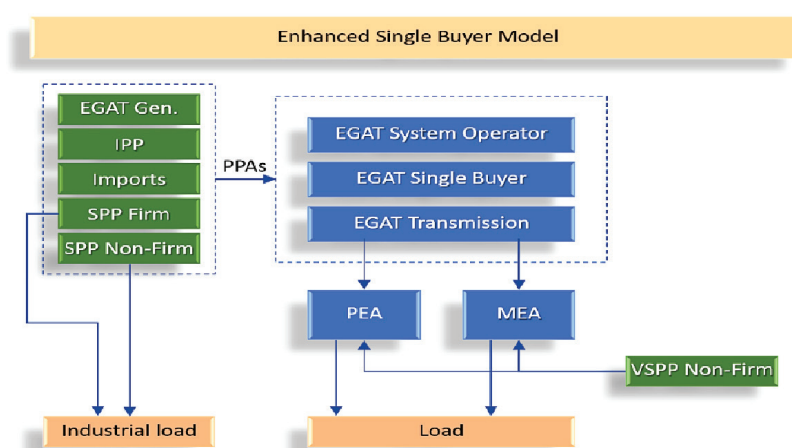
Unit : Thousand Baht

	2020	2021	2022
Research and Development Cost (R&D)	4,671.54	1,284.59	673.28

## (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

Electricity 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 December 2022, EGAT has 32 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 December 2022 MEA and PEA control market share of 26 and 73 percent consecutively.

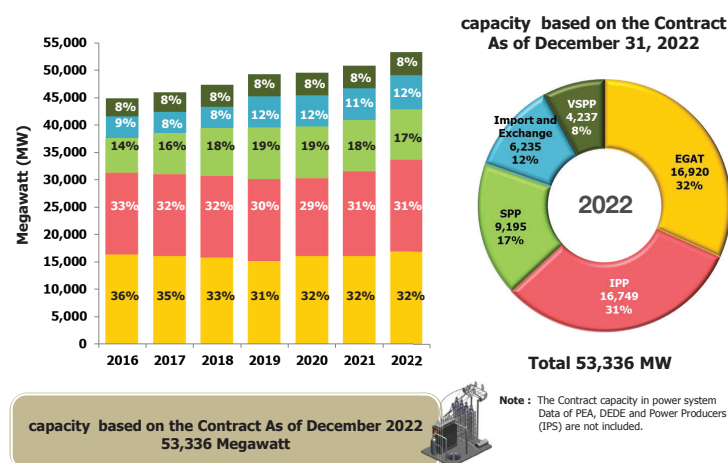
Public sector in electricity generation has been enhancing the competition and efficiency. The alternative energy has been supported in several ways. The electricity generating businesses can be segmented based on the capacity which are Independent Power Producer (IPP), Small Power Producer (SPP) and 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)	MEA and PEA	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 from of steam or chilled water public sector has been playing more important role in the industry.

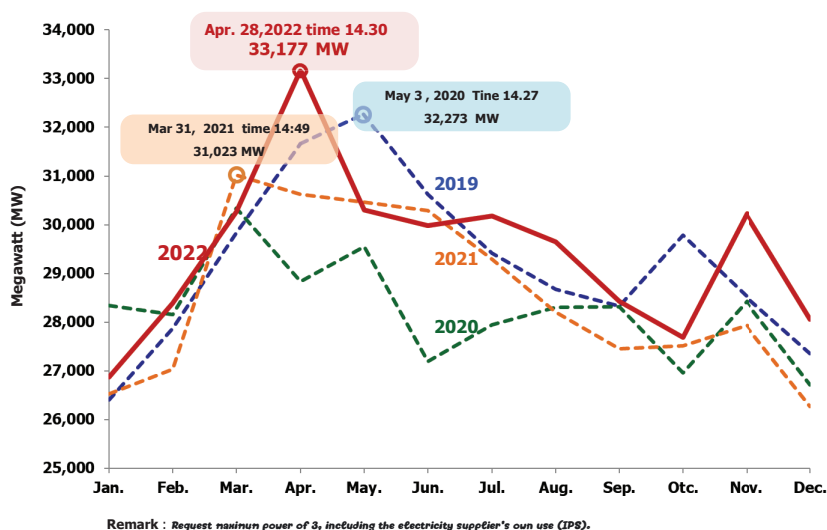
As of December, 2022, Independent Power Producer (IPP), Small Power Producer (SPP) and Very Small Power Producer (VSPP) had total production capacity of 53,659 Megawatts. This production capacity accounted for 68% of the total capacity of Thailand at 53,336 Megawatts.



Source: Energy Policy and Planning Office (EPPO)

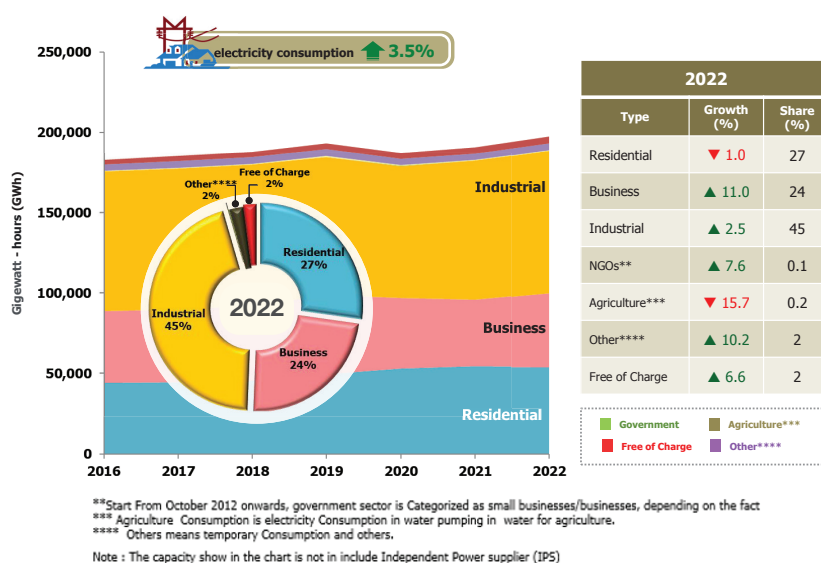
## 2.2 Demand and Usage in Thailand

The total demand of electricity usage in 2022 is 33,177 MW. The demand goes up due to the recovery of economic situation after the Covid-19 outbreak crisis is recovered.



Source: Electricity Generating Authority of Thailand

The domestic electricity consumption is on an increasing trend and in line with economic growth. The domestic usage as of December 2022 goes up by 3.5% comparing to last year. The industrial consumption goes up by 2.5% due to the economic expansion while the business sector consumption goes up by 11% from service and tourism sector. The government and business sector bring back working at office after the recovery of Covid 19 crisis recovery, then household consumption goes down by 1%. The proportion of electricity usage in industrial, business, household and others are 45, 24, 27 and 4% of the total domestic electricity consumption. The details can be figured as in the picture.



Source : Energy Policy and Planning Office (EPPO)



### 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	-	-
2030	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.

<b>Electricity Generating Plan</b>	<b>Unit : Megawatt</b>
<b>Electricity Generation during 2018-2037</b>	<b>New PDP</b>
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
<b>New Electricity Generation during 2018 - 2037</b>	
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
<b>Total</b>	<b>56,431</b>

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
<b>Total</b>	<b>16,243</b>

Source : PDP 2018 Revision 1

The meeting resolution of Committee on Energy Policy No. 11/2022 (No. 33) on October 2021 approved to adjust the combination from green energy source and to be effective earlier in 2021-2030. The committee stated the policy of the first 10 years will be covered in the new power development plan (PDP 2022) to lift up the proportion of renewable energy in the system. The fossil fuel will be reduced, specifically natural gas, by 700 MW comparing to PDP 2018 Rev.1. The previous level was set at 5,550 MW. However, the new PDP will cut down natural gas to 4,850 MW while add more renewable energy by 1,000 MW. The resolution of National Energy Policy Council (NEPC) No. 3/2022 (No. 158) on May 6, 2022 finalized that the total energy from renewable sources must be 9,996 MW. The details of the production plan revision described by energy source are shown below.

## 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
<b>Total (1)</b>	<b>6,150</b>	<b>5,450</b>	<b>(700)</b>
Green energy	PDP2018 Rev.1 (A)	Revision (B)	Difference (B-A)
Hydro power from other countries	1,400	2,569	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
<b>Total (2)</b>	<b>9,193</b>	<b>9,996</b>	<b>1,000</b>
<b>Total (1+2)</b>	<b>15,343</b>	<b>15,446</b>	<b>103</b>

Source : Energy Policy and Planning Office

In 2022, the Energy Regulatory Commission (ERC) announced regulations of renewable power purchase requirement in Feed-in Tariff (FiT) form for the year 2022-2030. This requirement is for non-fuel cost production (On-land construction solar power, on-land solar power with battery system, wind energy, bio-gas (waste water/waste) and industrial waste). This announcement is based on the green energy production promotion plan stated in Thailand power development plan for 2021-2030 (Revision) and the goal to reduce carbon dioxide emission to zero level. Currently, ERC is on process of considering the qualified power producers according to the resolution of National Energy Policy Council (NEPC) No. 3/2022 (No. 158) on May 6, 2022 and No. 4/2022 (No. 159) on June, 22, 2022. This included the meeting resolution of Committee on Energy Policy No. 8/2022 (No. 46) on April 29, 2021 and No. 12/2022 (No. 50) on August 22, 2022. Currently, ERC is on process of considering the qualified power producers who have been qualified to purchase electricity generated from renewable energy sources under the Feed-in Tariff (FiT) in the year 2022-2030 for the non-fuel and industrial waste groups.

The company operates as SPP Cogeneration power producer using natural gas as main resource, and 2 bio-mass power plants. In PDP 2018 Revision 1 stated the power purchase plan from co-generation power plant ending in 2019-2025 according to the resolution of National Energy Policy Council (NEPC) on May 30, 2016 included into the plan. The plan to increase the green energy power production under the Thailand power development plan for 2021-2030 (Revision) also supports the green energy power production, aligning with the bio-mass power plant operations of both companies and the long-term business plan.

## Business competition

The Ministry of Energy by Energy Policy and Planning Office is now developing the new Thailand power development plan (PDP 2022) effective from 2022-2037. This plan is a part of the national plan to move forward to green energy consumption, carbon dioxide emission reduction, building the sustainable energy stability. The plan is expected to be effective in 2023. The principles of PDP 2022 can be summarized as follow.

### 1. National electricity system stability (Security)

The stability includes the production systems, transmission system and area stability. The consideration includes off-grid electricity consumers in remote areas (IPS) and disruptive technology to provide flexible power generating system that could be adjust through energy transition to renewable energy source.

### 2. Optimal level of electricity production cost (Economy)

Electricity charge should be stable and reflexing the actual production cost so that consumers are not unfairly bearing the cost. This could lead to the limitation to long-term country development. The consideration should cover the readiness of the system that allows production competition and distributed energy resource production which would increase in production efficiency.

### 3. Environment effect (Ecology)

Carbon dioxide emission should be limited based on the goal stated in the national power development plan and Thailand's Long Term Low Greenhouse Gas Emission Development Strategy: LTS stated in the policy to pursuit for Carbon Neutrality and Net zero emission. The action should include the promotion of renewable energy production and system efficiency development in both production and consumption. The technology of smart grid should be fully implemented. Green tariff system should be applied to allow direct exchange between sellers and buyers.



**(3) Products and Services****3.1 Products**

## The Operating Performance Capacity and Utilization Report

Electricity	Unit	2021	2022
<b>Power plant - Sriracha</b>			
Installed Capacity	Megawatt	215.58	215.58
Production Capacity	Megawatt-hour/year	1,888,481	1,888,481
Actual Production	Megawatt-hour/year	1,051,701	998,566
Utilization Factor	%	55.69	52.88
<b>Power plant - Lamphun</b>			
Installed Capacity	Megawatt	9.6	9.6
Production Capacity	Megawatt-hour/year	84,326	84,326
Actual Production	Megawatt-hour/year	52,483	66,240
Utilization Factor	%	62.24	78.55
<b>Power plant - Kamphaengphet</b>			
Installed Capacity	Megawatt	7.5	7.5
Production Capacity	Megawatt-hour/year	65,880	65,880
Actual Production	Megawatt-hour/year	57,279	57,509
Utilization Factor	%	86.94	89.65
Steam	Unit	2021	2022
<b>Power plant - Sriracha</b>			
Installed Capacity	Ton/hour	96	96
Production Capacity	Ton/year	840,960	840,960
Actual Production	Ton/year	324,952	298,430
Utilization Factor	%	38.64	35.49
<b>Power plant - Lamphun</b>			
Installed Capacity	Ton/hour	25	25
Production Capacity	Ton/year	219,600	219,600
Actual Production	Ton/year	85,672	94,031
Utilization Factor	%	39.01	42.82

### 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 PCL. for 21 years. Such contract can be extendable for 4 years. In July 2019, the natural gas purchase agreement with PTT PCL. 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 PCL. for 25 years starting from 2049. 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 generating process. The company signed a contract to purchase biomass from Siam Forest Tree Co., Ltd. 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.

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 PCL. 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 which are quality management system (ISO 9001:2015), environment management (ISO14001:2015), occupational health and safety system (ISO 45001:2018) certified by ISO assessment organization (MASCI).

**(4) The Operational Assets**

**4.1 The property, plant and equipment of Sahacogen & Affiliates as at December 2022 are summarized as follows;**

- **Sahacogen (Chonburi) Public Company Limited**

(Unit : Million Baht)

Items	Location	Land	Book Value (Net)		Property	Obligation & Loan Guarantee
			2021	2022		
Land	636, Moo 11, Nongkharm, Sriracha, Chonburi	29-2-87.7 Rai	142.50	142.50	Owner	None
<b>Total</b>		<b>29-2-87.7 Rai</b>	<b>142.50</b>	<b>142.50</b>		
Plant	636, Moo 11, Nongkharm, Sriracha, Chonburi	-	2,896.71	2,491.31	Owner	None
<b>Total</b>		<b>-</b>	<b>2,896.71</b>	<b>2,491.31</b>		
Building	636, Moo 11, Nongkharm, Sriracha, Chonburi	1,411 m <sup>2</sup>	17.79	15.79	Owner	None
<b>Total</b>		<b>1,411 m<sup>2</sup></b>	<b>17.79</b>	<b>15.79</b>		
<b>Grand Total</b>			<b>3,057.0</b>	<b>2,649.6</b>		

- **Sahacogen Green Company Limited**

(Unit : Million Baht)

Items	Location	Land	Book Value (Net)		Property	Obligation & Loan Guarantee
			2021	2022		
Land	88, Moo 5, Pasak, Lamphun	24-3-49.8 Rai	458.56	459.17	Owner	None
	298, Moo 2, Pasak, Lamphun	106-2-91.30 Rai				
	Wiengtan, Hangchat, Lampang	31-1-80 Rai				
	Wokaew, Hangchat, Lampang	143-3-27 Rai				
	Nakaew, Koh Kha, Lampang	1,485-2-4 Rai				
	Huasue, Maeta, Lampang	131-3-48.40 Rai				
	Banoelum, 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	472-2-13 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				
	Lampangluang, Koh Kha, Lampang	23-0-25 Rai				
	Sala, Kho Kha, Lampang	14-2-96.8 Rai				
	Nongyuang, Pahzang, Lamphun	361-0-77.7 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				
<b>Total</b>		<b>4,301-0-68 Rai</b>	<b>458.56</b>	<b>459.17</b>		
Plant	88, Moo 5, Pasak, Lamphun	-	500.01	470.16	Owner	None
<b>Total</b>		<b>-</b>	<b>500.01</b>	<b>470.16</b>		
Plant Building/ Office Building/ Biomass Storage/ Land for drying biomass	88, Moo 5, Pasak, Lamphun 298, Moo 2, Pasak, Lamphun 29 Moo 5, Naseang, Koh Kha, Lampang	1,087.65 m <sup>2</sup> 157 m <sup>2</sup> 108 m <sup>2</sup>	109.72	103.28	Owner	None
<b>Total</b>		<b>1,352.65 m<sup>2</sup></b>	<b>109.72</b>	<b>103.28</b>		
<b>Grand Total</b>			<b>1,068.29</b>	<b>1,032.61</b>		

- **Sahagreen Forest Company Limited**

(Unit : Million Baht)

Items	Location	Land	Book Value (Net)		Property	Obligation & Loan
			2021	2022		Guarantee
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				None
<b>Total</b>		<b>133-3-56.5 Rai</b>	<b>15.27</b>	<b>15.27</b>		
Plant	88, Moo 6, Khui Ban Ong, Phran Kartai, Kamphaengphet	-	365.14	339.92	Owner	Mortgaged
<b>Total</b>		<b>-</b>	<b>365.14</b>	<b>339.92</b>		
Building	88, Moo 6, Khui Ban Ong, Phran Kartai, Kamphaengphet	686 m <sup>2</sup>	31.36	36.86	Owner	Mortgaged
		2,000 m <sup>2</sup>				None
<b>Total</b>		<b>2,686 m<sup>2</sup></b>	<b>31.36</b>	<b>36.86</b>		
<b>Grand Total</b>			<b>411.77</b>	<b>392.05</b>		

**4.2 Intangible assets**

The Intangible assets of Sahacogen & Affiliates as at December 2022 are summarized as follows;

(Unit : Million Baht)

Items	Company	Details	Book Value (Net)	
			2021	2022
1	Sahacogen (Chonburi) PCL.	Computer software	4.42	10.98
		Rights of use transmitting lines and steam pipe	9.01	132.21
2	Sahacogen Green Co.,Ltd	Computer software	1.43	3.27
3	Sahagreen Forest Co.,Ltd	Computer software	0.47	1.92
<b>Total</b>			<b>15.33</b>	<b>148.38</b>

**4.3 Non-operating Assets**

-None-



#### 4.4 Operating agreements

- **Long-term lease**

On December 31, 2022 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	-	-	-	-

#### 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.

Name	Business	Registered Capital (Unit : Million Baht)	Proportion (%) of shares holding
<b>Subsidiaries</b>			
Sahacogen Green Co., Ltd.	Electricity and Steam	1,520	99.99
Sahagreen Forest Co., Ltd.	Electricity	190	75
Solarist Holding Co., Ltd.	Investment	2,610	99.99
Solarist Nongyuang Co., Ltd.	Electricity	222	99.99
Solarist Maepu Co., Ltd.	Electricity	540	99.99
Solarist Namphu Co., Ltd.	Electricity	198	99.99
Solarist Nonsi Co., Ltd.	Electricity	162	99.99
Solarist Nakaew Co., Ltd.	Electricity	288	99.99
Solarist Kokha Co., Ltd.	Electricity	324	99.99
Solarist Thungfai Co., Ltd.	Electricity	540	99.99
Solarist Banueam Co., Ltd.	Electricity	324	99.99
<b>Associates</b>			
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 disposable of assets or appraisal of new assets during accounting period.

In 2022, the company and subsidiaries did not have assets valuation.

#### (5) Undelivered Works

The Company and Subsidiaries have 2 ongoing development and construction projects as follows:

- **Sahacogen (Chonburi) PCL**

Project	Status	Fuel Resource	Production Capacity (installed)	Schedule to start commercial operation (COD)
New Combine-Cycle generation power plant	Under Construction	Natural Gas	Electricity 79.5 MW and Steam 75 tons/hour	2024



- **Sahacogen Green Co., Ltd.**

Project	Status	Fuel Resource	Production Capacity (kWp)	Schedule to start commercial operation (COD)
<b>Solar Rooftop</b>				
Prince Hospital, Lamphun	Under Construction	Solar Power	268.1	2023
Si Sa Ket	Under Construction	Solar Power	196.2	2023
Sakon Nakhon	Under Construction	Solar Power	218.0	2023
Uttaradit	Under Construction	Solar Power	234.4	2023
Uthai Thani	Under Construction	Solar Power	109.0	2023
Phitsanulok	Under Construction	Solar Power	221.3	2023
Ubon Ratchathani	Under Construction	Solar Power	172.2	2023
Phichit	Under Construction	Solar Power	196.2	2023
Chumphon	Under Construction	Solar Power	69.8	2023

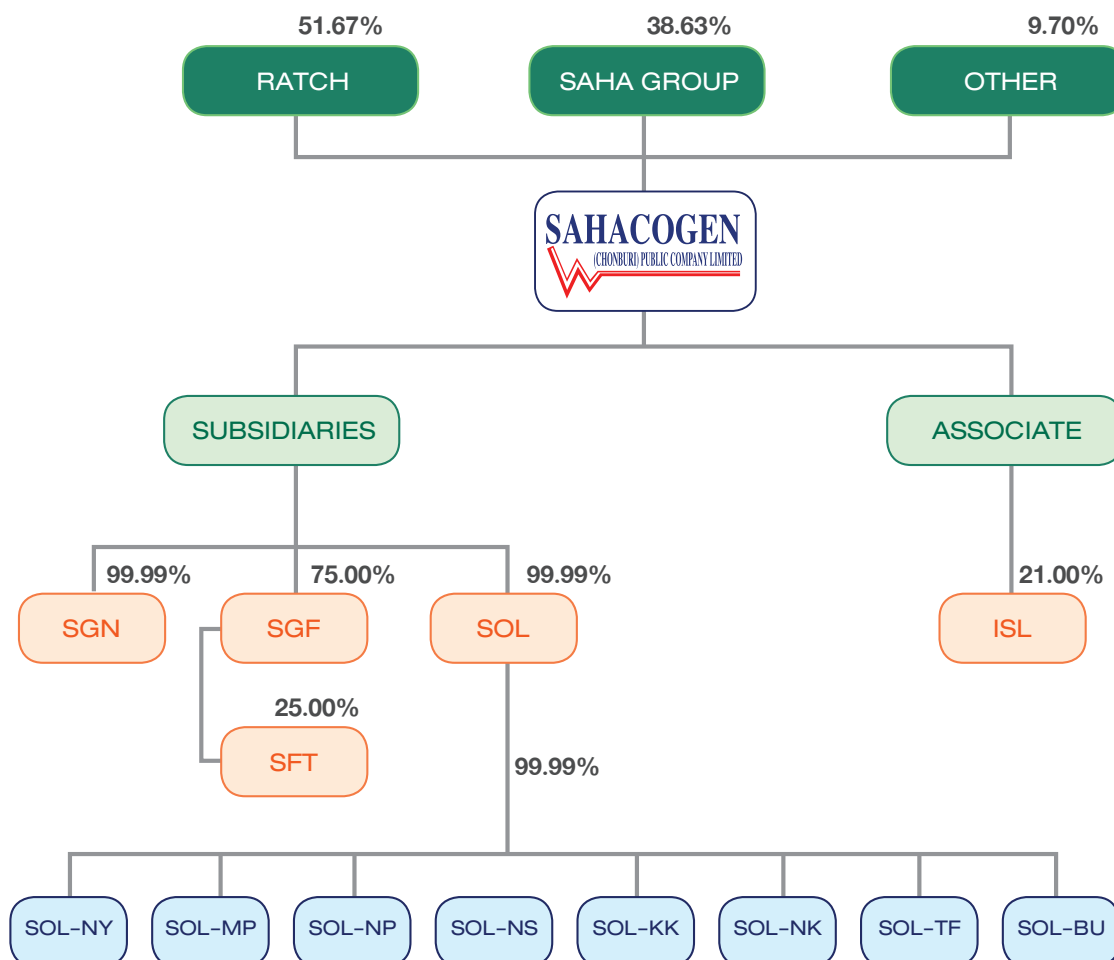


Project	Status	Fuel Resource	Production Capacity (kWp)	Schedule to start commercial operation (COD)
Sea Sand Sun Resort and Villa, Chonburi	Under Construction	Solar Power	193.0	2023



## 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.

SGF = Sahagreen Forest Co., Ltd

SOL = Solarist Holding Co., Ltd.

ISL = Impact Solar Co., Ltd.

SFT = Siam Forestry Co., Ltd.

SOL-NY = Solarist Nongyuang Co., Ltd.

SOL-MP= Solarist Maepu Co., Ltd.

SOL-NP = Solarist Namphu Co., Ltd.

SOL-NS = Solarist Nonsi Co., Ltd.

SOL-KK = Solarist Kokha Co., Ltd.

SOL-NK = Solarist Nakaew Co., Ltd.

SOL-TF = Solarist Thungfai Co., Ltd.

SOL-BU = Solarist Banueam Co., Ltd.

**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, 2022**

Name	Sahacogen Green Co., Ltd. (SGN)	Sahagreen Forest Co., Ltd. (SGF)	Impact Solar Limited (ISL)	Solarist Holding Co., Ltd. (SOL)
<b>Sector</b>	Energy & Utilities	Energy & Utilities	Industrials	Holding company which is not investing in financial business as the main investment
<b>Industry</b>	Resources	Resources	Industrial Materials & Machine	Investment
<b>Business</b>	Electricity and Steam	Electricity	Manufacture of electric motors and generators	Investment
<b>Location</b>	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	72 Ngam Wong Wan Rd., Bangkhen, Muang, Nonthaburi 11000
<b>Telephone No.</b>	66-5353-7444	66-5585-8033	66-2825-9211	66-2794-9998
<b>Fax No.</b>	66-5353-7120	66-5585-8031	66-2825-9299	-
<b>Website</b>	www.sahacogen.com	www.sahacogen.com	www.impact solar.co.th	-
<b>Registered Date</b>	November 2, 2006	December 18, 2008	September 25, 2015	October 4, 2022
<b>Registered Capital</b>	1,520 Million Baht	190 Million Baht	563 Million Baht	2,610 Million Baht
<b>Type of Shares</b>	Common Shares	Common Shares	Common Shares	Common Shares
<b>No. of Total Paid-up Shares</b>	152,000,000	19,000,000	56,300,300	261,000,000
<b>No. of Shares held (shares)</b>	151,999,993	14,249,997	11,823,000	260,999,997
<b>No. of Votes</b>	151,999,993	14,249,997	11,823,000	260,999,997
<b>No. of Shares held (Amount Baht)</b>	1,519,999,930	142,499,970	118,230,000	2,609,999,970
<b>Proportion (%) of shares holding</b>	99.99	75.00	21.00	99.99

Name	Solarist Nongyuang Co., Ltd.* (SOL-NY)	Solarist Maepu Co., Ltd.* (SOL-MP)	Solarist Namphu Co., Ltd.* (SOL-NP)	Solarist Nonsi Co., Ltd.* (SOL-NS)
<b>Sector</b>	Energy & Utilities	Energy & Utilities	Energy & Utilities	Energy & Utilities
<b>Industry</b>	Resources	Resources	Resources	Resources
<b>Business</b>	Electricity	Electricity	Electricity	Electricity
<b>Location</b>	72 Ngam Wong Wan Rd., Bangkhen, Muang Nonthaburi, Nonthaburi 11000	72 Ngam Wong Wan Rd., Bangkhen, Muang Nonthaburi, Nonthaburi 11000	72 Ngam Wong Wan Rd., Bangkhen, Muang Nonthaburi, Nonthaburi 11000	72 Ngam Wong Wan Rd., Bangkhen, Muang Nonthaburi, Nonthaburi 11000
<b>Telephone No.</b>	66-2794-9999	66-2794-9999	66-2794-9999	66-2794-9999
<b>Fax No.</b>	66-2794-9998	66-2794-9998	66-2794-9998	66-2794-9998
<b>Registered Date</b>	October 6 , 2022	October 6 , 2022	October 6 , 2022	October 6 , 2022
<b>Registered Capital</b>	222 Million Baht	324 Million Baht	540 Million Baht	324 Million Baht
<b>Type of Shares</b>	Common Shares	Common Shares	Common Shares	Common Shares
<b>No. of Total Paid-up Shares</b>	222,000,000	32,400,000	540,000,000	32,400,000
<b>No. of Shares held (shares)</b>	22,199,997	32,399,997	53,999,997	32,399,997
<b>No. of Votes</b>	22,199,997	32,399,997	53,999,997	32,399,997
<b>No. of Shares held (Amount Baht)</b>	221,999,970	323,999,970	539,999,970	323,999,970
<b>Proportion (%) of shares holding</b>	99.99	99.99	99.99	99.99

Note: \* Held by Solarist Holding Co., Ltd.



Name	Solarist Kokha Co., Ltd.* (SOL-KK)	Solarist Nakaew Co., Ltd.* (SOL-NK)	Solarist Thungfai Co., Ltd.* (SOL-TF)	Solarist Banueam Co., Ltd.* (SOL-BU)
<b>Sector</b>	Energy & Utilities	Energy & Utilities	Energy & Utilities	Energy & Utilities
<b>Industry</b>	Resources	Resources	Resources	Resources
<b>Business</b>	Electricity	Electricity	Electricity	Electricity
<b>Location</b>	72 Ngam Wong Wan Rd., Bangkhen, Muang Nonthaburi, Nonthaburi 11000	72 Ngam Wong Wan Rd., Bangkhen, Muang Nonthaburi, Nonthaburi 11000	72 Ngam Wong Wan Rd., Bangkhen, Muang Nonthaburi, Nonthaburi 11000	72 Ngam Wong Wan Rd., Bangkhen, Muang Nonthaburi, Nonthaburi 11000
<b>Telephone No.</b>	66-2794-9999	66-2794-9999	66-2794-9999	66-2794-9999
<b>Fax No.</b>	66-2794-9998	66-2794-9998	66-2794-9998	66-2794-9998
<b>Registered Date</b>	October 6 , 2022	October 7 , 2022	October 7 , 2022	October 7 , 2022
<b>Registered Capital</b>	198 Million Baht	540 Million Baht	162 Million Baht	288 Million Baht
<b>Type of Shares</b>	Common Shares	Common Shares	Common Shares	Common Shares
<b>No. of Total Paid-up Shares</b>	198,000,000	540,000,000	162,000,00	28,800,000
<b>No. of Shares held (shares)</b>	19,799,997	53,999,997	16,199,997	28,799,997
<b>No. of Votes</b>	19,799,997	53,999,997	16,199,997	28,799,997
<b>No. of Shares held (Amount Baht)</b>	197,999,970	539,999,970	161,999,970	287,999,970
<b>Proportion (%) of shares holding</b>	99.99	99.99	99.99	99.99

Note: \* Held by Solarist Holding Co., Ltd.

**Cross-shareholding as of December 31, 2022**

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	-	51.67
(B) The company holding over 50% shares in other companies, cross-shareholding is not allowed.		
1. Sahacogen Green Co., Ltd.	99.99	-
2. Sahagreen Forest Co., Ltd.	75.00	-
3. Solarist Holding Co., Ltd.	99.99	-
(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 PCL.	0.07	9.625
2. I.C.C. International PCL.	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

RATCH Group PCL. (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 PCL. 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, 2022

Shareholders	No. of Shares	% Holder
1. Ratch Group PCL.	601,280,883	51.670
2. Saha Pattana Inter-Holding PCL.	177,863,961	15.370*
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	3.408
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

Remark : includes stocks traded on SGX-ST

**Shareholders of Ratch Group PCL. on December 31,2022**

Shareholders	No. of Shares	% Holder
1. ELECTRICITY GENERATING AUTHORITY OF THAILAND	978,750,000	45

**Divided by Shareholder's Nationality as of share registration book closing date on December 31, 2022**

Shareholders	Person	Shares	%	Juristic Persons			Private Individuals		
				Person	Shares	%	Person	Shares	%
Thai	3,000	1,125,240,152	96.70	26	1,024,275,485	88.02	2,974	100,964,667	8.68
Foreign	4	38,455,500	0.06	3	38,405,500	3.30	1	50,000	0.00
<b>Total</b>	<b>3,004</b>	<b>1,163,695,652</b>	<b>100.00</b>	<b>29</b>	<b>1,062,680,985</b>	<b>91.32</b>	<b>2,975</b>	<b>101,014,667</b>	<b>8.68</b>

**Shareholding ratio as of share registration book closing date on December 31, 2022**

Shareholders	Person	Shares	%	Juristic Persons			Private Individuals		
				Person	Shares	%	Person	Shares	%
Holding share over 0.5%	10	1,085,235,244	93.26	8	1,038,180,244	89.22	2	47,055,000	4.04
Holding share not over 0.5% but not less than 1 selling unit	2,505	78,452,897	6.74	21	24,500,741	2.10	2,484	53,952,156	4.64
Holding share less than 1 selling unit	489	7,511	0.00	0	0	0.00	489	7,511	0.00
<b>Total</b>	<b>3,004</b>	<b>1,163,695,652</b>	<b>100.00</b>	<b>29</b>	<b>1,062,680,985</b>	<b>91.32</b>	<b>2,975</b>	<b>101,014,667</b>	<b>8.68</b>

Note : Shareholders can update their number of shares at [www.sahacogen.com](http://www.sahacogen.com) before commencement of the Annual General Meeting of Shareholders

**As of March 10, 2022****Shareholding proportion by institutional investors**

Shareholding proportion in the company by institutional investors stood at 0.33% 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 2,489 shareholders, or 17.66 % 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 10, 2022, the Company stock was hold by foreigner amounted 0.056%.

**(B) The major shareholders who have de facto control to influence the policy determination, management or business operation of the Company on December 31, 2022**

Shareholders	Shares	%
1. Ratch Group PCL.	601,280,883	51.67

**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 at 31 December 2022

- The company has total registered capital of 1,163,695,652 Baht, fully paid-up and classified into total 1,163,695,652 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.

In 2022, The Company has Debentures are offered through the Private Placement to Institutional and High Net-worth Investors (PP-II&HNW).

## 1.5 Issuing other securities

On September 22, 2022 The Company has issued and offered the Debentures total of 3 series with amount of THB 2,650 million. These Debentures are offered through the Private Placement to Institutional and High Net-worth Investors (PP-II&HNW).

The debentures was rated as “A” with “Stable” outlook by TRIS Rating Co., Ltd. dated August 11, 2022.

### The debentures as at December 31, 2022.

Debentures	Issue date	Due date	Term (year)	Interest (% per year)	Debentures	
					Unit	Million Baht
Series 1	September 22, 2022	September 22, 2025	3	3.00	700,000	700
Series 2	September 22, 2022	September 22, 2029	7	3.98	550,000	550
Series 3:	September 22, 2022	September 22, 2032	10	4.26	1,400,000	1,400

## 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		
	2020	2021	2022
Profit (Loss) attributable to equity holders of the Company	0.11	0.11	(0.20)
Annual Dividend	0.061	0.061*	0.050*
Dividend Payout Ratio Profit (Loss) net	54.89%	69.85%	(25.39%)

Note \* Dividend payout ratio which the Board of Directors considered and agreed to propose to the 21<sup>st</sup> Annual General Meeting of Shareholders on 21 April 2023 to consider and approve

- **Subsidiary Company**

- The dividend payment policy of Sahacogen Green Co., Ltd. and Solarist Holding Co., Ltd. are 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 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 have launched through meetings and interactive seminars. The engagement in terms of the risk management awareness was included into the performance evaluation for each individual staff and also set as Key Performance Indicator (KPI) of all section heads and managers.

## 2.2 Risk Factors That Might Affect the Company's Operation

### 2.2.1 Risks That Might Affect the Company and Sahacogen and Affiliates 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 the Smart Meter System as a service for the 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 participated in bidding process of Notification for the Purchase of Electricity generated from Renewable Sources under the Feed-in Tariff (FiT) Scheme 2022 - 2030 for Ground-mounted Solar B.E. 2565 (2022) of the Energy Regulatory Commission.
- The company set up Business Development unit for taking care of the project implementation to achieve targets based on designated goals and strategy.
- 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 of electricity source, has negative impacts on the company's income and may affect the system of power plants. However, the company has decided to jointly invest with the business partner, Impact Solar Co., Ltd. The main business purpose is supplying electricity from solar rooftops to businesses in Saha Group Industrial Parks and other businesses. The company has established the "Connection Code" with the solar rooftop customers which is similar to one designated by the PEA.

Moreover, the company has foreseen the opportunity to invest and enlarge more business partners by signing an agreement in Solar Rooftop project with Principal Healthcare Co., Ltd., subsidiary of Principal Capital PCL. (PRINC). The company signed Private Power Purchase Agreements (Private

PPAs) between Sahacogen Green Co., Ltd. (Subsidiary company) and subsidiary companies of Principal Healthcare Co., Ltd., who operating private hospitals and health centers under the name of “Principal Healthcare” to generate and sell solar energy to hospitals in Principal Healthcare Group.

#### **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 created more partnership in investing in solar rooftop projects and signed new private power purchase agreements (PPAs).
- 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 setup business ethic and stakeholders’ responsibility guideline.
- 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 Government policy**

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 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 Areo 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 regularly monitoring the technology change and development in electricity and steam generation. All new power plant construction projects were conducted with advisers and experienced staff to choose the optimal technology. The company chose gas turbine engine with advanced combustion technology to reduce the environmental issue in production process while offering higher production efficiency and stability.

#### **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 conducted 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 power purchase agreements with the major shareholder and affiliates, shown as follows:

- The power purchase agreement with Electricity Generating Authority of Thailand ("EGAT"), the major shareholder of Ratch Group Public Company Limited. This revenue accounts for 54.04 percent of the group company's total revenue.
- The power and steam purchase agreements with Saha Pathana Inter-Holding Public Company Limited which is the major shareholder. This revenue accounts for 36.01 percent of the group company's total revenue.

The power and steam purchase agreements are long term with specific terms and conditions. The risk of having the concentrated transactions via major shareholders or affiliates is deemed 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 on a few numbers 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 power purchase agreement (90 megawatts) with EGAT, the major shareholder of Ratch Group PCL. (Parent Company)



In addition, the company has risk management 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, 2021.
- 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 company has long-term natural gas supply agreements with PTT PCL. and raw water supply contracts with Eastern Water Resources Development and Management PCL. which matched with long-term power purchase agreements with Electricity Generating Authority of Thailand (EGAT) and Saha Pathana Inter-Holding PCL.

The company has reviewed and conducted in accordant with the mentioned contracts and agreements. In the past, there was no complaint in this issue.

#### **Risk Management**

- The company has been strictly complying with conditions in the agreement.
- 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 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 Sustainability, corporate image enhancement, monitoring the reputation-related news. The operation is run by allowing the engagement from local community. The production is conducted with the concern to society and environment. The company had good relationships with 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 company set up sustainability 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 operation runs with effectiveness and efficiency. The company focuses on safety, health and environment.
- The company maintains good relationship with stakeholders.
- The company has been closely monitoring the development in the industry.

## 2. Operational Risk

### 2.1 Reliance on 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) part 2 "7.5.7 Human Capital Development". This risk is considered low.

##### **Risk Management**

- The company has Succession Plan
- The company has Individual Development Plan: IDP
- 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 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) part 2 “7.5.7 Human Capital Development”.

### Risk Management

- The company has proper employees’ benefit and compensation.
- The company reviews benefit structure to be suitable with the current economic and market situation.
- 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 planing and manual for execution.
- 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

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 PCL. for 21 years with 4 years extendable. The contract duration was changed to 25 years which will be due in March 2024.

On December 19, 2021, the company signed the new natural gas supply agreement with PTT PCL. for 25 years starting from April 2024 which supported the new power plant construction project of the new long-term power purchase agreement with EGAT to replace the current PPA expiring in April 2024.

### 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 Co., Ltd. , which is the twenty-five percent shareholder in the company' subsidiary and organizes monthly meetings 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 strictly comply with conditions stated on joint venture agreement.
- The company strictly comply with conditions stated selling or purchasing agreements.
- The company has continuous business improvement, cost control and monthly evaluation based on KPIs.
- The company focuses on maintaining good relationship with partners and suppliers.
- The company actively monitor biomass market.
- The company study on the alternative biomass.
- The company is 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 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 contract to secure the raw water supply from the Eastern Water Resources Development and Management PCL. 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 PCL., which is its major shareholder. Then, risks of termination of contract are deemed low.

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

#### **Risk Management**

- The company has been strictly complying with conditions in the related agreement.
- The company focuses on maintaining good relationship with partners and suppliers.
- The company promote the awareness of water usage reduction and re-cycling used water.
- 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 wastewater 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**

Natural gas is the main raw material and also the main cost of the company. This year, natural gas price was volatile relating to global price change and exchange rate. However, the energy price of the power purchase agreement with EGAT would be calculated by the formula which pass-through the actual natural gas price. Therefore, the company received compensation from the electricity sales to EGAT for the change in natural gas price. The power selling to Saha Pathana Inter-Holding PCL. was referring to the tariffs of Provincial Electricity Authority which is vary to Fuel Adjustment Cost (Ft) adjusting every 4 months. In case of the increment of Ft is not in line with the natural gas price, the company operating performance will be affected on only the electricity sales to industrial consumers. The change of the variable tariff (Ft) is subject to the announcement of the Energy Regulatory Commission (ERC).

In the year 2022, the company operating result was affected by the 87% rising of natural gas price compared to last year. Meanwhile, the energy selling price to the industrial customers, accounted for 25 percent of total revenue, increased by only 16 percent. This was due to the change in Ft that was not raised up synchronizing with an increasing of natural gas price. However, in the year 2023, the natural gas price tended to decrease while Ft was raised up. The government policy specified by the National Energy Policy Council (NEPC) stated that PTT PCL. must charge the price of natural gas in the same level as the price use in Ft calculation. This policy applies to the natural gas sold to power plant producers for EGAT, Independent Power Producers (IPP) and Small Power Producers (SPP). The difference between collected

and actual natural gas price will be used in Ft calculation in the next period. This policy was effective starting from January 2023 onwards. This will consequently reduce the risk of the non-synchronizing changes between electricity price (Ft) and natural gas price from last year.

#### **Risk Management**

- The company implemented operational efficiency improvement and strictly controlled operational and administrative cost. This measures were monthly evaluated based on KPIs.
- The company has been strictly complying with conditions in the related agreement.
- The company will be actively monitoring on news and business circumstances.

### **2.4 Operational or Internal Control System**

Sahacogen and affiliates have 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 indicators (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 have been strictly complying to the procedure which leads to the low risk. The evaluation on Corporate Governance of Listed Companies, Sustainability evaluation and certificate of management system were shown in Annual Report (Form 56-1 One Report) Part 2 “6.3.3 Other Actions Regarding Good Corporate Governance, Human Capital Development Policy”.

### **2.5 Staff's Operation**

Sahacogen and affiliates have qualified internal control system. The company has set internal control policy, organization structure and proper task allocation by having operation manual, operation guideline and procedure that requires staff to strictly follow. The daily report and monthly report must be reported 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 generate an electricity and steam which simultaneously delivered 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 subsidiaries have storage warehouses and manage the inventory by first-in-first-out (FIFO) 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 Technology (IT) or Computer System Security and Cyber Attack**

Information technology enhance business operation for convenience, speed, competitiveness, differentiation and new business opportunity. The development of cyber threats is more complicated and severe. The incident of cyber-attacks leads to the loss of sensitive information, financial information, reputation, trustworthiness and operation result. The company considers this risk as a challenging factor. In order to mitigate the risk, the company has set the risk management procedures as follows.

### **Risk Management**

- The company announced the policy of information technology and cyber security. 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 announced Personal Data Protection Policy to ensure that personal data would be protected. The process of personal consent is required, could be proceeded by document and verbal formats. This is to comply with Personal Data Protection Act B.E. 2562 (2019)
- The company has scheduled the IT hardware change in every 3-5 years. The replacements must have better specification and efficiency including protection program to prevent cyber-attack risk and data backup.
- 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 End-point 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 installed Hyper Converged Infrastructure (HCI) Server Dell VXRail as the main system in Data Center (DC) and Disaster & Recovery Site (DR Site). This system has high safety standard and allows working on hybrid multi-cloud system.
- The company installed Data Leak Prevention system (DLP) to prevent the leak of information and to comply with Personal Data Protection Act B.E. 2562 (2019).
- The company installed the detecting and responding system to respond to cyber attacking. The system is called Cyber Command working by Threat Detection, Threat Hunting, Threat Response ability and synchronizing with other security systems currently used. This system can be used as SOC Dashboard to show any inbound attack and or outbound attack.
- The company installed new Access Point Wifi using Wifi6 to ensure the better safety level and efficient system operation.
- The company installed automated fire suppression system using temperature detection (Clean Agent HCFC123) technology in Data Center.
- The Company installed Document Management System and Work-Flow (K2) system to synchronize with ERP BC365 and other upcoming systems.
- The company implemented branch synchronizing system called Hybrid SDWAN for safety, steady and ready for the future plug-in systems.
- The company upgraded operational system (Windows Server) used in controlling Active Directory to Version Windows Server 2022.
- The company upgraded Computerized Maintenance Management System (PMII) used as the main operational system in engineering maintenance. This system records historical maintenance details and provides automated reports to be used in maintenance management together with ERP system.
- 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, KPMG Phoomchai Audit Ltd. 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 Part 2 "1.3 Business Partners"

### **Risk Management**

- The company has counterparties pre-evaluation before signing contracts.
- The company has been 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 partners 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 Delay of the Future Projects**

The company is constructing the Sahacogen power plant expansion project phase 4 (SPP Replacement). The expansion is due to the long-term power purchase agreement with EGAT which will be replaced the current PPA expiring in April 2024. The company has appointed a group of committee and technical advisors to oversee the construction to accomplish as 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 Non-commercial Business**

The company and subsidiaries have 2 projects under construction. The details are shown in Annual Report (Form 56-1 One Report) Part 2 "(5) Deferred Projects"

### **Risk Management**

- The company has been strictly complying with conditions in the related agreements.
- The company has set a working team and appointed advisors to control the project and manage risks.
- The company will be actively monitoring on news and business circumstances.

## 2.11 Rental Risks

Sahacogen (Chonburi) PCL. has a land rental agreement with Sinparadorn Co., Ltd. owned by Saha Pathana Inter-Holding PCL. , 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.
- The company will be actively monitoring on news and business circumstances.

## 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

- Using environment management system (ISO 14001:2015) and occupational health and safety management system (ISO 45001:2018) to manage health, environment and society operations.
- Adopting Sahacogen and affiliates' policy regarding to social responsibility.
- Adopting Sahacogen and affiliates' 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 and affiliates foresee on the potential issues and focuses on mitigation by promoting greenhouse gas emission reduction and renewable energy development and investment. These actions are in line 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 Sustainability Committee.
- The company will be actively monitoring on news and business circumstances.

## **2.14 Environmental Effect**

Sahacogen and Affiliates focus 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 realize 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 Sahacogen and Affiliates 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 Human Rights Policy was approved by the board of directors' meeting no. 9/2022 held on December 16, 2023. 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.

### Risk Management

1. Sahacogen and Affiliates focus 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
4. The company will be actively monitoring on news and business circumstances.

#### **2.17 Corruption**

The information is shown in Annual Report (Form 56-1 One Report) under the part 2 “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 Co., Ltd. , 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 Part 2 “9.1 Internal Control”.

#### 2. Corruption Risk

Sahacogen and Affiliates have well-formed internal control system, righteous code of conducts and business ethics, Moreover, the company received the certification from Thailand’s Private Sector Collective Action Coalition against Corruption (CAC) on October 14, 2016. Later, The subsidiary companies February 12, 2018. In the year 2022, the company has Recertification Thailand’s Private Sector Collective Action Coalition against Corruption (CAC) for the third time on September 30, 2022. In the year 2023, the subsidiary companies planned to renew the certificate for the third time before expiring on December 30, 2023.



The company communicates to directors, management and employees to promote the understanding and compliance to policy, rules and guidelines regarding to anti-corruption policy. Bribery is prohibited. The violation would lead to disciplinary penalties. The company also communicates and publish the anti-corruption policy to the public including stakeholders. The company has passed self-evaluation process that ensure the procession of policy, guidelines and procedures to comply with anti-corruption guideline stated by CAC.

#### **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 details showed in Annual Report (Form 56-1 One Report) under Part 2 “8.2 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. 13 Interest-bearing liabilities.

#### **Risk Management**

- The company has been strictly complying with conditions in the agreement.
- The company operated to ensure the stability in financial status and to maintain good debt service level.
- The company focuses on maintaining good relationship with Financial Institutions
- 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. Moreover, the company issued the debentures which specified terms and conditions in last year. Therefore, this risk is considered low.

##### **Risk Management**

- The company has been strictly complying with conditions in the agreement.
- The company operated to ensure the stability in financial status and to maintain good debt service level.
- The company maintains suitable financial structure.
- The company focuses on maintaining good relationship with Financial Institutions
- The company will be actively monitoring on news and business circumstances.

#### **4.3 Repayment Default or Product Exchange**

##### **Debtors**

Sahacogen and Affiliates operate 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, there 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 engineering and procurement agreements for construction of the power plant expansion project phase 4 (SPP Replacement) which will be paid in foreign currency. However, the company was fully hedged based on the fluctuation of foreign exchange rate risk management plan.

##### **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. Moreover, the company issued the debentures which specified terms and conditions in last year.

##### **Risk Management**

- The company has been strictly complying with conditions in the related agreements.
- 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 ratio, 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 Affiliates do not have international loan.

### 5. Emerging Risk

Emerging risks are the newly arise issues with the high level of uncertainty. The likelihood and the impact are very difficult to evaluate. This factor's likelihood and effect are hard to determine due to limitation of the information.

##### **Risk Management**

- The company has business continuity plan to prevent and respond to crisis.
- The company has business continuity plan (BCP) of Sahacogen and Affiliates to set operational guideline to respond with unexpected situation aiming to recover to normal operation within optimal time.
- The company promotes the procedure of risk management to executive and management.
- The company will be actively monitoring on news and business circumstances.

#### 2.2.2 The Risk to Shareholders

Sahacogen and Affiliates 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. Sustainable Development

Sahacogen (Chonburi) Public Company Limited publish the sustainable development report covering the policy, strategy and operating result presenting based on the guideline of sustainability development allowing society to gain on economic benefit and environmental friendliness from normal business operation harnessed by good corporate governance.

In the year 2022, the company has brought the operating results from January 1 to December 31, 2022 into consideration in publishing the sustainable report based on guideline and index of Global reporting Initiative Standards ( GRI Standards). The report covered in both the company and subsidiaries' operation.

### 3.1 Sustainable Development Policy and Goals

To ensure the business operation and good corporate governance aiming for corporate sustainability, the company determines on lifting up the standard of corporate sustainability development based on Sustainable Development Goals: SDGs of the United Nation. Sahacogen (Chonburi) PCL. has set the sustainability policy as the guideline for business operation of the company and subsidiaries covering in economy, society and environment as mentioned below

#### **Sustainability Policy**

1. The company and subsidiaries set strategic plans for sustainability development covering corporate governance by identifying, evaluating and responding to business material issues (Materiality) and risks affecting stakeholders in terms of economy, society and environment. These actions include business plan, business decision making, and business operation to achieve the target in sustainability development.
2. The company and subsidiaries focus on fairness treatment to stakeholders in business operation and society (Good Governance). The company has good corporate governance, business ethics, Code of Conduct and internal audit system. The business operation is transparent, focusing on integrity, and anti-corruption policy. The company does not accept illegal and immoral ways of achieving business target.
3. The company and subsidiaries set business guideline for sustainability development including all angles.

#### **3.1 Economy**

- Business Chain: Be responsible for customers, partners, counterparties in business chain. Introducing efficient production system to deliver high quality, safe and trustworthy product to customers. Providing fair return to counterparties. Creating good relationship with customers, counterparties and partners. Supporting stakeholders in business chain based on sustainability development guideline.
- Innovation: Developing new innovations and technology aiming for business value creation and sustainable growth. Support and cooperate with local communities and educational institutes to conduct research in improving productivity or recycling residuals from production process to produce new inventions. Practically disseminating knowledges and innovation to society.

### 3.2 Society

- Human Rights and Labor Practices: Respect to human rights and fair treatment to workers. Respecting to human rights protection. Treating stakeholders, other people and staff equally regardless of gender, age, skin color, education, ethnicity, religion and personal believes. Supporting employees fair and legal welfare and benefit payment.
- Capability Development and Employee Retention: Paying attention to capability and skills development by providing sufficient trainings and resources. Supporting employees to work at full potential, encouraging innovative idea generation and entrepreneurship.
- Health and safety Environment: Supporting and creating safe working environment and creating employee's awareness and concern in health and safety.
- Community Involvement and Development: Supporting local community development including education, economy, quality of life, social benefit and corporate social responsibility. Supporting employees to regularly engage in community service activities and preserving traditional activities of local communities.
- Participation of Stakeholders: Supporting all stakeholders inclusiveness to create partnership and mutual benefit by setting proper problem-solving methods and solutions. Setting up proper communication channels to allow inclusive communication and supportive to local communities' way of life.

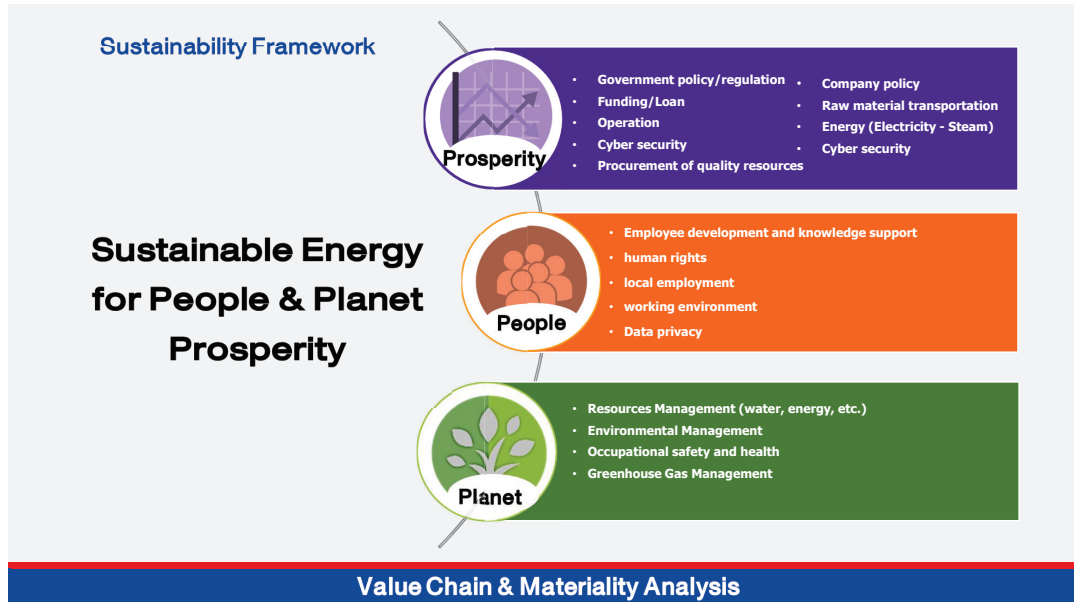
### 3.3 Environment

- Environmental Management: Complying with related laws and regulations. Seeking for standard raising in efficient environment management and control. Preserving ecology and biodiversity by supporting all stakeholders' awareness to sustain social and humanity's benefit.
- Efficient Use of Resources: Supporting efficient resources utilization and seeking for reducing and best utilization of resources
- Climate Management: Managing greenhouse gas emission to strictly comply with law and restrictions. Seeking for the reduction of greenhouse gas emission and best response to climate change in order to prevent and minimize negative effects on business operation.

4. Disclose the corporate sustainability policy, information regarding to sustainability management performance based on rules and regulations governed by related government offices and also well-accepted international standards in transparently sufficient and timely manner.
5. Raising awareness about sustainability among the board of directors, management and employees who are all take parts in supporting and implementing actions based on this sustainability policy.

This Sustainability Policy was approved by the board of directors' meeting no. 1/2023 held on February 22, 2023 .

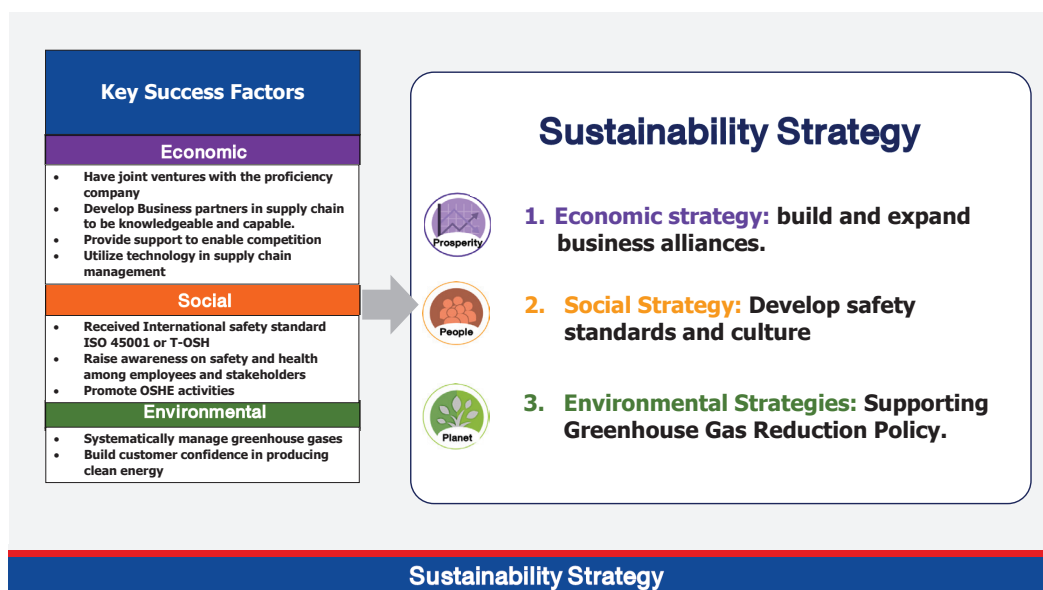
## Sustainability Framework



## Sustainable business operation strategy

“Sustainable Energy for People & Planet Prosperity”

SCG delivers stable and green energy to empowering human quality  
of life, society and sustainable environmental care.

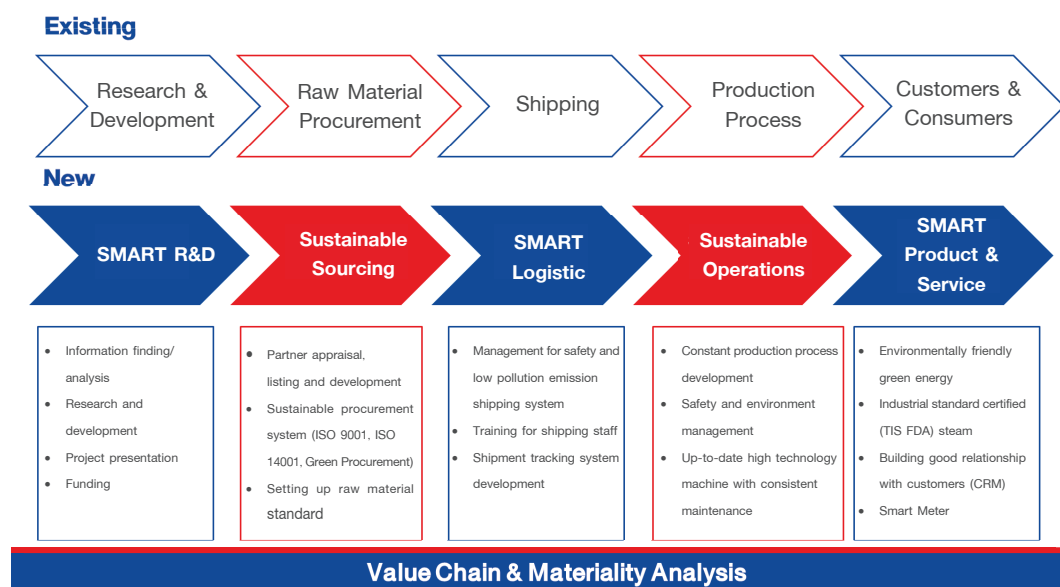




## 3.2 Stakeholders Impact and Value Chain Management

### 3.2.1 Business Value Chain

The power and steam production process are 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 information about this issue on website [www.sahacogen.com](http://www.sahacogen.com) under topic “Corporate Governance: Policy”.

### 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, SO<sub>2</sub> and NO<sub>2</sub> 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 a 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 : 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 greenhouse 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.

In 2022, the company initiated the evaluation of carbon footprint for organization (CFO) for the first time. The evaluation assesses the emission and absorption of greenhouse gas from current business operation. The result will lead to guideline and goal setting in effectively reducing the emission of greenhouse gas in the future. The company appointed Advance Energy Plus Co., Ltd. as the advisor in conducting the report of the emission. The report was reviewed by external assessor, Bureau Veritas Certification (Thailand) Co., Ltd. The scope of report covered greenhouse gas emission sources relating to the business operation of the company and subsidiaries (scope no. 1-3). The company is expecting to be certified as a Carbon Footprint Organization (CFO) based on the standard of Thailand Greenhouse Gas Management Organization (Public Organization) within May 2023.

The company discloses information in Sustainability Report under topic “Climate Change”

## 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 “Section 2 Corporate Governance, 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) Part 2 “7.5 Corporate Governance: Employees”.

Department	2020		2021		2022	
	Male	Female	Male	Female	Male	Female
Office and Support	53	45	52	47	48	49
Operation	81	10	82	10	83	11
<b>Total</b>	<b>134</b>	<b>55</b>	<b>134</b>	<b>57</b>	<b>131</b>	<b>60</b>
<b>Total (People)</b>	<b>189</b>		<b>191</b>		<b>191</b>	

## 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) Part 2 “7.5 Corporate Governance: Employees”.

	2020	2021	2022
Total Employee Benefit (Baht)	106,403,000	112,196,000	113,729,686
Female Employees' Benefit to Male Employees' Benefit (%)	27%	28%	28%

## 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.

	2020	2021	2022
Average training (hours: person: year)	31.52	22.62	46.30
Training and development expense (Baht)	757,690	458,355	860,037

## 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 Part 2 “ 7. Safety and Occupational Hygiene”.

	2020	2021	2022
Incident of harmful event leads to operation halt (Time)	0	0	0
Occupational Disease	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 Emo-Meter result for happiness and engagement at workplace is 87%, which is above the benchmark of 80%. The company disclose the information in the Annual Report (Form 56-1 One report) under part 2 “Engagement Survey and Employee Happiness”.

	2020	2021	2022
Voluntary resignation (%)	100	100	100
Resigned employee (People)	5	5	6
Employees' engagement (%)	83.75	-	87

## 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 sets the target in customers satisfaction index in both electricity and steam customers not lower than 90%. The company focuses on creating good relationship and sharing knowledge with customers. The company organized a seminar about "Safety in electricity operation and rescue procedure". The company has been continuously organizing relationship building activities every year. The company disclosed the information in the Annual Report (Form 56-1 One Report) part 2 "1.2 Customers".

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

Customers	2020	2021	2022
Electricity - EGAT	94.98%	92.62%	95.42 %
Electricity - Park	87.12%	89.96%	88.11 %
Steam - Park	89.59%	94.72%	93.63 %

## 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".

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.

The company conducted a satisfaction survey with local communities to assess the feedback on the company and subsidiaries' social responsibility. The result showed in "good" rating.

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 part 2 "1.7 Community and Society".

## 4. Management Discussion and Analysis (MD&A)

### 4.1 Discussion and Analysis of Operating Result and Financial Status

This analysis is based on the consolidated financial statements of the year 2022 comparing to the year 2021. The details are described below.

#### 1. Overview of Operations

##### 1.1 Overview of Operations

In 2022, the revenues of the company and subsidiaries reached THB 5,773.83 million, increased by THB 1,419.42 million or 32.60 % comparing to last year. The cost of electricity sold combining to administrative were THB 5,954.84 million. The total expenses increased by THB 1,803.94 million or 43.46 %. The financial expenses were THB 107.59 million decreased by THB 0.55 million or 0.51%. The corporate income tax was THB 57.44 million increased by THB 44.04 million. The group company's consolidated financial statement had net loss for the year of THB 229.17 million, decreased by THB 336.06 million or 314.42 % comparing to last year.

In 2022, 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, part 1: "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 5,744.06 million, increased by THB 1,523.57 million or 36.1%, comparing to the year 2021. The majority of the change, THB 1,201.59 million, was resulted from an increase in selling price affected from an increase in natural gas price. Moreover, the revenue from selling steam increased by THB 183.14 million. The revenue from steam selling went up because of 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 29.77 million, the amount decreased by THB 104.15 million or 77.77 %. The main reason of the change was from the insurance payment amounting THB 121.43 million which was covering the gas turbine engine and the steam turbine power generation system breakdown.



- **Cost and Expenses:**

- **Cost of sales** : The cost of sales in consolidated financial statements was THB 5,803.47 million, increased by THB 1,842.17 million or 46.50 % according to the fact that the natural gas price spiked up by 86%. The change of natural gas price was related to the average selling price of PTT Public Company Limited and Energy Pool Price (EPP) based on the principles stated by Energy Regulatory Commission (ERC).
- **The administrative expenses** : in the consolidated financial statements were THB 151.37 million, decreased by THB 38.23 million or 25.26 %. The reason was from financial advisor fee for the capital increase and shareholder structure change which is one-time transaction.
- **The loss from an investment** : in the affiliate company THB 1.98 million increased by THB 3.87 million or 204.8% from the operating result proportionately earned from the investment in Impact Solar Co., Ltd
- **The financial expenses** : in the consolidated financial statements were THB 107.59 million, decreased by THB 0.55 million or 0.51 %. The decrease was resulted from a decrease in interest payment which was reduced by long-term loan due. The company issued bond in September 2022 amounting THB 2,650 million.
- **The corporate income tax benefit** : in the consolidated financial statements was THB 57.44 million. It was increased by THB 44.04 million or 328.65 % 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 Loss net profit was THB 229.17 million, decreased by THB 336.06 million or 314.42 %. The result of the loss was from the contradiction of the change in electricity selling price ,accounting for 25% of total revenue, and the increasing price of natural gas.
- There was gain on change in value of available-for-sale investments and gain on remeasurements of defined benefit plans THB 1.77 million, and actuarial gain THB 14.53 million showed as other comprehensive incomes. The total comprehensive income for the year was THB 212.87 million decreasing by THB 335.87 million or 283.67%.
- The total comprehensive income attributed to the equity of the company holders was THB 217.47 million. decreased by THB 336.53 million or 272.15 %.
- Gross Profit Margin: (1.03%) decreased by 7.17% comparing to last year. This was a decrease of 116.84%.
- Return to Shareholders' Equity: (6.21%) decreased by 8.89% or 331.06%.

## 2. Financial Status

- **Assets** : the total assets were THB 8,520.77 million, increased from the year 2021 by THB 929.06 million or 12.24 %. The change was resulted from investment in land, machines and equipment amounting THB 1,339.58 million. This was mainly the result of the construction new power plants in SPP Replacement project Saha Group Industrial Park. The accumulated depreciation was up by THB 574.81 million. Total value of properties, plants and equipment increased by THB 540.10 million. An investment in Impact Solar Co., Ltd. was THB 116.79 million increased from the year 2021 by THB 1.98 million from the realize in profit based on 21% of shareholding.
- **Liabilities** : The total liabilities were THB 4,827.66 million, increased from the year 2021 by THB 1,215.77 million or 33.66 %. The company issued Senior Unsecured Debentures with Debenture holder's Representative. These Debentures were offered through the Private Placement to Institutional and High Net-worth Investors (PP-II&HNW) THB 2,650 million on September 22, 2022.
- **Shareholders' Equity** : Shareholders' equity was THB 3,693.11 million, decreased from the year 2021 by THB 286.71 million or 7.20%, resulting from operating performance of the company and its subsidiaries.

## 3. Liquidity

- **Cash Flow** :
  - **The company earned net cash from operating activities** THB 433.85 million, which was decreased from the year 2021 by THB 338.88 million or 43.85%. The main reasons were the decrease in earnings before tax and decreasing interest payment amount.
  - **The cash flow used for investment was** THB 1,298.63 million, increased from the year 2021 by THB 1,036.68 million or 395.76 %. In 2022, properties, plants and equipment purchasing was up by THB 1,071.78 million mainly in SPP Replacement project that had construction of new power plants.
  - **The cash flow used for financing activities was** THB 966.99 million, debenture THB 2,645.45 million. The deduction was from long term debt repayment and derivative debt instrument due (THB 405.63 million) and dividend payment THB 70.99 million. There was less short-term borrowing by THB 1,077.00 million. The ending cash and cash equivalent items were THB 1,081.81 million which was increased by THB 102.21 million or 10.43%.
- **Liquidity Ratio** :
 

The current assets were THB 2,342.21 million, increased from the year 2021 by THB 365.23 million or 18.47 %. This was the result from an increase in account receivables THB 275.52 million from the rising of electricity selling price. The current liabilities were THB 1,385.25 million, decreased from the year 2021 by THB 1,074.81 million or 43.69 %. This was the result from the decrease of short-term debt since the company issued debentures in September 2022. The company's liquidity ratio in 2022 was 1.69 times comparing to 0.89 times in 2021 or 110.40%.

- **Interest Coverage Ratio** : Interest Coverage Ratio 5.40 times in 2021, increased by 0.96 times or 12.89 % comparing to the year 2021

#### 4. Operating Efficiency

The return on total assets was (2.69)%, lower than last year by 251.95 %. The return on fixed assets was 4.29%, higher than last year by 63.76 %. The total asset turnover was 0.68 times, lower than last year by 12.94%.

#### 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. 22 “Financial Instruments” and also published on [www.sahacogen.com](http://www.sahacogen.com).

### 4.2 Impact of the new accounting standards effective in 2021

In 2022, 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.

### 4.3 Non-recurring items

- On September 22, 2022, the company issued Senior Unsecured Debentures with Debenture holder's Representative. These Debentures are offered through the Private Placement to Institutional and High Net-worth Investors (PP-II&HNW) amounting THB 2,650 million. The objectives were to use as net working capital and/or investment and/or debt repayment and/or capital repayment for partial of whole amount of new projects or existing projects. The debentures were classified in “A” rating with “Stable” outlook by TRIS Rating Co., Ltd. dated August 11, 2022.

## 5. General and Other Key Information

### 5.1 General Information

#### 5.1.1 Company Information

Name	: <b>Sahacogen (Chonburi) Public Company Limited</b>
Stock Code	: SCG (Listed on the Stock Exchange of Thailand)
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	: 17.66% @ March 10, 2022
Head Office Location	: 636 Moo 11 Sukaphiban 8 Road, Nongkharm, Sriracha, Chonburi 20230
Telephone	: 66-3848-1555
Fax	: 66-3848-1551
Website	: <a href="http://www.sahacogen.com">www.sahacogen.com</a>
Registered and Paid-up Capital	: THB 1,163,695,652 (1,163,695,652 ordinary shares at a price of THB 1 per share)

### Contact

Department	Telephone	E-mail Address
The Board of Directors	038-481555 Ext. 202	<a href="mailto:directors@sahacogen.com">directors@sahacogen.com</a>
The Audit Committee	038-481555 Ext. 203	<a href="mailto:auditcommittee@sahacogen.com">auditcommittee@sahacogen.com</a>
The Corporate Governance and Risk Management Committee	038-481555 Ext. 284	<a href="mailto:riskcommittee@sahacogen.com">riskcommittee@sahacogen.com</a>
The Sustainability Committee	038-481555 Ext. 290	<a href="mailto:pr-csr@sahacogen.com">pr-csr@sahacogen.com</a>
The Managing Director	038-481555 Ext. 200	<a href="mailto:udompong.ch@sahacogen.com">udompong.ch@sahacogen.com</a>
The Company Secretary	038-481555 Ext. 282	<a href="mailto:csecretary@sahacogen.com">csecretary@sahacogen.com</a>
Investor Relations	038-481555 Ext. 200, 282	<a href="mailto:investorrelation@sahacogen.com">investorrelation@sahacogen.com</a>
Human Resource Management and Development Division	038-481555 Ext. 242, 243	<a href="mailto:hradmin@sahacogen.com">hradmin@sahacogen.com</a>

## 5.1.2 Reference Person

<b>Regulator (SEC)</b>	<b>: The Securities and Exchange Commission</b> 333/3 Vibhavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Telephone : 0-2695-9999      Fax : 0-2695-9660
<b>Regulator (SET)</b>	<b>: Stock Exchange of Thailand</b> Stock Exchange of Thailand Building, 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400 Telephone : 0 2009 9000      Fax : 0 2009 9991
<b>Security Registrar</b>	<b>: Thailand Securities Depository Company Limited</b> Stock Exchange of Thailand Building, 1 <sup>st</sup> Floor 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400 Telephone : 0 2009 9000      Fax : 0 2009 9991
<b>Legal Advisor</b>	<b>: Tilleke &amp; Gibbins International Company Limited</b> 1011 Supalai Grand Tower, 20-26 <sup>th</sup> flFloor, Rama 3 Road, Chongnonsi, Yannawa, Bangkok 10120 Telephone : 0-2056-5555      Fax : 0-2266-6483
<b>Internal Audit</b>	<b>: Dharmniti Internal Audit Company Limited</b> 178 Soi Perm Sup (Prachachuen 20), Prachachuen Road, Bangsue, Bangkok 10800 Telephone : 0-2596-0500      Fax : 0-2587-2018
<b>Auditor</b>	<b>: KPMG Poomchai Audit Limited</b> Empire Tower, 50 <sup>th</sup> floor, 1 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120 Telephone 02-677-2000      Fax 02-677-2222
<b>Financial Institutions</b>	<b>: Bangkok Bank Public Company Limited</b> <b>The Siam Commercial Bank Public Company Limited</b> <b>Land and Houses Bank Public Company Limited</b> <b>Mizuho Corporate Bank</b> <b>Krung Thai Bank Public Company Limited</b> <b>Bank of Ayudhya Public Company Limited</b>

Debtenture Holders' (the Debtentures No. 1/2022)	: <b>Bangkok Bank Public Company Limited</b>  Representative Securities Services  333 Silom Road, Silom,  Bang Rak, Bangkok 10500  Telephone : 02-230-1894 Fax : 02-2626-4545-6  Email: dhr.grp@bangkokbank.com
Debtenture Holders' (the Debtentures No. 1/2022)	: <b>Bank of Ayudhya Public Company Limited</b>  1222 AA floor, Rama III Road, Bangphongphang,  Yan Nawa, Bangkok 10120  Telephone : 02-296-3582 Fax : 02-683-1298  Email : DHRRG__SSM@krungsri.com
Financial Advisor	: <b>Baker &amp; McKenzie Ltd.</b>  Abdulrahim Place 25 <sup>th</sup> Floor,  990 Rama IV Road, Bangkok 10500 Thailand.  Telephone : 02-636-2000 Fax : 02-636-2111

## 5.2 Other Significant details

5.2.1 Other significant information affecting the investment decision

-None-

5.2.2 The issue and offering debemture 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 2022.

-None-

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

-None-

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

-None-

## 5.4 Secondary Markets

-None-

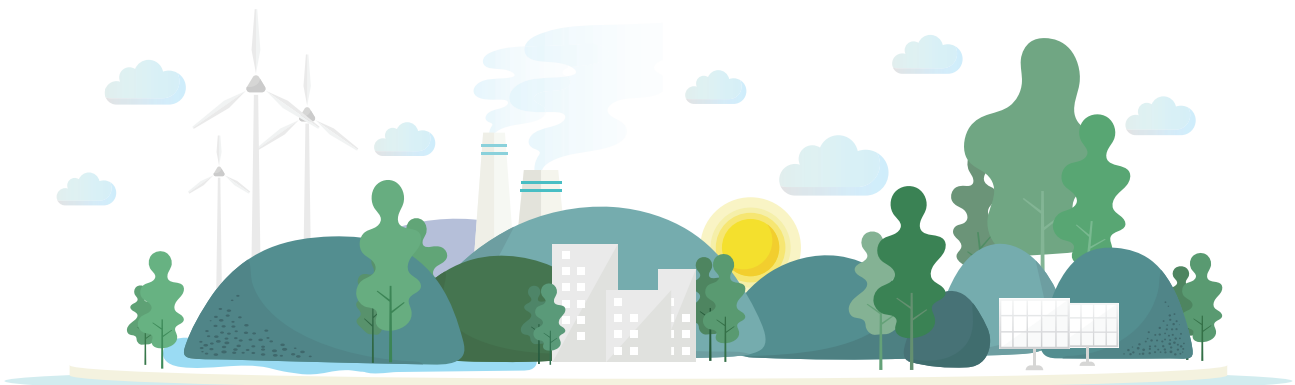
## 5.5 Financial institutions that are regularly contacted (Only in the case of debt instruments)

Debenture Holders' (the Debentures No. 1/2022)	: <b>Bangkok Bank Public Company Limited</b>  Representative Securities Services  333 Silom Road, Silom,  Bang Rak, Bangkok 10500  Telephone : 02-230-1894 Fax : 02-2626-4545-6  Email: dhr.grp@bangkokbank.com
Debenture Holders' (the Debentures No. 1/2022)	: <b>Bank of Ayudhya Public Company Limited</b>  1222 AA floor, Rama III Road, Bangphongphang,  Yan Nawa, Bangkok 10120  Telephone : 02-296-3582 Fax : 02-683-1298  Email : DHRRG__SSM@krungsri.com





## 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.

To ensure that all directors, executives and employees be informed and follow the Company's CG guideline which 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 Guidelines

The company will annually review the policy and practices to align with the direction of the company's business operations. The Company's CG guidelines are acknowledged by all directors, executives and employees, as well as disclosed on the company's website: [www.sahacogen.com](http://www.sahacogen.com).

#### 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' meeting No. 7/2021 dated December 11, 2021 resolved to set a policy in good corporate governance as the guideline for the 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 the 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 factors and proper risk management. The Board of Directors and executives must take sufficient action to ensure the credibility of accounting system, financial statements and financial audit.
4. The Board of Directors appoints sub-committees 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 information through proper communication channels.
9. The Board of Directors and executives has a 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 an 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. Therefore, 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 as 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, in 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 taken into the consideration in calling for a meeting.

The 20<sup>th</sup> Annual General Meeting of Shareholders was held on April 22, 2022 through an electronic meeting (E-meeting). The Company strictly complied with the procedure and guideline regarding to Corona Virus 2019 (COVID-19) pandemic announced by government agencies. During the past years, the Company did not call for any extraordinary shareholders' meeting.

**The company managed the 20th Annual General Shareholder's Meeting on April 22, 2022. Details as follow:**

### **Prior to the day of the meeting**

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 9 - December 31, 2021. The Company informed such information to the shareholders through information board of SET and on the Company's website, [www.sahacogen.com](http://www.sahacogen.com) under the item of "Investor Relations" section "Shareholder Information : Shareholder Meeting" on November 9, 2021. Nonetheless, there was neither meeting agenda nor nomination of the Directors proposed in advance.
2. The shareholders were notified of the resolution determining the 20th Annual General Shareholders' Meeting for 60 days prior to the meeting date, on February 21, 2022, on the Company's website, [www.sahacogen.com](http://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's website ([www.sahacogen.com](http://www.sahacogen.com)) on March 11, 2022, which was 42 days prior to the meeting date. The same information was sent to the Thailand Securities Depository Company Limited ("TSD"), the Company's Share Registrar, for forwarding to shareholders in document format (English version for foreigner shareholders) on April 1, 2022, 21 days prior to the meeting date, 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 22 days prior to the meeting date, which was on March 29-31, 2022.
4. The company has opened to the questions from minority shareholders during March 11, 2022 to April 18, 2022. 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 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](http://www.sahacogen.com). The Company also publicized such guidelines through the press release system of the Stock Exchange of Thailand.
6. The 20<sup>th</sup> Annual General Shareholder's Meeting was held through an electronic media (E-AGM). The shareholders are able to notify their intention to attend the meeting via electronic media (E-AGM) since April 1, 2022 until April 18, 2022 or the end of the meeting in two ways;
  1. Submit the request to attend the meeting by sending information via Email or postal mail.
  2. Submit the request to attend the meeting by sending information via website or QR Code.

Shareholders or proxies who wish to attend the meeting must submit documents proving their identity as specified. The Company shall verify the list of shareholders according to the closing information of the shareholders' register book who have the right to attend the meeting wholly and correctly. After that, the electronic conferencing service provider (OJ International Co., Ltd) will send a Link to attend the meeting and the user manual to the Email you have sent to inform the Company. The Link will be sent two days in advance of the meeting date.

#### **On the Meeting Date**

1. At this meeting, the Company has followed the recommendations and measures of government agencies to reduce the spread of coronavirus 2019 or COVID-19. Therefore, the Meeting was held in the form of an electronic conference or E-AGM in accordance with the Royal Decree on Electronic Conference B.E. 2563 (2020) by informing through the Annual General Meeting of Shareholders invitation letter.

2. The Company has a policy to support and facilitate the shareholders, to attend the Annual General Meeting of Shareholders. The Company decided to set the meeting date, time, and the meeting form in such manner being most convenient and not posing problems to the shareholders to attend. For the year 2022, the Company held the shareholders' meeting on Friday, April 22, 2022 at 10.00 a.m. through Electronic Media (E-AGM), monitored and broadcasted from the Ratchaburirom room, M floor at RATCH Group Public Co., Ltd, located at 72 Ngam Wong Wan Road, Bangkok, Muang Nonthaburi Nonthaburi 11000
3. In the Annual General Shareholders' Meeting, the company allowed shareholders or their proxies to access the meeting system 60 minutes prior to the start of the meeting, and the live broadcast began only when the meeting started, from 9.00 a.m. until the end of the meeting, to provide the rights to shareholders who attended the meeting after the meeting had started. 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.
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 20th Annual General Shareholders' Meeting held on Friday, April 22, 2022, there were 11 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 Isaraporn Wisutthiyan , 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 Mr. Vimom Garin, the Bangkok Inter Law Office Co., Ltd. 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. 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 the year 2022, There was a shareholder, named Miss Umachasaya Charoenchai, Rights Protection Volunteer, a proxy from Thai Investors Association asking from the chat channel, regarding the approval of the issuance of debentures:

1. At first time, will the full amount of debenture be issued? If not, how many times of debenture will be issued? Please gives more details.
2. Since the purpose of the debenture issuance is widely referred, so could you please provide more detail on the plan to use of the proceed and portion?

Chairman of the Meeting assigned the Managing Director to clarify.

1. The issuance of debentures will be gradually issued as needed in the amount of not exceeding THB 5,000 million.
2. The preliminary purpose of the debenture's issuance are as follows:
  - To invest in SPP Replacement Project approximately THB 2,000 million.
  - To refinance approximately THB 1,000 million.
  - To invest in the newly developing projects in the future projects approximately THB 2,000 million which the proceed from increased capital of THB 900-1,000 million was also reserved for this purpose.

8. Votes were cast openly. Voting on each agenda is made through E-Voting system. The shareholders will be able to vote for each agenda only by voting for agreeing, disagreeing, or abstaining. In case of not voting casted in any agenda, the system will be deemed to vote as agree immediately (using the vote-counting method by pouring votes towards agreeing). The voting results were displayed on the screen for all shareholders to see simultaneously, ensuring accuracy and efficiency. The results of each agenda item were announced immediately after the vote was taken.

In the agenda of election of Directors in replacements of the retiring directors by rotation, the shareholders are given an opportunity to select for individual candidates only by casting their votes as "agreeing", "disagreeing" or "abstaining". In case of not voting casted in any agenda, the system will be deemed to vote as agree immediately.

9. The recorded VDO has been made and provided on the company website; [www.sahacogen.com](http://www.sahacogen.com), for shareholders who were unable to attend.

The summary of voting in each agenda in the 20th Annual General Meeting of Shareholders held on Friday, April 22, 2022 as follows;

Agenda	Agree			Disagree			Abstention			Voided Ballot		
	Shareholders	Shares	%	Shareholders	Shares	%	Shareholders	Shares	%	Shareholders	Shares	%
1	44	11,110,294,854	100	-	-	-	-	-	-	-	-	-
3	44	11,110,294,854	100	-	-	-	-	-	-	-	-	-
4	44	11,110,294,854	100	-	-	-	-	-	-	-	-	-
5.1	44	11,110,294,854	100	-	-	-	-	-	-	-	-	-
5.2	44	11,110,294,854	100	-	-	-	-	-	-	-	-	-
5.3	44	11,110,294,854	100	-	-	-	-	-	-	-	-	-
5.4	44	11,110,294,854	100	-	-	-	-	-	-	-	-	-
6	44	11,110,294,854	100	-	-	-	-	-	-	-	-	-
7	44	11,110,294,854	100	-	-	-	-	-	-	-	-	-
8	44	11,110,294,854	100	-	-	-	-	-	-	-	-	-
9	44	11,110,294,854	100	-	-	-	-	-	-	-	-	-

Note : Agenda 2 To acknowledge the Report of the Board of Directors for the year 2022 is for acknowledgement and voting is not required.

**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 nomination and remuneration which was approved from the Board of Director No. 9/2022 on December 16, 2022. The Company has regularly proposed a remunerations limit, divided into meeting allowance and annual remuneration, for approval by the shareholders' meeting annually. The amount and type of remuneration for directors were disclosed individually.
- (3) **Appointment of Auditor and Determination of Audit Fee** : The Company provided details



on the name of auditor of the Company and its subsidiaries, which used the same audit office. 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.

- (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 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.



### **After 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 [www.sahacogen.com](http://www.sahacogen.com). 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.

## **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 disclosed in Attachment 5.

### **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 9 - December 31, 2021, according to the Company's regulations. Regarding the meeting, the Company informed shareholders on November 9, 2021, through the news channel of SET and on the Company's website: [www.sahacogen.com](http://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 the year 2022, the Company had held one shareholders' meeting on Friday, April 22, 2022, 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 21 days in advance and announced 42 days prior to the meeting through the Company's website; [www.sahacogen.com](http://www.sahacogen.com), on the topic of "Investor Relations" 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](http://www.sahacogen.com) for downloading. The duty stamps were also provided for the proxy. In the year 2022, there were 10 shareholders, attending in person and 34 shareholders attending by proxies through Electronic Meeting. As a result, there were 44 shareholders in total.

- (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. Voting on each agenda is made through E-Voting system. The shareholders will be able to vote for each agenda only by voting for agreeing, disagreeing, or abstaining. In case of not voting casted in any agenda, the system will be deemed to vote as agree immediately (using the vote-counting method by pouring votes towards agreeing). The voting results were displayed on the screen for all shareholders to see simultaneously, ensuring accuracy and efficiency. The results of each agenda item were announced immediately after the vote was taken.

In the agenda of election of Directors in replacements of the retiring directors by rotation, the shareholders are given an opportunity to select for individual candidates only by casting their votes as "agreeing", "disagreeing" or "abstaining". In case of not voting casted in any agenda, the system will be deemed to vote as agree immediately.

## 2.2 Supervision of Internal Data Use

The company emphasizes on the prevention of insider information misuse so that directors, management, staffs and related person will not take advantage over the acquired information for their own or others' benefit. Such actions might cause the conflict of interest and effect on the company's reputation. In order to comply with law and regulations regarding to securities and exchange, the company has set the policy as follow.

1. The company has duty on disclosing news regarding to material operation immediately and thoroughly by channels and methods specified by the Stock Exchange of Thailand to ensure equal access of the investors in timely manner.
2. Directors, managements, and staffs of the company including other person working with the company who access or possess insider information must:
  - 2.1 Managements and staffs sign the non-disclose information agreement as a part of hiring contract.
  - 2.2 Maintain insider information of the company with due care and safe in order to prevent its leakage.

- 2.3 Not disclose insider information to any other person not being engaged with assigned work in order to prevent usage of insider information for benefits of such person or others.
- 2.4 Do not purchase or sell securities relating to insider information which he or she gains more advantage than other persons not knowing insider information.
- 2.5 The other person engaging in specific projects during the negotiation or non-disclosed to public which could have influence on the change of prices of the company's securities must sign confidential agreement and maintain until the project is disclosed to public.

This is due to the fact that there might be the change of the securities price and value of the company and other related listed companies or might affect to investment decision.

- 3. The company's directors and executives are required to notify chairman and/or the company's secretary regarding to the transaction of purchase or sell the company's stock at least 1 day prior to the transaction date.
- 4. The company must specify the information classification to manage and secure the information safety based on the information and cyber security policy. This action must maintain to prevent information leakage and misuse for personal or other person's insider trading.
- 5. The information disclosure must be taken by authorized person. The information dissemination must be complied with scope of duty and assigned responsibility.
- 6. The directors, management and assigned staff must not make appointment or giving information regarding to the company's upcoming operating result to investors and analysts at least 10 working days prior to the operating result announcement date.
- 7. Any director, management and staff failing to comply with this policy is considered breaking discipline and subject to punishment including those prescribed by laws if it is breach of laws.
- 8. The directors, executives and employees of the company have their own duties to strictly comply with their charters, code of conduct and corporate governance guidelines of the company as well as the rule of using insider information under the Securities and Exchange Act B.E. 2535 (and its amendments) ("Securities Act") and Public Limited Companies Act B.E. 2535 (and its amendments) and other applicable rules.

### 2.3 Determination on the Company's stock trading

The company has established "Insider Information Management Policy" which approved from the Board of Directors No. 9/2022 on December 16, 2022. This policy is for the directors, executives, employees, and related parties to comply with relevant laws as follow.

#### Reporting of Holding and Changing of Holding of Securities and Derivatives

1. The Company will provide knowledge to the board of directors and executives of the company including persons holding an executive position in accounting or finance at a divisional manager or equivalent level regarding their duties on preparing, disclosing and submitting the reports on their holding and changing of holding of securities and derivatives, and their spouse or cohabiting couple and minor children to the Office of the Securities and Exchange Commission ("Office of SEC") according to Securities Act, Notification of the Securities and Exchange Commission and applicable notifications of Capital Market Supervisory Board including punishment according to relevant laws.
2. The board of directors and executives of the Company including persons holding an executive position in accounting or finance at a divisional manager or equivalent level of the Company must prepare, disclose and submit the reports on holding and changing of holding of their securities and derivatives and/or their related person to the company secretary before every submitting to the Office of SEC in a form and within the following periods:
  - 2.1 within 3 working days from the date of purchase, sale, transfer or acceptance of transfer of securities or derivatives in the case where the person with the duty to report is a director or an executive of the company, and in accordance with all of the following regulations:
    - (a) the Company shall report the names of the directors and executives through the Directors and Executives Information System according to the method specified by the Office of SEC in the Notification of the Office of SEC concerning Forms and Methods for Reporting or Changing the Information of Company Directors and Executives;
    - (b) the persons with the reporting duty report shall report purchase, sale, transfer or acceptance of transfer of securities or derivatives before having their names listed in the Directors and Executives Information System under (a).
  - 2.2 within 7 working days from the date of purchase, sale, transfer, or acceptance of transfer of securities or derivatives in any case other than 2.1. And notify to the company's secretary to record the change and balance of individual securities holding to report in the next board of directors meeting.

#### Blackout period measurement

The Company's directors, executives\* including persons holding an executive position in accounting or finance at a divisional manager or equivalent level, employees of the offices relating to insider information including their related person\* knowing insider information are prohibited from trading the securities during a period of 1 month before disclosure of any financial statements and other material information and within 24 hours after such disclosure. This includes other period occasionally specified by the company. (Blackout Period)

### **The Report of Conflict of Interest**

Directors and management have duty on preparing and reporting “The report of Conflict of Interest of the director and executive” in compliance with the Securities and Exchange Act B.E. 2535 (1992) and related laws. This report is annually used to govern the scope of conflict of interest. Directors and executive must prepare the report and notify the company’s secretary of the change and report to the next board of directors’ meeting.

In the past year, the Directors, executives, employees and related parties 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 the past year, 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) Part 2 “ 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 the past year, 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” which approved by the Board of Directors’ meeting No. 7/2018 on December 11, 2018, 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 [www.sahacogen.com](http://www.sahacogen.com) and the intranet system. Moreover, the Company develops the concepts of stakeholders’ participation to enhance its sustainable business operations 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 supports fair treatment and responsibility to stakeholders and to act in accordance with laws and CG principles. Therefore, the company has established business ethical for conducting business, as well as ethical guidelines which approved by the Board of Directors' meeting No. 7/2018 on December 11, 2018, for the company's directors, executives, and employees to ensure that everyone is aware of and adheres to the same principles as follow.

### Business Ethics

#### 1. The responsibilities to stakeholders

The Board of Directors has a policy to encourage the collaboration between the company and its stakeholders to enhance the company's performance. This includes promoting cooperation and taking care of stakeholders' rights under relevant laws, including shareholders, customers, business partners, competitors, creditors, employees, communities, the 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 shareholders were invited to attend the 20th Annual General Meeting of Shareholders and has rights 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 and paid dividend via the news system of the Stock Exchange of Thailand and the Company's website.

## 1.2 Customers

The Board of Directors realizes that customer satisfaction and confidence are key factors which contribute to the Company's sustainable success. 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 is 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 steam either 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)

In addition, there are also channels for submitting complaints and suggestions through the company's Line application, email, and website. [www.sahacogen.com](http://www.sahacogen.com)

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

Customers	2020	2021	2022
Electricity - EGAT	94.98%	92.62%	95.42 %
Electricity - Park	87.12%	89.96%	88.11 %
Steam - Park	89.59%	94.72%	93.63 %

Moreover, the company has set a target of electricity and steam customer satisfaction index for not less than 90%. The company prioritizes increasing knowledge and maintaining good relationships with customers during the COVID-19 pandemic. The company has organized seminars on the topic of “Safety in electricity-related work and assistance for electricity-related accidents” and holds continuous relationship-building activities every year.



In the past year, 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 sustainability 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 14001:2015), including the occupational health and safety management system (ISO 45001:2018). The procurement guideline has been made based on the business ethics policy.

In the year 2022, the company conducted a review of the Sahacogen Supplier Code of Conduct and communicated the policy against corruption in accordance with the 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.

**Green Procurement**

The company established a green procurement manual using in procurement processes as a part of the supply chain management. The company is focusing on choosing environmental-friendly products according to the good practices with business partners in order to support the risk management of environment, society and good corporate governance (ESG). This includes to increase and enhance business partners' potential particularly in supporting new government regulations which may be poorly understood, resulting in procurement delays. The good practices with business partners are therefore crucial in smoothly driving Sahacogen's business and achieving the organization's objectives.

### 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 Vendor 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 2022 (145 suppliers) resulted as follows.

Type / category	Number (Suppliers)
Very good	138
Good	5
Fair	2

In the past year, 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 competitive competitors 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 the past year, 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 the past year, 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 third parties 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 so on.
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) Part 2 "7.5 Employee" and disclosed in the Sustainability Development Report. During the company's operation, there is no conflicts with employees regarding labor-related matters

In the past year, 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 instilled a sense of responsibility towards the community and society within the company by taking continuous actions to avoid issues that could negatively impact the community. Moreover, the company provided support and assistance to the community for their mutual benefit and supports activities that are beneficial to the community and society. The Company has appointed the Sustainability committee along with the sustainability policy which announced the details in the Sustainability Development Report. The company has appointed a working group as the Sustainability department and assigned Mr.Thanakorn Pakdeenorasirikul, Sustainability Development Section Head, as the company's representative in public relations matters in order to supports activities that are beneficial to the community and society. The contact information are Tel. (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 Co., Ltd., 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 project 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 lifestyle. 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 the past year, 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 Sustainability Policy which was disclosed in the Sustainability Development Report. The Board also appointed the Sustainability Committee which had the actions in the scope of social responsibility as mentioned 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 maintenance 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 improved the information technology system and implemented “workflow” 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 executives and employees to participate in energy saving activities in the fabric bag coloring project under the topic “#ReduceGreenhouseGases”. The activities are called “Mystery Word Puzzle” and Question and Answer on the topic Managing energy and reducing greenhouse gas issues within the organization.



## 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.



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

**1. “Thailand Sustainability Investment 2022” (THSI)**

The company has been selected as a sustainable company participating in “Thailand Sustainability Investment 2022” (THSI). The company is one of the sustainable stocks in the group with market capitalization of THB 3,000-10,000 million. for 5 consecutive years.

**2. Sustainability Disclosure Award**

The Company received the “Sustainability Disclosure Acknowledgement” from Thaipat Institute for 4 consecutive year.

In the past 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 the past year, 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 the past year, 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. Political Contributions
2. Donation
3. Support
4. Give or obtain gift and entertainment



5. Service charge and convenience fee.

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

In the past year, 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 the past year, 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 the past year, 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 health, and the work environment at all levels, from executives to employees, including contractors working for the company. 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 company has procured the office stationery with the principles of ergonomic to adjust the work conditions to be appropriate for the workers, reduce errors in work, improve safety, and decrease stress and fatigue from work.
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 fatal incident to zero level. The statistic of safety, health and working environment.

The company was certified the international standard into 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).

### “Safety Week”



### 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 the 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 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 the past year, 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 the past year, 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.

- 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 the anti-corruption policy and guideline
- Conduct the human rights policy
- Conduct insider information management policy
- Conduct director nomination and remuneration policy
- Conduct regulations for supervision of subsidiaries and associated companies
- Conduct Financial policy
- Review and revise the personal data protection policy
- Review and revise cyber security policy
- Conduct management policy in accordance with climate change
- Review business continuity management plan of Sahacogen



### 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 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.
2. 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.
3. The company did not arrange publication to press or publish press release about the company's financial status.	<p>The company discloses the information about the company's quarterly and yearly financial statements and other material information on website <a href="http://www.sahacogen.com">www.sahacogen.com</a> and the Stock Exchange of Thailand's channels.</p> <p>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: Saha Group 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.</p>






### 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 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 Report of Thai Listed Companies (CGR CHECKLIST)

Categories	2020 (%)	2021 (%)	2022 (%)
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	97	95	95
5. Board Responsibilities	84	83	84
Average Score	91	90	91
SCG Score			

#### 2. The Company was graded as 5 TIA in the assessment of the quality on holding the Annual General Shareholders' Meeting in 2022 from Thai Investor Association.

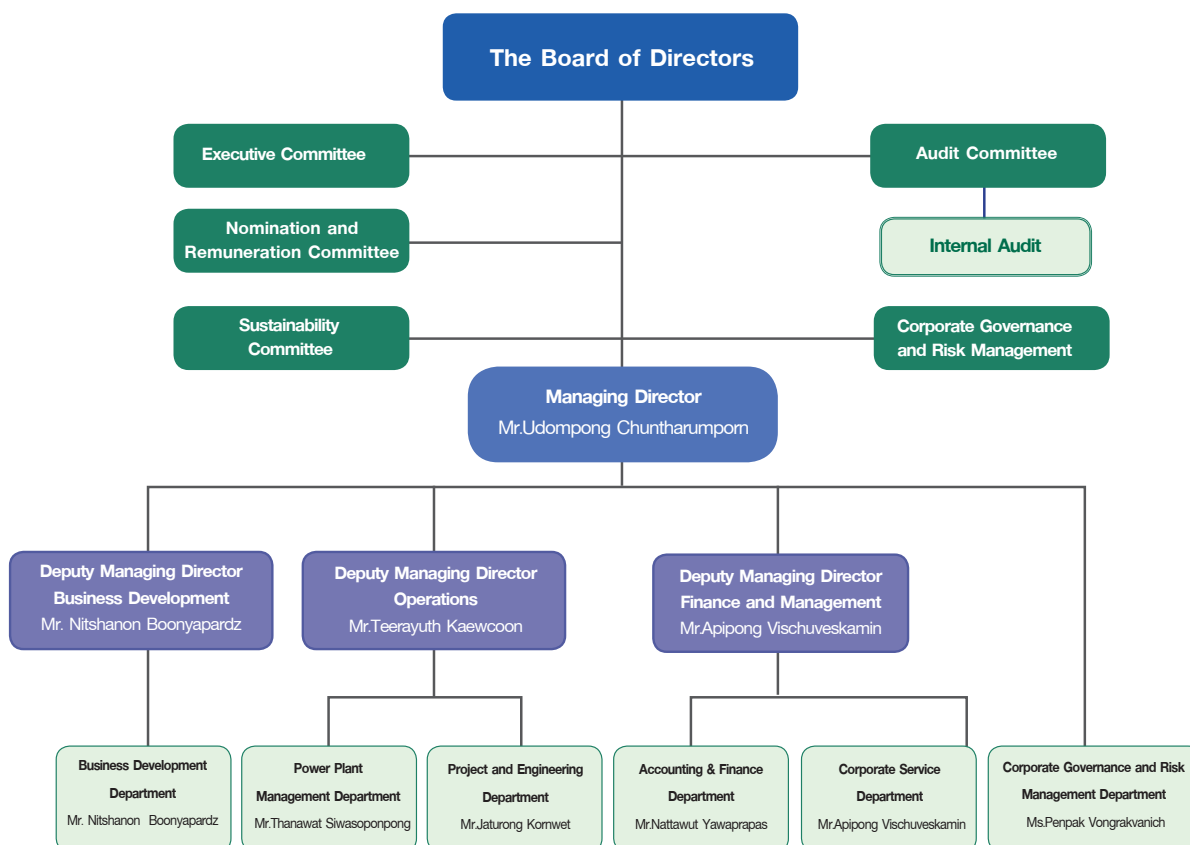
Year	Overall of Listed Companies			
	Number of Companies	Maximum Score	Average	The company's evaluating result
2022	751	100	95.55	100
2021	668	100	95.46	100
2020	712	100	93.10	100

#### 3. Thailand Sustainability Investment

In 2022, the company has been selected as a company in "Thailand Sustainability Investment 2022" (THSI). The company is one of the sustainable stocks in the group with market capitalization of THB 3,000-10,000 million for 5 consecutive years.

## 7. Corporate Governance Structure and Significant Information on Board of Directors, Sub-Committees, Executives, Employees, and Others

### 7.1 Corporate Governance Structure as of December 31, 2022

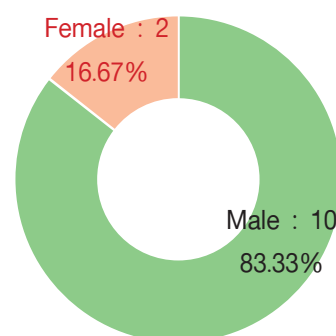
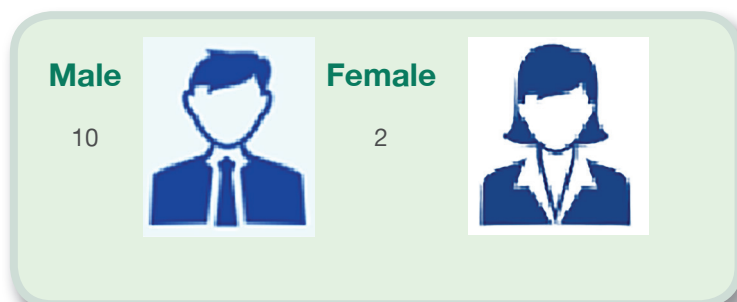


### 7.2 The Board of Directors as of December 31, 2022

Board of Directors consists of 12 members, classied into:

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

#### Gender Diversity



**Board Skill Matrix**

Name			Knowledge, skill and experiences of directors									
			Experience in			Knowledge, skills and/or experiences in relevant fields						
			the business and/or industry									
			Power / Energy Business	Government Sector/ State Enterprise	Other Private Sector	Business Planning / Strategy / Management	Human Resources / Remuneration	Engineering	Accounting / Finance/ Economic	Legal / Regulations	IT/ Digital/ Cyber	Risk Management / Corporate Governance / Sustainable development
1.	Mr. Sujarit	Patchimnan	✓	✓	✓	✓	✓			✓		✓
2.	Ms. Choosri	Kietkajornkul	✓	✓	✓	✓	✓		✓			✓
3.	Mr. Sakarin	Tangkavachiranon	✓	✓	✓	✓	✓	✓				✓
4.	Mrs. Wadeerat	Charoencoop	✓	✓	✓	✓	✓		✓			✓
5.	Mr. Udompong	Chuntharumporn	✓	✓	✓	✓	✓	✓	✓			✓
6.	Mr. Thirasak	Vikitset	✓		✓	✓	✓	✓				✓
7.	Mr. Vichai	Kulsomphob	✓		✓	✓	✓		✓			✓
8.	Mr. Vorayos	Thongtan	✓		✓	✓	✓	✓	✓			✓
9.	Mr. Chinapat	Visuttipat		✓	✓	✓	✓		✓	✓		✓
10.	Mr. Natapong	Vanarat		✓		✓			✓	✓	✓	✓
11.	Mr. Pongtep	Thithapand	✓	✓	✓	✓	✓		✓	✓		✓
12.	Mr. Chaisak	Yongbanjerd	✓	✓		✓		✓	✓			✓

The company has established the Nomination and Remuneration policy, approved by the Board of Directors Meeting resolution No. 9/2022 on December 16, 2022.

**7.2.1 Combination of the Board of Directors**

- The company's director must not have any prohibited qualifications specified by laws and in the company's articles of association as well as the qualification that shows improper or lack of trustworthiness to become a public company's director as stated by regulations of the Securities and Exchange Commission (SEC).
- The director should have leadership, visionary, good ethic and virtue, transparent past working experience, capability in independently expressing opinion.
- The Board of Directors shall consist of minimum of 5 and maximum of 12 directors.
- The director should not be in the position of the directors more than 5 listed companies at the same time.

- Not less than a half of the total board members must reside in the Kingdom of Thailand.
- The number of Independent Directors must not less than one third of total board member and not less than 3 directors as required by SEC's regulations.
- Independent director not less than one third of total member of the board and not less than 3 members
- The Independent Director should not be in the position as the Independent Director more than 9 years.
- The Audit Committee must consist of minimum 3 directors and at least 1 director should educated or specialized in accounting.

Expertise needed in the board of director

1. Expertise in business or industry
  - Power or energy business
  - Government sector or state enterprise
  - Other private businesses
2. Knowledge, skills and relating experiences
  - Strategic planning or business management
  - Human resource management or compensation
  - Engineering
  - Accounting, finance or economic
  - Law or regulations
  - Information technology, digital or cyber security
  - Risk management, corporate governance or sustainable development

## 1. Term of the Company's Directors

The term of the Company's 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 the company's article of association.
  - (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 company has established a policy to limit the number of holding directorship positions in not more than 5 listed companies.

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

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

## 3. Merger or Segregation of the function

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 fully express opinions or make suggestions. 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.

## 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 for 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 Conflict of Interests and in part 2 "Related Parties Transactions".

### (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, respecting for human rights, using fair employment in the sustainable ways and creating sustainable relationships between communities and factories.

The policy is stated in the Annual Report (Form 56-1 One Report) Part 2 “Business Ethics,1. 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 the year 2022, 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) Part 2, on the topic “Internal Control and Risk Management” and the Report of the Audit Committee.

**(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. Whenever 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 the past year, the Corporate Governance and Risk Management Committee reported findings and suggestions given to the related operating units. The result of actions and suggestion for business plan will be proposed to the Board of Directors annually.

The Company disclosed in the Annual Report (Form 56-1 One Report) under topic “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 directors 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 additional information from relevant persons, Managing Director would invite a top 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 and proposed to the Board of Directors for acknowledgement. In year 2022, the meeting was held once on September 23, 2022 and report the result of the discussions to the Board of Directors on October 18, 2022.
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	Sustainability Committee
1	January 18	January 12	February 17	February 3	February 15	March 24
2	February 22	February 14	May 11	December 13	May 31	July 21
3	March 22	March 14	August 10		August 23	September 15
4	April 21	April 11	November 9		November 1	December 15
5	May 12	May 2				
6	June 21	June 13				
7	July 19	July 11				
8	August 11	August 3				
9	September 20	September 12				
10	October 18	October 10				
11	November 13	November 7				
12	December 13	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 Profile through the presentation and the company's video presentation in the electronic media form as following details.

- Vision / Mission
- Company History
- Board of Directors
- Reporting of Director Information
- Core value / Core Competency
- Business Structure
- Executives
- Whistleblowing
- General Information / Corporate Governance / Policies

**General Information**

- VDO presentation
- Memorandum
- Articles of Association
- Company Certificate
- Charter of the Board of Directors
- Charter of the Nomination and Remuneration Committee
- Charter of the Executive Committee
- Charter of the Audit Committee
- Charter of the Corporate Governance and Risk Management Committee
- Charter of the Sustainability Committee

**Corporate Governance**

- Corporate Governance Policies
- Business Ethics
- Code of Conduct for directors, executives and employees
- Regulations for Supervising Subsidiary Companies and Associate Companies

**Policies**

- Corporate Governance Policies
- Risk Management Policy
- Anti-Corruption Policy and practices
- Financial Policy
- Director Nomination and Remuneration Policy
- Cyber Security Policy
- Insider Information Management Policy
- Policy on Quality, Environment, Safety, and Energy Conservation
- Sustainability Policy
- Personal Data Protection Policy
- Human Rights Policy
- Management Policy in accordance with Climate Change

In addition, plant visits are also arranged for each company for the benefit to perform director's role.

In the past year, the company arranged the orientation for 3 directors (Mr. Natapong Vanarat / Mr. Pongtep Thithapand / Mr. Chaisak Yongbanjerd), and organized Sahacogen Power Plants and SPP Replacement Project visiting for the directors on May 17, 2022.

**(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.

**7.2.1 Details of Directors and Controlling Person**

The Board of Directors consists of 12 members as of December 31, 2022

Name	Date of Appointment	Position	Directors with authority to sign on behalf of the company	Nonmanagement Directors
1. Mr. Sujarit Patchimnan	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 / Managing 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 Visuttipat	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 "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.

## 7.2.2 The Board of Directors' roles

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

In the past year, the Board of Directors conducted 9 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) Part 2 "8.1.2 Meeting Attendance and Individual Compensations"

## 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 term of Executive Committee is one year, which selected by the Board of Directors after the Annual General Shareholders' Meeting.

The Executive Committee consists of 5 members as of December 31, 2022

	Name	Position	Position Period
1.	Mr. Sakarin Tangkavachiranon	Chairman of Executive Committee	May 2022 - May 2023
2.	Mr. Udompong Chuntharumporn	Executive Director/ Managing Director	May 2022 - May 2023
3.	Mr. Viroj Theeravatvatee	Executive Director	May 2022 - May 2023
4.	Mr. Vorayos Thongtan	Executive Director	May 2022 - May 2023
5.	Mr. Sontaya Tabkhan	Executive Director	May 2022 - May 2023

Secretary to the Executive Committee: Mr. Apipong Vischuveskamin

### Roles of the Executive Committee

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

In the past year, 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. The Executive Committee participated in establishing the company’s business policies and goals together with the Board of Directors.

In the past year, the Executive Committee conducted 11 meetings with consideration and approval in the important operations, and report the operating matters to the Board of Director.

## 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 December 31, 2022

Name		Position	Experience & Expertise	Position Period
1.	Mr. Chinapat Visuttiapat	Chairman of the Audit Committee (Independent Director)	Law	May 2022 - May 2023
2.	Mr. Natapong Vanarat	Audit Committee (Independent Director)	Financial	May 2022 - May 2023
3.	Mr. Pongtep Thithapand	Audit Committee (Independent Director)	Law	May 2022 - May 2023

Secretary to the Audit Committee : Ms.Penpak Vongrakvanich

### Roles of the Audit Committee

The company disclosed the information on website [www.sahacogen.com](http://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 the past year, the Audit Committee conducted 6 meetings with reporting the operating matters to the Board of Director. 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 related parties transactions. The Audit Committee held meeting among themselves without the management attending once on September 23, 2022.

### 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, including the chairman of the Nomination and Remuneration Committee, whose term is one year which 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 31, 2022.

	Name		Position	Position Period
1.	Mr. Sujarit	Patchimnan	Chairman	May 2022 - May 2023
2.	Ms. Choosri	Kietkajornkul	Committee	May 2022 - May 2023
3.	Mr. Sakarin	Tangkavachiranon	Committee	May 2022 - May 2023
4.	Mr.Vichai	Kulsomphob	Committee	May 2022 - May 2023

Secretary to the Nomination and Remuneration Committee : Mr. Sakarin Tangkavachiranon

#### Roles of the Nomination and Remuneration Committee

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

In the past year, the Nomination and Remuneration Committee convened 3 meetings, and subsequently reported the results to the Board of Directors.

#### 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, 2022

	Name	Position	Position Period
1.	Mr. Chinapat Visuttipat	Chairman	May 2022 - May 2023
2.	Mr. Chaisak Yongbanjerd	Committee	May 2022 - May 2023
3.	Mr. Udompong Chuntharumporn	Committee	May 2022 - May 2023
4.	Mr. Teerayuth Kaewcoon	Committee	May 2022 - May 2023
5.	Mr. Apipong Vischuveskamin	Committee	May 2022 - May 2023
6.	Mr. Sontaya Tabkhan	Committee	May 2022 - May 2023

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

#### Roles of The Corporate Governance and Risk Management Committee

The company disclosed the information on website [www.sahacogen.com](http://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 the past year, the Corporate Governance and Risk Management Committee conducted 4 meetings, and subsequently reported the results to the Board of Directors.

## 5. The Sustainability Committee

The Sustainability Committee is appointed by the Board of Directors (changed from Corporate Social Responsibility Committee as approved from the Board of Directors' resolution No. 9/2022 on December 16, 2022). The Sustainability Committee was selected from qualified persons from Company director, management team or other person with experience and knowledge. 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 Sustainability Committee consists\* of 7 members as of December 31, 2022.

	Name	Position	Position Period
1.	Mr. Viroj Theeravatvatee	Chairman	May 2022 - May 2023
2.	Mr. Udompong Chuntharumporn	Committee	May 2022 - May 2023
3.	Mr. Vorayos Thongtan	Committee	May 2022 - May 2023
4.	Mr. Apipong Vischuveskamin	Committee	May 2022 - May 2023
5.	Mr. Pornsak Chuamuangphan	Committee	May 2022 - May 2023
6.	Mr. Jaturong Kornwet	Committee	May 2022 - May 2023
7.	Mrs. Uthoomporn Sinprajackpol	Committee	May 2022 - May 2023

Secretary to the Sustainability Committee : Mr. Pornsak Chuamuangphan

\* changed from Corporate Social Responsibility Committee as approved from the Board of directors' resolution No. 9/2022 on December 16, 2022

### Roles of the Sustainability Committee

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

The Company has determined the written Sustainability policy for business operation. 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 the past year, the Sustainability Committee conducted 3 meetings, reported the results to the Board of Directors and disclosed in the Company's Sustainability Development Report.



## 6. Chairman of the Board

### **Roles of the Chairman;**

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

In the past year, the Board of directors’ meetings were conducted, and the resolutions were made in accordance with the laws and regulations. The sub-committees have to provide the monitor plans and operation results to the Board of Directors along with providing the suggestions on guidelines to enhance the company’s growth and the implementation of good governance practices in the upcoming year.

## 7. Managing Director

### **Roles of the Managing Director;**

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

In the past year, the Managing Director reported the results of the company’s operation to the Executive Committee and the Board of Directors. The meeting schedule has been officially set in advance for the entire year, and there may be additional special meetings convened as deemed appropriate.

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 and Personal Data Protection
10. The Committee of Business Continuity Management
11. The Committee of Greenhouse Gas Management
12. The Committee of Human Rights

## 7.4 The company's Executives

**7.4.1 As of December 31, 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
3. Mr. Apipong	Vischuveskamin	Deputy Managing Director - Finance and Management Corporate Services Department Manager
4. Mr. Nitshanon	Boonyapardz	Deputy Managing Director - Business Development
5. Ms. Penpak	Vongrakvanich	Corporate Governance and Risk Management Department Manager
6. Mr. Nattawut	Yawaprapas	Accounting & Finance Department Manager The company's Chief Financial Officer (CFO)
7. Mr. Jaturong	Kornwet	Project & Engineering Department Manager
8. Mr. Thanawat	Siwasoponpong	Power Plant Management Department Manager
9. Ms. Pailin	Kanankhang	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 1: Details of Directors and Executives, Controlling Person, and Company Secretary."

### 7.4.2 Remuneration Policy for Directors and Executives

#### 1. Director Remuneration Policy

The Board of Directors established the Director Nomination and Remuneration Policy (approved from the Board of Directors' resolution No. 9/2022 on December 16, 2022) to ensure that director remuneration is fairly considered. The Board of directors also appointed and assigned the Nomination and Remuneration Committee to consider criteria, payment method and remuneration limit for the Board of Directors and sub-committee, and then proposed to the Board of Directors to endorse and the shareholders' meeting for approval.

#### 1.1. Criteria in remuneration consideration

- 1.1.1. Suitable with scope of duty, assigned responsibility and the performance of the board such as business growth in terms of production capacity, assets and net profit, etc.
- 1.1.2. Comparable to peer companies in the same industry with similar scale and sufficient to retain the qualified directors

## 1.2 Benefit payment

- 1.2.1 Annual benefit reflexing the responsibility and operating result of the board of directors' performance.
- 1.2.2 Meeting allowance reflexing the board of directors' performance and encouraging the regular meeting attendance.
- 1.2.3 Other benefits allowance (if any) based on the proposal of the nomination and remuneration committee.

The director compensation is not including the benefits or welfare receiving as employee of the company. The company will disclose the amount of individual compensation of director and sub-committee in annual report. (Form 56-1 One Report)

## 1.3 Payment methods

- 1.3.1 Annual benefit payment : paid to all directors by the consideration of the Nomination and Remuneration Committee based on policy and criteria of the remuneration and performance evaluation and proposed to the Board of Directors for approval.
- 1.3.2 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.

	Position	2021	2022
1. The Board of Directors	Chairman	20,000	20,000
	Director	10,000	10,000
2. The Audit Committee	Chairman	10,000	10,000
	Director	10,000	10,000
3. The Executive Committee	Chairman	10,000	10,000
	Director	10,000	10,000
4. The Nomination and Remuneration Committee	Chairman	5,000	5,000
	Director	5,000	5,000
5. The Corporate Governance and Risk Management Committee	Chairman	5,000	5,000
	Director	5,000	5,000
6. The Sustainability Committee	Chairman	5,000	5,000
	Director	5,000	5,000

- 1.3.3 Other benefits allowance (if any): -None-

**2 Remuneration for Executives (the management)** : The remuneration for the Executive Directors, 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.

**2.1 Monetary compensation**

Remuneration	2021		2022	
	Numbers	Amount (Baht)	Numbers	Amount (Baht)
Salary and Patron	9	26.98	11	25.26
<b>Total</b>	<b>9</b>	<b>26.98</b>	<b>11</b>	<b>25.26</b>

**2.2 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 Executives

Other Remuneration	2021		2022	
	Numbers	Amount (Baht)	Numbers	Amount (Baht)
Provident fund contribution	9	927,541	7	865,452
<b>Total</b>	<b>9</b>	<b>927,541</b>	<b>7</b>	<b>865,452</b>

## 7.5 Employee

### Employee and Employee Benefit

In the past year, there was insignificant change in number of employees and did not have significant effect on the operation.

Department	2020		2021		2022	
	Male	Female	Male	Female	Male	Female
Office and Support	53	45	52	47	48	49
Operation	81	10	82	10	83	11
<b>Total</b>	<b>134</b>	<b>55</b>	<b>134</b>	<b>57</b>	<b>131</b>	<b>60</b>
<b>Grand Total</b>	<b>189</b>		<b>191</b>		<b>191</b>	
Remuneration (Million Baht)	106.4		108.89		113.72	
Provident Fund (Million Baht)	2.72		2.9		2.9	
Employees participating in the provident fund (person)	175		181		179	
Employees participating in the provident fund (%)	92.59		94.76		93.71	
Labor Dispute during the past 3 years	- None -		- None -		- None -	
Incident of harmful event leads to operation halt (Times)	- 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 by comparing job duties with the appropriate number of personnel.

The company reorganized the structure in accordance with the company's policy and business plan in expanding new investments. Business Development function was set up to be responsible for supporting the implementation of goals and strategies in projects.

#### 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 kinds 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.

#### **Human Rights Policy**

The company put the emphasize on giving the value to the basic human rights in operating business. The Board of Directors' meeting No. 9/2022 on December 16, 2022, approved the Human right Policy to ensure the compliance, support the value giving and protecting the basic human rights and human dignity the company will comply with domestic laws, international human rights practices including Universal Declaration of Human Rights: UDHR, United Nations Guiding Principles on Business and Human Rights: UNGPs, Principles of the United Nations Global Compact: UNGC, and Declaration of International Labour Organization.

#### **Labor rights**

1. respect to human rights and treat each other with respect and honor on equality basis without considering differences in race, skin color, ethnicity, gender, language, religion, education, culture, tradition, social status, wealth, local habitat, disability, sickness or any other illness status. This includes the respect and acceptance in thinking such as political view or other general matters by regulated laws and other general declaration and also compliance with the company's human rights policy.
2. The compliance with laws regarding to recruiting capable workforces by respecting to the equality in hiring regardless of the difference in gender, age, race, ethnicity, skin color, religion, believe, social status, origin of the family, political view. The company also support the hiring of disabled person who is capable to work with difference functions. Hiring foreign workers will be treat equally and comply with practices regulated by law.
3. Refrain from hiring underage employees based on age range specified by law of each country and international labor laws.
4. Promote the human dignity of employees, provide respectful treatments, avoid actions or engaging in actions that violate or harmful to both physical, verbal and mental ways, harassment, punishment that causes physical and mental pressure, and or forced laboring.
5. Provide protective treatments to female workers in order to avoid task that might cause the danger to health or safety. Pregnant workforces must be protected and granted based on what specified by laws.
6. Compensation, welfare and benefits of the employees must be in line with industry's standard which is sufficient to the basic needs of the employees and their family.
7. Comply with working hour of employees and/or comparable to the industry good laboring practices including working hour, overtime, holiday, leave based on basic rights specified by law. Overtime and holiday working must be voluntary and accepted by employees.

8. Comply with laboring law regarding to dismissal and also the practices of payment and compensation regarding to the dismissal.
9. Support the safety work, health and working environment management to allow full potential work without the harm to physical and mental conditions. The company has committee of workplace welfare and committee of safety, health and working environment responsible for workplace management and complying to laws and regulations in laboring.

### 7.5.3 The succession plan

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. In preparing employees for succession planning, the company will focus on identifying talented and good people (Build) within the organization who have the necessary knowledge, abilities, and appropriate qualities before seeking outside candidates. The company has established a process for developing succession plans as follows.



### **The process of succession plan**

The Board of directors has recognized the importance of creating executives to succeed the top executives with the following practices.

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. Analyze individual qualifications to identify strengths and areas for further development.
4. Setup individual development plan to promote a development of potential and to enhance abilities.
5. Provide opportunities to let middle management to work closely with top management internally and across functions
6. Identify potential middle management as a successor and place in the appropriate position.
7. Prepare top management to able to handle work in other function in case needed.
8. Prepare specialists to have more comprehensive management capabilities to be ready for managerial job functions.
9. Prepare the middle management to have more opportunity working on both internal and across management functions.
10. Provide training courses for top and middle management in terms of responsibilities, business ethics and focusing on organization benefits
11. Provide training courses for the manager in each department in term of planning technique systematic thinking and provide systematic working plan for middle management
12. Organize the development of a systematic work plan for middle management.
13. Provide job rotation to some positions in management level for business efficiency improvement.

For the succession plan of top management position (Managing Director), it will follow the policy of the major shareholder which is Ratch Group PCL, who will consider its executives who have appropriate qualifications, knowledge, abilities, and benefits for the company's business operations, in order to propose to the Board of Directors for approval.

In this regard, the Executive Committee is responsible for setting and preparing the succession plan of company's executives by monitoring the progress of capacity development and evaluating the results, while reviewing the plan and manual of succession planning to ensure that it is appropriate and in line with changes of the company structure in the past year.



#### 7.5.4 Retirement policy

Sahacogen and affiliates recognizes the importance of human resources as a key asset for sustaining and growing the business. Therefore, the company has extended the retirement age from 58 to 60 years old to accommodate the changing demographics of an aging society. Additionally, this policy also creates opportunities for employees who are nearing retirement but still possess the qualifications and good health to continue working while reducing the risk of labor shortages.

#### 7.5.5 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 knowledge, skills and attributes that are appropriate based on organization's expectation.

#### 7.5.6 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 the 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 including the inflation.
- Bonus : An award for hard work and dedication to achieving goals according to the company's management policy (the amended version as of A.D. 2020). It is based on performance under assigned responsibilities, as well as the results achieved. It is given as a gift and is not related to regular wages/salaries. The company may choose not to award bonuses if deemed necessary.

The Company has authorized the Managing Director as the one who considers and proposes the annual bonus payment to the Executives Committee for endorsement before proposing to the Board of directors for approval.

- Other allowances : This payment type will be applied for other purposes such as shift allowance.

## **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

### **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.

### **7.5.7 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 the year 2022, due to the continued spread of COVID-19, which originated in 2021, the management continued to prioritize the safety of employees by monitoring and considering their well-being as a top priority while maintaining continuous business operations. There are the precaution procedure and guideline, along with emergency response plans and contingency plans to support any emergency situations. Work From Home arrangements have been implemented for employees, and the necessary equipment were provided to all. Budget has been allocated for welfare benefits to provide necessary quarantine accommodation as needed. The company has also conveyed its concern for the well-being of employees, advising them to take care of themselves, their families, and those around them to maintain good health.

Welfare Expense (Baht)				
	Sahacogen (Chonburi) PCL.	Sahacogen Green Co., Ltd.	Sahagreen Forest Co., Ltd.	Total
Welfare	137,390	270,469	172,831	580,690

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 5 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.

The company promotes and supports employee to participate in organization development by establishing a employee welfare committee to represent employees and serve as a liaison between them and the company. The goal is to promote happiness and good relationship by conducting a project called “SAHACOGEN GET & GIVE”, divided into five groups

#### Group 1 : Core Values & Happy Workplace

- 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 Saha 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)	42	56	38	136
Percentage	84%	62.92%	82.60%	73.51%

### Group 2 : Employees Get & Give

- Send company representatives to visit sick employee
- Provide support fund and family for 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

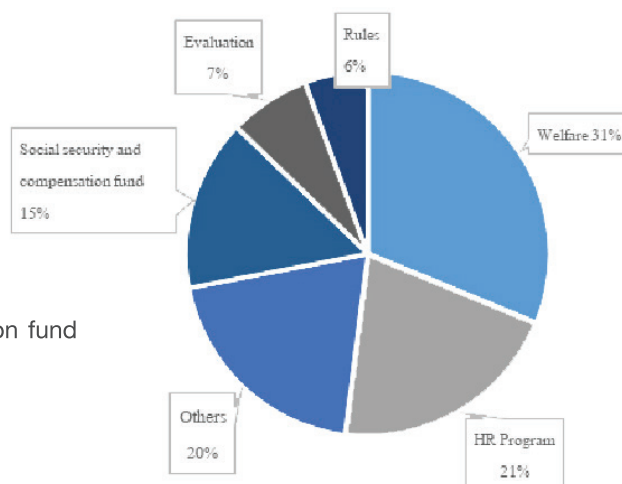
- Provide life insurance and health insurance for employees and their family members
- Provide annual health checkup service and risk-based health checkup service
- Organize "The Best Healthy" project with the concept of exercising anyway and get points for gift redemption.
- Provide medical items and 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

#### 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. This is to encourage continuous employee participation, and participation rates exceeding the pre-determined target of 70% of the total.

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 whistle blowing. Suggestions and comments will be considered and implemented to maintain good relationships. The feedback and suggestions have been heard from employees at all levels equally by using a mechanism that does not cause any impact on the whistle-blower who report any concern which is kept confidential by the company. The company has set monthly meeting to allow all-level employees to express their ideas to the sub-committees.

### **Communication to Employees**

- **Listening to employees:** Sahacogen and affiliates provides opportunities for employees to express their opinions, suggestions, complaints, or various problems through internal communication channels such as suggestion boxes, email, intranet, monthly meetings, and so on. The information will be presented to the Executives Committee for consideration and action, and the communication will be provided back to the employees without disclosing the information of the complainant.
- **Creating a culture of openly communication:** Encourage transparency and clarity in communication where employees can discuss any topics freely. The company provides opportunities for all employees to express their opinions equally and fairly within the organization. This helps to create a positive atmosphere and good relationships at workplace, and regular meetings are organized to facilitate communication between management and employees at all levels.
- **Utilizing technology for communication:** The company has chosen modern and useful technologies to provide convenient, fast, cost savings, and widespread communication according to the situation such as conducting video conference meetings with VPN systems, Line, Microsoft Teams, and Zoom Conference.
- **Town Hall Meeting:** To inform employees of the company's policies and growth direction and to listen to their opinions on various issues for development.

### **Employees' engagement survey and employees' happiness**

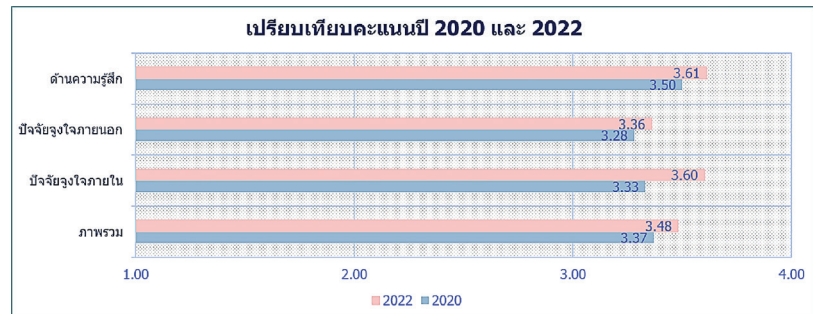
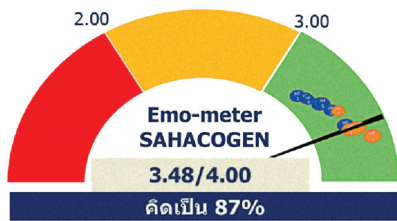
In the year 2022, Sahacogen and affiliates conducts employee engagement survey. The company will receive feedback that led to action plan in operational development, employee capability development and designing activities. The company aims to create happiness in workplace and build up sense of belonging to the organization that will lead to dedication to work at the full potential. The survey consists of 2 aspects as follow:

1. Emotional aspects (Happiness and engagement) of employees
2. Factors that affect employee emotional well-being

Out of the total 186 employees, 172 participated in the survey, which represents 92% of the total workforce. The Emo-Meter result for happiness and engagement at workplace is 87%, which is above the benchmark of 80%. This indicates that employees still have a high level of the work satisfaction, take pride in their organization, and are enthusiastic to put in a high level of physical and mental effort in their work.

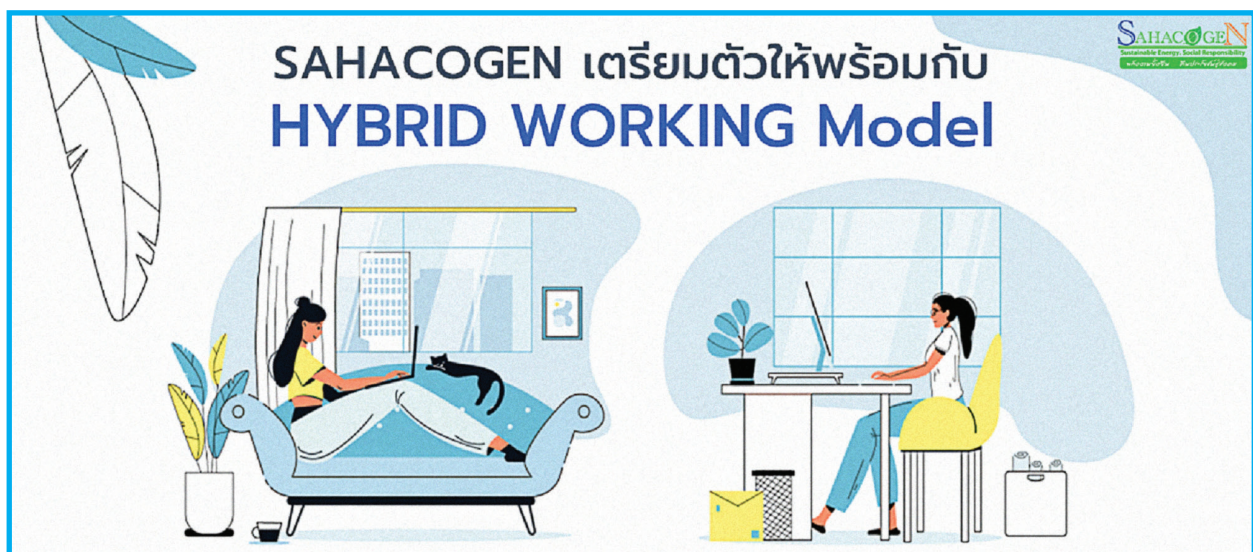
Every 2 years, the company will conduct employee engagement survey (EES). The company will receive feedback that led to action plan in operational development, employee capability development and designing activities that align with the needs of employees effectively. The company aims to create happiness in workplace and build up sense of belonging to the organization that will lead to dedication to work at the full potential.





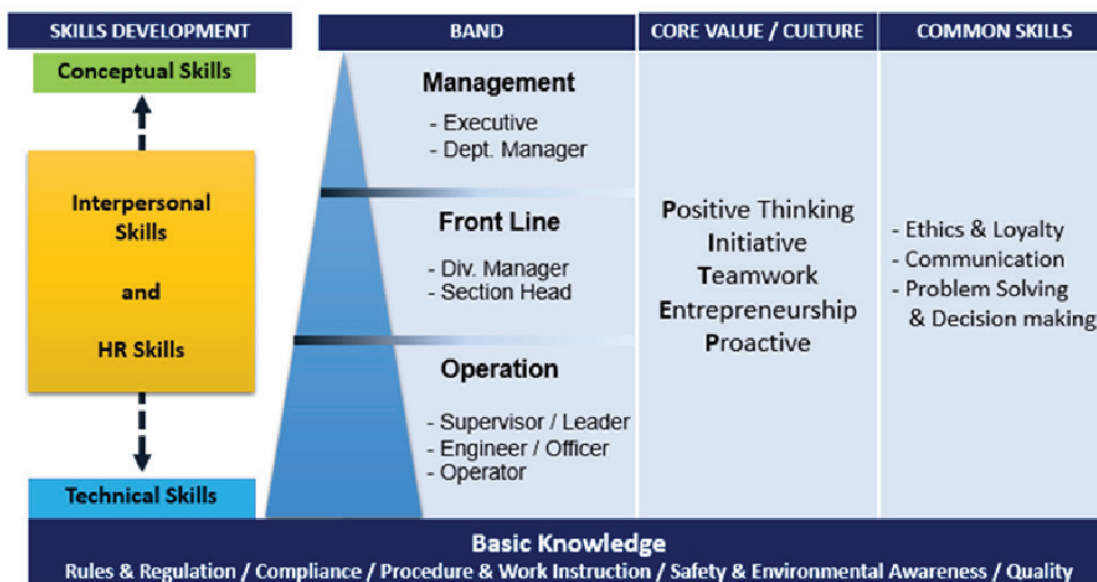
The management conducted the experiment with the Hybrid Working Model for Sahacogen (Chonburi) PCL. for a period of six months, starting from July 2022 to December 2022. This was based on a satisfaction survey, which showed an overall satisfaction rate of 91%, exceeding the set target of 75%. This was a continuation of the Flexible Working model that provides employees with more options for working freely, resulting in increased productivity.

To attract and retain new-generation employees who comes with new idea and prefer flexible work arrangements, the company promotes operations that align with modern working environments, use Green and Energy-saving, and support employees' happiness and increased work freedom.



### 7.5.8 Human Resources Development

This table depicts the group of company's human resource development policy. Sahacocgen 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 of human resource development to ensure the achievement of the 4 mentioned targets. This methods were considered to design practical development and activities 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**

- Required by law or regulations, rely on corporate value, relating to ethics

**Managerial Course**

- Mostly are for management skills improvement and general topics

**Specific Course**

- Suitable for specific job functions

In the year 2022, 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 online. The target 80% of 162 training courses were set. attended or 83.33 % achieved with 3.33 % higher than the target as shown below

Topic	SCG	SGN	SGF	Total
<b>Course</b>				
Standard Training Course	10	12	15	37
Managerial Training Course	5	3	4	12
Specific Training Course	25	34	27	86
<b>Total</b>	<b>40</b>	<b>49</b>	<b>46</b>	<b>135</b>
<b>Participant (People)</b>				
Manager	15	4	1	20
Section Head	15	10	7	32
Leader / Engineer	3	6	6	15
Officer	15	65	32	112
<b>Total</b>	<b>48</b>	<b>85</b>	<b>46</b>	<b>179</b>
<b>Training hour</b>				
Total hour	47.07	20.45	43.6	37.04
Manager (hours/person/year)	80.35	38.23	60.17	59.58
Section Head (hours/person/year)	69.33	32.57	36.67	46.19
Leader / Engineer (hours/person/year)	63.53	25.99	37.68	42.40
<b>Officer (hours/person/year)</b>	<b>65.07</b>	<b>29.31</b>	<b>41.23</b>	<b>46.30</b>
<b>Training and development expense (Baht)</b>	<b>401,814</b>	<b>227,025</b>	<b>231,198</b>	<b>860,037</b>

Number of employees

Number  
of employeesNumber  
of programsAverage training  
hours: person: year

122



57



## 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
- Basic Firefighting Training
- Hazard Chemical and Spill Management
- Electrical safety for employee working on electricity work
- Boiler Control Operator
- Reviewing courses related to cranes
- Training on measures of environmental protection and reduction of the impact on environment.
- Safety in using boilers and practices in compliance with legal requirements

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

- Person responsible for energy matters
- ISO Requirements (ISO 9001) / Internal auditor ISO 9001
- Cyber security and IT Awareness
- Principle of good governance, ethics and morality, principles of good corporate governance, and anti-corruption.

1.3 Basic courses necessary for job performance enabling employees to work correctly, reducing errors in work, and achieving maximum work efficiency.

- ERP software usage
- Practical planning and problem-solving decision-making.

### 2. Specific Course

2.1 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

- Operation and PM inspection work for Oil Fire Boiler.
- Industrial lubricants.
- OEE FOR INDUSTRY 4.0 & AUTONOMOUS MAINTENANCE
- Improving production efficiency with OEE and self-maintenance
- Basic STEAM TURBINE & GENERATOR
- Installation and maintenance of belts
- Using PMII software for repair notification

2.2 Training courses for support function to help the operational staff to have wider range of knowledge in the areas of the operation.

- Smart Secretary & Super Admin
- Transfer pricing
- Enterprise Risk Management (ERM)
- Personnel specializing in social responsibility management at the senior level.
- The basic cybersecurity fundamentals.
- Safety in construction work
- Power Automate for Business Automation
- In-depth market analysis, customer insights, and the Digital 4.0 era in 2022 marketing.

### 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 or Facebook. The issue arose from the company's awareness of the importance of employee health and safety.

## 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). Part 1 "1. Business"

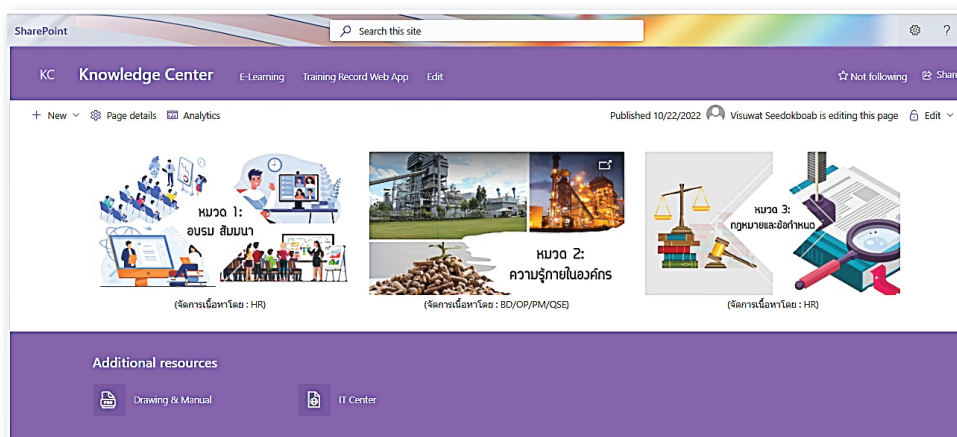
- Core value promoting and the anti-corruption activity (CAC)



- Core Value Man 2022 activity encourages employees to participate and express their perspective on their own Core Values. Core Value Man will be voted by fellow employees and representatives of the company, and the results will be announced at each company's New Year event in each area.

### 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, 118 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	20	45	15	80
■ Internal knowledge (KM)	3	34	1	38
<b>Total</b>	<b>23</b>	<b>79</b>	<b>16</b>	<b>118</b>

### 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 Vischuveskamin on February 23, 2021, 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.

#### 2) Proles of the company’s Chief Financial Ofcer (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. Pailin Kanankhang, 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 “Details of the Boards of Directors, Executive Members and Company Secretary”.

In 2022, there will be continuous training and development in accounting according to the set standards.

#### 3) Head of Internal Audit

At the Audit Committee’s Meeting No. 2/2022 on February 23, 2022, the new Audit Committee, which was appointed from the Board of directors on December 14, 2021 and on January 5, 2022, 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 Supamong , 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 3 "The key person in internal audit and compliance functions.

#### **4) Head of Compliance Unit**

The company appointed 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 and Corporate Governance and Risk Management Department 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 attach number 3 "The key person in internal audit and compliance functions). The company has assigned Ms. Penpak Vongrakvanich, Corporate Governance and Risk Management Department Manager, to be responsible for monitoring the internal control and coordinating with the internal auditor and related internal units.



### 7.3.2 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](http://www.sahacogen.com)).

- **Mr.Nattawut Yawaprapas**

Finance & Investor Relations Division Manager

Tel : 038-481555

Fax : 038-481551

E-mail: [investorrelation@sahacogen.com](mailto: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 2022, the company did not arrange this activity due to the breakout of Coronavirus Disease 2019 (COVID-19) pandemic

### 7.3.3 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 KPMG Phoomchai Audit Co., Ltd , where the auditors were attached to:

Company	Audit Fee	
	EY Office Limited	KPMG Phoomchai Audit Co., Ltd
	2021	2022
Sahacogen (Chonburi) PCL.	1,395,000	1,400,000
Subsidiaries*	1,040,000	1,330,000
<b>Total Audit Fee</b>	<b>2,435,000</b>	<b>2,730,000</b>

Note: Change the number of subsidiary companies during the year from 2 companies originally to 11 companies.

#### 2. Non-audit Fee

The Company and its subsidiaries paid for other services for BOI compliance audit at a rate of 70,000 baht per card as follows:

Company	Audit Fee	
	EY Office Limited	KPMG Phoomchai Audit Co., Ltd
	2021	2022
Sahacogen (Chonburi) PCL.	80,000	70,000
Subsidiaries	-	-
<b>Total Non-audit Fee</b>	<b>80,000</b>	<b>70,000</b>

## 8. Report on Significant Corporate Governance Performances

### 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) Part 2 "6.3 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 members. 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 and Director Nomination and Remuneration Policy. The combination of the Board of Directors must be professional and diverse. The consideration includes structure, number and diversity. The candidates 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, strategies and future plan including specified the qualification of the Director. The candidates must have vision, knowledge and experience in energy business, engineering, management, finance and accounting, law, information technology and other fields as necessary specified in the Board Skill Matrix which was determined by the Board of Directors. Moreover, the candidate is expected to dedicate sufficient time to oversee the company's operations in order to fulfill their duties effectively. The Nomination and Remuneration Committee opens for shareholders' candidate proposal.

#### 1. Independent Director Selection

As of December 31, 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. Nomination of Directors and top management**

### **2.1 The process of selecting and nominating of director(s) and top management**

#### **2.1.1 The director qualifications**

- **selecting process**

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 as required by the Board Skills Matrix. 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. In case of the proposal to re-elect the retired director, it should consider past performance appraisal as the member of the Board of Directors and/or sub-committee. This to ensure that the shareholders shall have such information for consideration.
4. The director should be able to dedicate sufficient time to supervise the company's operations in order to fulfill their duties effectively and comply with the policy of limiting the number of listed companies in which each director can hold. The directors should not hold more than 5 directorships in the listed companies at the same time.

5. The independent directors must have the qualifications complying with rules and regulations set by the Capital Market Supervisory Board as well as should not be independent director more than 9 years according to the good corporate governance policy.

- **Nomination process**

1. **Planning**

To support the nomination and remuneration committee' due care and proper selection timeline, the company's secretary has role and responsibilities as follow to propose to the Nomination and Remuneration committee.

- Review the educational, capability, skill and experience factors in Board Skill Matrix
- Prepare rotation and retirement timeline of each member of the Board of Director and also sub-committee
- Review the qualification of the independent director
- Prepare and review the selection guideline and required qualifications approved by the Board of Directors
- Review the guideline for good corporate governance specified by the Securities and Exchange Commission (SEC) and Director selection guideline provided by Thai Institute of Directors (IOD)
- Propose timeline of the selection process in accordance to the timeline of the committee meeting and also the shareholders annual general meeting

2. **Nomination**

- **Nomination of new directors by the shareholders**

To ensure the implementation of a procedure which enables minor shareholders to participate in the nomination and appointment of directors and ensure that minor shareholders are able to elect independent directors to reserve their own benefits, the Company must allow at least 1 months for all shareholders to nominate candidates to be considered for the election as new directors according to the specified criteria and procedures. The company's secretary will propose the Board meeting to approve an appropriate and sufficient period of time to consider the selection and election in the next steps, where the Company Secretary shall inform SET about the timeline and other details, as well as publishing such information on the Company's website.

- **Aggregation of candidate list from reliable sources**

The committee secretary shall aggregate lists of candidates in the Chartered Director of the Thai Institute of Directors as well as lists of directors of SET listed companies who match the company's Board Skill Matrix and proposed such lists to the meeting of the Nomination and Remuneration Committee as supporting materials for consideration.

**3. Selection**

The Company Secretary shall aggregate the lists acquired to be proposed to the meeting of the Nomination and Remuneration Committee for consideration. The meeting of the Nomination and Remuneration Committee (excluding directors having interests in such a matter) shall determine the director's qualifications from the Board Skill Matrix to screen the lists of candidates qualified for the new director's positions. This consideration must also consider diversity of the Board of Directors structure, and select the individuals with knowledge, expertise or experiences in providing beneficial advices for business operation strategies and policies in accordance with sustainable development approaches, before proposing to the Board of Directors' meeting for consideration.

The company secretary shall review the basic qualifications of the nominated persons from public sources regarding their directorship or executive positions in other businesses that may lead to conflicts of interests with the company, and the qualifications of independent directors.

**4. Election**

- Election of directors in replacement of those retiring by rotation

The Board of Directors (excluding directors having interests in such a matter) shall thoroughly and carefully consider the qualifications of the candidates which are individually nominated by the Nomination and Remuneration Committee before proposing the nomination of qualified individuals to the shareholders' meeting to consider director election. In addition, the Board of Directors may appoint the Managing Director and/or appropriate directors to approach the individuals of whom the Board of Directors has given consent to participate in the director election, and report the progress of approaching said nominated persons for the Board of Directors' acknowledgement/consideration. After that, the company secretary will announce the agenda of new director appointment in shareholder general meeting to SET and also publish the meeting invitation through SET's website and company's website.



- Election of directors in replacement of those resigning before their terms

Election of directors in replacement of those resigning before their terms shall be proceeded through the same process as that of the election of directors replacing those retiring by rotation. However, the meeting of the Board of Directors shall consider the election of directors without proposing to the shareholders' meeting for consideration. In addition, in case where the remaining terms of office of directors resigning before their terms are less than two months, the shareholders' meeting is required by the laws to elect directors to replace said resigning directors.

### **2.1.2 The selection of the top 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.

In the past year, selection methods for the Company's Chief Executive Officer starts from the proposal from Ratch Group PCL. (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".

### **2.3 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 the company's 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.

### **2.4 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 and established the director development in the Director Nomination and Remuneration Policy as well as a development plan of corporate governance for the board of directors, sub-committees, subsidiaries and associated company, approved from the Board of Directors' meeting No. 9/2022 on December 16, 2022. This is for the leadership and vision of the Directors and the executives 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"> <li>- Director Certification</li> <li>- Director Accreditation</li> <li>- CG for Capital Market Intermediaries</li> <li>- CG for Family Business</li> </ul>	<ul style="list-style-type: none"> <li>- Chairman</li> <li>- Audit Committee</li> <li>- Nomination and Governance Committee</li> <li>- Compensation Committee</li> <li>- Risk Management Committee</li> </ul>	<ul style="list-style-type: none"> <li>- Chartered Director</li> <li>- Finance</li> <li>- Strategy Formulation</li> <li>- Strategy Measurement</li> <li>- Risk Planning</li> <li>- DCP Update</li> </ul>

**Guidelines to enhance the Corporate Governance for the Executives**

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

The company has set the training plan in Director Certification Program and other essential courses for new appointed directors.

### 1. Developments for the directors and the management

The Company Directors' attendance at training sessions conducted by the Thai Institute of Directors Association (IOD) As of December 31, 2022

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	Tangkavachiranon	-	221/2016	-	-	-	-	-
Mrs. Wadeerat	Charoencoop	-	276/2019	-	-	71/2019	2015	9992
Mr. Udompong	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	-	318/2022	-	-	-	-	-
Mr. Pongtep	Thithapand	-	125/2009	-	-	-	-	-
Mr. Chaisak	Yongbanjerd	-	321/2022	-	-	-	-	-

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

## 2. Training and seminar attended by the Board of Directors in 2022

Name		Training Course/ Seminar
Mr. Sujarit	Patchimnan	Sustainable Business Development (SPI)
Mr. Vichai	Kulsomphob	
Mr. Chaisak	Yongbanjerd	

## 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 2022

No.	Name		Training Course/ Seminar
1	Ms. Penpak Ms. Naiyachan Mrs. Waraphorn Ms. Pitsinee	Vongrakvanich Chongkolvanich Promlert Foowongsit	"Seminar on Explaining the Criteria for Conducting the CGR Project in 2023 : IOD"
2	Ms. Penpak Ms. Naiyachan	Vongrakvanich Chongkolvanich	"Deep Dive Seminar on the Guidelines for Conducting CGR Assessment in 2023 : IOD"
3	Ms. Penpak Ms. Pitsinee	Vongrakvanich Foowongsit	Intensive coaching for 100 New AGM Checklist 2023 : TIA
4	Ms. Penpak Ms. Naiyachan Mrs. Waraphorn Ms. Pitsinee	Vongrakvanich Chongkolvanich Promlert Foowongsit	Best Practices in Reporting and Disclosure: IOD
5	Mr. Apipong Mr. Nattawut	Vischuveskamin Yawaprapas	CFO Refresher Class 3/2022 : SET
6	Mr. Pomsak Ms. Kunanya Mr. Thanakorn Mr. Piyavut Mrs. Sarocha Ms. Kanchana Mrs. Waraphorn Ms. Pitsinee Ms. Narunut Ms. Tansiri Ms. Wassana Mrs. Panadda Mrs. Uthoomporn Ms. Wachiraporn Ms. Sakulchaya Ms. Narttaya	Chuamuangphan Panyalar Pakdeenorasirikul Suvannanon Chonlaket Prachakun Promlert Foowongsit Limpanasophon Thongsan Wiriyachukid Prapin Sinprajackpol Luangon Nithiphuwapatsorn Baothong	Corporate Sustainability Strategy: SET
7	Ms. Penpak	Vongrakvanich	The preparation of PDPA implementation for Company secretary, Thai Listed Company Association

### 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

#### (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 2022 was in "Excellent" level with the average score of 92.30

**(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 2022 was in "Excellent" level with the average score of 91.21 %.

**(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



In the year 2022, the evaluation results can be summarized as below;

Sub-Committees	Evaluation Result	Result
Executive Committee	93.82 %	Excellent
Audit Committee	91.11 %	Excellent
Nomination and Remuneration Committee	83.75 %	Good
Corporate Governance and Risk Management Committee	93.03 %	Excellent
Sustainability Committee	86.75 %	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.

In the past year, the company evaluated the annual performance based on the board and subcommittee structures. The results of the evaluation were used to enhance the effectiveness of the board's duties.

## 8.1.2 Meeting Attendance and Individual Compensation

## 1. The Board of Directors Meeting Attendance in 2022

Name	Annual General Shareholders' Meeting				Boards												Non-Executive Directors								
	Times				Board of Directors			Executive Committee			Audit Committee			Nomination and Remuneration Committee			Corporate Governance and Risk Management Committee			Sustainability Committee			Times		
					Times			Times			Times			Times			Times								
	physical meeting	electronic meeting	total	%	physical meeting	electronic meeting	total	%	physical meeting	electronic meeting	total	%	physical meeting	electronic meeting	total	%	physical meeting	electronic meeting	total	%	physical meeting	electronic meeting	total	%	
1. Mr. Sujarit Patchiman	1/1	-	1/1	100	9/9	-	9/9	100	-	-	-	-	100	-	-	-	-	-	-	-	-	-	-	-	
2. Miss Choosri Kietkajomkul	1/1	-	1/1	100	8/9	1/9	9/9	100	-	-	-	-	100	2/3	1/3	3/3	100	-	-	-	-	-	-	-	
3. Mr. Sakarin Tangkavachiranon	1/1	-	1/1	100	8/9	1/9	9/9	100	9/11	1/11	10/11	100	-	3/3	-	3/3	100	-	-	-	-	-	-	-	
4. Mrs. Wadeerat Charoencoop	1/1	-	1/1	100	8/9	1/9	9/9	100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5. Mr.Udompong Churntharumporn	1/1	-	1/1	100	9/9	-	9/9	100	9/11	2/11	11/11	100	-	-	-	-	2/3	1/3	3/3	100 <sup>3</sup>	2/2	-	2/2	100 <sup>3</sup>	
6. Mr. Thirasak Vikiset	-	1/1	1/1	100	6/9	2/9	8/9	88.89	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
7. Mr. Vichai Kulsumphob	-	-	0/1 <sup>*</sup>	-	4/9	4/9	8/9	88.89	-	-	-	-	-	2/3	1/3	3/3	100	-	-	-	-	-	-	-	
8. Mr. Vorayos Thongtan	1/1	-	1/1	100	9/9	-	9/9	100	9/11	2/11	11/11	100	-	-	-	-	1/1	-	100 <sup>2</sup>	1/3	-	1/3	66.67	-	
9. Mr. Chinapat Visuttipat	-	1/1	1/1	100	1/9	8/9	9/9	100	-	-	-	-	-	1/6	5/6	6/6	100	-	3/3	3/3	100 <sup>3</sup>	-	1/1	100	
10. Mr. Natapong Vanarat <sup>1</sup>	-	1/1	1/1	100	2/9	7/9	9/9	100	-	-	-	-	-	1/6	5/6	6/6	100	-	-	-	-	1/1	-	100	
11. Mr. Pongtep Thithapand <sup>1</sup>	-	1/1	1/1	100	5/9	4/9	9/9	100	-	-	-	-	-	1/6	5/6	6/6	100	-	-	-	-	1/1	-	100	
12. Mr. Chalsak Yongbanjerd <sup>1</sup>	1/1	-	1/1	100	8/9	1/9	9/9	100	-	-	-	-	-	-	-	-	3/3	-	3/3	100 <sup>3</sup>	-	1/1	-	100	
13. Mr. Viroj Theeravatavee	-	-	-	-	-	-	-	-	9/11	2/11	11/11	100	-	-	-	-	-	-	3/3	100 <sup>3</sup>	-	1/1	-	100	
14. Mr. Sontaya Tabkhan	-	-	-	-	-	-	-	-	-	11/11	11/11	100	-	-	-	-	-	4/4	4/4	100	-	-	-	-	
15. Mr. Apibong Vischuveskamin	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4/4	-	100	3/3	-	3/3	100	-	
16. Mr. Teerayuth Kaewoon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4/4	-	100	4/4	-	-	-	-	
17. Mrs. Uthoomporn Sinprajakpol	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3/3	-	100	3/3	-	-	-	

Name	Annual General Shareholders' Meeting		Boards												Non-Executive Directors					
			Board of Directors			Executive Committee			Audit Committee			Nomination and Remuneration Committee						Corporate Governance and Risk Management Committee		
	Times		Times		Times		Times		Times		Times		Times		Times		Times		Times	
	physical meeting	electronic meeting	total	%	physical meeting	electronic meeting	total	%	physical meeting	electronic meeting	total	%	physical meeting	electronic meeting	total	%	physical meeting	electronic meeting	total	%
18. Mr. Pomsak Chuamuangphan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19. Mr. Jaturong Kornwet	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20. Mr. Suthep Dansiriviroj	-	-	-	-	-	-	-	-	-	-	-	-	1/1	-	100 <sup>2</sup>	100	-	-	-	-
21. Mr. Nophom Bhongsvej	-	-	-	-	-	-	-	-	-	-	-	-	1/1	-	100 <sup>2</sup>	100	-	-	-	-
Average (Number of times)	91.67	98.15	98.18	100	100	100	100	100	98.18	98.15	98.18	100	100	95.00	100	95.00	100	100	100	100

Remark : \* meeting leave due to overseas assignment

<sup>1</sup> Appointed on January 5, 2022      <sup>2</sup> Expiration of term on May 13, 2022      <sup>3</sup> Appointed on May 13, 2022

The Board of Directors set a policy for non-executive directors to hold meetings without the presence of executives and management at least once a year. This is to allow non-executive directors to discuss and deliberate on management issues or topics of interest. The outcomes of these meetings are then reported to the Managing Director for acknowledgement.

In the year 2022, the non-executive directors held a meeting on September 23, 2022 and reported the results to the Managing Director for acknowledgement. The report was also presented to the Board of Directors (No.7/2022 on October 18, 2022).

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. Thirasak	Vikitset	Chairman	7/7	Director	1/1 <sup>1</sup>
2.	Mr. Viroj	Theeravatvatee	Managing Director	7/7	Chairman	6/6
3.	Mr. Sontaya	Tabkhan	Director	7/7		
4.	Mr. Vorayos	Thongtan	Director	7/7	Director	6/6
5.	Mr. Udompong	Chuntharumporn	Director	5/5 <sup>2</sup>	Director	5/5 <sup>2</sup>
6.	Mr. Teerayuth	Kaewcoon	Director	5/5 <sup>2</sup>	Director	6/6
7.	Mr. Jaturong	Kornwet			Managing Director	5/5 <sup>2-</sup>
8.	Mr. Apipong	Vischuveskamin			Director	6/6
9.	Mr. Mahasan	Thieravarut			Director	6/6
10.	Mr. Kitt	Viwatbovornwong			Director	6/6

Name (resigned directors)			Subsidiaries			
			Sahacogen Green Co., Ltd.		Sahagreen Forest Co., Ltd.	
			Position	Attendance	Position	Attendance
11.	Mr. Sujarit	Patchimnan	Chairman	2/2 <sup>1</sup>	Chairman	1/1 <sup>1</sup>
12.	Mr. Boonkiet	Chokwatana	Director	2/2 <sup>1</sup>		

<sup>1</sup> Resigned from the position on Mar 15 , 2022

<sup>2</sup> Started the position on Mar 15, 2022

## 2. The Directors Compensation for the year 2022

Name	Board of Directors					Meeting Allowance (Bath)				Total
	Directors	Executive Committee	Audit Committee	Nomination and Remuneration Committee	Corporate Governance and Risk Management Committee	Sustainability Committee	Non-Executive Directors	Total Meeting Allowance	Annual Remuneration	
1. Mr. Sujarit Patchimman	180,000	-	-	15,000	-	-	-	195,000	100,000	295,000
2. Miss Choosri Kietkajornkul	90,000	-	-	15,000	-	-	-	105,000	95,000	200,000
3. Mr. Sakarin Tangkavachiranan	90,000	100,000	-	15,000	-	-	-	205,000	80,000	285,000
4. Mrs. Wadeerat Charencoop	90,000	-	-	-	-	-	-	90,000	75,000	165,000
5. Mr. Udompong Chuntarumporn	90,000	110,000	-	-	15,000	10,000	-	225,000	80,000	305,000
6. Mr. Thirasak Vikitset	80,000	-	-	-	-	-	-	80,000	75,000	155,000
7. Mr. Vichai Kulsomphob	80,000	-	-	15,000	-	-	-	95,000	75,000	170,000
8. Mr. Vorayos Thongtan	90,000	110,000	-	-	5,000	5,000	-	210,000	75,000	285,000
9. Mr. Chinapat Visuttiapat	90,000	-	60,000	-	15,000	-	5,000	170,000	80,000	250,000
10. Mr. Natapong Vanarat <sup>1</sup>	90,000	-	60,000	-	-	-	5,000	155,000	75,000	230,000
11. Mr. Pongtep Thithapand <sup>1</sup>	90,000	-	60,000	-	-	-	5,000	155,000	75,000	230,000
12. Mr. Chaisak Yongbanjerd <sup>1</sup>	90,000	-	-	-	15,000	-	5,000	110,000	75,000	185,000
13. Mr. Viroj Theeravatevatee	-	110,000	-	-	-	15,000	-	125,000	-	125,000
14. Mr. Sontaya Tabkhan	-	110,000	-	-	20,000	-	-	130,000	-	130,000
15. Mr. Apipong Vischuveskamin	-	-	-	-	20,000	15,000	-	35,000	-	35,000
16. Mr. Teerayuth Kaewcoon	-	-	-	-	20,000	-	-	20,000	-	20,000
17. Mrs. Uthoornporn Sinprajackpol	-	-	-	-	-	15,000	-	15,000	-	15,000
18. Mr. Pomsak Chuangphangphan	-	-	-	-	-	15,000	-	15,000	-	15,000
19. Mr. Jaturong Kornwet	-	-	-	-	-	15,000	-	15,000	-	15,000
20. Mr. Suthep Dansinviroj	-	-	-	-	5,000	-	-	5,000	-	5,000
21. Mr. Nophorn Bhongsvej	-	-	-	-	5,000	-	-	5,000	-	5,000
<b>Total</b>	<b>1,150,000</b>	<b>540,000</b>	<b>180,000</b>	<b>60,000</b>	<b>120,000</b>	<b>90,000</b>	<b>20,000</b>	<b>2,160,000</b>	<b>960,000</b>	<b>3,120,000</b>

<sup>1</sup> Appointed on January 5, 2022<sup>2</sup> Expiration of term on May 13, 2022<sup>3</sup> Appointed on May 13, 2022

The summary of the directors attending the meeting of the Company, was described as follows;

Name		2021		2022	
		Annual Remuneration	Meeting Allowance	Annual Remuneration	Meeting Allowance
1. Mr. Sujarit	Patchimnan	472,000	215,000	100,000	195,000
2. Miss Choosri	Kietkajornkul	-	10,000	95,000	105,000
3. Mr. Sakarin	Tangkavachiranon	-	10,000	80,000	205,000
4. Mrs. Wadeerat	Charoencoop	-	10,000	75,000	90,000
5. Mr. Udompong	Chuntharumporn	-	10,000	80,000	225,000
6. Mr. Thirasak	Vikitset	520,000	225,000	75,000	80,000
7. Mr. Vichai	Kulsomphob	610,000	220,000	75,000	95,000
8. Mr. Vorayos	Thongtan	610,000	235,000	75,000	210,000
9. Mr. Chinapat	Visuttiapat	-	10,000	80,000	170,000
10. Mr. Natapong	Vanarat	-	-	75,000	155,000
11. Mr. Pongtep	Thithapand	-	-	75,000	155,000
12. Mr. Chaisak	Yongbanjerd	-	-	75,000	110,000
<b>Total</b>		<b>3,649,500</b>	<b>1,705,000</b>	<b>960,000</b>	<b>1,795,000</b>

Name		2021		2022	
		Annual Remuneration	Meeting Allowance	Annual Remuneration	Meeting Allowance
13. Mr. Viroj	Theeravatvatee	520,000	210,000	-	125,000
14. Mr. Sontaya	Tabkhan	442,000	225,000	-	130,000
15. Mr. Nophorn	Bhongsvej	472,000	190,000	-	-
16. Mr. Suthep	Dansiriviroj	3,500	135,000	-	-
17. Mr. Boonkiet	Chokwatana	443,000	100,000	-	-
18. Mr. Atthakorn	Glinkwamdee	-	-	-	-
19. Ms. Krongkao	Kritayakirana	438,500	60,000	-	-
20. Mr. Amorn	Asvanunt	442,000	170,000	-	-
21. Pol. Gen. Somchai	Prabhasabhakdi	442,000	170,000	-	-
22. Mr. Boonyarith	Mahamontri	442,000	100,000	-	-
23. Admiral Apiwat	Srivardhana	442,000	80,000	-	-
<b>Total</b>		<b>2,649,500</b>	<b>680,000</b>	<b>-</b>	<b>255,000</b>
<b>Grand Total</b>		<b>8,684,000</b>		<b>2,050,000</b>	

The summary of the directors attending the meeting of the Company's subsidiaries was described as follows;

- Sahacogen Green Co., Ltd. : None
- Sahagreen Forest Co., Ltd. : Baht 400,000

Name			2021		2022	
			Meeting	Annual	Meeting	Annual
			Allowance	Remuneration	Allowance	Remuneration
1.	Mr. Viroj	Theeravatvatee	48,000	-	70,000	-
2.	Mr. Vorayos	Thongtan	26,000	-	45,000	-
3.	Mr. Teerayuth	Kaewcoon	60,000	-	45,000	-
4.	Mr. Apipong	Vischuveskamin	48,000	-	45,000	-
5.	Mr. Udompong	Chuntharumporn <sup>2</sup>	-	-	45,000	-
6.	Mr. Jaturong	Kornwet <sup>2</sup>	-	-	60,000	-
7.	Mr. Mahasan	Thieravarut	45,000	-	45,000	-
8.	Mr. Kittti	Viwatbovornwong	22,500	-	45,000	-
<b>Total</b>			<b>249,500</b>	<b>-</b>	<b>400,000</b>	<b>-</b>

Directors (Resigned during the year)			2021		2022	
			Meeting	Annual	Meeting	Annual
			Allowance	Remuneration	Allowance	Remuneration
9.	Mr. Sujarit	Patchimnan <sup>1</sup>	80,000	-	-	-
10.	Mr. Thirasak	Vikitset <sup>1</sup>	48,000	-	-	-
11.	Mr. Sangchai	Wiriyaumpaiwong <sup>3</sup>	22,500	-	-	-
<b>Total</b>			<b>105,500</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>			<b>400,000</b>	<b>-</b>	<b>400,000</b>	<b>-</b>

<sup>1</sup> Resigned from the position on Mar 15 , 2022

<sup>2</sup> Started the position on Mar 15, 2022

<sup>3</sup> Resigned from the position on Mar 17 , 2021

### 8.1.3 Supervising the operations of subsidiaries and associates

The company has a set of regulations for overseeing its subsidiaries and associate company. The aim is to ensure that the Board of Directors, executives, and related parties involved in overseeing the subsidiaries and associate company, to understand and recognize their roles, responsibilities, and accountabilities in achieving the company and stakeholder objectives and goals.

The Nomination and Remuneration Committee will select the person and present it to the Board of Directors to consider the selecting 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 companies, unless it is important policies affecting the Company's business operations. The Company required the appointed person to be approved by The Executive Committee 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 company promoted the certification and recertification of the subsidiaries as members of Thailand's Private Sector Collective Action Against Corruption (CAC).

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) Part 2 “Corporate Governance, Conflict of Interest”.

In the past year, 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) Part 2 “9.2 Related-Parties Transaction”.

### 2. Using Inside Information to Seek for Personal Benefit

The company has the Insider Information Management Policy approved by the Board of Directors’ meeting No. 9/2022 held on December 16, 2022 and the code of business ethics to implement to the Company and shareholders, including the code of directors, executives and 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 company monitors the proper internal data use according to the principles of good corporate governance, which are in written and published on the Intranet and Company’s website. Reporting of Holding and Changing of Holding of Securities and Derivatives are as follow.

1. The Company will provide knowledge to the board of directors and executives of the company including persons holding an executive position in accounting or finance at a divisional manager or equivalent level regarding their duties on preparing, disclosing and submitting the reports on their holding and changing of holding of securities and derivatives, and their spouse or cohabiting couple and minor children to the Office of the Securities and Exchange Commission (“Office of SEC”) according to Securities Act, Notification of the Securities and Exchange Commission and applicable notifications of Capital Market Supervisory Board including punishment according to relevant laws.

2. The board of directors and executives of the Company including persons holding an executive position in accounting or finance at a divisional manager or equivalent level of the Company must prepare, disclose and submit the reports on holding and changing of holding of their securities and derivatives and/or their related person to the company secretary before every submitting to the Office of SEC in a form and within the following periods:

2.1 within 3 working days from the date of purchase, sale, transfer or acceptance of transfer of securities or derivatives in the case where the person with the duty to report is a director or an executive of the company, and in accordance with all of the following regulations:

- (a) the Company shall report the names of the directors and executives through the Directors and Executives Information System according to the method specified by the Office of SEC in the Notification of the Office of SEC concerning Forms and Methods for Reporting or Changing the Information of Company Directors and Executives;
- (b) the persons with the reporting duty report shall report purchase, sale, transfer or acceptance of transfer of securities or derivatives before having their names listed in the Directors and Executives Information System under (a).

2.2 within 7 working days from the date of purchase, sale, transfer, or acceptance of transfer of securities or derivatives in any case other than 2.1. And notify to the company's secretary to record the change and balance of individual securities holding to report in the next board of directors meeting.

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, KPMG Phoomchai Audit Ltd., reviewed the control over the information system including access control, data backup, and data retrieval. The result showed the risk level was low.

In the past year, 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) Part 1 "1.3 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) Part 2 Corporate Governance " 8.1.2 Meeting Attendance and Individual Compensation".

In the past year, there were no cases of independent directors or non-executive directors resigning due to the issues related to the company's corporate governance, nor were there any cases of the entire Board of Independent directors resigning.

**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) Attachment 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 (%)	Director	2022 spouse and minor children
				2021	2022				
1	Mr.Sujarit Patchimnan	Chairman Chairman of the Nomination and Remuneration Committee		-	-	-	-	-	-
2	Ms.Choosri Kietkajornkul	Vice Chairman Member of the Nomination and Remuneration Committee		-	-	-	-	-	-
3	Mr.Sakarín Tangkavachiranan	Director Chairman of Executive Director Member of the Nomination and Remuneration Committee		-	-	-	-	-	-
4	Mrs.Wadeerat Charoencoop	Director		-	-	-	-	-	-
5	Mr.Udompong Chuntharumporn	Director Managing Director Executive Director Member of the Corporate Governance and Risk Management Committee <sup>3</sup> Member of the Sustainability Committee <sup>3</sup>		-	-	-	-	-	-
6	Mr.Thirasak Vikitset	Director		-	-	-	-	-	-
7	Mr.Vichai Kulsomphob	Director Member of the Nomination and Remuneration Director		167,500	167,500	-	0.01	-	167,500
8	Mr.Vorayos Thongtan	Director Executive Director Member of the Sustainability Committee Member of the Corporate Governance and Risk Management Committee <sup>4</sup>		-	-	-	-	-	-
9	Mr.Chinapat Visuttipat	Independent Director Chairman of the Audit Committee Chairman of the Corporate Governance and Risk Management Committee <sup>3</sup>		-	-	-	-	-	-

Name	Position	No. of Shares		*Share Increment	Shareholding ratio (%)	Director	2022 spouse and minor children
		2021	2022				
10 Mr.Natapong Vanarat <sup>1</sup>	Independent Director Audit Committee	-	-	-	-	-	-
11 Mr. Pongtep Thithapand <sup>1</sup>	Independent Director Audit Committee	-	-	-	-	-	-
12 Mr.Chaisak Yongbanjerd	Independent Director Member of the Corporate Governance and Risk Management Committee <sup>3</sup>	-	-	-	-	-	-
13 Mr.Apipong Vischuveskamin	Company Secretary Member of the Corporate Governance and Risk Management Committee Member of the Sustainability Committee Deputy Managing Director - Finance and Management Corporate Services Department Manager	-	-	-	-	-	-
14 Mr.Teerayuth Kaewcoon	Director of the Corporate Governance and Risk Management Committee Deputy Managing Director - Operations	-	-	-	-	-	-
15 Mr. Niishanon Boonyapardz <sup>2</sup>	Deputy Managing Director - Business Development	-	-	-	-	-	-
16 Mr.Jaturong Kornwet	Member of the Sustainability Committee Committee Project & Engineering Department Manager	-	-	-	-	-	-
17 Ms.Penpak Vongrakvanich	Corporate Governance and Risk Management Department Manager	-	-	-	-	-	-
18 Mr.Nattawut Yawaprapas	Accounting & Finance Department Manager	-	-	-	-	-	-

No.	Name	Position	No. of Shares		*Share Increment	Shareholding ratio (%)	Director		spouse and minor children
			2021	2022					
19	Mr.Thanawat Siwasoponpong	Power Plant Management Department Manager	-	-	-	-	-	-	-
20	Ms.Pailin Kanankhang	Accounting Division Manager	-	-	-	-	-	-	-

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%).

<sup>1</sup> Appointed on January 5, 2022      <sup>2</sup> Appointed on March 1, 2022

<sup>3</sup> Appointed on May 13, 2022      <sup>4</sup> Expiration of term on May 13, 2022

**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) Part 2 “7.4.2 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 1 Details of Directors, Executives, Controlling Person, and Company Secretary”.

**9. The Conflict of Interest Report**

The company has disclosed the policy that requires directors and management to submit the report of conflict including personal interest or the related person as specified in the Insider Information Management Policy and disclosed in the Annual Report (Form 56-1 One Report) as follow:

- 8. Corporate Governance Report: No.14 Related-Parties Transaction
- 9. Internal Control and Related Party Transaction: No. 9.2 Transaction with Related Companies

**10. Sustainability Policy**

The Company sets the company’s mission, and Sustainability Policy was approved by the Board of Directors’ meeting No. 1/2023 held on February 22, 2023. 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 approved from the Board of Directors’ meeting No. 1/2017 on February 14, 2017, according to the details in Annual Report (Form 56-1 One Report) “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 the year 2022, 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 the past year, the company's financial statements have been audited without qualification and submitted to the Stock Exchange of Thailand and the Securities and Exchange Commission with strict adherence and without any actions due to non-compliance with disclosure requirements.

### **13. Guidelines for the Company's Tax**

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 Policy Implementation Process:*

1. It is required to monitor and update the regulations related to the tax laws for examination, to ensure the compliance with the applicable regulations and laws governing taxation practices.
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**

The company has been disclosed the approved Related Transactions in accordance with the regulations of SET and SEC. The details are shown in Annual Report (Form 56-1 One Report) Part 2 "9.2 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 evidence 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' rights can also be voiced through the provided channel. The whistleblowers shall be protected.



## 8.2 Encountering with Dishonest Acts and 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, amended No.1 which was approved from the Board of Directors' Meeting No. 9/2021 on November 9, 2021. The Corporate Governance and Risk Management Committee oversees closely to the Risk Management and the CAC project teams in monitoring and auditing. 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](http://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 and QR code format.

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.

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;

1. Political Contributions
2. Donation
3. Support
4. Give or obtain gift and entertainment
5. Service charge and convenience fee.

**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.
2. Enhance awareness of employees by reviewing the business ethics regularly.
3. Organize activities or campaigns relating to anti-corruption and congratulate and praise employees who conduct themselves well and honest.
4. Provide information to communities and schools as well as support anti-corruption campaign. Set measures and systems for internal control for transparent business operation.



### 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 whistleblowing on suspicious incidents. The one submitting information (whistleblower) must be protected.

### The Actions Taken in the year 2022

1. The company reviewed the anti-corruption policies, procedures and practices to ensure they are appropriate and up-to-date and aligned with the company's operations
2. 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.
3. The orientation course for the new hired employees will cover the details about anticorruption concepts to create the awareness.
4. 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.
5. 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 results will be used for improvement planning. The company's employees were 100% trained during the year
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.

7. The company organized a CAC activity to promote and encourage employees to be aware of the importance of anti-corruption and to promote the employees to collaborate in building core values continuously and sustainably.
8. Sahacogen group joined the event "Leadership...and Fight Against Corruption !!" on the Anti-Corruption Day 2022, on September 6, 2022 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.

The past year, there is no complaints of corporate corruption.

### “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 Co., Ltd. to define such annual audit plan. Moreover, the company received the certification from Thailand's Private Sector Collective Action Coalition against Corruption (CAC) and received the 3<sup>rd</sup> CAC Recertification on September 30, 2022. The subsidiary companies, Sahacogen Green Co., Ltd. and Sahagreen Forest Co., Ltd. planned to receive the 3<sup>rd</sup> CAC Recertification in 4th quarter of the year 2023. This indicates that Sahacogen and Affiliates has conducted the self-assessment process, policies and practices, as well as measures to prevent corruption within organization in accordance with the CAC standards.

The company disclosed this information in the Annual Report (Form 56-1 One Report) Part 1 “2. Risk Management”.

### Whistleblowing Policy

The company is open to receive petitions and information of illegal actions from the employees and stakeholders. This also includes potential violations of laws, corruption, or misconduct by company's employees, as well as behaviors that may affect the company. The company also accepts complaints in cases where employees and stakeholders have been violated or treated unfairly, through the company's provided channels. The whistleblowers shall be protected. The provided channels are the direct contact listed below.

1. Direct notification in word or written the direct supervisor. If it is not considered, the higher-level supervisor or the human resources management and development division manager should receive the notification instead.
2. Suggestion box
3. Email or telephone

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. 284	riskcommittee@sahacogen.com
The Sustainability 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. 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:**

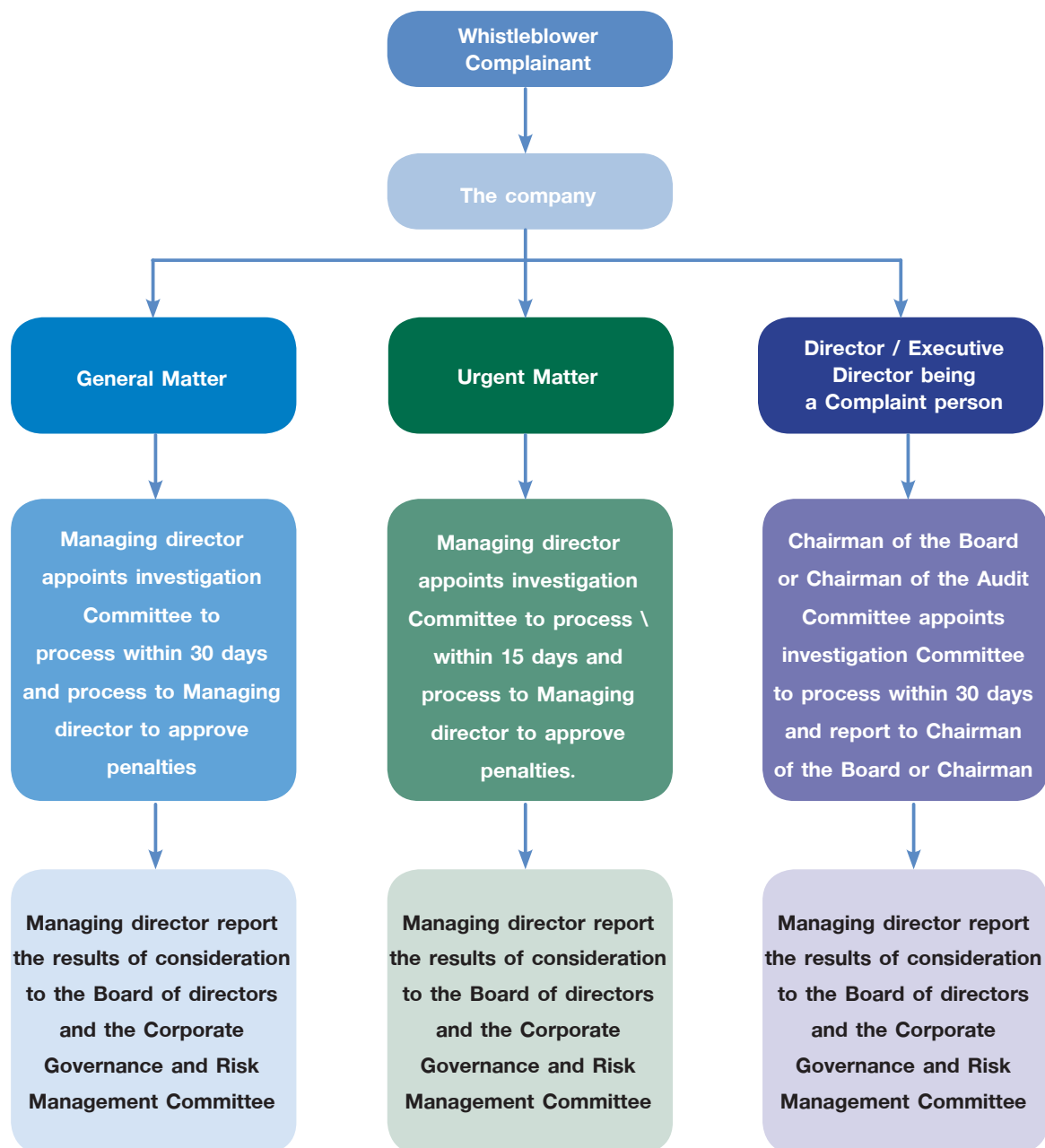
**Sahacogen (Chonburi) Public Company Limited**

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 the past year, there was no complaint of corruption.

### **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 the past year, 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 the past year, 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.

## **8.3 The Report of the Audit Committee Performance**

The company disclose the information in the Annual Report (Form 56-1 One Report) part 2 “8.1.2 Individual Compensation”.

## **8.4 The Reports of Sub-committees Performance**

The company disclose the information in the Annual Report (Form 56-1 One Report) part 2 “8.1.2 Individual Compensation”.



## 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 the year 2022, 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 4.32 (Four point three two 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 and published in the appendix of the company's annual information disclosure form (Form 56-1 One Report). 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.

The Company has established policies and procedures of the recruitment, human capital integration, and retention continuously and regularly, included having a fair and appropriate performance assessment system.

## 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 chairman, directors and 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 conducted the fraud-corruption risk assessment to evaluate the potential for corruption associated with the role and the level of corruption risk in enterprise, 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 the sufficiency and adequacy of policies, risk assessment measures and practices to prevent the corruption risk in the company and subsidiaries, including conducting self-assessment.

With this regard, the company communicated on this matter to directors, executives and employees to understand and follow the policies, procedures, 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 the year 2022, the company received the recertification of the Thai Private Sector Collective Action Against Corruption for the third time on September 30, 2022. The subsidiaries have a plan to renew the certification of the Thai Private Sector Collective Action Against Corruption for the third time before the expired date, on December 30, 2023. This indicates that the company has conducted the self-assessment process, policies and practices, as well as measures to prevent corruption within organization in accordance with the CAC standards. The company also communicates and encourages training on anti-corruption policy and practices. Additionally, disciplinary measures are established for executives, supervisors, and employees at all levels. Furthermore, the company has arranged the orientation for new employee on the anti-corruption policy and measures continuously.

Meanwhile, the company has assessed the change of the business structure as well as specified response measures to any changes which may affect the 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 inappropriate 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. 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 a 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. 2562 (A.D. 2019), Personal Data Protection Act B.E. 2562 (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, Line, and email to IT supervisors to take promptly necessary corrective action.
3. The company installed Hyper Converged Infrastructure (HCI) Server Dell VXRail as the main system in Data Center (DC) and Disaster & Recovery Site (DR Site). This system has high safety standard and allows working on hybrid multi-cloud system.
4. The company implemented branch synchronizing system called Hybrid SDWAN for safety, steady and ready for the future plug-in systems.
5. 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
6. 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.
7. The company installed Data Leak Prevention system (DLP) to prevent the leak of information and to comply with Personal Data Protection Act B.E. 2562 (A.D. 2019).
8. The company upgraded operational system (Windows Server) used in controlling Active Directory to Version Windows Server 2022.
9. The company installed the smart detecting and responding system to respond to cyber attacking. The system is called Cyber Command working by Threat Detection, Threat Hunting, Threat Response ability and synchronizing with other security systems currently used including SOC Dashboard to show any inbound attack and/or outbound attack.
10. The company installed new Access Point Wifi using Wifi6 to ensure the better safety level and efficient system operation.
11. There are daily, weekly, and monthly data backups. The disaster recovery site was in placed which ready to respond in a timely manner in case of emergency or natural disaster.

12. The company installed automated fire suppression system using temperature detection (Clean Agent HCFC123) technology in Data Center.
13. The connecting system and SD-WAN internet (Hybrid MPLS & Internet) were established among Sahacogen Group to increase the efficiency of the branch network and information system security.
14. The Teleconference system;. VDO conference, MS Teams application and Zoom application, were installed for promptly operating for the communication among the company, suppliers, clients and employees working from home.
15. The system (MS-365) was installed to support cloud-based operation and working from home.
16. 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.
17. 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.
18. The company Enterprise Resource Planning (ERP) was revised to add up the efficiency to respond with new requirements and business data security.
19. The Company installed Document Management System and Work-Flow (K2) system to synchronize with ERP BC365 and other upcoming systems.
20. The company upgraded Computerized Maintenance Management System (PMII) used as the main operational system in engineering maintenance. This system records historical maintenance details and provides automated reports to be used in maintenance management together with ERP system.
21. The company announced Personal Data Protection Policy to ensure that personal data would be protected. The process of personal consent is required, could be proceeded by document and verbal formats, in compliance with Personal Data Protection Act B.E. 2562 (A.D. 2019)

In the 2022, the company participated in Cyber Resilience Survey 2022 program for listed companies to measure the cyber security levels, organized by the Stock Exchange of Thailand (SET) in collaboration with AC Infotech Co., Ltd. There were 210 listed companies, and the company received score of four point two three out of five (4.23 out of 5), which is higher than both the average score of 1.83 for project participants and the score of 2.44 for the resource industry group. The assessment summary indicate that the company has guidelines for cybersecurity control as well as explicit established policies and procedures. Additionally, the company has sufficiency resource to implement cybersecurity control measures, including the establishment of performance measurement criteria for the practices specified in the policies and procedures. The performance measurement is conducted continuously and reviewed regularly by the relevant executives.

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.

In addition, financial accounting is audited by a certified auditor, and the audit results are presented to the Audit Committee on a quarterly and annual basis.

### **9.1.2 The Internal Control Deficiency**

The assessment in the past year found items needed to be improves based on the internal auditor's suggestion. The management has completed the corrective issues. There is no significant impact on the internal control system.

### **9.1.3 Opinions of the Audit Committee and Auditors**

The Board of Directors' Meeting No. 1/2565 on February 21, 2022 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

The Audit Committee's Meeting No. 1/2022 on February 21, 2022 appointed Dharmniti Internal Audit Co., Ltd. as the internal auditor of the company headed by Ms. Ruethaichanoke Supapong, the company's internal auditor from Dharmniti Internal Audit Co., Ltd. She possesses the adequately appropriate qualifications to perform as the head of internal audit. The additional detail is shown in the topic about the head of internal audit. The Corporate Governance and Risk Management Committee and the Department of Corporate Governance and Risk Management are responsible for supporting the actions concerning to the company corporate governance and risk management. The company has assigned Ms. Penpak Vongrakvanich, Corporate Governance and Risk Management Department Manager, to be responsible for monitoring the internal control and coordinating with the external auditor and related internal units.

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 Audit committee has considered 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
			2020	2021	2022	
Sales of electricity	Electricity Generating Authority of Thailand.	- The major shareholder of Ratch Group Public Company Limited, holding 45% - The major shareholder of the parent company since December 13, 2022	-	1,919*	3,120	Contract price
Sales of electricity	Saha Pathana Inter-Holding PCL.	- Held 15.37 % in the company	1,348	1,394	1,470	Contract price
Sales of steam		- Some common directors	265	358	509	
Fee paid for guarantee for minimum electricity demand			5	3	-	
Service Revenue			1	1	11	Contract price
Utilities Expenses (Raw water and wastewater treatment costs)			5	4	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
Operation and service management fees	Operational Energy Group	- Some common directors	114	115	113	Management fee based on power plant operation and maintenance contract price



Significant item	Parties with possible conflict of interests	relationship	Value (Million Baht)			Pricing Policy and transaction detail
			2020	2021	2022	
Machinery lease	Operational Energy Group	- Some common directors	96	115	93	Lease fee based on contract price for machinery rent during the maintenance
Land rental expense	Sinparadom Co., Ltd.	- Some common 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.	Saha Pathana Inter-Holding PCL is a shareholder, holding 11.67 %	15**	15**	11	Fixed interest rate loan
Security service expense	Pitakkij Security Guard Co., Ltd.	- Some common directors	2	4	4	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
			2020	2021	2022	
Sales of steam	Thai President Foods Public Company Limited.	Saha Pathana Inter-Holding PCL is a shareholder holding 11.67 %	42	71	100	Contract price
Security service expense	Pitakkij Security Guard Co., Ltd.	- Some common directors	2	2	2	Contract price

Remark : The company disclosed the transaction details in the past three years on the company's website ([www.sahacogen.com](http://www.sahacogen.com)), to enable shareholders and/or investors to review and compare information.

During the past year, 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).

### **9.2.2 The necessity and rationale for entering 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 2022, there were 2 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. 2/2022 of Sahacogen (Chonburi) PCL. held on February 21, 2022, the company have signed the agreement of personnel management service from the service provider who will perform their duties for the Managing Director and Executive positions in the Business Development Department, to manage the company on behalf of Ratch Group PCL. The transaction total value is THB 13 million in a period of 2 years.

2. According to the resolution of the Board of Directors Meeting No. 6/2022 on September 21, 2022, the Board of Directors approved the resolution in selling debentures No. 1/2023 series 1 of Sahacogen (Chonburi) PCL. to I.C.C. International PCL. The transaction total value is THB 98.10 million (since September 22, 2022 to September 22, 2025)

The Audit Committee did not have any 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.

### 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 MW. The Company supplies electricity to the Electricity Generation Authority of Thailand (“EGAT”) and supplies electricity and steam to Saha Pathana Inter-holding PCL., who distributes it to industrial users within Saha Group Industrial Park, Sriracha. The Company also operates two biomass power plants with combined MW capacity of 17.1 MW to supply electricity to the Provincial Electricity Authority and supply steam to industrial users within Saha Group’s industrial 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 MW equity, with 4,424.96 MW in Thailand and 2,627.99 MW overseas. Most of RATCH’s current portfolio consists of large power projects. RATCH has targeted to expand its equity MW generation capacity to 10,000 MW 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:

Details	The Company	RATCH
Current capital structure and size of the company to determine appropriate investment targets		
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 MW expansion annually from the current 231.1 MW	10,000 MW by 2025 <sup>1</sup>
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	<p>Focus on investment and development of medium to large sized power plants utilizing various fuels and renewable energy projects internationally, through its subsidiaries</p> <ul style="list-style-type: none"> <li>• To invest in small-sized cogeneration power plants within Thailand and within Southeast Asia through its majority shareholding (&gt;51%) in SCG</li> <li>• To invest in businesses related to power production, such as infrastructure projects domestically and internationally</li> </ul>

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 MW annual expansion in capacity with an equity MW goal of 400 MW 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 MW, 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 international in order to achieve its targeted 10,000 MW goal by 2025 and sustain continued growth in the long-term.

Additionally, in case of the decision to invest the power generation project or other projects beyond the scope of the company's focus, the Board of Directors will discuss and make collective decision whether the project is beneficial to the company and provide the best interests of both the company and the shareholders.

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
Board of Directors of each company are bound by their fiduciary duty to shareholders	<ul style="list-style-type: none"> <li>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</li> <li>Investments where there may be a conflict of interest must be approved by the audit committee</li> <li>The Company has a duty to comply with relevant rules and regulations for investments which fall under the Connected Transactions category</li> </ul>	<ul style="list-style-type: none"> <li>The Board of Directors are bound by their fiduciary duty as a listed company</li> </ul> <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>

Measure	The Company	RATCH
Disclosure of the segmentation in business and measures to prevent conflicts of interest in Form 56-1	<ul style="list-style-type: none"> <li>• Disclose the business segmentation policy and measures to prevent conflict of interest in the Company's 56-1 Form for the duration in which conflicts of interest may arise</li> <li>• Approval from the Company's Board of Directors is required and is to be disclosed in the Company's 56-1 Form for changes in measures to prevent conflict of interest, with consideration for the ultimate benefit of shareholders</li> </ul>	-

- 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) 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.
- (D) 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.
- (E) 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

- (F) 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

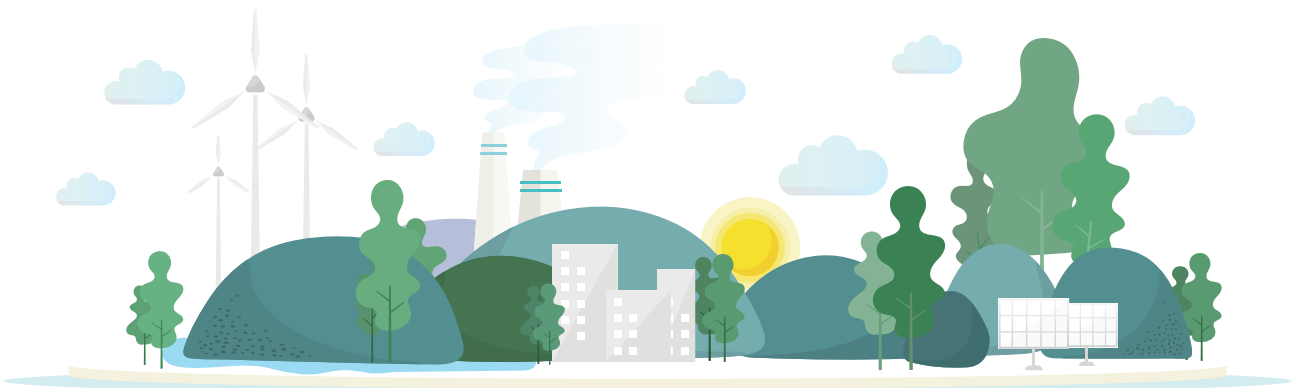
#### **9.2.4 Persons with possible conflict of interests holding combined shareholding in subsidiary associate companies over the level of 10%**

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 person 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. 8)





## Financial Statement



## 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.

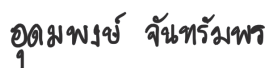
In this regard, The Company's Audit Committee whose members comprising independent directors had duly carried out audit work on the quality of the financial statements and the efficiency of internal control system. The opinions of The Audit Committee were displayed per the Audit Committee's report contained 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, 2022, were prepared and presented in substantial context, in an accurate and reliable manner.



(Mr. Sujarit Patchimnan)

Chairman



(Mr. Udompong Chuntharumporn)

Managing Director

# Financial Statements and Operating Results

## Financial Overview

### Financial Statements

#### 1. Audit Report Summary

Year	Certified Auditor	No.	Company	Auditor's Opinion
2020	Miss Sirirat Sricharoensup	5419	EY Office Limited	Unqualified Opinion
2021	Miss Watoo Kayankannavee	5423	EY Office Limited	Unqualified Opinion
2022	Mr. Natthaphong Tantichattanont	8829	KPMG Phoomchai Audit Limited	Unqualified Opinion

#### 2. Summary of Financial Statements and Operating Results

(Unit : Thousand baht)

Balance Sheet	2020	2021	2022
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	114,809	979,599	1,081,810
Current investments – securities held for trading	-	-	-
Trade and other receivables	529,677	615,466	874,818
Prepaid expenses	29,161	46,231	41,981
Inventories	233,339	265,385	239,851
Other current financial assets	277	277	278
Other current assets	27,198	70,021	103,468
<b>Total current assets</b>	<b>934,462</b>	<b>1,976,978</b>	<b>2,342,206</b>
<b>Non-current assets</b>			
Other non-current financial assets	7,940	8,950	9,875
Investment in associate	116,695	114,809	116,790
Property, plant and equipment	5,349,414	5,281,100	5,698,331
Right-of-use assets	155,374	124,774	86,847
Other non-current assets	61,727	85,102	266,725
<b>Total non-current assets</b>	<b>5,691,151</b>	<b>5,614,735</b>	<b>6,178,566</b>
<b>Total assets</b>	<b>6,625,612</b>	<b>7,591,713</b>	<b>8,520,772</b>

(Unit : Thousand baht)

Balance Sheet	2020	2021	2022
<b>Liabilities</b>			
<b>Current liabilities</b>			
Short-term loans from financial institutions	1,333,000	1,325,000	248,000
Trade and other payables	244,304	656,207	770,166
Current portion of long-term loans	627,997	407,421	298,228
Current portion of lease liabilities	38,388	41,573	44,276
Other current liabilities	38,284	29,862	24,579
<b>Total current liabilities</b>	<b>2,281,973</b>	<b>2,460,063</b>	<b>1,385,249</b>
<b>Non-current liabilities</b>			
Long-term liabilities, net of current portion	1,571,671	1,114,609	3,405,283
Other non-current liabilities	33,430	37,225	37,132
<b>Total non-current liabilities</b>	<b>1,605,101</b>	<b>1,151,834</b>	<b>3,442,415</b>
<b>Total liabilities</b>	<b>3,887,074</b>	<b>3,611,898</b>	<b>4,827,664</b>
<b>Registered, issued and fully paid</b>			
Share premium	955,000	1,163,696	1,163,696
Retained earnings	285,447	1,258,325	1,258,325
Other component of shareholders' equity	1,458,246	1,501,622	1,277,723
Equity attributable to owners of the Company	(38,677)	(21,904)	(6,635)
<b>Total shareholders' equity</b>	<b>2,660,015</b>	<b>3,901,739</b>	<b>3,693,109</b>
<b>Registered, issued and fully paid</b>	<b>2,738,539</b>	<b>3,979,815</b>	<b>8,520,772</b>

Statement Of Comprehensive Income	2020	2021	2022
<b>Revenues</b>			
Sales	3,971,035	4,220,490	5,744,065
<b>Total revenues</b>	<b>3,978,571</b>	<b>4,354,413</b>	<b>5,773,834</b>
<b>Expenses</b>			
Cost of sales	3,603,699	3,961,298	5,803,472
Administrative expenses	127,019	189,601	151,367
<b>Total expenses</b>	<b>3,730,719</b>	<b>4,150,899</b>	<b>5,954,839</b>
Share of loss from investment in associate	(1,915)	(1,886)	1,980
Finance cost	128,933	108,144	107,589
Income tax benefit	202	13,400	57,439
Profit (loss) for the year	117,206	106,884	(229,174)
Net Profit (Loss) Attributable To: Owners Of The Parent	106,155	101,631	(233,816)
Basic earnings (loss) per share	0.11	0.11	(0.20)
Earnings before interest, tax, depreciation, and amortization	820,551	807,689	580,690
Profit (Loss) For the Period from Continuing Operations	247,853	203,514	(181,004)
Profit (loss) for the year	117,206	106,884	(229,174)
<b>Cash flow statement</b>			
<b>Cash flows from operating activities</b>			
Depreciation and Amortization	572,699	604,175	574,814
Net cash flows from operating activities	694,124	664,730	433,854
<b>Cash flows from investing activities</b>			
Acquisition of property, plant, equipment and intangible assets	(306,205)	(278,935)	(1,350,255)
Net cash flows used in investing activities	(307,615)	(262,094)	(1,298,631)
<b>Cash flows from financing activities</b>			
Proceeds form increase in share capital	-	1,200,000	-
Dividend paid	(63,004)	63,954	(70,985)
Net cash flows from (used in) financing activities	(407,818)	462,152	966,988

Remarks: The 2022 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](http://www.sahacogen.com) in "Financial Statement".

## Financial Ratio Table

Financial Ratio	2020	2021	2022	
Current ratio	0.41	0.80	1.69	time
Quick ratio	0.28	0.65	1.41	time
Cash flow liquidity ratio	0.30	0.27	0.31	time
Cash flow liquidity ratio (Average)	0.32	0.28	0.23	time
Average account receivable turnover	7.21	7.37	7.82	time
Net Debt to Equity Ratio*	1.26	0.48	0.79	time
Average collection period	49.94	48.84	46.03	day
Average finish goods period	15.25	15.89	22.97	day
Average inventory turnover	23.60	22.66	15.67	day
Average payment period	13.66	12.26	8.04	time
Average cash cycle	26.35	29.36	44.78	day
Unearned ticket period	47.19	42.14	16.92	day
<b>Profitability</b>				
EBITDA margin	20.88	20.21	10.06	%
Gross profit margin	9.25	6.14	(1.03)	%
Operating margin	6.24	4.82	(3.67)	%
Net profit margin	2.95	2.45	(3.97)	%
Return on equity (ROE) (Average)	4.29	3.18	(1.03)	%
Capacity utilization	56.48	57.40	52.88	%
Fixed asset turnover	0.73	0.70	1.01	time
Gross profit margin (from project for sale)	0.18	0.28	0.52	time
Free Cash Flow to EBIT	3.38	3.89	(2.40)	time

Financial Policy	2020	2021	2022	
Interest coverage ratio	6.50	7.32	5.44	time
Debt service coverage ratio	0.23	0.18	(0.09)	time
Debt to equity ratio	1.42	0.91	1.31	time
Interest-bearing debt to total equity	1.28	0.73	1.08	time
Dividend per share	0.06	0.06	0.05	share/baht
Dividend payout ratio	54.88	57.32	(24.88)	%
Dividend yield	1.74	0.99	0.01	%
Borrowing debt to total debt	0.78	0.68	0.19	time
Current portion of interest-bearing debt to total interest-bearing debt	0.56	0.61	0.15	time
Interest-bearing debt to earnings before interest, tax, depreciation and amortization	4.35	3.58	6.88	time
<b>Operating efficiency</b>				
Assets turnover	0.60	0.57	0.68	time
Assets turnover (Average)	0.60	0.61	0.72	time
Return on assets	1.77	1.41	(2.69)	%
Return on assets (Average)	1.75	1.50	(2.84)	%
Return on long term assets	11.84	12.55	4.29	%

## Independent Auditor's Report

### To the Shareholders of Sahacogen (Chonburi) Public Company Limited

#### *Opinion*

I have audited the consolidated and separate financial statements of Sahacogen (Chonburi) Public Company Limited and its subsidiaries and its subsidiaries (the “Group”) and of Sahacogen (Chonburi) Public Company Limited (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2022, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2022 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

#### *Basis for Opinion*

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



### Key Audit Matters

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

Impairment testing of investment in subsidiary	
Refer to Note 3 and 9 to the separate financial statements.	
The key audit matter	The key audit matter
<p>The Company had an investment in a subsidiary with the net carrying amount of Baht 1,259 million, which is significant amount and the subsidiary had impairment indicator that the carrying amount of assets may exceed its recoverable amount.</p> <p>The impairment testing of investment in subsidiary is considered to be a risk area due to it involves significant judgment by management to identify of the recoverable amount of assets in particular the forecasting the of future cash inflows that are expected to be generated from investment, and to determine the discount rate and key assumption. Therefore, this is an area of focus in my audit.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Understanding the impairment testing process of the management including impairment indicator assessment, estimation of future cash flow and key assumptions used in management estimate;</li> <li>• Consideration of the forecasting of financial performances by comparing historical estimation to the actual operating results;</li> <li>• Testing key assumptions that underpin management's discounted cash flows with reference to internal and external information;</li> <li>• Testing the calculation of the recoverable amount prepare by management.</li> </ul>

### Other Matter

The consolidated and separate financial statements of the Group and the Company for the year ended 31 December 2021 were audited by another auditor who expressed an unmodified opinion on those statements on 21 February 2022.

### Other Information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



(Natthaphong Tantichattanon)  
Certified Public Accountant  
Registration No. 8829

KPMG Phoomchai Audit Ltd.  
Bangkok  
22 February 2023

**Sahacogen(Chonburi) Public Company Limited and its subsidiaries****Statement of financial position**

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2022	2021	2022	2021
		(in Baht)			
<b>Current assets</b>					
Cash and cash equivalents	5	1,081,809,796	979,598,674	408,328,854	949,489,294
Trade account receivables	4, 6	872,273,334	596,755,577	770,895,708	534,390,820
Other receivables	4	2,544,739	18,710,083	3,490,338	13,446,070
Prepaid expense		41,981,259	46,231,128	34,095,706	40,985,013
Short-term loans to related party	4	-	-	9,200,000	-
Inventories	7	239,850,840	265,384,535	130,439,951	133,190,466
Other current financial assets	22	278,361	277,396	278,361	277,396
Other current assets		103,467,726	70,020,970	89,280,148	62,555,301
<b>Total current assets</b>		<b>2,342,206,055</b>	<b>1,976,978,363</b>	<b>1,446,009,066</b>	<b>1,734,334,360</b>
<b>Non-current assets</b>					
Other non-current financial assets	22	9,875,000	8,950,000	9,875,000	8,950,000
Investments in associates	8	116,789,676	114,809,337	118,230,000	118,230,000
Investments in subsidiaries	9	-	-	2,054,749,890	1,401,499,900
Property, plant and equipment	10	5,698,330,633	5,158,219,249	4,200,571,116	3,605,565,033
Right-of-use assets	11	86,846,600	124,774,008	81,111,308	116,556,171
Deferred tax assets	18	105,237,336	49,528,638	104,285,828	48,816,179
Intangible assets	12	148,383,388	138,216,636	143,188,212	136,312,253
Other non-current assets		13,103,800	20,236,643	306,000	96,000
<b>Total non-current assets</b>		<b>6,178,566,433</b>	<b>5,614,734,511</b>	<b>6,712,317,354</b>	<b>5,436,025,536</b>
<b>Total assets</b>		<b>8,520,772,488</b>	<b>7,591,712,874</b>	<b>8,158,326,420</b>	<b>7,170,359,896</b>

The accompanying notes form an integral part of the financial statements.

**Sahacogen(Chonburi) Public Company Limited and its subsidiaries****Statement of financial position**

	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		31 December		31 December	
<b>Liabilities and equity</b>		2022	2021	2022	2021
		<i>(in Baht)</i>			
<b>Current liabilities</b>					
Short-term loans from financial institutions	13	248,000,000	1,325,000,000	150,000,000	1,160,000,000
Trade and other payables	4	770,166,456	673,676,349	743,786,163	642,134,444
Current portion of long-term loans from financial institutions	13	298,228,000	405,628,000	265,600,000	373,000,000
Current portion of lease liabilities	13	44,275,797	41,573,058	41,759,894	39,218,590
Derivative liabilities	22	-	1,793,169	-	1,793,169
Other current liabilities		24,578,864	12,392,612	18,572,344	10,341,511
<b>Total current liabilities</b>		<b>1,385,249,117</b>	<b>2,460,063,188</b>	<b>1,219,718,401</b>	<b>2,226,487,714</b>
<b>Non-current liabilities</b>					
Long-term loans from related party	4, 13	320,000,000	320,000,000	320,000,000	320,000,000
Long-term loans from financial institutions	13	384,602,000	682,830,000	319,350,000	584,950,000
Lease liabilities	13	47,726,153	88,322,770	44,097,433	82,178,148
Derivative liabilities	22	7,268,183	23,456,517	7,268,183	23,456,517
Debentures	13	2,645,686,678	-	2,645,686,678	-
Provision for employee benefit		37,131,579	37,225,088	25,843,573	27,086,137
<b>Total non-current liabilities</b>		<b>3,442,414,593</b>	<b>1,151,834,375</b>	<b>3,362,245,867</b>	<b>1,037,670,802</b>
<b>Total liabilities</b>		<b>4,827,663,710</b>	<b>3,611,897,563</b>	<b>4,581,964,268</b>	<b>3,264,158,516</b>
<b>Equity</b>					
Share capital:	14				
Authorised share capital		1,163,695,652	1,163,695,652	1,163,695,652	1,163,695,652
Issued and paid-up share capital		1,163,695,652	1,163,695,652	1,163,695,652	1,163,695,652
Share premium on ordinary shares	15	1,258,324,903	1,258,324,903	1,258,324,903	1,258,324,903
Retained earnings					
Appropriated					
Legal reserve	15	106,040,000	104,910,000	95,500,000	95,500,000
Unappropriated		1,091,860,085	1,396,712,324	1,065,476,144	1,410,584,812
Other components of equity		(6,634,547)	(21,903,987)	(6,634,547)	(21,903,987)
<b>Equity attributable to owners of the Company</b>		<b>3,613,286,093</b>	<b>3,901,738,892</b>	<b>3,576,362,152</b>	<b>3,906,201,380</b>
Non-controlling interests		79,822,685	78,076,419	-	-
<b>Total equity</b>		<b>3,693,108,778</b>	<b>3,979,815,311</b>	<b>3,576,362,152</b>	<b>3,906,201,380</b>
<b>Total liabilities and equity</b>		<b>8,520,772,488</b>	<b>7,591,712,874</b>	<b>8,158,326,420</b>	<b>7,170,359,896</b>

The accompanying notes form an integral part of the financial statements.

**Sahacogen (Chonburi) Public Company Limited and its subsidiaries**
**Statement of comprehensive income**

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		Year ended 31 December		Year ended 31 December	
		2022	2021	2022	2021
<i>(in Baht)</i>					
<b>Income</b>					
Revenue from sales and rendering of services	16	5,744,064,977	4,220,490,197	5,110,195,324	3,677,398,487
Dividend Income	9	190,000	150,000	8,739,998	17,249,996
Insurance compensation income		10,480,886	121,426,140	-	116,426,140
Other Income		19,098,625	12,346,374	3,406,033	1,875,027
<b>Total income</b>		<b>5,773,834,488</b>	<b>4,354,412,711</b>	<b>5,122,341,355</b>	<b>3,812,949,650</b>
<b>Expense</b>					
Cost of sales and rendering of services	17	5,803,471,947	3,961,298,141	5,260,086,440	3,468,429,133
Administrative expenses	17	151,366,659	189,600,877	99,351,023	152,479,957
<b>Total Expense</b>		<b>5,954,838,606</b>	<b>4,150,899,018</b>	<b>5,359,437,463</b>	<b>3,620,909,090</b>
<b>Profit (loss) from operating activities</b>		(181,004,118)	203,513,693	(237,096,108)	192,040,560
Share of profit (loss) of associates accounted for using equity method	8	1,980,339	(1,885,961)	-	-
Finance costs		(107,589,445)	(108,144,199)	(98,446,277)	(96,550,217)
<b>Profit (loss) before income tax expense</b>		<b>(286,613,224)</b>	<b>93,483,533</b>	<b>(335,542,385)</b>	<b>95,490,343</b>
Tax income	18	57,438,793	13,399,990	59,713,392	14,167,489
<b>Profit (loss) for the year</b>		<b>(229,174,431)</b>	<b>106,883,523</b>	<b>(275,828,993)</b>	<b>109,657,832</b>
<b>Other comprehensive income</b>					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Gains on cash flow hedges		18,161,800	19,956,657	18,161,800	19,956,657
Income tax relating to items that will be reclassified subsequently to profit or loss	18	(3,632,360)	(3,991,331)	(3,632,360)	(3,991,331)
<b>Total items that will be reclassified subsequently to profit or loss</b>		<b>14,529,440</b>	<b>15,965,326</b>	<b>14,529,440</b>	<b>15,965,326</b>
<i>Items that will not be reclassified to profit or loss</i>					
Gain on investments in equity instruments designated at FVOCI		925,000	1,010,000	925,000	1,010,000
Gain on remeasurements of defined benefit plans		1,292,086	-	2,131,917	-
Income tax relating to items that will not be reclassified	18	(443,417)	(202,000)	(611,383)	(202,000)
<b>Total items that will not be reclassified to profit or loss</b>		<b>1,773,669</b>	<b>808,000</b>	<b>2,445,534</b>	<b>808,000</b>
<b>Other comprehensive income (expense) for the year, net of tax</b>		<b>16,303,109</b>	<b>16,773,326</b>	<b>16,974,974</b>	<b>16,773,326</b>
<b>Total comprehensive income (expense) for the year</b>		<b>(212,871,322)</b>	<b>123,656,849</b>	<b>(258,854,019)</b>	<b>126,431,158</b>

The accompanying notes form an integral part of the financial statements.

**Sahacogen (Chonburi) Public Company Limited and its subsidiaries****Statement of comprehensive income**

	Note	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		Year ended 31 December		Year ended 31 December	
		2022	2021	2022	2021
		<i>(in Baht)</i>			
<b>Profit (loss) attributable to:</b>					
Owners of the Company		(233,816,381)	101,630,574	(275,828,993)	109,657,832
Non-controlling interests		4,641,950	5,252,949	-	-
<b>Profit (loss) for the year</b>		<b>(229,174,431)</b>	<b>106,883,523</b>	<b>(275,828,993)</b>	<b>109,657,832</b>
<b>Total comprehensive income (expense) attributable to:</b>					
Owners of the Company		(217,513,272)	118,403,900	(258,854,019)	126,431,158
Non-controlling interests		4,641,950	5,252,949	-	-
<b>Total comprehensive income (expense) for the year</b>		<b>(212,871,322)</b>	<b>123,656,849</b>	<b>(258,854,019)</b>	<b>126,431,158</b>
<b>Basic earnings (loss) per share <i>(in Baht)</i></b>	20	<b>(0.201)</b>	<b>0.105</b>	<b>(0.237)</b>	<b>0.114</b>

The accompanying notes form an integral part of the financial statements.

**Sahacogen (Chonburi) Public Company Limited and its subsidiaries**  
**Statement of changes in equity**

		Consolidated financial statements									
		Retained earnings		Other components of equity							
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Fair value reserve	Cash flow hedge reserve	Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	Note					(in Baht)					
Year ended 31 December 2021											
Balance at 1 January 2021		955,000,000	285,447,000	102,690,000	1,355,555,579	(2,368,000)	(36,309,313)	(38,677,313)	2,660,015,266	78,523,474	2,738,538,740
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners of the parent											
Issue of shares capital		208,695,652	991,304,347	-	-	-	-	-	1,199,999,999	-	1,199,999,999
Dividends		-	-	-	(58,253,829)	-	-	-	(58,253,829)	(5,700,004)	(63,953,833)
Total transactions with owners, recorded directly in equity		208,695,652	991,304,347	-	(58,253,829)	-	-	-	1,141,746,170	(5,700,004)	1,136,046,166
Comprehensive income for the year											
Profit		-	-	-	101,630,574	-	-	-	101,630,574	5,252,949	106,883,523
Other comprehensive income		-	-	-	-	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
Transaction fee - net from income tax		-	(18,426,444)	-	-	-	-	-	(18,426,444)	-	(18,426,444)
Transfer to legal reserve		-	-	2,220,000	(2,220,000)	-	-	-	-	-	-
Balance at 31 December 2021		1,163,695,652	1,258,324,903	104,910,000	1,396,712,324	(1,560,000)	(20,343,987)	(21,903,987)	3,901,738,892	78,076,419	3,979,815,311
Year ended 31 December 2022											
Balance at 1 January 2022		1,163,695,652	1,258,324,903	104,910,000	1,396,712,324	(1,560,000)	(20,343,987)	(21,903,987)	3,901,738,892	78,076,419	3,979,815,311
Transactions with owners, recorded directly in equity											
Distributions to owners of the parent											
Dividends		-	-	-	(70,985,209)	-	-	-	(70,985,209)	(2,850,002)	(73,835,211)
Total transactions with owners, recorded directly in equity		-	-	-	(70,985,209)	-	-	-	(70,985,209)	(2,850,002)	(73,835,211)
Comprehensive income for the year											
Loss		-	-	-	(233,816,381)	-	-	-	(233,816,381)	4,641,950	(229,174,431)
Other comprehensive income		-	-	-	1,079,351	740,000	14,529,440	15,269,440	16,348,791	(45,682)	16,303,109
Total comprehensive income (expense) for the year		-	-	-	(232,737,030)	740,000	14,529,440	15,269,440	(217,467,590)	4,596,268	(212,871,322)
Transfer to Legal Reserve		-	-	1,130,000	(1,130,000)	-	-	-	-	-	-
Balance at 31 December 2022		1,163,695,652	1,258,324,903	106,040,000	1,091,860,085	(820,000)	(5,814,547)	(6,634,547)	3,613,286,093	79,822,685	3,693,108,778

The accompanying notes form an integral part of the financial statements.



**Sahacogen (Chonburi) Public Company Limited and its subsidiaries**  
**Statement of changes in equity**

		Separate financial statements							
		Retained earnings			Other components of equity				
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated <i>(in Baht)</i>	Fair value reserve	Cash flow hedge reserve	Total other components of equity	Total equity
Year ended 31 December 2021									
Balance 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)	2,656,450,496
Transactions with owners, recorded directly in equity									
<i>Contributions by and distributions to owners of the parent</i>									
Issue of shares capital	14	208,695,652	991,304,347	-	-	-	-	-	1,199,999,999
Dividends	21	-	-	-	(58,253,829)	-	-	-	(58,253,829)
Total transactions with owners, recorded directly in equity		208,695,652	991,304,347	-	(58,253,829)	-	-	-	1,141,746,170
Comprehensive income for the year									
Profit		-	-	-	109,657,832	-	-	-	109,657,832
Other comprehensive income		-	-	-	-	808,000	15,965,326	16,773,326	16,773,326
Total comprehensive income for the year		-	-	-	109,657,832	808,000	15,965,326	16,773,326	126,431,158
Transaction costs - net of income tax		-	(18,426,444)	-	-	-	-	-	(18,426,444)
Balance 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)	3,906,201,380
Year ended 31 December 2022									
Balance at 1 January 2022		1,163,695,652	1,258,324,903	95,500,000	1,410,584,812	(1,560,000)	(20,343,987)	(21,903,987)	3,906,201,380
<i>Distributions to owners of the parent</i>									
Dividends	21	-	-	-	(70,985,209)	-	-	-	(70,985,209)
Total transactions with owners, recorded directly in equity		-	-	-	(70,985,209)	-	-	-	(70,985,209)
Comprehensive income for the year									
Loss		-	-	-	(275,828,993)	-	-	-	(275,828,993)
Other comprehensive income		-	-	-	1,705,534	740,000	14,529,440	15,269,440	16,974,974
Total comprehensive income for the year		-	-	-	(274,123,459)	740,000	14,529,440	15,269,440	(258,854,019)
Balance at 31 December 2022		1,163,695,652	1,258,324,903	95,500,000	1,065,476,144	(820,000)	(5,814,547)	(6,634,547)	3,576,362,152

The accompanying notes form an integral part of the financial statements.

**Sahacogen(Chonburi) Public Company Limited and its subsidiaries****Statement of cash flows**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	Year ended 31 December		Year ended 31 December	
	2022	2021	2022	2021
	<i>(in Baht)</i>			
<b><i>Cash flows from operating activities</i></b>				
Profit (loss) for the year	(229,174,431)	106,883,523	(275,828,993)	109,657,832
<i>Adjustments to reconcile profit(loss) to cash receipts (payments)</i>				
Tax income	(57,438,793)	(13,399,990)	(59,713,392)	(14,167,489)
(Gain) loss on disposal of lands and equipments	5,825,178	(7,329,390)	7,977,260	(452,180)
(Gain) loss on fair value adjustment of biological assets	3,630,896	(3,188,957)	-	-
Reversal of right-of-use assets and lease liabilities as a result of cancellation at lease agreement	-	(16,053)	-	-
Depreciation and amortisation	574,813,509	604,174,941	480,252,760	509,391,657
Loss on disposal of equipment	6,057,688	38,525,272	5,521,944	38,509,375
Loss on inventories devaluation	6,381,224	6,648,902	5,948,643	6,549,322
Dividend income	(190,000)	(150,000)	(8,739,998)	(17,249,996)
Gain on fair value adjustment of financial assets	(965)	(551)	(965)	(551)
Share of loss (profit) of associate accounted for using equity method, net of tax	(1,980,339)	1,885,961	-	-
Provisions for employee benefits	1,588,933	3,795,480	1,279,708	2,600,448
Loss on impairment of assets	-	1,621,599	-	370,000
Unrealised loss (gain) on exchange rate	(590,182)	1,015	(590,182)	1,015
Interest income	(1,764,842)	(145,513)	(1,390,337)	(101,863)
Finance costs	107,589,445	108,144,199	98,446,277	96,550,217
	414,747,321	847,450,438	253,162,725	731,657,787
<b><i>Changes in operating assets and liabilities</i></b>				
Trade account receivables	(275,517,757)	(80,776,844)	(236,504,888)	(116,111,232)
Other receivables	16,165,344	(5,012,230)	9,955,732	724,214
Inventories	19,152,471	(38,694,143)	(3,198,127)	(18,905,628)
Other current assets	(48,773,463)	(42,402,778)	(31,137,850)	(41,927,909)
Other non-current assets	(221,000)	145,000	(210,000)	145,000
Trade and other payables	279,034,956	119,411,514	278,816,349	120,668,346
Provision for employee benefits	(390,355)	-	(390,355)	-
Other current liabilities	12,186,252	(8,421,007)	8,230,833	(10,247,603)
Net cash generated from operating	416,383,769	791,699,950	278,724,419	666,002,975
Taxes received (paid)	17,470,073	(18,969,901)	11,541,486	(18,621,139)
<b>Net cash from operating activities</b>	<b>433,853,842</b>	<b>772,730,049</b>	<b>290,265,905</b>	<b>647,381,836</b>

The accompanying notes form an integral part of the financial statements.

**Sahacogen(Chonburi) Public Company Limited and its subsidiaries****Statement of cash flows**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	Year ended 31 December		Year ended 31 December	
	2022	2021	2022	2021
	<i>(in Baht)</i>			
<b><i>Cash flows from investing activities</i></b>				
Payments for investments in subsidiary	-	-	(653,249,990)	-
Short-term loans to related party	-	-	(9,200,000)	-
Payment for acquisition of plant property and equipment	(1,339,881,787)	(268,105,954)	(1,295,929,677)	(245,640,386)
Payment for acquisition of intangible assets	(10,373,616)	(10,829,370)	(6,557,422)	(10,118,370)
Proceeds from sale of land and equipment	45,946,834	12,786,053	42,244,860	976,224
Decrease from biological assets	3,722,947	3,905,706	-	-
Dividends received	190,000	150,000	8,739,998	17,249,996
Interest received	1,764,842	145,513	1,390,337	101,863
<b>Net cash used in investing activities</b>	<b>(1,298,630,780)</b>	<b>(261,948,052)</b>	<b>(1,912,561,894)</b>	<b>(237,430,673)</b>
<b><i>Cash flows from financing activities</i></b>				
Increase (decrease) for short-term loans from financial institutions	(1,077,000,000)	(8,000,000)	(1,010,000,000)	15,000,000
Repayment of long-term loans	(405,628,000)	(625,377,900)	(373,000,000)	(592,750,000)
Proceeds from issue of debentures	2,645,447,500	-	2,645,447,500	-
Interest paid	(79,767,198)	(108,145,222)	(70,452,179)	(96,551,627)
Payment of lease liability	(42,229,031)	(40,515,861)	(39,874,563)	(37,946,965)
Proceeds from increase in share capital	-	1,199,999,999	-	1,199,999,999
Dividend paid	(70,985,209)	(58,253,829)	(70,985,209)	(58,253,829)
Dividends paid to non-controlling interests	(2,850,002)	(5,700,004)	-	-
<b>Net cash from (used in) financing activities</b>	<b>966,988,060</b>	<b>354,007,183</b>	<b>1,081,135,549</b>	<b>429,497,578</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>102,211,122</b>	<b>864,789,180</b>	<b>(541,160,440)</b>	<b>839,448,741</b>
Cash and cash equivalents at 1 January	979,598,674	114,809,494	949,489,294	110,040,553
<b>Cash and cash equivalents at 31 December</b>	<b>1,081,809,796</b>	<b>979,598,674</b>	<b>408,328,854</b>	<b>949,489,294</b>
<b><i>Non cash items</i></b>				
Payable for machine and equipment	58,382,626	269,277,485	59,680,869	262,770,875
Increase in assets from rights of use assets	4,335,153	11,821,531	4,335,153	2,387,431

The accompanying notes form an integral part of the financial statements.

## **Sahacogen (Chonburi) Public Company Limited and its subsidiaries**

### **Notes to the financial statements**

**For the year ended 31 December 2022**

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## **Sahacogen (Chonburi) Public Company Limited and its subsidiaries**

### **Notes to the financial statements**

#### **For the year ended 31 December 2022**

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 22 February 2023.

#### **1 General information**

Sahacogen (Chonburi) Public Company Limited (“the Company”), is incorporated in Thailand and was listed on the Stock Exchange of Thailand in October 2002. The Company’s registered office is at 636 Moo 11, Sukaphiban 8 Road, Nongkarm, Sriracha, Chonburi.

In December 2021, RATCH Group Public Company Limited (“RATCH”) purchased a total of 593,484,783 ordinary shares, or 51% of all issued and paid-up shares. As a result, the major shareholder of the Group has changed to RATCH Group Public Company Limited.

The principal activities of the Group are production and distribution of electric power and steam for industry.

#### **2 Basis of preparation of the financial statements**

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht, which is the Company’s functional currency. The accounting policies, described in note 3, have been applied consistently to all periods presented in these financial statements.

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

The Group has not early adopted a number of new and revised TFRS which are not yet effective for the period beginning on or after 1 January 2023 in preparing these financial statements. The Group has assessed the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

#### **3 Significant accounting policies**

##### **(a) Basis of consolidation**

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associate.

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

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

## **Sahacogen (Chonburi) Public Company Limited and its subsidiaries**

### **Notes to the financial statements**

#### **For the year ended 31 December 2022**

The Group has not early adopted a number of new and revised TFRS which are not yet effective for the period beginning on or after 1 January 2023 in preparing these financial statements. The Group has assessed the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application. The Group recognised investment in associate using the equity method in the consolidated financial statements. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's dividend income and share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

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

#### **(b) Investments in subsidiaries and associate**

Investments in subsidiaries and associate in the separate financial statements are measured at cost less allowance for impairment losses. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established. If the Company disposes of part of its investment, the deemed cost of the part sold is determined using the weighted average method. Gains and losses on disposal of the investments are recognised in profit or loss.

#### **(c) Foreign currencies**

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date. Non-monetary assets and liabilities measured at fair value in foreign currencies are translated at the exchange rates at the dates that fair value was determined.

Foreign currency differences are generally recognised in profit or loss. However, foreign currency differences arising from the translation of the following items are recognised in other comprehensive income:

- an investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss); and
- qualifying cash flow hedges to the extent the hedge is effective.

#### **(d) Financial instruments**

##### **(d.1) Classification and measurement**

Debt securities issued by the Group are initially recognised when they are originated. Financial assets and financial liabilities (except trade accounts receivables) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing

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### **Notes to the financial statements**

#### **For the year ended 31 December 2022**

financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method or FVTPL. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

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

Equity investments measured at FVOCI are subsequently measured at fair value. Dividend income is recognised as income in profit or loss on the date on which the Group's right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

#### *(d.2) Derecognition and offset*

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

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

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

#### *Interest rate benchmark reform*

When the basis of determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changed as a result of interest rate benchmark reform (IBOR reform), the Group first updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by IBOR reform. If there were any other additional changes, the Group applied the policies on accounting for modifications to those changes.

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and the Group intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### *(d.3) Derivatives*

Derivative are recognised at fair value and remeasured at fair value at each reporting date. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged.

#### *(d.4) Hedging*

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the risk, the economic relationship between the hedged item

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and the hedging instrument, including consideration of the hedge effectiveness at the inception of the hedging relationship and throughout the remaining period to determine the existence of economic relationship between the hedged item and the hedging instrument.

#### *Cash flow hedges*

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts (forward points) is recognised in a cash flow hedging reserve within equity.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the cash flow hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the cash flow hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the cash flow hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the cash flow hedging reserve are immediately reclassified to profit or loss.

#### *(d.5) Impairment of financial assets other than trade accounts receivables*

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI, and loan commitments issued which are not measured at FVTPL.

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

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Group considers a financial asset to have low credit risk when its credit rating is equivalent to the globally understood definition of 'investment grade'. The Group recognises ECLs for low credit risk financial asset as 12-month ECLs.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market,



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economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

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

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

*(d.6) Write offs*

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

*(e) Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits.

*(f) Trade and other accounts receivable*

A receivable is recognised when the Group has an unconditional right to receive consideration. A receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find the ECLs rates. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

*(g) Inventories*

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the weighted average cost principle. Cost includes direct costs incurred in acquiring the inventories. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

*(h) Property, plant and equipment*

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

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

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

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

#### *Subsequent costs*

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

#### *Depreciation*

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on freehold land and assets under construction.

The estimated useful lives are as follows:

Power plants	25 - 30	years
Power plants improvements	3 - 6	years
Buildings	10 - 25	years
Land and buildings improvements	4 - 25	years
Tools and equipment	3 - 15	years
Furniture and office equipment	3 - 10	years
Vehicles	5	years

#### (i) *Other Intangible assets*

Other intangible assets are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate the future economic benefits. Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss.

The estimated useful lives are as follows:

Software licences	3 - 10	years
Right to use transmission system	6 - 30	years

#### (j) *Leases*

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

At commencement or on modification of a contract that contains a lease component and the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

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

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial

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#### For the year ended 31 December 2022

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

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses the Group's incremental borrowing rate to discount the lease payments to the present value. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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

#### (k) *Impairment of non-financial assets*

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

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount, unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss of asset recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### (l) *Employee benefits*

##### *Defined contribution plan*

Obligations for contributions to the Group's provident funds are expensed as the related service is provided.

##### *Defined benefit plans*

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed annually by a qualified actuary using the projected unit credit method.

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Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### **(m) Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

#### **(n) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price, the financial instrument is initially measured at fair value adjusted for the difference between the fair value on initial recognition and the transaction price and the difference is recognised in profit or loss immediately. However, for the fair value categorised as level 3, such difference is deferred and will be recognised in profit or loss on an appropriate basis over the life of the instrument or until the fair value level is transferred or the transaction is closed out.

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#### **(o) Revenue**

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts.

##### *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  
*Revenue from rendering of services*

Revenue from rendering of services is recognised over time as the services are provided. The related costs are recognised in profit or loss when they are incurred.

#### **(p) Income tax**

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is recognised in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the separate financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

#### **(q) Basic earnings per share**

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

## **4 Related parties**

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that is under

## Sahacogen (Chonburi) Public Company Limited and its subsidiaries

### Notes to the financial statements

#### For the year ended 31 December 2022

common control or under the same significant influence as the Group; or a person or entity over which the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making.

Relationships with parent, ultimate parent, subsidiaries and associate are described in notes 8 and 9. Other related parties which the Group had significant transactions with during the year were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Electricity Generating Authority of Thailand	Thailand	Major shareholder of RATCH Group Public Company Limited
RATCH Group Public Company Limited	Thailand	Major shareholder, some common directors
Saha Pathana Inter-Holding Public Company Limited	Thailand	Major shareholder, some common directors
Better Way (Thailand) Company Limited	Thailand	Some common shareholder
Eastern Thai Consulting 1992 Company Limited	Thailand	Some common directors
Pitakkij Company Limited	Thailand	Some common directors
Operational Energy Group Company Limited	Thailand	Some common directors
Sinparadon Company Limited	Thailand	Some common directors
Key management personnel	Thai	Persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.

<i>Significant transactions with related parties Year ended 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b>Major shareholder of the parent company (*)</b>				
Revenue from sales of electricity	3,120,100	1,918,506	3,120,100	1,918,506
<b>Subsidiaries</b>				
Service income	-	-	10,800	6,000
Dividend income	-	-	8,550	17,100
Purchase carbon credit	-	-	2,763	1,641
<b>Other related companies</b>				
Revenue from sales of electricity	1,470,315	1,394,981	1,470,315	1,394,981
Revenue from sales of steam	608,589	427,722	508,744	357,741
Service revenue	11,306	581	11,036	581
Fee paid for guarantee for minimum electricity demand	-	2,750	-	2,750
Raw water and waste water treatment costs	8,479	9,023	4,335	4,323
Operation service expense	112,649	115,413	112,649	115,413
Consulting fee	-	20,000	-	20,000
Machinery lease fee	93,304	115,210	93,304	115,210
Land rental expense	2,153	2,175	2,153	2,175
Security service expense	4,169	4,116	2,174	2,146

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<b>Significant transactions with related parties</b> <b>Year ended 31 December</b>	<b>Consolidated</b> <b>financial statements</b>		<b>Separate</b> <b>financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Construction fee	2,290	-	2,290	-
Interest expense	11,200	15,356	11,200	15,356
 (*) Be a major shareholder of the parent company since 13 December 2021				
<b>Key management personnel</b>				
Short-term employee benefit	25,562	26,981	25,562	26,981
Post-employment benefits	1,359	1,469	1,359	1,469
<b>Total key management personnel compensation</b>	<b>26,921</b>	<b>28,450</b>	<b>26,921</b>	<b>28,450</b>
<b>Balances with related parties</b> <b>At 31 December</b>	<b>Consolidated</b> <b>financial statements</b>		<b>Separate</b> <b>financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b>Trade accounts receivable</b>				
Major shareholder of the parent company (*)	575,220	384,330	575,220	384,330
Other related parties	174,412	156,834	167,877	150,061
<b>Total</b>	<b>749,632</b>	<b>541,164</b>	<b>743,097</b>	<b>534,391</b>
<b>Other current receivables</b>				
Subsidiaries	-	-	972	535
Other related parties	1,219	12,911	1,219	12,911
<b>Total</b>	<b>1,219</b>	<b>12,911</b>	<b>2,191</b>	<b>13,446</b>
<b>Other payables</b>				
Subsidiaries	-	-	-	1,756
Other related parties	37,121	63,750	36,752	63,501
<b>Total</b>	<b>37,121</b>	<b>63,750</b>	<b>36,752</b>	<b>65,257</b>
<b>Short-term loans to</b>				
Subsidiary	-	-	9,200	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>9,200</b>	<b>-</b>
<b>Long-term loans</b>				
Other related parties	320,000	320,000	320,000	320,000
<b>Total</b>	<b>320,000</b>	<b>320,000</b>	<b>320,000</b>	<b>320,000</b>

(\*) Be a major shareholder of the parent company since 13 December 2021



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#### ***Significant agreements with related parties***

##### ***Short-term loans to related party***

As at 31 December 2022, the Company had outstanding balance of loans to a direct subsidiary, amounting to Baht 9.20 million with interest at the fixed rate of 3.90% per annum and will be due within one year.

##### ***Long-term loans from related party***

As at 31 December 2022, the Company had outstanding balance of loans from other related party, amounting to Baht 320 million with interest at the fixed rate of 3.50-4.00% per annum and will be due within 2026 and 2027.

##### ***Electricity Sales Agreements***

The Company entered into an agreement with the Major shareholder of the parent company 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 the Power Purchase Agreement for a period of 25 years as from the scheduled commercial operation date (“SCOD”). The SCOD specified in the agreement is 19 April 2024 and the agreement will end in April 2049. This 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.

##### ***Electricity and Steam Sales Agreements***

The Company entered into agreements with other related party 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 the other related party to sell electricity and steam, for an additional period of 37 years after April 2014.

##### ***Operation and Service Management Agreement***

The Company entered into an agreement with other related party which 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.

##### ***Service Agreement Commitment***

In July 2021, the Company entered into a long-term business service agreements with other related party to increase number of electricity industrial users that will purchased electricity that produced by the Company for a period from the contract date to 12 April 2051, whereby the service fees based on the rate stipulated in the business services agreement.

##### ***Delivered Electricity from Solar Cell Service Agreement***

On 1 March 2020, the Company entered into the delivered electricity from solar cell service agreement with other related party, 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 on annual basis until termination.



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#### Guarantees

- (a) As at 31 December 2022, there are letters of guarantee issued by financial institutions on behalf of the Company as required under the power purchase agreement with the major shareholder of the parent company amounting to Baht 377 million (2021: Baht 377 million).
- (b) As at 31 December 2022, the Company has guaranteed credit facilities for associate company amounting to Baht 84 million (2021: Baht 84 million).

#### 5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(in thousand Baht)			
Cash on hand	229	201	46	42
Cash at banks	1,081,581	979,398	408,283	949,448
<b>Total</b>	<b>1,081,810</b>	<b>979,599</b>	<b>408,329</b>	<b>949,490</b>

#### 6 Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
At 31 December	2022	2021	2022	2021
	(in thousand Baht)			
Within credit terms	871,808	596,389	770,431	534,024
Overdue:				
Less than 3 months	465	281	465	281
3 - 6 months	-	86	-	86
6 - 12 months	-	-	-	-
Over 12 months	-	-	-	-
<b>Total</b>	<b>872,273</b>	<b>596,756</b>	<b>770,896</b>	<b>534,391</b>
Less allowance for expected credit loss	-	-	-	-
<b>Net</b>	<b>872,273</b>	<b>596,756</b>	<b>770,896</b>	<b>534,391</b>

Information of credit risk is disclosed in note 22 (b.1).

#### 7 Inventories

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(in thousand Baht)			
Raw materials	44,895	78,164	-	-
Spare parts and factory supplies	233,332	219,216	165,760	161,292
Carbon credit	-	-	372	1,641
<b>Total</b>	<b>278,227</b>	<b>297,380</b>	<b>166,132</b>	<b>162,933</b>
Less allowance for decline in value	(38,376)	(31,995)	(35,692)	(29,743)
<b>Net</b>	<b>239,851</b>	<b>265,385</b>	<b>130,440</b>	<b>133,190</b>
Costs of inventories recognised in 'cost of sales account':				
- Cost of sales	351,945	289,556	45,417	41,058
- decline in value to net realisable value	6,381	6,649	5,949	6,549
<b>Net</b>	<b>358,326</b>	<b>296,205</b>	<b>51,366</b>	<b>47,607</b>

Investments in associate as at 31 December were as follows:

The associate was incorporated and operate in Thailand and none of the Group's investment in associate is publicly listed and consequently do not have published price quotation.

## Sahacogen (Chonburi) Public Company Limited and its subsidiaries

### Notes to the financial statements

For the year ended 31 December 2022

#### 9 Investments in subsidiaries

<i>Year ended 31 December</i>	<b>Separate financial statements</b>	
	2022	2021
	<i>(in thousand Baht)</i>	
At 1 January	1,401,500	1,401,500
Acquisitions / Additions	653,250	-
<b>At 31 December</b>	<b>2,054,750</b>	<b>1,401,500</b>

**Sahacogen (Chonburi) Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

Investments in subsidiaries as at 31 December are as follows:

	Type of business	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income for the year	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
		(%)						(in thousand Baht)					
<b>Direct subsidiaries</b>													
Sahacogen Green Company Limited	Production and distribution of electric power and steam	100	100	1,520,000	1,520,000	1,520,000	1,520,000	(261,000)	(261,000)	1,259,000	1,259,000	-	-
Sahagreen Forest Company Limited	Production and distribution of electric power	75	75	190,000	190,000	142,500	142,500	-	-	142,500	142,500	8,550	17,100
Solarist Holding Company Limited	Investment in solar power business	100	-	653,250	-	653,250	-	-	-	653,250	-	-	-
<b>Total</b>				<b>2,315,750</b>	<b>1,662,500</b>	<b>(261,000)</b>	<b>(261,000)</b>	<b>2,054,750</b>	<b>1,401,500</b>	<b>8,550</b>	<b>17,100</b>		

All subsidiaries were incorporated and mainly operate in Thailand.

**Sahacogen (Chonburi) Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

***The Establishment of company Solarist Holding Company Limited (“SOL”)***

On 4 October 2022, the Company registered the establishment of Solarist Holding Company Limited (“SOL”) to invest and operate solar power plant business with authorised shares capital totalling Baht 1 million and called for fully paid-up (*100,000 ordinary shares at par value of Baht 10 per share*). The Company has shareholding proportion of 100%. Subsequently on 19 October 2022, the Board of Directors Meeting of the Company passed a resolution approving to increase the authorised share capital of SOL from the existing registered capital of Baht 1 million to Baht 2,610 million (*261 million ordinary shares at par value of Baht 10 per share*) and called for paid-up 25% of additional shares capital. Subsequently on 26 October 2022, the Company paid for additional shares capital totalling Baht 652 million for investment to expand power generation business and working capital.

# Sahacogen (Chonburi) Public Company Limited and its subsidiaries

Notes to the financial statements  
For the year ended 31 December 2022

## 10 Property, plant and equipment

	Consolidated financial statements						
	Land	Power plant and power plant improvement	Land and buildings improvement	Tools and equipment	Furniture and office equipment	Vehicles	Assets under construction
				<i>(in thousand Baht)</i>			
							Total
<b>Costs</b>							
At 1 January 2021	621,239	8,560,017	278,705	220,504	56,325	14,164	9,775,014
Additions	-	239,640	812	8,161	2,196	702	537,384
Transfers	-	8,164	5,848	-	(271)	-	-
Disposals	(4,911)	(249,871)	-	(1,842)	(691)	(4,384)	(262,379)
<b>At 31 December 2021 and</b>							
<b>1 January 2022</b>	<b>616,328</b>	<b>8,557,950</b>	<b>285,365</b>	<b>226,823</b>	<b>57,559</b>	<b>10,482</b>	<b>10,050,019</b>
Additions	2,142	1,798	858	1,412	2,260	75	1,113,528
Transfers	-	16,350	11,671	6,293	28	-	-
Disposals	(1,531)	(168,138)	(16,382)	(1,768)	(1,288)	(3,162)	(192,269)
<b>At 31 December 2022</b>	<b>616,939</b>	<b>8,407,960</b>	<b>281,512</b>	<b>232,760</b>	<b>58,559</b>	<b>7,395</b>	<b>10,971,278</b>

Annual Report (Form 56-1)  
ONE REPORT

2022

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**Sahacogen (Chonburi) Public Company Limited and its subsidiaries**

Notes to the financial statements

For the year ended 31 December 2022

Separated financial statements								
	Land	Power plant and power plant improvement	Land and buildings improvement	Tools and equipment	Furniture and office equipment	Vehicles	Assets under construction	Total
	</							



## Notes to the financial statements

Annual Report (Form 56-1)  
**ONE REPORT**

Separated financial statements								
	Land	Power plant and power plant improvement	Land and buildings improvement	Tools and equipment	Furniture and office equipment	Vehicles	Assets under construction	Total
				(in thousand Baht)				
<i>Depreciation and impairment losses</i>								
At 1 January 2021	-	3,704,955	47,680	45,404	38,289	7,203	-	3,843,531
Depreciation charge for the year	-	460,088	2,201	2,941	2,187	1,205	-	468,622
Impairment losses	-	-	-	-	-	370	-	370
Disposals	-	(207,041)	-	-	(602)	(2,430)	-	(210,073)
At 31 December 2021 and 1 January 2022	-	3,958,002	49,881	48,345	39,874	6,348	-	4,102,450
Depreciation charge for the year	-	416,616	1,843	2,407	1,927	1,241	-	424,034
Disposals	-	(112,443)	(11,681)	-	(852)	(2,844)	-	(127,820)
At 31 December 2022	-	4,262,175	40,043	50,752	40,949	4,745	-	4,398,664
<i>Net book value</i>								
At 31 December 2021	142,501	3,154,479	17,787	5,308	5,167	3,282	277,041	3,605,565
At 31 December 2022	142,501	2,690,787	15,786	3,343	4,536	1,752	1,341,866	4,200,571

## Sahacogen (Chonburi) Public Company Limited and its subsidiaries

### Notes to the financial statements

#### For the year ended 31 December 2022

Capitalised borrowing costs relating to the acquisition of the construction of the new power plant for the Group amounted to Baht 2 million. (2021: nil)

#### Guarantees

Sahagreen Forest Company Limited, a direct subsidiary, has mortgaged its land with structures thereon and mortgaged its machines with net book value totalling of approximately Baht 327 million (2021: Baht 349 million) as collateral against credit facilities received from a financial institution.

## 11 Leases

<i>Right-of-use assets</i> <i>At 31 December</i>	<b>Consolidated</b> <b>financial statements</b>		<b>Separate</b> <b>financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Land	29,175	30,208	29,175	30,208
Machine and equipment	45,732	82,318	45,732	82,318
Vehicles	11,940	12,248	6,205	4,030
<b>Total</b>	<b>86,847</b>	<b>124,774</b>	<b>81,112</b>	<b>116,556</b>

In 2022, additions to the right-of-use assets of the Group and the Company were Baht 4.34 million and Baht 4.34 million, respectively (2021: Baht 11.82 million and Baht 2.39 million, respectively).

#### Extension options

The Group and the Company has extension options on property leases exercisable up to one year before the end of the contract period. The Group and the Company assesses at lease commencement date whether it is reasonably certain to exercise the extension options and will regularly reassess so.

<i>Year ended 31 December</i>	<b>Consolidated</b> <b>financial statements</b>		<b>Separate</b> <b>financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Depreciation of right-of-use assets:				
- Land	1,033	1,033	1,033	1,033
- Buildings	-	389	-	389
- Machine and equipment	36,585	36,585	36,585	36,585
- Vehicles	4,106	4,187	2,162	1,395
Interest on lease liabilities	5,146	6,696	4,579	6,008
Expenses relating to short-term leases and leases of low-value assets	2,688	3,376	2,030	2,348

In 2022, total cash outflow for leases of the Group and the Company were Baht 144 million and Baht 134 million, respectively (2021: Baht 95 million and Baht 90 million, respectively).

**Sahacogen (Chonburi) Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**12 Intangible assets**

	<b>Consolidated financial statements</b>		
	Software licences	Right to use transmission system (in thousand Baht)	Total
<b>Costs</b>			
At 1 January 2021	24,261	285,766	310,027
Additions	1,925	9,211	11,136
<b>At 31 December 2021 and 1 January 2022</b>	<b>26,186</b>	<b>294,977</b>	<b>321,163</b>
Additions	11,707	15,425	27,132
<b>At 31 December 2022</b>	<b>37,893</b>	<b>310,402</b>	<b>348,295</b>
<b>Amortisation</b>			
At 1 January 2021	17,557	162,885	180,442
Amortisation charge for the year	2,303	201	2,504
<b>At 31 December 2021 and 1 January 2022</b>	<b>19,860</b>	<b>163,086</b>	<b>182,946</b>
Amortisation charge for the year	1,859	15,106	16,965
<b>At 31 December 2022</b>	<b>21,719</b>	<b>178,192</b>	<b>199,911</b>
<b>Net book value</b>			
At 31 December 2021	6,326	131,891	138,217
At 31 December 2022	16,174	132,210	148,384
<b>Separate financial statements</b>			
	Software licences	Right to use transmission system (in thousand Baht)	Total
<b>Costs</b>			
At 1 January 2021	19,496	285,766	305,262
Additions	907	9,211	10,118
<b>At 31 December 2021 and 1 January 2022</b>	<b>20,403</b>	<b>294,977</b>	<b>315,380</b>
Additions	7,891	15,425	23,316
<b>At 31 December 2022</b>	<b>28,294</b>	<b>310,402</b>	<b>338,696</b>
<b>Amortisation</b>			
At 1 January 2021	14,815	162,885	177,700
Amortisation charge for the year	1,167	201	1,368
<b>At 31 December 2021 and 1 January 2022</b>	<b>15,982</b>	<b>163,086</b>	<b>179,068</b>
Amortisation charge for the year	1,334	15,106	16,440
<b>At 31 December 2022</b>	<b>17,316</b>	<b>178,192</b>	<b>195,508</b>
<b>Net book value</b>			
At 31 December 2021	4,421	131,891	136,312
At 31 December 2022	10,978	132,210	143,188

**Sahacogen (Chonburi) Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**13 Interest-bearing liabilities**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b>Current</b>				
Short-term loans from financial institutions				
- unsecured	248,000	1,325,000	150,000	1,160,000
Current portion of long-term loans from financial institutions				
- unsecured	265,600	373,000	265,000	373,000
- secured	32,628	32,628	-	-
Current portion of lease liabilities	44,276	41,573	41,760	39,219
<b>Total current interest-bearing liabilities</b>	<b>590,504</b>	<b>1,772,201</b>	<b>457,360</b>	<b>1,572,219</b>
<b>Non-current</b>				
Long-term loans from related parties	320,000	320,000	320,000	320,000
Long-term loans from financial institutions				
- unsecured	319,350	584,950	319,350	584,950
- secured	65,252	97,880	-	-
Lease liabilities	47,726	88,323	44,097	82,178
Debentures - unsecured	2,645,687	-	2,645,687	-
<b>Total non-current interest-bearing liabilities</b>	<b>3,398,015</b>	<b>1,091,153</b>	<b>3,329,134</b>	<b>987,128</b>
<b>Total</b>	<b>3,988,519</b>	<b>2,863,354</b>	<b>3,786,494</b>	<b>2,559,347</b>

Balances of interest-bearing liabilities net of deferred financing fees, excluding lease liabilities as at 31 December 2022 were as follows:

	<b>Consolidated financial statements</b>			
	Total facilities	Amount	Interest rate	Repayment term
	<i>(in million Baht)</i>		<i>(% per annum)</i>	
<b>Short-term</b>				
<b>Loans from financial institutions</b>				
Sahacogen (Chonburi) Public Company Limited	2,050	150	2.55	At call
Sahacogen Green Company Limited	165	25	3.80	At call
Sahagreen Forest Company Limited	120	73	2.85 - 4.05	At call
<b>Total</b>		<b>248</b>		
<b>Long-term</b>				
<b>Loans from related party</b>				
Sahacogen (Chonburi) Public Company Limited	320	320	Fixed rate	Within 2026 to 2027
<b>Loans from financial institutions</b>				
Sahacogen (Chonburi) Public Company Limited	2,205	585	Fixed rate and floating rate plus a fixed margin	Within 7 years from June 2017 to December 2024

**Sahacogen (Chonburi) Public Company Limited and its subsidiaries****Notes to the financial statements****For the year ended 31 December 2022****Consolidated financial statements**

	Total facilities (in million Baht)	Amount	Interest rate (% per annum)	Repayment term
<b>Loans from financial institutions</b>				
Sahagreen Forest Company Limited	324	98	MLR, minus a fixed margin	Within 8 years from June 2017 to December 2025
<b>Total</b>		<b>1,003</b>		
Less current portion due within one year		(298)		
<b>Total non-current - net</b>		<b>705</b>		
<b>Debenture</b>				
Sahacogen (Chonburi) Public Company Limited	2,650	2,650	3 - 4.26	Repayment period of 3,7 and 10 years and will be due for redemption in 2025, 2029 and 2032 respectively
<b>Total</b>		<b>2,650</b>		
Less deferred financing fees		(5)		
<b>Net</b>		<b>2,645</b>		

**Separate financial statements**

	Total facilities (in million Baht)	Amount	Interest rate (% per annum)	Repayment term
<b>Short-term</b>				
<b>Loans from financial institutions</b>				
Sahacogen (Chonburi) Public Company Limited	2,050	150	2.55	At call
<b>Long-term</b>				
<b>Loans from related party</b>				
Sahacogen (Chonburi) Public Company Limited	320	320	Fixed rate	Within 2026 to 2027
<b>Loans from financial institutions</b>				
Sahacogen (Chonburi) Public Company Limited	2,205	585	Fixed rate and floating rate plus a fixed margin	Within 7 years from June 2017 to December 2024
<b>Total</b>		<b>585</b>		
Less current portion due within one year		(266)		
<b>Total non-current - net</b>		<b>319</b>		

## Sahacogen (Chonburi) Public Company Limited and its subsidiaries

### Notes to the financial statements

For the year ended 31 December 2022

	Separate financial statements			
	Total facilities (in million Baht)	Amount	Interest rate (% per annum)	Repayment term
<b>Long-term</b>				
<b>Debenture</b>				
Sahacogen (Chonburi) Public Company Limited	2,650	2,650	3 - 4.26	Repayment period of 3,7 and 10 years and will be due for redemption in 2025, 2029 and 2032 respectively
<b>Total</b>		<b>2,650</b>		
Less deferred financing fees		(5)		
<b>Net</b>		<b>2,645</b>		

The loans from financial institutions are unsecured, except for loan of a subsidiary which is secure by the mortgage of the subsidiary's land with structures thereon and mortgage of its machines (see note 10).

As at 31 December 2022, the Company had unutilised credit facilities amounting to Baht 2,087 million. (2021: Baht 1,010 million).

The Group must comply with certain conditions in those agreements including maintaining certain key financial ratios for all long-term loans agreement from financial institutions.

#### Issuance of debentures

During 2022, the Company has issued debentures which are Senior Unsecured Debentures with Debenture holder's Representative and offered through the Private Placement to Institutional and High Net-worth Investors for support the explanation plan and working capital of the Company in 3 series as follows;

- Series 1, amounting to Baht 700 million. The debenture has a maturity of 3 years with an interest rate of 3.00% per annum, which will pay every 6 months, and mature on 22 September 2025.
- Series 2, amounting to Baht 550 million. The debenture has a maturity of 7 years with an interest rate of 3.98% per annum, which will pay every 6 months, and mature on 22 September 2029.
- Series 3, amounting to Baht 1,400 million. The debenture has a maturity of 10 years with an interest rate of 4.26% per annum, which will pay every 6 months, and mature on 22 September 2032.

#### Changes in liabilities arising from financing activities

	Consolidated financial statements			
	Loans	Debentures	Lease liabilities	Total
	(in thousand Baht)			
<b>2022</b>				
At 1 January	2,733,458	-	129,896	2,863,354
Changes from financing cash flows	(1,482,628)	2,645,448	(42,229)	1,120,591
Increase in lease liabilities	-	-	4,335	4,335
Other changes	-	239	-	239
<b>At 31 December</b>	<b>1,250,830</b>	<b>2,645,687</b>	<b>92,002</b>	<b>3,988,519</b>

**Sahacogen (Chonburi) Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

<b>Consolidated financial statements</b>				
	Loans	Debentures	Lease liabilities	Total
	<i>(in thousand Baht)</i>			
<b>2021</b>				
At 1 January	3,352,142	-	158,834	3,510,976
Changes from financing cash flows	(633,378)	-	(40,516)	(673,894)
Increase in lease liabilities	-	-	11,822	11,822
Other changes	14,694	-	(244)	14,450
<b>At 31 December</b>	<b>2,733,458</b>	<b>-</b>	<b>129,896</b>	<b>2,863,354</b>
<b>Separate financial statements</b>				
	Loans	Debentures	Lease liabilities	Total
	<i>(in thousand Baht)</i>			
<b>2022</b>				
At 1 January	2,437,950	-	121,397	2,559,347
Changes from financing cash flows	(1,383,000)	2,645,448	(39,875)	1,222,573
Increase in lease liabilities	-	-	4,335	4,335
Other changes	-	239	-	239
<b>At 31 December</b>	<b>1,054,950</b>	<b>2,645,687</b>	<b>85,857</b>	<b>3,786,494</b>
<b>2021</b>				
At 1 January	3,001,006	-	156,956	3,157,962
Changes from financing cash flows	(577,750)	-	(37,947)	(615,697)
Increase in lease liabilities	-	-	2,387	2,387
Other changes	14,694	-	-	14,694
<b>At 31 December</b>	<b>2,437,950</b>	<b>-</b>	<b>121,396</b>	<b>2,559,346</b>

**14 Share capital**

	Par value per share (in Baht)	2022		2021	
		Number	Baht (thousand shares /in thousand Baht)	Number	Baht
<b>Authorised shares</b>					
At 1 January					
- ordinary shares	1	1,163,696	1,163,696	955,000	955,000
Issue of new shares	1	-	-	208,696	208,696
<b>At 31 December</b>					
- ordinary shares	1	<b>1,163,696</b>	<b>1,163,696</b>	<b>1,163,696</b>	<b>1,163,696</b>
<b>Issued and paid-up shares</b>					
At 1 January					
- ordinary shares	1	1,163,696	1,163,696	955,000	955,000
Issue of new shares	1	-	-	208,696	208,696
<b>At 31 December</b>					
- ordinary shares	1	<b>1,163,696</b>	<b>1,163,696</b>	<b>1,163,696</b>	<b>1,163,696</b>

At the Annual General Meeting of the shareholders of the Company held on 7 December 2021, the shareholders approved the increase of the registered capital by issuing new ordinary shares in the amount of Baht 209 million from ordinary shares totalling Baht 955 million (*ordinary shares 955 million shares par value 1 baht*) to Baht 1,164 million (*ordinary shares 1,164 million shares par value 1 baht*) by

## Sahacogen (Chonburi) Public Company Limited and its subsidiaries

### Notes to the financial statements

#### For the year ended 31 December 2022

issuing new ordinary shares in the amount of 209 million, at par value 1 baht for the offering in private placement which is Ratch Group Public Company Limited (RATCH) in the price of 5.75 baht per share totalling Baht 1,200 million. The Company registered the change in the paid-up capital increase from this issuance and offering of new ordinary shares 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.

#### 15 Share premium and legal reserves

##### *Share premium*

Section 51 of the Public Limited Companies Act B.E. 2535 (1992) requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

##### *Legal reserve*

Section 116 of the Public Limited Companies Act B.E. 2535 (1998) requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

#### 16 Segment information and disaggregation of revenue

Management determined that the Group has an only one reportable segment which is the producing and distributing of electricity and steam. Therefore, there is only one reportable segment.

In the following table, revenue is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition.

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(in thousand Baht)			
<b>Primary Geographical Market</b>				
Thailand	5,744,065	4,220,490	5,110,195	3,677,398
<b>Total</b>	<b>5,744,065</b>	<b>4,220,490</b>	<b>5,110,195</b>	<b>3,677,398</b>
<b>Major products and service lines</b>				
Electricity	5,109,874	3,773,780	4,590,415	3,313,487
Steam	619,568	436,425	508,744	357,741
Other	14,623	10,285	11,036	6,170
<b>Total</b>	<b>5,744,065</b>	<b>4,220,490</b>	<b>5,110,195</b>	<b>3,677,398</b>

Most of the Group's revenue recognition timing is point in time.

##### *Major customer*

Revenues from one major customer of the Group approximately Baht 5,120 million (2021: Baht 3,779 million) of the Group's total revenue.



## Sahacogen (Chonburi) Public Company Limited and its subsidiaries

### Notes to the financial statements

For the year ended 31 December 2022

#### 17 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(in thousand Baht)			
Fuel and energy costs	4,762,968	2,844,478	4,428,698	2,567,109
Depreciation and amortisation	574,814	604,175	480,253	509,392
Operation and maintenance service fees	143,293	121,981	110,524	109,830
Plant management fees	132,504	115,413	112,649	115,413
Employee benefit expenses	119,807	138,928	48,098	65,339
Insurance fees	84,258	76,425	74,494	66,310
Rental expense	41,997	46,076	40,679	44,791
Others	95,198	203,423	64,042	142,725
<b>Total cost of sales and rendering of services and administrative expenses</b>	<b>5,954,839</b>	<b>4,150,899</b>	<b>5,359,437</b>	<b>3,620,909</b>

#### 18 Income tax

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(in thousand Baht)			
<b>Income tax recognised in profit or loss</b>				
<b>Current tax expense</b>				
Current year	2,346	6,087	-	4,607
<b>Deferred tax expense</b>				
Movements in temporary differences	(59,785)	(19,487)	(59,713)	(18,774)
<b>Total</b>	<b>(57,439)</b>	<b>(13,400)</b>	<b>(59,713)</b>	<b>(14,167)</b>

	Consolidated financial statements					
	2022		2021			
	Before tax	Tax expense	Before tax	Tax benefit	Net of tax	
	(in thousand Baht)					
<b>Income tax</b>						
<b>Recognised in other comprehensive income</b>						
Cash flow hedges	18,162	(3,633)	14,529	(3,991)	15,966	
Financial assets measured at fair value through other comprehensive income	925	(185)	740	(202)	808	
Gain (loss) on remeasurements of defined benefit plans	1,292	(258)	1,034	-	-	-
<b>Total</b>	<b>20,379</b>	<b>(4,076)</b>	<b>16,303</b>	<b>(4,193)</b>	<b>16,774</b>	

**Sahacogen (Chonburi) Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

	Separate financial statements					
	2022			2021		
	Before tax	Tax expense	Net of tax (in thousand Baht)	Before tax	Tax benefit	Net of tax
<b>Income tax</b>						
<b>Recognised in other comprehensive income</b>						
Cash flow hedges	18,162	(3,633)	14,529	19,957	(3,991)	15,966
Financial assets measured at fair value through other comprehensive income	925	(185)	740	1,010	(202)	808
Gain (loss) on remeasurements of defined benefit plans	2,132	426	1,706	-	-	-
<b>Total</b>	<b>21,219</b>	<b>(4,244)</b>	<b>16,975</b>	<b>20,967</b>	<b>(4,193)</b>	<b>16,774</b>

**Recognise in equity**

Cost related to the issuance of ordinary shares	-	-	-	23,033	(4,607)	18,426
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**Reconciliation of effective tax rate**

	Consolidated financial statements			
	Rate (%)	2022 (in thousand Baht)	Rate (%)	2021 (in thousand Baht)
Profit (loss) before income tax expense		(286,613)		93,484
Income tax using the Thai corporation tax rate	20	(57,323)	20	18,697
Income regarded to income under the revenue code		507		245
Promotional privileges		(1,924)		(26,582)
Income not subject to tax		(69)		(52)
Expenses not deductible for tax purposes		1,633		2,989
Expenses deductible at a greater amount		(7)		(40,692)
Recognition of previously unrecognised tax losses		(3,285)		(1,498)
Current year losses for which no deferred tax asset was recognised		3,029		33,533
<b>Income tax income</b>	<b>-</b>	<b>(57,439)</b>	<b>-</b>	<b>(13,400)</b>

	Separate financial statements			
	Rate (%)	2022 (in thousand Baht)	Rate (%)	2021 (in thousand Baht)
Profit (loss) before income tax expense		(335,542)		95,490
Income tax using the Thai corporation tax rate	20	(67,108)	20	19,098
Income treated as expenses under the Revenue Code		505		105
Promotional privileges		-		(24,394)
Income not subject to tax		(1,779)		(3,512)
Expenses not deductible for tax purposes		429		1,057
Current year losses for which no deferred tax asset was recognised		8,247		-
Expenses deductible at a greater amount		(7)		(6,521)
<b>Income tax income</b>	<b>-</b>	<b>(59,713)</b>	<b>-</b>	<b>(14,167)</b>

**Sahacogen (Chonburi) Public Company Limited and its subsidiaries****Notes to the financial statements****For the year ended 31 December 2022**

		Consolidated financial statement		
		(Charged) / Credited to:		
	At 1	Profit or	Other	At 31
Deferred tax	January	loss	comprehensive	December
		(in thousand baht)		
2022				
Deferred tax assets				
Provisions for employee benefits	6,130	(177)	(258)	5,694
Property, plant and equipment	16,106	6,390	-	22,496
Loss carry forward	21,817	53,572	-	75,389
Financial assets measured at fair value through other comprehensive income	390	-	(185)	205
Cash flow hedges	5,086	-	(3,633)	1,453
Total	49,529	59,785	(4,076)	105,237
2021				
Deferred tax assets				
Provisions for employee benefits	4,897	1,233	-	6,130
Property, plant and equipment	19,669	(3,563)	-	16,106
Loss carry forward	-	21,817	-	21,817
Financial assets measured at fair value through other comprehensive income	592	-	(202)	390
Cash flow hedges	9,077	-	(3,991)	5,086
Total	34,235	19,487	(4,193)	49,529

		Separate financial statement		
		(Charged) / Credited to:		
	At 1	Profit or	Other	At 31
Deferred tax	January	loss	comprehensive	December
		(in thousand baht)		
2022				
Deferred tax assets				
Provisions for employee benefits	5,417	(247)	(426)	4,743
Property, plant and equipment	16,106	6,390	-	22,496
Loss carry forward	21,817	53,572	-	75,389
Financial assets measured at fair value through other comprehensive income	390	-	(185)	205
Cash flow hedges	5,086	-	(3,633)	1,453
Total	48,816	59,713	(4,244)	104,286

## Sahacogen (Chonburi) Public Company Limited and its subsidiaries

### Notes to the financial statements

For the year ended 31 December 2022

<i>Deferred tax</i>	<b>At 1 January</b>	<b>Separate financial statement</b> (Charged) / Credited to:		<b>At 31 December</b>
		Profit or loss	Other comprehensive income	
		<i>(in thousand baht)</i>		
<b>2021</b>				
<b>Deferred tax assets</b>				
Provisions for employee benefits	4,897	520	-	5,417
Property, plant and equipment	19,669	(3,563)	-	16,106
Loss carry forward	-	21,817	-	21,817
Financial assets measured at fair value through other comprehensive income	592	-	(202)	390
Cash flow hedges	9,077	-	(3,991)	5,086
<b>Total</b>	<b>34,235</b>	<b>18,774</b>	<b>(4,193)</b>	<b>48,816</b>

As at 31 December 2022, the subsidiaries has deductible temporary differences and unused tax losses totalling Baht 183 million (*2021: Baht 216 million*), on which deferred tax assets have not been recognised as the subsidiary believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

As at 31 December 2022, the Group has unused loss subject to tax totalling Baht 543 million (*2021 Baht 308 million*) which will expire within 2027.

## 19 Promotional privileges

The Group have been granted promotional certificates by the Office of the Board of Investment for electricity and steam for the several privileges including exemption and/or reduction from payment of income tax on the net profit derived from promoted operations with certain terms and conditions prescribed in the promotional certificates.

As a promoted company, the Group must comply with certain terms and conditions prescribed in the promotional certificates.

## Sahacogen (Chonburi) Public Company Limited and its subsidiaries

### Notes to the financial statements

For the year ended 31 December 2022

#### 20 Basic earnings (loss) per share

Basic earnings (loss) per share are calculated by dividing profit or loss for the year attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(in thousand Baht/ thousand shares)			
<b>Profit (loss) attributable to ordinary shareholders</b>	<b><u>(233,816)</u></b>	<b><u>101,631</u></b>	<b><u>(275,829)</u></b>	<b><u>109,658</u></b>
Number of ordinary shares outstanding at 1 January	1,163,696	955,000	1,163,696	955,000
Effect of shares issued	-	10,864	-	10,864
<b>Number of share outstanding under weighted average method at 31 December</b>	<b><u>1,163,696</u></b>	<b><u>965,864</u></b>	<b><u>1,163,696</u></b>	<b><u>965,864</u></b>
<b>Earnings (loss) per share (basic) (in Baht)</b>	<b><u>(0.201)</u></b>	<b><u>0.105</u></b>	<b><u>(0.237)</u></b>	<b><u>0.114</u></b>

#### 21 Dividends

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in million Baht)
<b>2022</b>				
Annual dividend for the year 2021	22 April 2022	May 2022	0.061	71
<b>2021</b>				
Annual dividend for the year 2020	26 April 2021	May 2021	0.061	58

#### 22 Financial instruments

##### (a) Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

**Sahacogen (Chonburi) Public Company Limited and its subsidiaries**  
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**For the year ended 31 December 2022**

	Carrying amount				Consolidated financial statements				Fair value	
	Hedging instruments	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Total (in thousand Baht)	Level 1	Level 2	Level 3	Total	
<b>At 31 December 2022</b>										
<b>Financial assets</b>										
Other current financial assets:										
Investment in debt instruments	-	278	-	-	278	-	278	-	278	
Other non-current financial assets:										
Investment in equity instruments	-	-	9,875	-	9,875	9,875	-	-	9,875	
<b>Financial liabilities</b>										
Interest rate swaps used for hedging	(7,268)	-	-	-	(7,268)	-	(7,268)	-	(7,268)	
Debentures	-	-	-	(2,645,687)	(2,645,687)	-	(2,693,272)	-	(2,693,272)	

**Sahacogen (Chonburi) Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

	Consolidated financial statements							
	Carrying amount		Fair value					
	Hedging instruments	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Total (in thousand Baht)	Level 1	Level 2	Level 3	Total
<i>At 31 December 2021</i>								
<i>Financial assets</i>								
Other current financial assets:								
Investment in debt instruments	-	277	-	277	-	277	-	277
Other non-current financial assets:								
Investment in equity instruments	-	-	8,950	8,950	8,950	-	-	8,950
<i>Financial liabilities</i>								
Interest rate swaps used for hedging	23,457	-	-	23,457	-	23,457	-	23,457
Foreign currency forward used for hedging	1,793	-	-	1,793	-	1,793	-	1,793

**Sahacogen (Chonburi) Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

	Carrying amount			Separate financial statement			Fair value		
		Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Total (in thousand Baht)	Level 1	Level 2	Level 3	Total
<i>At 31 December 2022</i>									
<i>Financial assets</i>									
Other current financial assets:									
Investment in debt instruments	-	278	-	-	278	-	278	-	278
Other non-current financial assets:									
Investment in equity instruments	-	-	9,875	-	9,875	9,875	-	-	9,875
<i>Financial liabilities</i>									
Interest rate swaps used for hedging	(7,268)	-	-	-	(7,268)	-	(7,268)	-	(7,268)
Debentures	-	-	-	(2,645,687)	(2,645,687)	-	(2,693,272)	-	(2,693,272)



**Sahacogen (Chonburi) Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

	Carrying amount			Separate financial statement				Fair value
	Hedging instruments	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Total	Level 1 (in thousand Baht)	Level 2	Level 3	
<i>At 31 December 2021</i>								
<i>Financial assets</i>								
Other current financial assets:								
Investment in debt instruments	-	277	-	277	-	277	-	277
Other non-current financial assets:								
Investment in equity instruments	-	-	8,950	8,950	8,950	-	-	8,950
<i>Financial liabilities</i>								
Interest rate swaps used for hedging	23,457	-	-	23,457	-	23,457	-	23,457
Foreign currency forward used for hedging	1,793	-	-	1,793	-	1,793	-	1,793

## Sahacogen (Chonburi) Public Company Limited and its subsidiaries

### Notes to the financial statements

#### For the year ended 31 December 2022

The following tables present valuation technique of financial instruments measured at fair value in the statements of financial position:

Type	Valuation technique
Debt securities	Based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group and counterparty when appropriate
Investments in marketable unit trusts classified as financial assets measured at FVOCI	The net asset value as of the reporting date.
Forward exchange contracts	<i>Forward pricing:</i> The fair value is determined using quoted forward exchange rates at the reporting date.
Interest rate swap contracts	<i>Swap models:</i> The present value of estimated future cash flows, using an observable yield curve.

#### (b) Financial risk management policies

##### *Risk management framework*

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyses the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

##### *(b.1) Credit risk*

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investments in debt securities.

## **Sahacogen (Chonburi) Public Company Limited and its subsidiaries**

### **Notes to the financial statements**

#### **For the year ended 31 December 2022**

##### **(b.1.1) Trade accounts receivables**

The management has established a credit policy to control the credit risk on a regular basis by analyzing the financial status of every customers who requested a certain amount of credit. As of the reporting date, there were no significant credit risk exposure. The maximum credit risk is stated in the book value of each financial asset in the statement of financial position. However, as the major customers of the Group are government agencies, state of enterprises and large corporations with low credit risk. Management does not expect any material losses incurred from debt collection.

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of one month. Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due for individual trade receivables to reflect differences between economic conditions in the past, current conditions, and the Group's view of economic conditions over the expected lives of the receivables.

##### **(b.1.2) Investment in debt securities**

The Group limits its exposure to credit risk by investing only in liquid debt securities and only with counterparties that have consider a credit rating by international credit rating institutions.

The Group monitors changes in credit risk by tracking published external credit ratings. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings.

##### **(b.1.3) Cash and cash equivalent and derivatives**

The Group's exposure to credit risk arising from cash and cash equivalents and derivative assets is limited because the counterparties are banks and financial institutions which the Group considers to have low credit risk.

##### **(b.1.4) Guarantees**

The Group's policy is to provide the guarantees only for the financial facilities of subsidiaries. At 31 December 2022, the Group has provided a guarantee to certain banks in respect of credit facilities granted to subsidiaries (see note 4).

##### ***(b.2) Liquidity risk***

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The following table shows the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

**Sahacogen (Chonburi) Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

		Consolidated financial statements			
		Contractual cash flows			
<i>At 31 December</i>	Carrying amount	1 year or less	More than 1 years but less than 5 years <i>(in thousand Baht)</i>	More than 5 years	Total
<b>2022</b>					
<b><i>Non-derivative financial liabilities</i></b>					
Short-term loans from financial institutions	248,000	248,638	-	-	248,638
Trade and other payables	770,166	770,166	-	-	770,166
Long-term loans from financial institutions	682,830	323,195	398,289	-	721,484
Long-term loans from related party	320,000	11,200	363,204	-	374,404
Lease liabilities	92,002	47,864	27,362	38,448	113,674
Debentures	2,645,687	102,530	1,068,401	2,292,367	3,463,298
	<b>4,758,685</b>	<b>1,503,593</b>	<b>1,857,256</b>	<b>2,330,815</b>	<b>5,691,664</b>
<b><i>Derivative financial liabilities</i></b>					
Interest rate swaps	7,268	-	7,268	-	7,268
	<b>7,268</b>	<b>-</b>	<b>7,268</b>	<b>-</b>	<b>7,268</b>
<b>2021</b>					
<b><i>Non-derivative financial liabilities</i></b>					
Short-term loans from financial institutions	1,325,000	1,327,295	-	-	1,327,295
Trade and other payables	673,676	673,676	-	-	673,676
Long-term loans from financial institutions	1,088,458	432,177	707,309	-	1,139,486
Long-term loans from related parties	320,000	11,200	204,186	165,541	380,927
Lease liabilities	129,896	46,481	67,006	41,904	155,391
	<b>3,537,030</b>	<b>2,490,829</b>	<b>978,501</b>	<b>207,445</b>	<b>3,676,775</b>
<b><i>Derivative financial liabilities</i></b>					
Interest rate swaps contract	23,457	-	23,457	-	23,457
Foreign currency forward contracts	1,793	-	1,793	-	1,793
	<b>25,250</b>	<b>-</b>	<b>25,250</b>	<b>-</b>	<b>25,250</b>

**Sahacogen (Chonburi) Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

		Separate financial statements			
		Contractual cash flows			
<i>At 31 December</i>	Carrying amount	1 year or less	More than 1 years but less than 5 years <i>(in thousand Baht)</i>	More than 5 years	Total
<b>2022</b>					
<b>Non-derivative financial liabilities</b>					
Short-term loans from financial institutions	150,000	150,147	-	-	150,147
Trade and other payables	743,786	743,786	-	-	743,786
Long-term loans from financial institutions	584,950	286,958	329,752	-	616,710
Long-term loans from related parties	320,000	11,200	363,204	-	374,404
Lease liabilities	85,857	44,593	23,364	38,448	106,405
Debentures	2,645,687	102,530	1,068,401	2,292,367	3,463,298
	<b>4,530,280</b>	<b>1,339,214</b>	<b>1,784,721</b>	<b>2,330,815</b>	<b>5,454,750</b>
<b>Derivative financial liabilities</b>					
Interest rate swaps	7,268	-	7,268	-	7,268
	<b>7,268</b>	<b>-</b>	<b>7,268</b>	<b>-</b>	<b>7,268</b>
<b>2021</b>					
<b>Non-derivative financial liabilities</b>					
Short-term loans from financial institutions	1,160,000	1,161,998	-	-	1,161,998
Trade and other payables	642,134	642,134	-	-	642,134
Long-term loans from financial institutions	957,950	395,361	603,570	-	998,931
Long-term loans from related parties	320,000	11,200	204,186	165,541	380,927
Lease liabilities	121,397	43,560	60,235	41,904	145,699
	<b>3,201,481</b>	<b>2,254,253</b>	<b>867,991</b>	<b>207,445</b>	<b>3,329,689</b>
<b>Derivative financial liabilities</b>					
Interest rate swaps contract	23,457	-	23,457	-	23,457
Foreign currency forward contracts	1,793	-	1,793	-	1,793
	<b>25,250</b>	<b>-</b>	<b>25,250</b>	<b>-</b>	<b>25,250</b>

## Sahacogen (Chonburi) Public Company Limited and its subsidiaries

### Notes to the financial statements

#### For the year ended 31 December 2022

The cash inflows and cash outflows disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

#### (b.3) Market risk

The Group is exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

##### *Managing interest rate benchmark reform (IBOR reform)*

The Group's main IBOR exposure at 31 December 2022 was indexed to THBFIX exposures, the Group has finished the process of amending contractual terms for all of the THBFIX indexed exposures to incorporate Fallback THBFIX.

#### (b.3.1) Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases which are denominated in foreign currencies. The Group primarily utilises forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered at the reporting date also relate to anticipated purchases, denominated in foreign currencies, for the subsequent period.

At 31 December, the Group and the Company were exposed to foreign currency risk in respect of significant financial assets and liabilities denominated in the foreign currencies as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b><i>Swedish Krona</i></b>				
Other current payables	57,014	63,853	57,014	63,853
<b><i>United states Dollars</i></b>				
Other current payables	47,441	104,138	47,441	104,138
<b><i>Euros</i></b>				
Other current payables	164	-	164	-
<b>Gross balance sheet exposure</b>	<b>104,619</b>	<b>167,991</b>	<b>104,619</b>	<b>167,991</b>
Foreign currency forward contracts	-	(1,793)	-	(1,793)
<b>Net exposure</b>	<b>104,619</b>	<b>166,198</b>	<b>104,619</b>	<b>166,198</b>

## Sahacogen (Chonburi) Public Company Limited and its subsidiaries

### Notes to the financial statements

For the year ended 31 December 2022

#### Sensitivity analysis

A reasonably possible strengthening (weakening) of Thai Baht against all other foreign currencies at the reporting date would have affected the measurement of financial instruments denominated in a foreign currency. This analysis assumes that all other variables, in particular interest rates, remain constant.

<b>Impact to profit or loss</b>	<b>Movement</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		<b>Strengthening</b>	<b>Weakening</b>	<b>Strengthening</b>	<b>Weakening</b>
	<b>(%)</b>	<b>(in thousand Baht)</b>			
<b>2022</b>					
Swedish Krona	5	3,001	(3,001)	3,001	(3,001)
US Dollars	5	2,497	(2,497)	2,497	(2,497)
Euros	5	9	(9)	9	(9)
<b>2021</b>					
US Dollars	5	3,361	(3,361)	3,361	(3,361)
Swedish Krona	5	5,481	(5,481)	5,481	(5,481)

#### (b.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because debt securities and loan interest rates financial liabilities are mainly variable. So, the Group is primary exposed to interest rate risk. The Group mitigates this risk by ensuring that most of its debt securities and borrowings are at fixed interest rates and mainly uses interest rate swap contracts to manage exposure to fluctuations in interest rates on specific debt securities and borrowings.

<b>Exposure to interest rate risk</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>At 31 December</b>	<b>(in thousand Baht)</b>			
<b>Financial instruments with variable interest rates</b>				
Financial assets	278	277	278	277
Financial liabilities	(682,830)	(1,088,458)	(584,950)	(957,950)
<b>Net statement of financial position exposure</b>	<b>(682,552)</b>	<b>(1,088,181)</b>	<b>(584,672)</b>	<b>(957,673)</b>
Interest rate swaps	292,400	421,400	292,400	421,400
<b>Net exposure</b>	<b>(390,152)</b>	<b>(666,781)</b>	<b>(292,272)</b>	<b>(536,273)</b>

#### Interest rate swap contracts

The Group entered various interest rate swap contracts with financial institutions to manage exposure of fluctuations in interest rates risk on borrowings. The notional amounts of the outstanding interest rate swap contracts as at 31 December 2022 comprises Baht currency totalling Baht 292 million. All counterparties agreed to pay the interest and the principal amount in accordance with the terms and conditions specified in the contracts (2021: Baht currency totalling Baht 421 million).

**Sahacogen (Chonburi) Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

*Cash flow sensitivity analysis for variable-rate instruments*

A reasonable possible change of 1% in interest rates at the reporting date, this analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

<i>Impact to profit or loss</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	1% increase in interest rate	1% decrease in interest rate	1% increase in interest rate	1% decrease in interest rate
	<i>(in thousand Baht)</i>			
<b>2022</b>				
Financial instruments with variable interest rate	(6,727)	6,727	(5,748)	5,748
<b>2021</b>				
Financial instruments with variable interest rate	(10,882)	10,882	(9,577)	9,577

(c) *Hedge accounting*

(c.1) *Cash flow hedges*

At 31 December 2022 and 2021, the Group held the following financial instruments to hedge exposures to changes in interest rates.

<i>At 31 December</i>	<b>Consolidated and separate financial statements</b>					
	2022			2021		
		Maturity After 1 year but within 5 years	After 5 years		Maturity After 1 year but within 5 years	After 5 years
<b>Interest rate risk</b>						
<i>Interest rate swaps</i>						
Net exposure						
<i>(in thousand Baht)</i>	-	(7,268)	-	-	(23,457)	-
Average fixed interest rate						
<i>(%)</i>	-	4.5	-	-	4.5	-

The amounts at the reporting date relating to items designated as hedged items were as follows.

<i>At 31 December</i>	<b>Consolidated and separate financial statements</b>	
	2022	2021
<b>Interest rate risk</b>		
Variable-rate instruments	7,268	23,456



## Sahacogen (Chonburi) Public Company Limited and its subsidiaries

### Notes to the financial statements

#### For the year ended 31 December 2022

The following table provides a reconciliation by risk category of components of equity and analysis of OCI items, net of tax, resulting from cash flow hedge accounting.

	Consolidated and separate financial statements	
	2022	2021
<i>Cash flow hedges</i>		
	Hedging reserve (in thousand Baht)	
<b>Balance at 1 January</b>	23,456	42,767
<b>Cash flow hedges</b>		
Changes in fair value - Interest rate risk	(16,188)	(19,311)
<b>Balance at 31 December</b>	<b>7,268</b>	<b>23,456</b>

#### 23 Capital management

The Board of Director's policy is to support the Group's growth and sustain liquidity at an optimal level so such capitals generate maximum value to the shareholders and maintain creditability for lenders and the capital markets. The Board of Directors has regulated the return on investment which includes returns from operating activities on total equity, excluding non-controlling interests and supervising the payment of dividends to the shareholders.

#### 24 Commitments with non-related parties

##### *Capital Commitment*

On 31 December 2022, the Company have obligation related to investing expense approximately Baht 779 million, US Dollars 14 million and Swedish Krona 34 million (2021: Baht 765 million, US Dollars 28 million and Swedish Krona 154 million) for purpose of supplying equipment and maintenance company's cogeneration power plant and supplying and installing solar rooftop for subsidiaries.

##### *Electricity Sales Agreements*

On March 2009, a direct subsidiary entered into an agreement to sell electricity to the Provincial Electricity Authority (PEA) at the agreed quantity and price as defined in the agreement for a period of 5 years and automatically renew every 5 years until termination. In 2016, the subsidiary 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.

On September 2009, a direct subsidiary, entered into an agreement to sell electricity to the Provincial Electricity Authority (PEA) at the agreed quantity and price as defined in the agreement for a period of 20 years. Since the subsidiary 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.

##### *Steam Sales Agreements*

A direct subsidiary, entered into an agreement with Thai President Foods Public Company Limited to sell steam at the agreed quantity and price as defined in the agreement. The agreement is for a period of 10 years, starting from April 2011, and renewable on annual basis until termination.

**Sahacogen (Chonburi) Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

***Natural gas purchase Agreement***

The Company entered into a natural gas purchase agreement with PTT Public Company Limited (PTT) to purchase at the agreed quantity and price as defined in the agreement. The agreement is for the period 21 years and will expired in March 2020 in which the agreement can be extended by 4 years.

On July 2019, the Company renewed the natural gas agreement with PTT by extended Natural gas purchase agreement in March 2024.

On December 2021, the Company renewed the natural gas agreement with PTT by extended Natural gas purchase agreement in April 2049.

The Energy Policy and Planning Office (EPPO) approved the basis of natural gas prices calculation under the supervision of the Energy Regulatory Commission (Energy Pool Price). PTT Public Company Limited ("PTT") had complied with the guidelines by using Energy Pool Price which notified by the Electricity Generating Authority of Thailand ("EGAT") to set the price and collect the natural gas charges with all counterparties and return the differences in natural gas charges according to the guidelines prescribed by the Energy Regulatory Commission which resulted the Company, as a contractual party with PTT had to pay or receive the refund of the difference amount between the Energy Pool Price and Pool Gas since April 2022 onwards until the change or termination by the government legal authorities.

***Raw water purchase Agreement***

The Company entered into a raw water purchase agreement with some company to purchase specified quantities at stipulated prices defined in the agreement. The agreement is for the period 25 years and will expired in March 2024.

In June 2020, the Company renewed the raw water purchase agreement with said company for extension and purchase term by extended agreement expiration year to 10 years and terminated in June 2040 and will renewed automatically every 5 years for the duration of electricity sold to Electricity Generating Authority of Thailand (EGAT).

***Biomass Fuel Purchase Agreement***

Direct subsidiary 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.

***Service agreement***

The group entered into various service agreement. The agreement has period for 1 to 5 years.

As at 31 December 2022 and 2021, the Group has minimum payment which will be paid in the future under agreements as follows;

	<b>Consolidated financial statement</b>		<b>Separate financial statement</b>	
	2022	2021	2022	2021
	<i>(In thousand baht)</i>			
Within 1 year	11,952	22,245	7,182	10,087
More than 1 year but not over 5 years	1,172	5,359	1,172	1,344
<b>Total</b>	<b>13,124</b>	<b>27,604</b>	<b>8,354</b>	<b>11,431</b>

## Sahacogen (Chonburi) Public Company Limited and its subsidiaries

### Notes to the financial statements

For the year ended 31 December 2022

#### *Long-term service agreement*

On 1 June 2017, the Company entered into a long-term service agreement with a foreign company for service and maintenance of company's gas turbine engine at stipulated prices defined in the agreement. The agreement will be terminated on 31 December 2023.

#### *Letters of guarantee*

As at 31 December 2022, the Group had commitments from letters of guarantee issued by financial institutions for other guarantee in the amount of Baht 22 million. (2021: Baht 20 million).

#### *Electricity sales from rooftop solar cell Agreement*

On 30 August 2022, a direct subsidiary, entered into agreements with Principal Healthcare Group to sell electricity from solar cell at the agreed quantity and price as defined in the agreements. The agreement is for a period of 25 years starting from the power purchase date.

## 25 Events after the reporting period

At the Board of Directors' Meeting of the Company held on 22 February 2023, the meeting approved to submit for approval at the Annual General Meeting of Shareholders, the payment of a dividend for 2022 at the rate of Baht 0.05 per share, totaling approximately Baht 58 million. The dividend is scheduled for payment in May 2023.

## 26 Reclassification of accounts

Certain accounts in the 2021 financial statements have been reclassified to conform to the presentation in the 2022 financial statement as follows

	Before Reclassification	Reclassification (in thousand Baht)	After Reclassification
<b><i>Consolidated financial statements</i></b>			
<b><i>As at 31 December 2021</i></b>			
Property, plant and equipment	5,281,099	(122,880)	5,158,219
Intangible assets	15,336	122,880	138,216
		<u>-</u>	
<b><i>Separate financial statements</i></b>			
<b><i>As at 31 December 2021</i></b>			
Property, plant and equipment	3,728,446	(122,880)	3,605,566
Intangible assets	13,432	122,880	136,312
		<u>-</u>	

The classifications have been made because, in the opinion of management, the new classification is more appropriate.



## The Board of Directors and Management Information

### 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 / Age / Position		Education / Trainings		Period		Past 5 years experiences	
1. Mr. Sujarit Patchimnan	Age 77 years	<b>Education</b> <ul style="list-style-type: none"> <li>M.A. in political science, Thammasat University</li> <li>B.A. in political science, Thammasat University</li> </ul> <b>Trainings in Courses Arranged by Thai Institute of Directors Association (IOD)</b> <ul style="list-style-type: none"> <li>Director Accreditation Program (DAP) 41/2005</li> </ul>		<b>Listed Companies</b> Audit Committee / Independent Director Director Director <b>Other Companies (non Listed Companies)</b> <b>Competitive Business related to Company's Business</b>		<b>Position</b> Audit Committee / Independent Director Director Director <b>Other Companies (non Listed Companies)</b> <b>Competitive Business related to Company's Business</b>	
				2013 - Present		Pan Asia Footwear PCL.	
				2016 - Present		Saha Pathana Inter-Holding PCL.	
						2	
						-None-	

The Company's Securities Holding Proportion (%): Held personally : -None- Held by spouse or minor children : -None-

Family Relationship with Directors and Executives: -None-

Prohibited Qualifications/Committed an Offence : -None-

Any Transaction which may cause conflict of interest against the company during the previous year : -None-

Other positions in other companies in the previous year affected his duties significantly : -None-

Penalty in the past 5-year regarding Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003) : -None-

Name / Age / Position		Education / Trainings	Past 5 years experiences		
			Period	Position	Company
2. Ms. Choosri Kietkajomkul Age 59 years <ul style="list-style-type: none"><li>Vice Chairman Dec 14, 2021</li><li>Nomination and Remuneration Committee Dec 14, 2021</li><li>Authorized Director</li></ul>	Education	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"><li>Master of Accountancy (General Accounting). The Faculty of Accountancy, Chulalongkorn University</li></ul>		<b>Listed Companies</b>		
	<ul style="list-style-type: none"><li>Bachelor of Accountancy (General Accounting). The Faculty of Accountancy, Chulalongkorn University</li></ul>	2021- Present	Chief Executive Office and Director	RATCH Group PCL.	
	<b>Trainings in Courses Arranged by Thai Institute of Directors Association (IOD)</b>	2021- Present	Director	Bangkok Aviation Fuel Services PCL.	
	<ul style="list-style-type: none"><li>Director Certification Program (DCP) 308/2021</li></ul>		<b>Other Companies (non Listed Companies)</b>	7	
	<b>Other Important Trainings</b>		<b>Competitive Business related to Company's Business</b>	6	
	<ul style="list-style-type: none"><li>Leadership for Inspiration for Senior Management, King Prajadhipok's Institute</li></ul>				
	<ul style="list-style-type: none"><li>Financial and Fiscal Management Program for Senior Executive, Public Fiscal and Accounting Personnel Development Institute</li></ul>				
	<ul style="list-style-type: none"><li>Chief Financial Officer Certification Program, Federation Accounting Professions Under the Royal Patronage of His Majesty the King</li></ul>				

Name / Age / Position	Education / Trainings	Past 5 years experiences	
		Period	Position
2. Ms. Choosri Kietkajomkul	<ul style="list-style-type: none"> <li>Accounting of Non-Accountants (2015), Faculty of Commerce and Accountancy, Chulalongkorn University</li> <li>Postgraduate Certificate in Finance and Management, London School of Business and Finance, United Kingdom</li> <li>EGAT Executive Development</li> <li>EGAT New Leader Development Program (ENLP)</li> <li>EGAT Enhancing Program (EEP)</li> <li>EGAT Get Ready Program (EGRP)</li> <li>EGAT Leadership Development Program (ELDP)</li> </ul>		
<p>The Company's Securities Holding Proportion (%): Held personally : -None- Held by spouse or minor children : -None-</p> <p>Family Relationship with Directors and Executives: -None-</p> <p>Prohibited Qualifications/Committed an Offence : -None-</p> <p>Any Transaction which may cause conflict of interest against the company during the previous year : -None-</p> <p>Other positions in other companies in the previous year affected his duties significantly : -None-</p> <p>Penalty in the past 5-year regarding Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003) : -None-</p>			

Name / Age / Position		Education / Trainings		Past 5 years experiences		
				Period	Position	Company
3. Mr.Sakarin Tangkavachiranon Age 56 years	<ul style="list-style-type: none"><li>Director Dec 14, 2021</li><li>Chairman of Executive Committee Dec 14, 2021</li><li>Nomination and Remuneration Committee Dec 14, 2021</li><li>Authorized Director</li></ul>	Education		2020 - Present	<b>Listed Companies</b>	RATCH Group PCL. Principal Capital Public Co., Ltd RATCH Group PCL.  RATCH Group PCL. RATCH Group PCL.  <b>10</b>  <b>4</b>
		<ul style="list-style-type: none"><li>Master of Public and Private Management Program (Honor), National Institute of Development Administration</li><li>Bachelor of Engineering (Mechanical Engineering), Kasetsart University</li></ul>		2021 - Present 2019	Chief Business Development Officer Director Executive Vice President - Power Business	
		<b>Trainings in Courses Arranged by Thai Institute of Directors Association (IOD)</b>		2018 - 2019	Executive Vice President - Project Development Senior Vice President – Chief Business Development Officer, RATCH Group PCL, acting Managing, Nava Nakorn Electricity Generating Co., Ltd.	
		<b>Other Important Trainings</b>			<b>Other Companies</b> <b>(non Listed Companies)</b>	
		<ul style="list-style-type: none"><li>Executive Energy Management Program (Class 11), Ministry of Energy</li><li>Mini Master of Management, National Institute of Development Administration</li><li>Plant Maintenance Engineering Program, Japan International Corporation Agency (JICA)</li><li>Energy Sustainability and Conservation Program, Department of Alternative Energy Development and Efficiency, Ministry of Energy</li><li>General Information of Railway System Program, Kasetsart University</li></ul>			<b>Competitive Business related to Company's Business</b>	
The Company's Securities Holding Proportion (%): Held personally : -None- Held by spouse or minor children : -None- Family Relationship with Directors and Executives: -None- Prohibited Qualifications/Committed an Offence : -None- Any Transaction which may cause conflict of interest against the company during the previous year : -None- Other positions in other companies in the previous year affected his duties significantly : -None- Penalty in the past 5-year regarding Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003) : -None-						



Name / Age / Position		Education / Trainings		Past 5 years experiences	
		Education	Period	Position	Company
4. Mrs. Wadeerat Charoencoop Age 48 years				<b>Listed Companies</b>	
• Director		• Master of Business Administration (Business Administration) The University of Washington, The United States of America	2019 - Present	Chief Financial Officer	RATCH Group PCL.
Dec 14, 2021			2021 - Present	Directors	Bangkok Aviation Fuel Services PCL.
• Authorized Director		• Bachelor of Administration (Finance (2 <sup>nd</sup> Class Honours) Chulalongkorn University, Thailand	2018 - 2019	Executive Vice President-Financial	RATCH Group PCL.
		<b>Trainings in Courses Arranged by Thai Institute of Directors Association (IOD)</b>	2014 - 2017	Head of Group Finance, Treasury, Tax and IR	Siam City Cement PCL.
		• Corporate Governance for Executives (CGE SOCC/2015)		<b>Other Companies</b>	<b>9</b>
		• Director Certification Program (DCP) 276/2019		<b>(non Listed Companies)</b>	
		• Directors Diploma Examination (Exam) 71/2019		<b>Competitive Business related to Company's Business</b>	<b>2</b>
		• Directors Diploma Program (Fellow Member : 9992)			
		<b>Other Important Trainings</b>			
		• Senior Development Program, Duke C.E.			
		• STARS Switzerland Symposium			
		• Chief Financial Officer Certification Program, Federation of Accounting Professions			
		• TLCA Executive Development Program, Thai Listed Companies Association			
		• Project Management Program, Davao			
<b>The Company's Securities Holding Proportion (%): Held personally : -None- Held by spouse or minor children : -None-</b>					
<b>Family Relationship with Directors and Executives: -None-</b>					
<b>Prohibited Qualifications/Committed an Offence : -None-</b>					
<b>Any Transaction which may cause conflict of interest against the company during the previous year : -None-</b>					
<b>Other positions in other companies in the previous year affected his duties significantly : -None-</b>					
<b>Penalty in the past 5-year regarding Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003) : -None-</b>					

Name / Age / Position		Education / Trainings		Past 5 years experiences	
				Period	Position
					Company
5. Mr. Udompong Chuntharumporn		Education		Listed Companies	
Age 47 years		• Master of Engineering (Mechanical Engineering), Kasetsart University		2021 - Present	Vice President Head of Domestic and Neighboring Countries Investment Division
• Director Dec 14, 2021		• Bachelor of Engineering (Mechanical Engineering) (2 <sup>nd</sup> Class Honor), King Mongkut's University of Technology North Bangkok		2020	Vice President Head of Domestic and Neighboring Countries Investment Division ,Acting Managing Director, Senior Assistant Vice President
• Managing Director Dec 14, 2021		Trainings in Courses Arranged by Thai Institute of Directors Association (IOD)		2019 - 2020	Domestic and Neighboring Countries Investment Division RATCH Group PCL, Acting Managing Director, RATCH-Lao Services Co., Ltd.
• Executive Committee Dec 14, 2021		• Director Certification Program (DCP) 314/2022			
• Sustainability Committee May 13, 2022		Other Important Trainings			
• Corporate Governance and Risk Management Committee May 13, 2022		• Essential Commercial Contracts for Non-Legal Managers, Asia Business Connect		2018 - 2019	Assistant Vice President Domestic and Neighboring Countries Investment Division, RATCH Group PCL.
• Authorized Director		• Enterprise Risk Management, MPI (Management & Psychology Institute)			
		• Leadership Succession Program (LSP) (Class 11), Institute of Research and Development for Public Enterprises			3
		• Financial Accounting, Harvard Business School Online Certificate Program.			
		• Nuclear Power Generation, JICA			2
The Company's Securities Holding Proportion (%): Held personally : -None- Held by spouse or minor children : -None- Family Relationship with Directors and Executives: -None- Prohibited Qualifications/Committed an Offence : -None- Any Transaction which may cause conflict of interest against the company during the previous year : -None- Other positions in other companies in the previous year affected his duties significantly : -None- Penalty in the past 5-year regarding Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003) : -None-					

Name / Age / Position		Education / Trainings		Past 5 years experiences	
		Period	Position	Company	
6. Mr. Thirasak Vikitset Age 71 years	Education	1985 - Present	Listed Companies	S&J International Enterprises PCL.	
	• MBA, Clark University: Worcester, Massachusetts, USA		Chairman of the Executive Committee / Managing Director / Nomination and Remuneration Committee		
	• Bachelor of Chemical Engineering Worcester Polytechnic Institute, Massachusetts, USA		Other Companies (non Listed Companies)	15	
	Trainings in Courses Arranged by Thai Institute of Directors Association (IOD)		Competitive Business related to Company's Business	-None-	
• Director Mar 6, 2003	• Director Accreditation Program (DAP) 3/2003				
• Authorized Director	• Director Certification Program (DCP) 68/2005				
The Company's Securities Holding Proportion (%): Held personally : -None- Held by spouse or minor children : -None-					
Family Relationship with Directors and Executives: -None-					
Prohibited Qualifications/Committed an Offence : -None-					
Any Transaction which may cause conflict of interest against the company during the previous year : -None-					
Other positions in other companies in the previous year affected his duties significantly : -None-					
Penalty in the past 5-year regarding Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003) : -None-					

Name / Age / Position		Education / Trainings		Past 5 years experiences	
		Education	Period	Position	Company
7. Mr. Vichai Kulsomphob Age 45 years	• Director	• Master of Marketing (English Program) Thammasat University	2018 - Present	<u>Listed Companies</u> President	Saha Pathana Inter-Holding PCL.
	• Apr 23, 2018	• Master of International Business (Exchange Program)		Chairman of the Executive Board of Company's Directors	
	• Nomination and Remuneration Committee Dec 14, 2021	• Master of Advanced Business Practice University of South Australia	2012 - Present	Nomination and Remuneration Committee	
	• Authorized Director	• Bachelor's Degree of usiness Administration Chulalongkorn University	2012 - 2018	Executive Committee Vice President	Saha Pathana Inter-Holding PCL.
		• Norwegian School of Economics and Business Administration, Norway	2013 - Present	Director	Samsung Life Insurance (Thailand) PCL.
		<b>Trainings in Courses Arranged by Thai Institute of Directors Association (IOD)</b>	2018 - Present	Director	President Bakery PCL.
		• Director Certification Program (DCP)		<u>Other Companies</u> <u>(Non Listed Companies)</u>	67
		• 61/2005			
		• Company Secretary Program (CSP)		<b>Competitive Business related to Company's Business</b>	-None-
		• 18/2006			
	<b>Other Important Trainings</b>				
	• Business and Industrial Development Program (Class 1), Institute of Business and Industrial Development				
	• OIC Advanced Insurance Institute (Class 1), Office of Insurance Commission				
	• Executive Leadership Program (Class 2) Wharton Business School, University of Pennsylvania, USA & NIDA, Thailand				

Name / Age / Position	Education / Trainings	Past 5 years experiences		
		Period	Position	Company
7. Mr. Vichai Kulsomphob	<b>Other Important Trainings</b> <ul style="list-style-type: none"> <li>Real Estate Management Program for Executive (RE-CU26), Chulalongkorn University</li> <li>Investment Planner Certification, Chulalongkorn University</li> <li>Investment Planner Certification, Association of Investment Management Companies</li> <li>Bhumchalung Phandin for Top Executive Class 4, Chulalongkorn University</li> <li>Strategic CFO in Capital Markets Program (Class 4) Thailand Securities Institute, The Stock Exchange of Thailand</li> </ul>			
<p>The Company's Securities Holding Proportion (%): Held personally : -None- Held by spouse or minor children : 0.01</p> <p>Family Relationship with Directors and Executives: -None-</p> <p>Prohibited Qualifications/Committed an Offence : -None-</p> <p>Any Transaction which may cause conflict of interest against the company during the previous year : -None-</p> <p>Other positions in other companies in the previous year affected his duties significantly : -None-</p> <p>Penalty in the past 5-year regarding Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003) : -None-</p>				

Name / Age / Position		Education / Trainings		Past 5 years experiences		
				Period	Position	Company
8. Mr. Vorayos Thongtan		Education		Listed Companies		
Age 41 years		• Master of Business Administration, University of Texas at Dallas, USA		2021 - Mar 11, 2023	Independent Director	Singer Thailand PCL.
• Director		• Master of Science in Finance (Distinction Honor), University of Texas at Dallas, USA		2020 - 2021	Director	Singer Thailand PCL.
• Executive Committee		• Master of Engineering, Information Science, Nara Institute of Science and Technology, Japan		2018 - Present	Executive Committee, Vice President, Investment and Corporate Strategy	Saha Pathana Inter-Holding PCL.
• Sustainability Committee		• Bachelor of Engineering, Electrical (Second Class Honor), Sirindhorn International Institute of Technology,Thammasat University			Other Companies (non Listed Companies)	9
• Corporate Governance and Risk Management Committee		Trainings in Courses Arranged by Thai Institute of Directors Association (IOD)			Competitive Business related to Company's Business	-None-
• May 11, 2021		• Director Certification Program (DCP) 272/2019				
• (Resigned on May 13, 2022)		• How to Development a Risk Management Plan (HRP) 20/2018				
• Authorized Director		Other Important Trainings				
		• Advanced Master of Management Program (AMM) (Class 8)National Institute of Development Administration				
The Company's Securities Holding Proportion (%): Held personally : -None- Held by spouse or minor children : -None-						
Family Relationship with Directors and Executives: -None-						
Prohibited Qualifications/Committed an Offence : -None-						
Any Transaction which may cause conflict of interest against the company during the previous year : -None-						
Other positions in other companies in the previous year affected his duties significantly : -None-						
Penalty in the past 5-year regarding Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003) : -None-						

Name / Age / Position		Education / Trainings		Past 5 years experiences	
				Period	Position
				Listed Companies	
9. Mr. Chinapat Visuttipat		Education		2016 - Present	
Age 54 years		<ul style="list-style-type: none"> <li>Master of Law, Thammasat University</li> <li>Bachelor of Law, Thammasat University</li> <li>Graduate Diploma Program in Business Law, Thammasat University</li> </ul>		2016 - Present	
<ul style="list-style-type: none"> <li>Independent Director</li> <li>Chairman of the Audit Committee</li> </ul>		<b>Trainings in Courses Arranged by Thai Institute of Directors Association (IOD)</b> <ul style="list-style-type: none"> <li>Director Certification Program (DCP) 162/2012</li> <li>Directors Diploma Program (Fellow Member) 36/2013</li> <li>Successful Formulation &amp; Execution of Strategy (SFE) 36/2021</li> <li>Financial Statements for Directors (FSD) 46/2022</li> </ul>		Audit Committee / Independent Director Director Chairman of Corporate Governance Committee Director / Audit Committee / Nomination and Remuneration Committee / Risk Management Committee / Corporate Governance Committee Independent Director / Chairman of the Audit Committee	
<ul style="list-style-type: none"> <li>Chairman of the Corporate Governance and Risk Management Committee</li> </ul>		May 13, 2022		TQM Corporation PCL.	
				Chin Huay PCL.	
				8	
				-None-	

The Company's Securities Holding Proportion (%): Held personally : -None- Held by spouse or minor children : -None-

Family Relationship with Directors and Executives: -None-

Prohibited Qualifications/Committed an Offence : -None-

Any Transaction which may cause conflict of interest against the company during the previous year : -None-

Other positions in other companies in the previous year affected his duties significantly : -None-

Penalty in the past 5-year regarding Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003) : -None-

Name / Age / Position		Education / Trainings		Past 5 years experiences	
		Education	Period	Position	Company
10. Mr. Natapong Vanarat					
Age 40 years					
• Independent Director Jan 5,2022	• Master of Commerce Finance , University of New South Wales / Australia	2021 - Present 2019 - Present 2018	The Secretariat of the Cabinet The Secretariat of the Prime Minister The Secretariat of the Cabinet <u>Listed Companies</u>	The Secretariat of the Cabinet The Secretariat of the Cabinet The Secretariat of the Cabinet	The Secretariat of the Cabinet The Secretariat of the Cabinet The Secretariat of the Cabinet
• Audit Committee Jan 5,2022	• Bachelor of Computer Science , University of New South Wales / Australia	2022 - Present	Independent Director and the Audit, Environmental, Social Responsibilities, and Corporate Governance Committee Director	Krungthai Card PCL.	
	<b>Trainings in Courses Arranged by Thai Institute of Directors Association (IOD)</b>	Jan 10, 2023 - Present		Export - Import Bank of Thailand	
	• Director Certification Program (DCP) 318/2022		<b>Other Companies (non Listed Companies)</b>	<b>-None-</b>	
	<b>Other Important Trainings</b>		<b>Competitive Business related to Company's Business</b>	<b>-None-</b>	
	• “Easy Listening: Accounting Tips that AC should not miss EP. 2”, The Securities and Exchange Commission (SEC)				
	• National Strategy Formulation Course Chulalongkorn University and Office of National Economic and Social Development Council (NESDC)				
	• Talent and Networking in Leadership Development for Thai Officials Office of the Civil Service Commission (OCSC).				
	• Mekong Leader Program ADB				
The Company's Securities Holding Proportion (%): Held personally : -None- Held by spouse or minor children : -None-					
Family Relationship with Directors and Executives: -None-					
Prohibited Qualifications/Committed an Offence : -None-					
Any Transaction which may cause conflict of interest against the company during the previous year : -None-					
Other positions in other companies in the previous year affected his duties significantly : -None-					
Penalty in the past 5-year regarding Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003) : -None-					



Name / Age / Position	Education / Trainings		Past 5 years experiences	
	Education	Period	Position	Company
<b>11. Mr. Pongtep Thithapand</b> <b>Age 64 years</b> <ul style="list-style-type: none"> <li>Independent Director Jan 5,2022</li> <li>Audit Committee Jan 5,2022</li> </ul>	<ul style="list-style-type: none"> <li>Master of Public Administration, National Institute of Development Administration</li> <li>Bachelor of Law Program, Ramkhamhaeng University</li> </ul> <b>Trainings in Courses Arranged by Thai Institute of Directors Association (IOD)</b> <ul style="list-style-type: none"> <li>Director Certification Program (DCP) 125/2009</li> </ul> <b>Other Important Trainings</b> <ul style="list-style-type: none"> <li>National Defence College (Class 54)</li> </ul>	2018 - 2019  2015 - Present 2013 - Present 2019 - 2021	Permanent Secretary of Finance (administration) <u>Listed Companies</u> Director Corporate Governance Committee Director  <u>Other Companies</u> <u>(non Listed Companies)</u>  <u>Competitive Business related to Company's Business</u>	Ministry of Finance  DOD Biotech PCL. Gunkul Engineering PCL. PTT. Natural Gas Distribution Co., Ltd  -None-  -None-
The Company's Securities Holding Proportion (%): Held personally : -None- Held by spouse or minor children : -None- Family Relationship with Directors and Executives: -None- Prohibited Qualifications/Committed an Offence : -None- Any Transaction which may cause conflict of interest against the company during the previous year : -None- Other positions in other companies in the previous year affected his duties significantly : -None- Penalty in the past 5-year regarding Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003) : -None-				

Name / Age / Position		Education / Trainings		Past 5 years experiences		
		Period	Position	Company		
12. Mr. Chaisak Yongbanjerd Age 64 years		2016 - 2018	Director, Power Purchase Agreement Division	Electricity Generating Authority of Thailand (EGAT)		
	• Independent Director Jan 5,2022	2013 - 2016	Asst. Director. Power Purchase Agreement Division (Technical)	Electricity Generating Authority of Thailand (EGAT)		
	• Corporate Governance and Risk Management Committee May 13, 2022		<u>Listed Companies</u>	<b>-None-</b>		
			<u>Other Companies (non Listed Companies)</u>	<b>-None-</b>		
			<u>Competitive Business related to Company's Business</u>	<b>-None-</b>		
The Company's Securities Holding Proportion (%): Held personally : -None- Held by spouse or minor children : -None-						
Family Relationship with Directors and Executives: -None-						
Prohibited Qualifications/Committed an Offence : -None-						
Any Transaction which may cause conflict of interest against the company during the previous year : -None-						
Other positions in other companies in the previous year affected his duties significantly : -None-						
Penalty in the past 5-year regarding Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003) : -None-						

Name / Age / Position		Education / Trainings		Past 5 years experiences	
				Period	Position
				Company	
13. Mr.Apipong Vischuveskamin Age 47 years		Education		Listed Companies	
• Company Secretary Feb 24, 2021		• Master of Economics, National Institute of Development Administration		-None-	
• Corporate Governance and Risk Management Committee May 6, 2017		• Bachelor of Electrical Engineering, Kasetsart University		11	
• Sustainability Committee May 6, 2014		Trainings in Courses Arranged by Thai Institute of Directors Association (IOD)		Other Companies (non Listed Companies)	
• Deputy Managing Director - Finance and Management		• Director Certification Program (DCP) 292/2020		Competitive Business related to Company's Business	
• Corporate Services Department Manager		• Company Secretary Program (CSP) 113/2020			
		Other Important Trainings			
		• CFO's Orientation Course for New IPOs (5 <sup>th</sup> ), The Stock Exchange of Thailand			
The Company's Securities Holding Proportion (%): Held personally : -None- Held by spouse or minor children : -None-					
Family Relationship with Directors and Executives: -None-					
Prohibited Qualifications/Committed an Offence : -None-					
Any Transaction which may cause conflict of interest against the company during the previous year : -None-					
Other positions in other companies in the previous year affected his duties significantly : -None-					
Penalty in the past 5-year regarding Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003) : -None-					

Name / Age / Position		Education / Trainings		Past 5 years experiences		
				Period	Position	Company
14. Mr. Teerayuth Kaewcoon		Education			Listed Companies	-None-
Age 57 years		• Bachelor of Industrial Electrical Technology Engineering, King Mongkut's University of Technology North Bangkok			Other Companies (non Listed Companies)	2
• Corporate Governance and Risk Management Committee May 6, 2017		Trainings in Courses Arranged by Thai Institute of Directors Association (IOD)			Competitive Business related to Company's Business	-None-
• Deputy Managing Director - Operation		• Director Certification Program (DCP) 296/2020				
		Other Important Trainings				
		• Orientation Course CFO (Class 7) "Focus on Financial Reporting" Federation of Accounting Professions				
The Company's Securities Holding Proportion (%): Held personally : -None- Held by spouse or minor children : -None-						
Family Relationship with Directors and Executives: -None-						
Prohibited Qualifications/Committed an Offence : -None-						
Any Transaction which may cause conflict of interest against the company during the previous year : -None-						
Other positions in other companies in the previous year affected his duties significantly : -None-						
Penalty in the past 5-year regarding Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003) : -None-						

Name / Age / Position	Education / Trainings	Period	Position	Company
<b>15. Mr. Nitshanon Boonyapardz Age 39 years</b> <ul style="list-style-type: none"><li>Deputy Managing Director - Business Development</li></ul>	<b>Education</b> <ul style="list-style-type: none"><li>Master of Business Administration, Strayer University, USA</li><li>Bachelor of Science in Computer Science, King Mongkut's University of Technology North Bangkok</li></ul> <b>Trainings in Courses Arranged by Thai Institute of Directors Association (IOD)</b> <ul style="list-style-type: none"><li>Director Certification Program (DCP) 321/2020</li></ul> <b>Other Important Trainings</b> <ul style="list-style-type: none"><li>IPP Project Finance Baker &amp; McKenzie</li><li>Feasibility Study, Faculty of Commerce and Accountancy, Thammasat University</li><li>Basic power purchase agreement for oversea hydro power plants Electricity Generating Authority of Thailand</li><li>Electrical Equipment and Protection for Power Plant, Electricity Generating Authority of Thailand</li><li>Biomass VSPP Power Plant Project Development</li><li>Power Generation from Biomass and Biogas Energy: Regulation, Design, Installation, Operation, and Maintenance</li></ul>		Listed Companies  Other Companies (non Listed Companies)  Competitive Business related to Company’s Business	-None-  1       
The Company’s Securities Holding Proportion (%): Held personally : -None- Held by spouse or minor children : -None-				
Family Relationship with Directors and Executives: -None-				
Prohibited Qualifications/Committed an Offence : -None-				
Any Transaction which may cause conflict of interest against the company during the previous year : -None-				
Other positions in other companies in the previous year affected his duties significantly : -None-				
Penalty in the past 5-year regarding Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003) : -None-				

Name / Age / Position		Education / Trainings	Past 5 years experiences		
			Period	Position	Company
16. Mr. Jaturong Kornwet		Education		<u>Listed Companies</u>	-None-
Age 49 years		<ul style="list-style-type: none"> <li>Master of Business Administration, Ramkhamhaeng University</li> </ul>			
<ul style="list-style-type: none"> <li>Sustainability Committee May 14, 2019</li> </ul>		<ul style="list-style-type: none"> <li>Bachelor of Electrical Engineering, Kasetsart University</li> </ul>		<u>Other Companies (non Listed Companies)</u>	1
<ul style="list-style-type: none"> <li>Project &amp; Engineering Department Manager</li> </ul>		<b>Other Important Trainings</b> <ul style="list-style-type: none"> <li>Finance For Non Finance Manager, National Institute of Development Administration</li> </ul>		<u>Competitive Business related to Company's Business</u>	-None-
<p>The Company's Securities Holding Proportion (%): Held personally : -None- Held by spouse or minor children : -None-</p> <p>Family Relationship with Directors and Executives: -None-</p> <p>Prohibited Qualifications/Committed an Offence : -None-</p> <p>Any Transaction which may cause conflict of interest against the company during the previous year : -None-</p> <p>Other positions in other companies in the previous year affected his duties significantly : -None-</p> <p>Penalty in the past 5-year regarding Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003) : -None-</p>					

Name / Age / Position		Education / Trainings		Past 5 years experiences	
		Period	Position	Company	
17. Ms.Penpak Vongrakvanich Age 53 years	Corporate Governance and Risk Management Department Manager	Education		<u>Listed Companies</u>	-None-
		• Master of Business Administration, Burapha University			
		• Bachelor of Accountancy, Bangkok University		<u>Other Companies (non Listed Companies)</u>	-None-
		<b>Trainings in Courses Arranged by Thai Institute of Directors Association (IOD)</b>		<u>Competitive Business related to Company's Business</u>	-None-
		• Company Secretary Program (CSP) 121/2022			
		<b>Other Important Trainings</b>			
		• CFO Focus on Financial Reporting (Class 6), Federation of Accounting Professions			
• The preparation of PDPA implementation for Company secretary, Thai List Company Association					
The Company's Securities Holding Proportion (%): Held personally : -None- Held by spouse or minor children : -None-					
Family Relationship with Directors and Executives: -None-					
Prohibited Qualifications/Committed an Offence : -None-					
Any Transaction which may cause conflict of interest against the company during the previous year : -None-					
Other positions in other companies in the previous year affected his duties significantly : -None-					
Penalty in the past 5-year regarding Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003) : -None-					

Name / Age / Position		Education / Trainings	Past 5 years experiences		
			Period	Position	Company
18. Mr. Nattawut Yawaprapas Age 43 year	Accounting & Finance Department Manager	Education		Listed Companies	-None-
		<ul style="list-style-type: none"><li>Bachelor of Accountancy, Chiang Mai University</li></ul> <b>Other Important Trainings</b>		Other Companies (non Listed Companies)	9
		<ul style="list-style-type: none"><li>CFO Focus on Financial Reporting (Class 7), Federation of Accounting Professions</li><li>Understanding Basic Principle of Fundamental of TFRS 9 for Financial Institution and Non-Financial Institution (Class 1/2019), Federation of Accounting Professions</li><li>Guidelines for financial reporting of listed companies which affected by COVID-19, The Securities Exchange of Thailand</li><li>Active transition THBFX to THOR, Bank of Thailand</li><li>Upgrade Financial Personnel to the Next Normal Financial Professional, The Securities Exchange of Thailand</li><li>TLCA CFO Professional Development Program (TLCA CFO CPD), Thai Listed Companies Association (TLCA)</li><li>PDPA for Accounting and Finance, Thai Listed Companies Association (TLCA)</li><li>CFO Refresher 3/2022, The Securities Exchange of Thailand</li></ul>		Competitive Business related to Company's Business	-None-
The Company's Securities Holding Proportion (%): Held personally : -None- Held by spouse or minor children : -None- Family Relationship with Directors and Executives: -None- Prohibited Qualifications/Committed an Offence : -None- Any Transaction which may cause conflict of interest against the company during the previous year : -None- Other positions in other companies in the previous year affected his duties significantly : -None- Penalty in the past 5-year regarding Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003) : -None-					



Name / Age / Position		Education / Trainings		Past 5 years experiences			
		Period		Position		Company	
19. Mr.Thanawat Siwasoponpong Age 41 years		Education		Listed Companies		-None-	
• Power Plant Management Department Manager		• Master of Economics, Kasetsart University		Other Companies (non Listed Companies)		-None-	
		• Bachelor of Engineering (Mechanical Engineering), Chulalongkorn University		Competitive Business related to Company's Business		-None-	
		Other Important Trainings					
		• Applied PMU, open space dynamic observation to maintain stability of smart grid electricity system					
		• The development of master plan for energy saving aligning with greenhouse gas reduction target					
The Company's Securities Holding Proportion (%): Held personally : -None- Held by spouse or minor children : -None-							
Family Relationship with Directors and Executives: -None-							
Prohibited Qualifications/Committed an Offence : -None-							
Any Transaction which may cause conflict of interest against the company during the previous year : -None-							
Other positions in other companies in the previous year affected his duties significantly : -None-							
Penalty in the past 5-year regarding Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003) : -None-							

Name / Age / Position		Education / Trainings		Past 5 years experiences	
		Period	Position	Company	
20. Ms.Pailin Kanankhang Age 39 years <ul style="list-style-type: none"><li>Accounting Division Manager</li></ul>	Education		<u>Listed Companies</u>	-None-	
	<ul style="list-style-type: none"><li>Bachelor of Accounting - Cost Accounting,Rajamangala University of Technology Phra Nakhon.</li></ul>		<u>Other Companies (non Listed Companies)</u>	-None-	
	<b>Other Important Trainings</b>		<u>Competitive Business related to Company's Business</u>	-None-	
	<ul style="list-style-type: none"><li>Accounting and tax planning for business No. 1/2021, Federation of Accounting Professions</li><li>Understanding in the main issues of TERS for NPAEs No. 2/2021, Federation of Accounting Profession</li><li>Workshop : Accountants and document preparation, accounting relating to Transfer pricing</li><li>PDPA for Accounting and Finance, Thai Listed Companies Association</li></ul>				
The Company's Securities Holding Proportion (%): Held personally : -None- Held by spouse or minor children : -None-					
Family Relationship with Directors and Executives: -None-					
Prohibited Qualifications/Committed an Offence : -None-					
Any Transaction which may cause conflict of interest against the company during the previous year : -None-					
Other positions in other companies in the previous year affected his duties significantly : -None-					
Penalty in the past 5-year regarding Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003) : -None-					

## 2. The Position of Directors in Related Companies

The Board of Directors as of January 31, 2022

Name			Company	Subsidiaries			Associate	Related Companies		
			SCG	SGN	SGF	SOL*	ISL	RATCH	SPI	S&J
1	Mr. Sujarit	Patchimnan	C	C <sup>1</sup>	C <sup>1</sup>			CEO	D	MD
2	Miss Choosri	Kietkajornkul	VC							
3	Mr. Sakarin	Tangkavachiranon	D							
4	Mrs. Wadeerat	Charoencoop	D							
5	Mr.Udompong	Chuntharumporn	MD	D <sup>2</sup>	D <sup>2</sup>			CEO		
6	Mr. Thirasak	Vikitset	D	C <sup>1</sup>	D <sup>1</sup>					
7	Mr. Vichai	Kulsomphob	D				D			
8	Mr. Vorayos	Thongtan	D	D	D		D			
9	Mr. Chinapat	Visuttiapat	ID							
10	Mr. Natapong	Vanarat	ID <sup>4</sup>							
11	Mr. Pongtep	Thithapand	ID <sup>4</sup>							
12	Mr. Chaisak	Yongbanjerd	ID <sup>4</sup>							

**Remark :** C = Chairman      VC= Vice Chairman      D = Director      CEO / MD = Chief Executive Office / Managing Director  
ID = Independent Director

<sup>1</sup> Expiration of term / Resigned on Mar 15, 2022    <sup>2</sup> Appointed on Mar 15, 2022    <sup>3</sup> Changed a position on Mar 15, 2022    <sup>4</sup>Appointed 5 Jan 2022

SCG = Sahacogen (Chonburi) PLC.    SOL\* = Solarist Holding Co, Ltd.    ISL = Impact Solar Co.,Ltd.

SGN = Sahacogen Green Co, Ltd.    SOL-NY = Solarist Nongyuang Co., Ltd.    RATCH = Ratch Group PLC.

SGF = Sahacogen Forest Co, Ltd.    SOL-MP = Solarist Maepu Co., Ltd.    SPI = Saha Pathana Inter-Holding PLC.

SOL-NP = Solarist Namphu Co., Ltd.    S & J = S & J International Enterprises PLC.

SOL-NS = Solarist Nonsi Co., Ltd.

SOL-KK = Solarist Kokha Co., Ltd.

SOL-NK = Solarist Nakaew Co., Ltd.

SOL-TF = Solarist Thungfai Co., Ltd.

SOL-BU = Solarist Banueam Co., Ltd.

## 1.2 Company Secretary

The Board of Directors has appointed Mr. Apipong Vischuveskamin on February 23, 2021 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.

**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 (Form 56-1 One 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. Thirasak	Vikitset	Chairman <sup>2</sup>
2. Mr. Viroj	Theeravatvatee	Managing Director
3. Mr. Sontaya	Tabkhan	Director
4. Mr. Vorayos	Thongtan	Director
5. Mr. Udompong	Chuntharumporn	Director <sup>2</sup>
6. Mr. Teerayuth	Kaewcoon	Director <sup>2</sup>
7. Mr. Sujarit	Patchimnan	Chairman <sup>1</sup>
8. Mr. Boonkiet	Chokwatana	Director <sup>1</sup>

### Details of the Directors of the Company's Subsidiary - Sahagreen Forest Co., Ltd.

Name		Position
1. Mr. Viroj	Theeravatvatee	Chairman <sup>3</sup>
2. Mr. Jaturong	Kornwet	Managing Director <sup>2</sup>
3. Mr. Udompong	Chuntharumporn	Director <sup>2</sup>
4. Mr. Vorayos	Thongtan	Director
5. Mr. Teerayuth	Kaewcoon	Director <sup>3</sup>
6. Mr. Apipong	Vischuveskamin	Director
7. Mr. Mahasan	Thieravarut	Director
8. Mr. Kitt	Wiwatborvornwong	Director
7. Mr. Sujarit	Patchimnan	Chairman <sup>1</sup>
8. Mr. Thirasak	Vikitset	Director <sup>1</sup>

### Details of the Directors of the Company's Subsidiary - Solarist Holding Co., Ltd. And Company's Subsidiary \*

Name		Position
1. Mr. Viroj	Theeravatvatee	Chairman
2. Mr. Apipong	Vischuveskamin	Director
3. Mr. Nattawut	Yawaprapas	Director

<sup>1</sup> Expiration of term / Resigned on Mar 15, 2022    <sup>2</sup> Appointed on Mar 15, 2022    <sup>3</sup> Changed a position on Mar 15, 2022

### Company's Subsidiary\*

Solarist Nongyuan Co., Ltd.	Solarist Kokha Co., Ltd.
Solarist Maepu Co., Ltd.	Solarist Nakaew Co., Ltd.
Solarist Namphu Co., Ltd.	Solarist Thungfai Co., Ltd.
Solarist Nonsi Co., Ltd.	Solarist Banueam Co., Ltd.

## Details of the Head of the Internal Audit

Chief of internal audit	Age (year)	Educational qualifications /		Work Experience		
		Training history	Period	Company	Position	Responsibility
Ms. Ruetaichanoke Supapong Dharmniti Internal Audit Co.,Ltd.	39	<b>Educational</b> - Bachelor of Humanities and Social Sciences, Marketing, Burapha University	Jun 2016 - present	Dharmniti Internal Audit Company Limited	- Executive Director - Manager	<ul style="list-style-type: none"> <li>- Co-establish policies, goals, strategies, along with planning, monitoring and quality control of internal audit operations to comply with the defined policy</li> <li>- Agree on the audit action plan before presenting it to the Audit Committee for approval and signing the audit report</li> <li>- Provide knowledge and understanding about internal controls, risks and internal audits to the team and auditors</li> <li>- Plan and control the performance of the internal audit to comply with the specified plans</li> </ul>
		<b>Certificate</b> - Certified Professional Internal Audit of Thailand (CPIAT)				
		<b>Training</b> - 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)	2011 - 2016	Dharmniti Auditing Company Limited	- Assistant Manager	<ul style="list-style-type: none"> <li>- Plan and control the performance of the internal audit to comply with the specified plans</li> <li>- Plan and control the performance of the internal audit to comply with the specified plans</li> </ul>
		- Project for maintaining and improving the quality of the organization's internal audit work - Asian Confederation of Institutes of Internal Auditors conference 2018 - Internal Audit Comprehensive: IAC - Quality Assurance Reviews (QAR)	2009 - 2010	Dharmniti Auditing Company LimitedS	- Senior Internal Auditor	<ul style="list-style-type: none"> <li>- Prepare an internal audit plan for submission to management and board of director</li> <li>- Control internal auditors and conduct audits to comply with the specified plans</li> </ul>
			2007 - 2008	Dharmniti Auditing Company Limited	- Internal Auditor	- 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 and the Corporate Governance and Risk Management Department have the responsibilities to support the actions concerning to the company corporate governance and risk management which Ms. Penpak Vongrakvanich, Corporate Governance and Risk Management Department Manager, have been assigned to monitor on the company internal control and to coordinate with the appointed internal auditor.

## Asset in Operations 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) Part 1 : “(4) 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) was approved by the board of directors' meeting no. 7/2018 held on December 11, 2018, 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 motivation 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 inequitable 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. 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](http://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 striking for business operation excellence, the company also put the emphasis on the environment concern, pollution emission control, health, safety and energy. The company considers such concerns as parts of normal operation thus, the following practices are set as company's policy.

1. Encourage the employees to have a sense of awareness and acquire knowledge and abilities concerning in quality operation, environmental management, occupational health and safety, as well as energy conservation. This is aimed at promoting effective consultation and participation in work practices that are both efficient and safe for the employees.
2. Control the operation regarding to quality, environment, health and safety, 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 March 9, 2023

### Business Continuity Management Policy

Sahacogen (Chonburi) Public Company Limited and subsidiary companies focus on being the power and steam 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

## International Standard Certification



ISO 9001:2015

The ISO 9001:2015 certification for the quality management system from Management System Certification Institute (Thailand) or (MASCI)

- Sahacogen (Chonburi) PCL.
- Sahacogen Green Co., Ltd.
- Sahagreen Forest Co., Ltd.



ISO 14001:2015

The ISO 14001:2015 certification for Environment & Energy Management Systems from Management System Certification Institute (Thailand) or MASCI

- Sahacogen (Chonburi) PCL.



ISO 45001:2018

The ISO 45001:2018 certification for the Occupational Health and Safety Management System from Management System Certification Institute (Thailand) or MASCI

- Sahacogen (Chonburi) PCL.



Occupational health and safety management systems and work environment at the level "Platinum" from Thailand Institute of Occupational Safety and Health (Public Organization)

- Sahacogen Green Co., Ltd.
- Sahagreen Forest Co., Ltd.

## Sustainability Management Awards



The company has been selected as a company in "Thailand Sustainability Investment" or THSI. The Company is one of the Sustainable stocks in the group with market capitalization of THB 3,000-10,000 million.

- Sahacogen (Chonburi) PCL.



Received the Sustainability Disclosure Acknowledgement from Thaipat Institute

- Sahacogen (Chonburi) PCL.

## Creating Value for Stakeholders



Received the Green Industry certification level 3, on contribution of environmental system management from Department of Industrial Works, Ministry of Industry Thailand

- Sahacogen (Chonburi) PCL.

## Corporate Achievement & Governance Excellence



Awarded "Investors' Choice Award 2022" for receiving a complete 100 score on the assessment of the quality on holding the Annual General Shareholders' Meeting for 13 consecutive years from Thai Investor Association and the Stock Exchange Commission (SEC)

- Sahacogen (Chonburi) PCL.



The result in the assessment of the quality AGM Checklist on holding the Annual General Shareholders' Meeting in 2022 from Thai Investors Association was 100 score or 5 TIA for 13 consecutive years.

- Sahacogen (Chonburi) PCL.



The evaluation from a Corporate Governance Report of Thai Listed Companies "Excellent" or "5 Star" Scoring from the Thai Institute of Directors (IOD)

- Sahacogen (Chonburi) PCL.



Continuous recertification of the membership of Thai Private Sector Collective Action Against Corruption (CAC)

- Sahacogen (Chonburi) PCL.
- Sahacogen Green Co., Ltd.
- Sahagreen Forest Co., Ltd.



**บริษัท สหโคเจน (ชลบุรี) จำกัด (มหาชน)**

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