



TPI POLENE Power Public Company Limited



# TECHNOLOGY PRODUCTS INNOVATION

We Build The Future  
Clean and Green Energy

**Annual Registration Statement / Annual Report 2022**  
**56-1 One Report 2022**

TPI POLENE Power Public Company Limited





TPI Polene Power Public Company Limited

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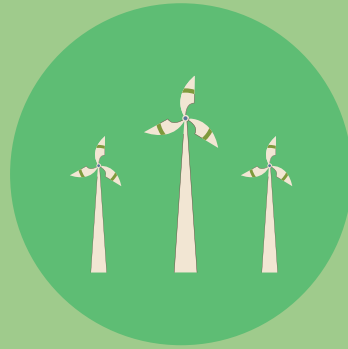


# VISION



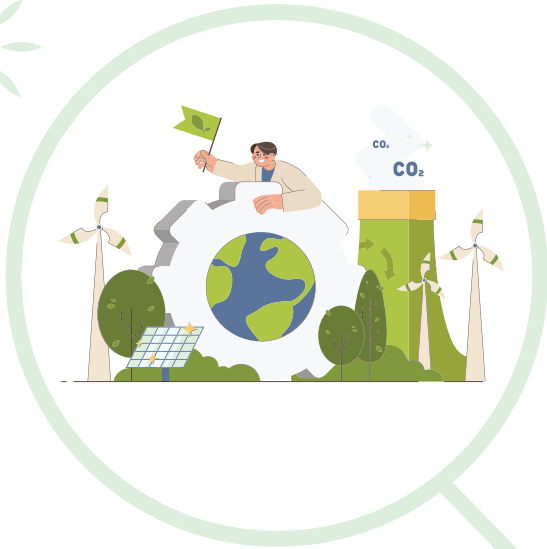
To become a leader in efficient renewable energy as a clean and green energy producer focusing on developing technology and innovation in all dimensions of working, and being the largest waste disposal plant in the country and in the ASEAN region to reduce greenhouse gas emissions to zero or negative, conducting business responsibly for sustainable growth in all of economic, environmental, and social dimensions under good corporate governance.





# Toward sustainable Development with ESG Policy

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## Environmental

To enhance clean energy production and alleviate environmental issues to achieve the target of net zero emissions in TPI Polene Group by 2043 towards sustainable development.



## Social

To create a responsible organization, give importance to the balance of stakeholders, develop personnel who are ready for changing and acquisition of knowledge, care for health and safety, be socially responsible,







## Governance

Committed to operating the most efficient power generation business with technology, innovation, as well as continuous research and development, flexibility to adapt to new business ideas and be ready to take on new challenges, managing risk across the organization, delivering excellent performance under good corporate governance and anti-corruption based on strong Principles of good governance.



# Message from the Board of Directors

“

Towards ESG policy  
to reduce greenhouse  
gas emissions for  
sustainable  
development

“CLEAN & GREEN  
ENERGY PRODUCER  
FOR OUR HEALTY  
COUNTRY”

”

## Dear Shareholders

TPI Polene Power Public Company Limited is the largest Municipal Solid Waste (MSW) power plant operator in Thailand and in the ASEAN region and also the largest single-location municipal waste disposal facility in the world.

Throughout the past years, the Company is one of the leading organizations focusing on Sustainable Growth by integrating Sustainable Development Goals (SDGs) with its strategies to grow in a balanced way in all dimensions and giving importance to economic, environmental, and social dimensions (ESG) on the basis of good corporate governance in order to manage the business for the balanced benefit of all stakeholders.

## Performance

In 2022, the Company and its subsidiaries had total sales revenue of Baht 10,200 million, The profit before finance cost, income tax, depreciation and amortization. and amortization (EBITDA) was 3,914 million baht, with a ratio of interest bearing debt (net) to EBITDA of only 3.49 times (Net IBD/EBITDA).

In 2022, the Company and its subsidiaries had a net profit of Baht 2,813 million, a decrease of 33 percent compared to a net profit of Baht 4,191 million in 2021 due to the additional price of electricity (Adder) of 2 of the 3 power plants were expired. However, Base tariff has been increased due to continuous increase of the fuel adjustment tariff (FT Charge) in 2022. Moreover, the Company is in the process of renovating the power plants to use waste fuel instead of coal. The advantage of waste fuel is that it has lower cost and price volatility than coal fuel, which will benefit and reduce business risks for the Company.

**TPI Polene Power and its debentures were upgraded rating to “A-” (Single A Minus), with a “stable” outlook.**

With stable cash flow of the Company from the power purchase agreements with the Electricity Generating Authority of Thailand, the competitive advantage in fuel, and lower fuel costs from coal substitution projects, TPIPP's Stand-alone Credit Profile is rated at “a”, which the company's credit rating as the organization and its debentures is capped not exceeding the rating on of TPI Polene Plc. (as its parent company) which was upgraded to “A-” (Single A Minus) from “BBB+” (Triple B Plus) with a “Stable” or “Stable” outlook rated by TRIS Rating Co., Ltd. on February 24, 2023

**TPI Polene Group set a goal to reduce net greenhouse gas emissions by 39% from the base year (2020) by 2030 (B.E. 2573) and become NET ZERO by 2043 (B.E. 2586).**

The Company established a Net Zero Greenhouse Gas Emission business policy by focusing on research and development, applying new technologies and innovations in the production process continuously to reduce CO2 emissions, emphasis on using clean energy, and strengthening the efficiency of power generation to the highest level and safety, taking into account the environment to tackle climate change with a negative impacts on the environment.

TPI Polene Group has set a goal of reducing net greenhouse gas emissions by 39% from the base year (2020) by the year 2030 (B.E.2573) and stepping into NET ZERO by 2043. (B.E.2586) by increasing the proportion of using 100% renewable energy produced from municipal solid waste (MSW) or other alternative fuels instead of fossils, fuel and coal in the Company's power generation process and in the cement production process of TPI Polene Public Company Limited, which is low carbon production to reduce global warming from greenhouse gases and PM2.5 dust with a negative impact on the climate. This is in line with Thailand's Net Zero GHG Emission and Carbon Neutrality Strategic Plan announced internationally at COP26 in Glasgow in 2021, stating that Thailand gives the highest priority to solving climate change problems and is ready to fully elevate the climate problem so that Thailand can reach the goal of carbon neutrality by 2050 (B.E. 2593) and a goal of net zero greenhouse gas emissions in 2065 (B.E. 2608).

**To become the country's largest municipal waste disposal facility**

The Company is the country's largest municipal waste disposal facility in response to the government's intention to focus on solving the problem of overflowing garbage. The Company's waste disposal plant is also the world's largest single-location municipal waste disposal facility.

In 2021, the Company opened a second waste fuel plant (with a production capacity of 2,400 tons of waste fuel per day to be sold to TPI Polene's cement plant) and when combined with the waste fuel plant 1, it resulted in the

Company being able to get rid of municipal waste in total approximately 15,000 tons per day or 5.5 million tons per year (a total waste fuel production capacity of 7,200 tons per day).

In 2022, the Company expanded the production capacity of the waste fuel plant. The third waste fuel plant was established and the waste fuel plant was expanded together with business partners to accommodate the amount of waste to be disposed of a total of 8,500 tons per day, which is expected to be completed in 2024 (to accommodate the total demand for waste fuel instead of coal in 2025 of the Company's power plants). This will result in the Company's installed capacity that can dispose of waste in a total of 23,500 tons per day (with a production capacity of approximately 11,750 tons of waste fuel per day).

**Participate in the Disposal of Approximately 14,986 Tons of COVID-19 Infected Waste in 2022**

In 2022, the Company has contributed to alleviate the suffering of society by disposal approximately 14,986 tons of waste infected with COVID-19 from public health facilities that need to be managed properly and efficiently during the COVID-19 epidemic in order not to affect the environment and public health.

**The 220 MW coal-fired power plant is being converted to a waste-fuel power plant.**

The Company aims to replace all 220 MW of coal-fired power plants with 100% renewable waste fuel, which is expected to be gradually completed during 2023-2025.

Moreover, during 2021-2022, the Company cooperated with the Ministry of Public Health and the Ministry of Industry to deal with the problem of infectious waste in the midst of the COVID-19 epidemic situation, which a waste disposal facility COVID-19-related waste sent to be eliminated at the plant with a certified management process which can solve such problems for the public sector very well and with high efficiency able to dispose of COVID-19-related waste in the amount of 3,892 tons and in 2022 in the amount of 14,986 tons, respectively, since the start of disposal in 2021.

### Stepping into a full green clean energy business

In 2022, the Company was selected to operate waste-to-fuel power plant projects in Songkhla Province (7.92 MW) and Nakhon Ratchasima Province (9.9 MW), with a total sales volume of 17.82 MW, with waste disposal and electricity distribution fees and the operational period is 20 years. The Energy Regulatory Commission announced the purchase of electricity from the Company in July 2022. Currently, the Company is in the process of preparing a power purchase agreement (PPA) with the Provincial Electricity Authority, expected to start the construction in early 2023 and scheduled to be completed around the end of 2024.

In addition to energy from waste fuels, the Company also focuses on the growth in the clean, green energy business that is environmentally friendly, including solar energy and wind energy to produce electricity, which is in line with the country's energy management development plan. This will result in the Company becoming a completely clean & green power company.

The Company also entered into an agreement for the construction of a 61.226 MW solar power plant in the factory area in Saraburi in order to sell more electricity to cement plants to increase the proportion of renewable energy for cement production, scheduled to be completed around 2024.

The Company has set its mission to grow steadily and sustainably in the green clean energy business by proposing renewable energy power plant projects where the government will prescribe the conditions for the private sector to participate in the selection process for power plant auction according to the country's Power Development Plan as announced by the Energy Regulatory Commission on Supply of Renewable Energy from Municipal Waste Fuels and Industrial Waste and Green Energy from Solar Energy and Wind Energy.

“

### Gathering power to help society, communities, and employees

In 2022, the Company contributed to alleviating the troubles for society, communities, and employees from the spread of the COVID-19 disease and other social assistance projects, with a total expense of approximately Baht 48.55 million, consisting of scholarships for students with good grades and good conduct but lack of funds. It also donated products from TPI Polene Group to be used to improve and repair school buildings in 20 schools across the country, helped flood victims and donated blankets to victims of winter in several provinces, donated construction materials to those who lack funds, co-hosted the Kathin Robe Offering Ceremony at many temples, as well as providing TPIPL drinking water for volunteer activities and beneficial activities, etc.

### Sustainability Management

In 2022, the Board of Directors approved the use of sustainability issues as its materiality in all 3 areas, covering the environment, society, and economy, including good corporate governance to formulate a sustainability policy by placing importance on being a tool to drive the organization to achieve its vision of sustainable development in accordance with the direction and strategy of the business operations of TPI Polene Group. The sustainability issues approved by the Board of Directors have been referred to prepare the 2022 Sustainability Report in accordance with the Global Reporting Initiative (GRI) standards.

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## Sustainability Development Performance

With its commitment and focus on creating sustainable growth, in 2022, the Company received awards and certifications from recognized organizations for its promotion of sustainable development and good corporate governance. For example, the Company was selected as one of the ESG100 securities companies with outstanding environmental, social, and governance (ESG) performance from the assessment of listed securities in 2022 by Thaipat Institute and certified by the ESG Credit 2022 project for green investment projects by Thaipat Institute. In addition, the Company was selected for the 2022 THSI (Thailand Sustainability Investment) from the Stock Exchange of Thailand and received the “Very Good” assessment result of the Corporate Governance Report of Thai Listed Companies (CGR) of 2022 by the Thai Institute of Directors (IOD).

On behalf of the Board of Directors of TPI Polene Power Public Company Limited, we would like to thank our shareholders, bondholders, financial institutions, the Company’s employees, and all groups of stakeholders who contribute to the support and trust the Company all along, resulting in the Company being successful in its business operations and growing continuously and steadily, creating a driving force for all executives and employees to strive together to dedicate their abilities to perform their duties honestly to achieve the goal of creating sustainable security for the organization, strengthening the economy for the nation, creating benefits for all shareholders and stakeholders as well as Thai society as a whole as a part of supporting Thai people to have to sustainably live in a better environment.

Yours sincerely,



A handwritten signature in black ink, consisting of stylized cursive letters, positioned above the printed name.

(Mr. Prachai Leophairatana)  
Chairman



To reduce GHG emissions to net zero by 2043 (B.E. 2586)  
To reduce net greenhouse gas emissions by 39% from the base year (2020) by 2030

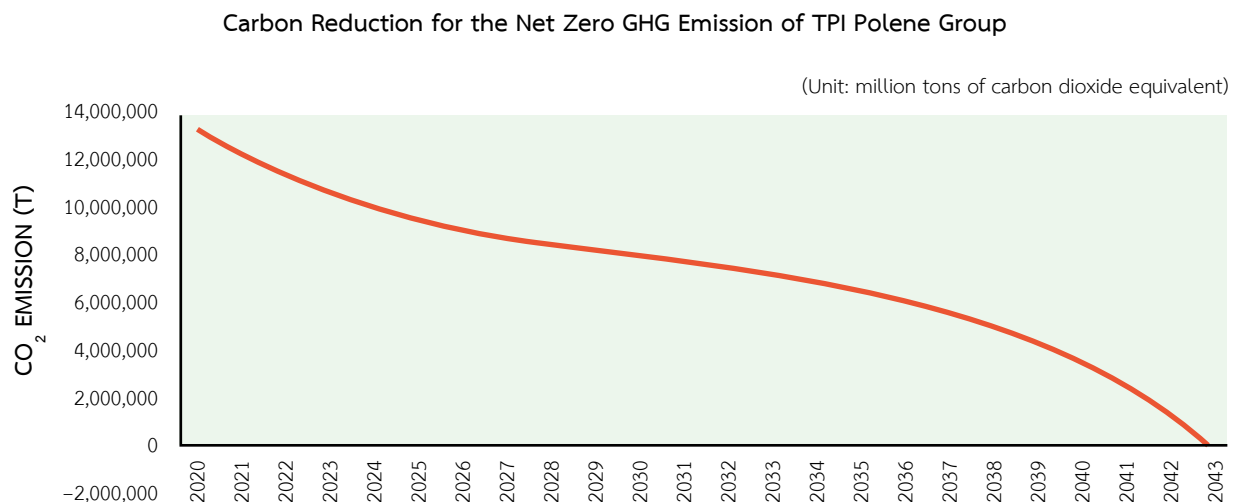
### Key actions towards Net Zero in 2022

Economic	Environment	Community and Society	Corporate Governance
Total revenue Baht 10,611.26 mil	Received CO2e Carbon Credit Certification for 765,297 tons and in the process of registering for Carbon Credit Certification the TGO for another 462,797 CO2e	Community and social contributions Baht 48.55 mil	Portion of independent directors 33.33%
EBITDA Baht 3,913.96 mil	The company use 2.73 million tons of waste fuel, reducing greenhouse gas emissions by 6.34 mil. tons CO2e	Injury frequency rate of employees =0.352 and contractors = 0	Portion of female directors 26.67%
Employee wages and benefits Baht 58.21 mil	Greenhouse gas emissions decreased by 743,431.34 tons CO2e compared to 2021	1,665,945 accident - free work hours (2.55% increase compared to 2021)	No complaints about the protection of customer personal information.
Tax payable Baht 21.10 mil.	Coal-fired power plants aim to use 100% of their waste fuel instead of coal for their electricity generation by 2025	Zero Work-related deaths of employees and contractors	Supplier awareness of code of conduct 93%
Net profit Baht 2,812.78mil.	Reduced energy consumption 8,912,561.64 GJ (25.52%)	Zero Occupational illness and disease rates to be recorded in total 0.2 million hours worked	No complaints of human rights violations (discrimination, child labor, illegal labor)
Dividend per share Baht 0.24	Investment projects to reduce environmental impact Baht 11,116.50 mil.	Disposed of 14,986 tons of COVID-19- related waste and disposed of 3,950 tons of non-hazardous industrial waste by using it as waste fuel	Satisfaction of power plant customers and waste fuel customers are 100%
	Proportion of recycled water 4.18%	Average training hours for employees 24.71 hours/person/year	Improve waste fuel quality to reduce moisture to 44 - 45 %
	Waste emissions (Zero Waste) decreased by 22% compared to 2021, 100% can be recycled Hazardous / non-hazardous waste 0.12%	Satisfaction and employee engagement with TPIPP 81.4%	Improve the fuel feed system to increase combustion efficiency, reduce energy consumption by 2.9%
	Project to produce electricity from wind power 5 megawatts (Expected COD 2024)	Employee Turnover rate = 1.49%	Improving the alternative fuel supply system to reduce the use of coal for combustion by 2.8% compared to 2021.
	Ground-mounted solar farm power plant project 61.22 MW (Expected COD in 2024)		Availability of the overall machine operation of the power plant at an average of 95.40%
	Project to produce electricity from solar rooftop 6 megawatts (Expected COD 2024)		The average operating efficiency of the power plant is 87.30%.
			Reduce the amount of steam used per production 1.42% compared to 2021
			Sales value of low carbon products (2022) Baht 7,680.19 Mil.

## Set Net Zero Target in TPI Polene Group in 2043 (B.E. 2586)

The Thai government has announced the goal of becoming carbon neutral in 2050 (B.E. 2593) and achieving net zero greenhouse gas emissions in 2065 (B.E.2608).

TPI Polene Group (the Company and TPI Polene Public Company Limited) have set targets and the TPI GROUP Pathway action plan to reduce net greenhouse gas emissions by 39% from the base year (2020) by 2030 (B.E. 2573) and achieve net zero by 2043 (B.E. 2586).



TPI Polene Group places importance on reducing greenhouse gas emissions into the atmosphere as an urgent agenda. In the past, TPI Polene Group emitted greenhouse gases into the atmosphere in the amount of 13.22 million tons of carbon dioxide equivalent in 2020 (B.E. 2563), and with TPI Polene Group's commitment to reducing greenhouse gas emissions into the atmosphere, in 2021 (B.E. 2564), it reduced the amount of greenhouse gas emissions by 0.99 million tons of carbon dioxide equivalent or 7.5% reduction compared to the base year (2020), which is a lower rate than other companies in the same industry and in 2022 (B.E. 2565), it reduced greenhouse gas emissions by 1.91 million tons of carbon dioxide equivalent or 14.44% reduction compared to the base year (2020)

TPI Polene Group has laid out a road map towards Net Zero by 2043 (B.E. 2586) through its businesses as follows:

1. **Saving in cement & binders** New innovation development to reduce the use of clinker, increase the use of substitute materials, and promote the use of low-carbon cement such as the development of hydraulic cement to be used as a replacement for Portland cement type 1.
2. **Savings in clinker production** To reduce the use of fossil fuels in clinker burning, and increase the use of biomass fuel, fuel from industrial waste or municipal waste, which has been implemented since 2021 and will be completed in 2023.
3. **RE100 – Electricity Energy uses Renewable Energy 100%:** TPI Polene Group plans and implements electricity generation by using 100% renewable fuels as follows:
  - a. Waste heat recovery
  - b. Coal replacement by renewable fuel of power plant with the following projects:
    - I. The 70MW power plant and the 150MW power plant are shifting from using coal to municipal waste fuel in the 70MW power plant and the 150MW power plant using municipal waste renewable fuel, with the 70MW Phase 1 being completed in 2022 and Phase 2 due to be completed by April 2023. The 150MW power plant will be gradually completed and will replace coal by 10% by the end of 2022 and will be completed and fully replace coal by 2025.
    - II. Coal-to-Biomass Conversion Plan in 6 MW power plants in 2023

- c. Ground-mounted solar farm plant that uses solar energy without raw material costs as the main energy and uses durable, long-lasting solar panels to generate power. The project will commence in 2023 and start generating electricity in 2024 (B.E. 2567).
  - d. Solar Roof Project is a solar power generation system installed on the roof by using solar module installed on the roof of the building in the plant to absorb energy from sunlight, generate electric charges that move in response to the electric field within the cell, and generate direct current before conveying it to the inverter to change from direct current to alternating current and bring the electric energy to further use. The project will commence in 2023 and start generating electricity in 2024 (B.E. 2567).
  - e. Wind Power Generation Project by taking advantage of wind energy which relies on important machinery, “wind turbines”, to convert kinetic energy from the movement of wind into mechanical energy. The wind rotates the blades of the wind turbine around the rotor which spins electric generators to generate power before being put to significant use. As long as the wind blows, it can use wind energy to generate power. Wind power generation is also clean, does not emit greenhouse gases during production, and does not harm the environment. The project will commence in 2023 and start generating electricity in 2024 (B.E. 2567)
  - f. RE100 - Electricity Energy uses Renewable Energy 100% by producing electricity for use within TPI Polene Group for cement production and the purchase of REC (Renewable Energy Certificate) to enable cement production to use 100% renewable energy.
4. **EV Mining Truck:** TPI Polene group already changed the way of transporting limestone from 31 trucks using diesel fuel and NGV to EV Mining Trucks of 60-ton freight size for transporting limestone to cement plants by 2022.
  5. **Energy efficiency program:** Energy reduction projects are as follows:
    - a. Regenerative Downhill Conveyor is a project to generate power from raw material conveyor belts by changing the transportation method from using trucks to conveyor belts instead, making it possible to save energy and reduce transportation and maintenance costs. At the same time, the energy from the conveyor belt transporting limestone down from a quarry at high altitudes is a downhill conveyor to generate power back to use, which now allows the Company to reduce energy costs from using diesel fuel to transport raw materials and also able to generate power back to the electricity supply.
    - b. Polytrack Grate is a new low-pressure aeration technology that provides consistent aeration with low energy consumption (reduce at least 1 kilowatt-hour/ton of clinker), resulting in energy savings. It also reduces machine wear due to decreased air velocity through the vents, resulting in lower maintenance costs. Currently, the Company can reduce energy costs from coal and can also save electricity.
  6. **Recycle Raw Materials:** To install a CDE Plant which is a washing recycle plant by rinsing and cleaning the waste from mining to be a stone and used as a raw material in cement production, enabling the Company to reduce the amount of waste from mining and reduce the cost of producing raw materials. It is a circulation of resources leftover from production back to be utilized.
  7. **Afforestation:** TPI Polene Group has been operating reforestation to help absorb greenhouse gases released into the atmosphere since 1992 until now and will continue to do so for the country to have more forests to absorb greenhouse gases.
  8. **Carbon capture & utilization/ storage (CCUS)** To study capture technology, utilization, and carbon sequestration by capturing carbon dioxide from high smokestacks in power plants and stored underground or under the ocean, not releasing CO<sub>2</sub> into the atmosphere. It is a plan for additional investment in the future in cases where the ongoing processes to reduce greenhouse gas emissions are insufficient and technology is worth investing in the future.

In 2022, TPI Polene Group implemented a waste fuel production project for the common good of the country by sorting community waste into alternative fuels instead of landfilling community waste, with more than 2.73 million tons, resulting in the country reducing greenhouse gas emissions from landfills into the atmosphere by up to 6.34 million tons of CO<sub>2</sub> equivalent.

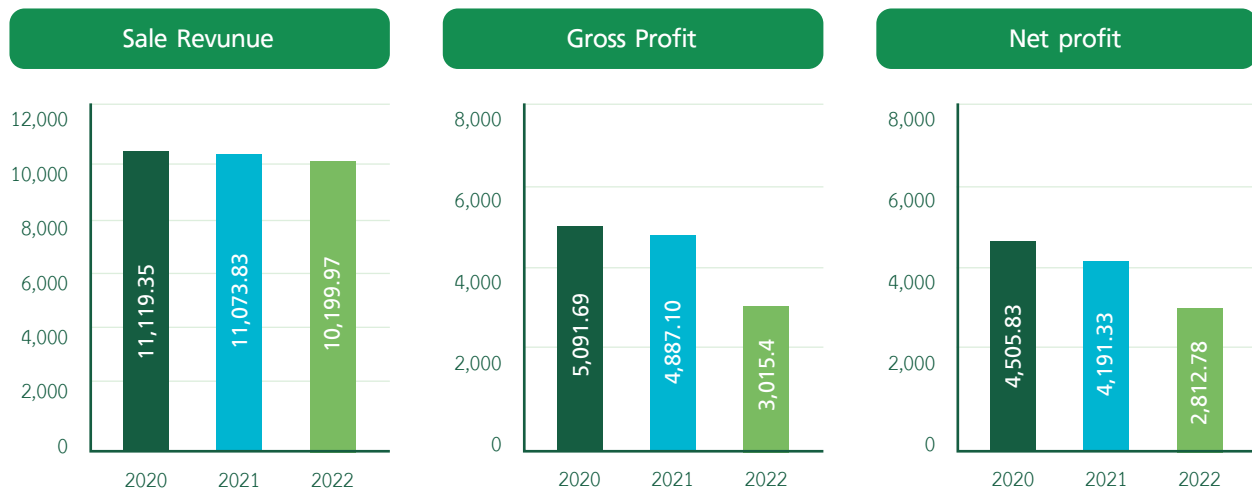
# Financial Statements

	unit	2020	2021	2022
<b>Income statement</b>				
Sales revenue	million baht	11,119.35	11,073.83	10,199.97
Gross income	million baht	11,444.00	11,358.26	10,625.50
Cost of sales	million baht	6,027.66	6,186.73	7,184.50
Gross profit	million baht	5,091.69	4,887.10	3,015.47
EBITDA*	million baht	5,789.11	5,426.31	3,913.96
Net profit	million baht	4,505.83	4,191.33	2,812.78
<b>Statement of financial position</b>				
Total assets	million baht	43,775.15	48,485.35	50,579.37
Interest bearing debt	million baht	12,899.66	16,174.05	16,778.56
Total liabilities	million baht	14,847.01	17,633.53	19,014.95
Paid-up Capital	million baht	8,400.00	8,400.00	8,400.00
Total Equity	million baht	28,928.14	30,851.82	31,564.43
<b>Essential Financial Ratios</b>				
Gross Profit Margin (%)		45.79	44.13	29.56
Net Profit Margin (%)		39.37	36.90	26.47
EBITDA Margin (%)		52.06	49.00	38.37
Return on total assets (%)		11.04	9.09	5.68
Return on Equity (%)		16.08	14.02	9.01
Total debt to equity ratio (times)		0.51	0.57	0.60
Interest bearing debt to equity ratio (times)		0.45	0.52	0.53
Net interest-bearing debt to equity ratio (times)		0.33	0.38	0.43
Net interest-bearing debt to EBITDA ratio (times)		1.66	2.17	3.49

Notes : \* EBITDA is calculated from revenue from sales of electricity and goods + revenue from additional electricity purchase price + other revenue - cost of sales of electricity and goods - distribution costs - administrative expenses + depreciation.

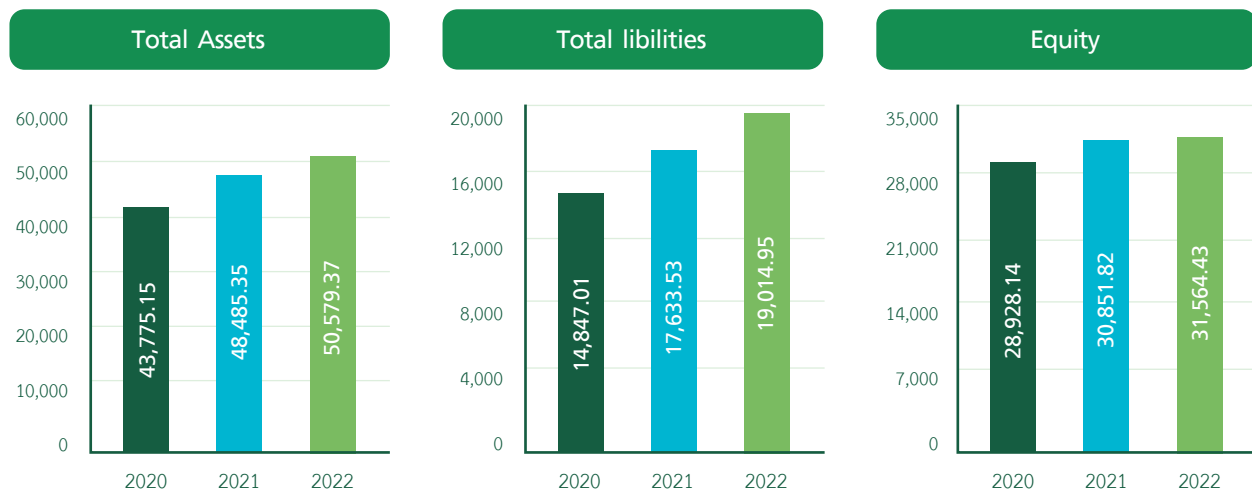
## Revenue and profit

Unit : Million baht

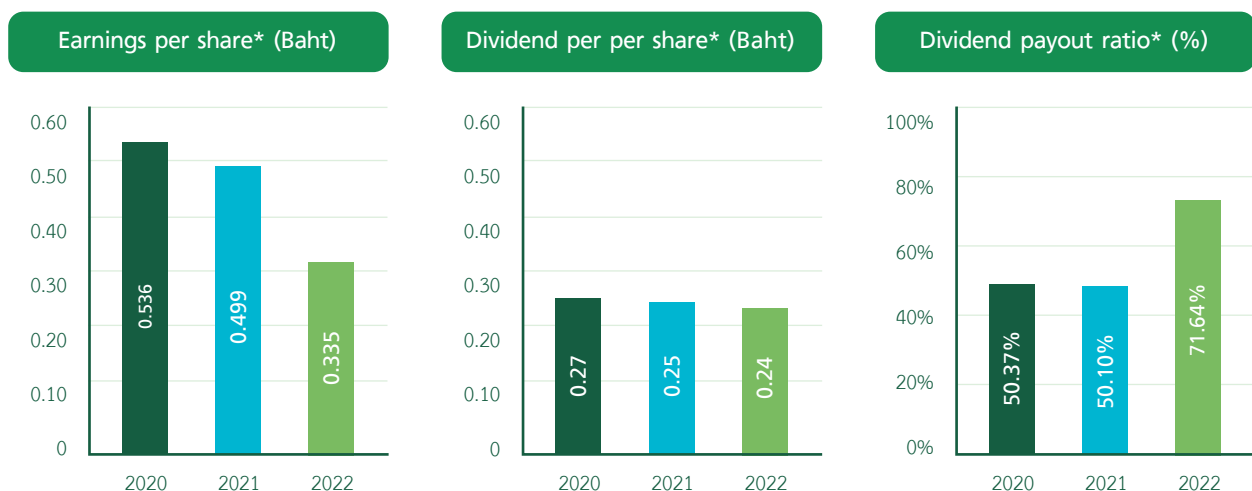


## Financial statement

Unit : Million baht



## Profit and Dividends



Notes : \* Dividend for 2022 performance is divided into interim dividend payment for the first 9months of 2022 at th erate of 0.12 baht /share and 0.09 baht/share, totaling 0.21 baht/share which was already paid to shareholders, then the remaining dividends for the 4th quarter of 2022 operating results to be paid at the rate of 0.03 baht/share, as considered and approved by the Board of Directors in the Company's Board of Director's meeting No. 2/2023 and is required to be approved in the 2023 Annual General Shareholder's Meeting

# Awards of Pride

TIIPP has been upgraded the company rating and its debentures to “A-” (Single A Minus) with a “Stable” outlook from “BBB+” (Triple B Plus) and the Company’s stand-alone credit profile at rated “a” by TRIS Rating Co., Ltd. on February 24, 2023

TIIPP was selected to be in the list of the Sustainability Stock of THSI



On October 10, 2022, the Company was selected to be in the list of the Sustainable Stock of THSI (Thailand Sustainability Investment) 2022 from the Stock Exchange of Thailand.

TIIPP received a Very Good CG Score.



On October 27, 2022, the Company received the assessment result as the Corporate Governance Report of Thai Listed Companies : CGR 2022 with a Very Good score from the Thai Institute of Directors.

TIIPP was selected as one of the ESG100



On July 1, 2022, TIIPP was selected as one of the ESG100 securities companies with outstanding performance in environmental, social and good governance (ESG) dimensions in the resource group from the assessment of listed securities in 2022 by Thaipat Institute

TIIPP received Certificate of ESG CREDIT



On August 19, Thaipat Institute granted 2022 ESG Credit project approval for the Company’s green investment projects, namely Boiler Improvement Project of a 70 MW Mixed Fuel Power Plant (TG7) and Waste Fuel Capacity Expansion Project (Factory 3) for 6,000,000 credits

TIIPP received a Sustainability Disclosure Award



On December 21, 2022, the Company received 2022 Sustainability Disclosure Award for the disclosure of sustainability information. This is an award from the assessment of sustainability disclosure status (based on Sustainability Report and Form 56-1 One Report 2021) of members of Sustainability Disclosure Community (SDC) out of 133 companies from Thaipat Institute.

Asia’s greatest Brands 2022-2023



On December 17, 2022, the Company received the Best Brand and Leader in Asia 2022-2023 from the India-Thai Chamber of Commerce.

# Certificates, Awards and Certifications

## Greenhouse Gas Reduction



### 1. Thailand Voluntary Emission Reduction : T-VER

Thailand Voluntary Emission Reduction (T-VER) for Changing Municipal Solid Waste to Fuel Project from Thailand Greenhouse Gas Management Organization (Public Organization)

### 2. Low Emission Support Scheme : LESS

Low Emission Support Scheme: Changing of light bulbs at Turbine Building (TG1-7) and Cooling Tower Building is estimated to reduce greenhouse gas emissions by 280.013 tons of carbon dioxide equivalent (April 1, 2020-February 28, 2021).

## Administrative Accreditation



3. The Company's management system was certified under International Organization for Standardization (ISO) for the implementation of international standard systems in various systems from SOCOTEC CERTIFICATION (THAILAND) CO.,LTD.

4. 2022 ESG100: The Company was ranked in the list of sustainable securities as an outstanding organization in environment, society, good governance and sustainable growth for the 2nd consecutive year from Thaipat Institute.

## Creating Social Responsibility



### 5. CSR-DIW Award and CSR-DIW Continuous Award

The Company complied with the Entrepreneurs' responsibility standard of industrial business with society and received such awards from the Department of Industrial Works, Ministry of Industry, for the following plants:

Power Plant TG-1-3 (60MW)	Power Plant TG-4 (30MW)
Power Plant TG-5 (60MW)	Power Plant TG-6 (70MW)
Power Plant TG-7 (40MW)	Power Plant TG-8 (150MW)



## Sustainable Industrial and Business Development



6. Sustainable Stock Award of THIS (Thailand Sustainability Investment): Stocks of companies listed on SET and MAI that places emphasis on the on the Environmental, Social and Governance (ESG) along with good financial performance ,from the Stock Exchange of Thailand.
7. Green Industry Award Level 4 and Level 3 for:
  - TG 1, 2, 3 power plants are certified with GI Level 4. Green Industry Level 4: Green Culture is where everyone in the organization cooperates and operates in an environmentally friendly manner in all aspects of business operations until it becomes part of the corporate culture.
  - TG 4, 5, 6, 7 and 8 power plants are certified with GI Level 3:Green Industry Level 3 (Green System), which is a systematic environmental management with monitoring, evaluation and review for continuous improvement, including accreditation to of various environmental standards.

## Sustainable Industrial and Business Development



8. Thailand Energy Awards: Outstanding Renewable Energy Award
  - On-Grid Power Generation Project, 20 MW
  - Renewable Fuel Power Generation Project, 60 MW
  - Renewable Fuel Power Generation Project, 70 MW
  - Renewable Fuel Power Generation Project
  - Non-Grid Project, Municipal Waste Fuel Production Project, and Municipal waste Renewable Fuel Project 2
  - Renewable Energy Application Project (Project to increase efficiency and reduce downtime, renewable fuel (waste) power plant, 60 MW)

From Department of Alternative Energy Development and Efficiency, Ministry of Energy
9. ASEAN Energy Awards
  - 1st runner-up: Renewable Energy: On-Grid Power Generation Project, 60 MW Renewable Fuel Power Generation Project
  - 2nd runner-up: Non-Grid Project, Municipal Waste Fuel Production Project, and Municipal waste Renewable Fuel Project

From Department of Alternative Energy Development and Efficiency, Ministry of Energy



## GLOBAL Economics Awards



## 10. GLOBAL Economics Awards

Best Product Innovations for Sustainable Development from The Global Economics Leading Finance Magazine United Kingdom

## International Finance Awards



## 11. International Finance Awards Most Innovative Green Practices Towards ESG-Waste Management

Most Innovative Green Practices Towards ESG-Waste Management Sustainable environmentally friendly innovation award in waste management from International Finance Magazine (IFM), a world-class business and finance magazine, United Kingdom

## ESG (Gold Level)



## 12. ESG ระดับ Gold

Gold Level award for ESG performance in 2020 regarding Environmental, Social and Governance (ESG) dimensions evaluated by using 30 ESG indicators from WFE ESG Metrics of the World Federation of Exchanges from Thaipat Institute

## Asia's Most Influential Companies



## 13. Asia's Most Influential Companies

Asia's Most Influential Companies Award 2021 from the Asia Corporate Excellence & Sustainability Awards (ACES) to honor the achievements of organizations and individuals in Asia as precedent of in growing steadily and sustainably. The event was organized by MORS Group, a media organization in Malaysia.

## Most Innovative Initiative Towards Waste Processing Plant

## 14. Most Innovative Initiative Towards Waste Processing Plant

The Most Innovative Initiative Towards Waste Processing Plant Award 2021 was organized by International Finance Magazine (IFM) from the United Kingdom (the event has not yet been scheduled)

## Sustainability Disclosure Acknowledgement

## 15. Sustainability Disclosure Acknowledgement Reward (recognized virtues)

Sustainability Disclosure Awarding Ceremony 2021 from Thaipat Institute to encourage listed companies and business organizations that are members of SDC to realize and pay attention to the dissemination of operational information covering ESG (Environmental, Social and Governance) operations. and Governance)

# Major Developments

1. In 2021, the Company signed a contract to purchase machinery and equipment, including the construction and installation of RDF Boiler and improvement of Boiler 6 (B6), TG7 Power Plant, which has been gradually replacing coal to waste fuel since 2022 and installed additional boilers. It is expected to be completed and will be able to use waste fuel to replace coal by 100% in the production process in April 2023.
2. On April 27, 2022, the Company signed a contract to purchase machinery and equipment including the construction and installation of 3 sets of RDF Boilers 160TPH to develop the TG 8 Power Plant, which has been gradually replacing coal with waste fuel since 2022 and is in the process of installing additional boilers. It is expected to be completed and will be able to use waste fuel to totally replace coal 100% by 2025.
3. The Company is in the process of building a municipal waste-fuel power plant bid at Songkhla Province, expected to be completed in 2024.
4. The Company has built a municipal waste fuel power plant bid at Nakhon Ratchasima Province, expected to be completed in 2024.
5. The Company signed a contract for the construction of a ground-mounted solar farm, size 61.226 MW Peak / 52.20 MW AC, project value of approximately Baht 1,787 million to sell electricity to the Company's cement plant. It is expected to be completed in 2024.
6. On October 6, 2022, the Company entered into a joint venture with Electricity Generating Public Company Limited to establish E and T Renewable Energy Co., Ltd. as a joint venture company, with a registered capital of Baht 2,000 million, paid-up capital of Baht 500 million, with the objective of operating power plants such as solar power plants and ground-mounted solar power plants with Battery Energy Storage System (BESS).
7. The Company bid for the municipal waste management project as an environmentally friendly closed circuit electrical power, Mukdahan Municipality, Mukdahan Province, project value of approximately Baht 1,803 million, an installed capacity of 9.9 megawatts, and a selling capacity of 8 megawatts.
8. The Company signed a Memorandum of Agreement for a 5 MW wind power plant in Saraburi Province to generate power for sale to TPI Polene Public Company Limited's cement plant. It is expected to start commercial production in 2024.
9. Sign a contract for the investigation, planning, and development of solar power plants (placed on the roof) with a combined capacity of 6 megawatts to supply the cement mill with electricity. Commercial production is anticipated to begin in 2024.



# Business and Performance

# 01

## 1. Structure and Operations of the Group

### 1.1 Revenue structure

TPI Polene Power Group's business operations can be summarized as follows:

1. Power and Utilities Business: Currently, the Company operates waste-to-fuel power plants and waste heat power plants to sell electricity to the Electricity Generating Authority of Thailand ("EGAT"), including waste heat and coal-fired power plants (which are in the process of being renovated into waste fuel power plants) to sell electricity to TPI Polene. In 2022, the Company had a waste fuel production plant capable of handling 15,000 tons of municipal waste per day, which can produce 7,400 tons of waste fuel per day. It is expected that in 2024, the Company's waste fuel plant's production capacity will increase to 23,500 tons per day, with a total waste fuel production capacity of 11,750 tons per day. The Company has the policy to focus on being a producer of green electricity from renewable and renewable energy which is clean energy.
2. Petrol and Natural Gas (NGV) stations in Bangkok and other provinces in Thailand, the Company has revenue from selling fuel and natural gas (NGV) and products from convenience stores in the petrol and natural gas (NGVs) stations.

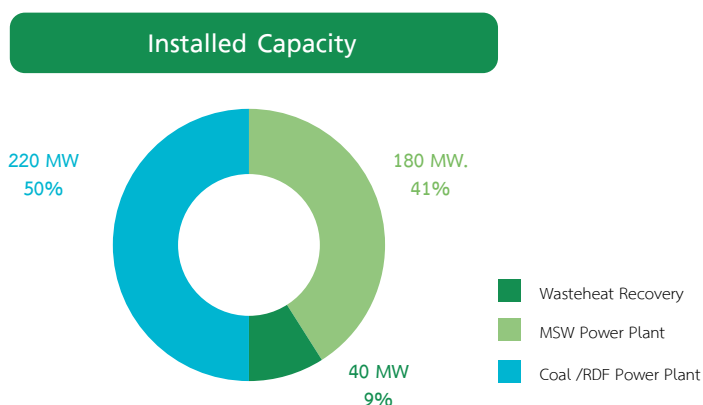
Revenue structure is divided according to the type of the Company's business as follows:

Unit : million baht

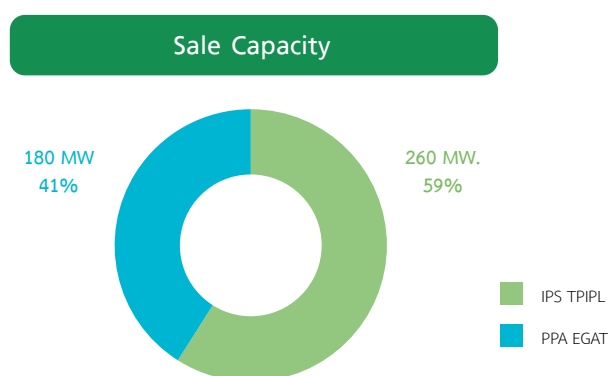
Business Type	2022		2021		2020	
	Million baht	%	Million baht		Million baht	%
1. Energy and Utilities	9,618.40	94.30	10,557.35	95.34	10,586.78	95.21
2. Petrol and natural gas stations	581.57	5.70	516.48	4.66	532.57	4.79
<b>Total revenue from sales</b>	<b>10,199.97</b>	<b>100.00</b>	<b>11,073.83</b>	<b>100.00</b>	<b>11,119.35</b>	<b>100.00</b>

The Company is a power plant operator in Thailand with the largest waste-to-fuel power plant in the country (according to AWR Lloyd) located in Saraburi province and is the largest waste-to-energy power and electricity producer in ASEAN. The main business is the disposal of municipal waste to be used as waste fuel and as a power producer to sell to the Electricity Generating Authority of Thailand ("EGAT") and TPI Polene Public Company Limited.

As of December 31, 2022, the Company already launched 8 power plants for commercial operation, with a total installed capacity of 440 megawatts, divided into 40 MW waste heat power plants from the cement production process, 180 MW waste-to-fuel power plants, and 220 MW coal and alternative fuel power plants, where the Company plans to convert to municipal waste and other renewable fuels to completely replace coal by 2025. The types of power plants can be summarized as follows:



Electricity is sold to 2 customers, namely the Electricity Generating Authority of Thailand and TPI Polene Cement Plant, Saraburi Province of TPI Polene Public Company Limited, which can be summarized as follows:



The Company has an electricity sales agreement with the Electricity Generating Authority of Thailand (EGAT) under the purchasing model of electricity generated from renewable energy ,from non-firm waste-to-fuel power plants. EGAT must purchase all electricity produced in accordance with the agreed capacity under the power purchase agreement without requiring a minimum amount of electricity that the Company must sell to EGAT.

Under the power purchase agreement for waste-to-fuel power plants, the Company receives a monthly electricity fee (excluding VAT) which consists of energy payments and an adder from EGAT as follows:

- **Energy Payment:** The Company receives an energy payment calculated from the amount of electricity that the Company actually sells to EGAT according to the energy payment rate. The energy payment consists of the sum of (1) the wholesale electricity price that EGAT sells to PEA and MEA, which may be subject to change by EGAT, and (2) the electricity price according to average wholesale float time ("Average Wholesale Ft") determined and announced by the Energy Regulatory Commission every 4 months.
- **Adder:** The Company receives an adder at the rate of 3.50 baht per kilowatt-hour in accordance with the amount of electricity sold by the Company to EGAT for a period of 7 years from the date of commencement of operation (COD)

The Company signed 3 renewable energy power purchase agreements for waste-to-fuel power plants with EGAT as follows:

1. Power Purchase Agreement No. PPA-SPP/NF-2014-003 between the Company and EGAT (Project 1), the power capacity of 18 megawatts, a voltage of 115 kVs, commencement of power purchase on January 16, 2015 with an installed capacity of 20 megawatts.
2. Power Purchase Agreement No. PPA-SPP/NF-2013-008 between the Company and EGAT (Project 2), the power capacity of 55 megawatts, a voltage of 115 kV, commencement of power purchase on August 6, 2015, with a installed capacity of 60 megawatts.
3. Power Purchase Agreement No. PPA-SPP/NF-2013-008 between the Company and EGAT (Project 3), the power capacity of 90 megawatts, a voltage of 115 kV, commencement of power purchase on April 18, 2018, with a installed capacity of 100 megawatts.

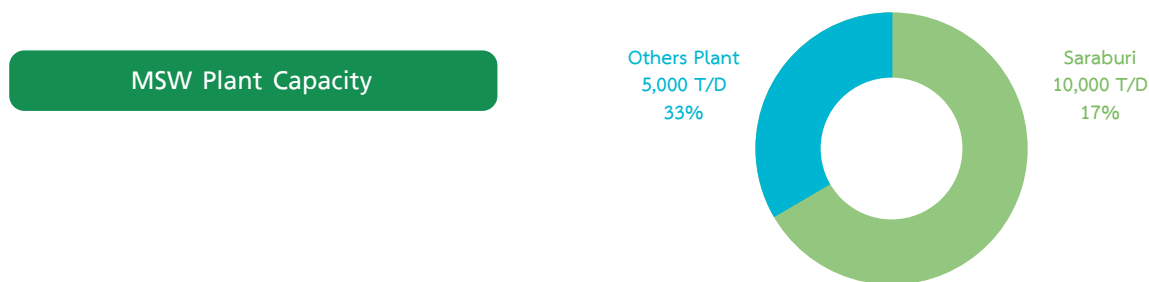
Summary of Power Purchase Agreements with EGAT is as follows:

SPP	PPA	TG	COD	ADDER	Expiration of ADDER
1	18 MW	TG3	16 JAN 2015	7 Y	JAN 2022
2	55 MW	TG5	6 Aug 2015	7 Y	AUG 2022
3	90 MW	TG4+TG6	18 APR 2018	7 Y	APR 2025

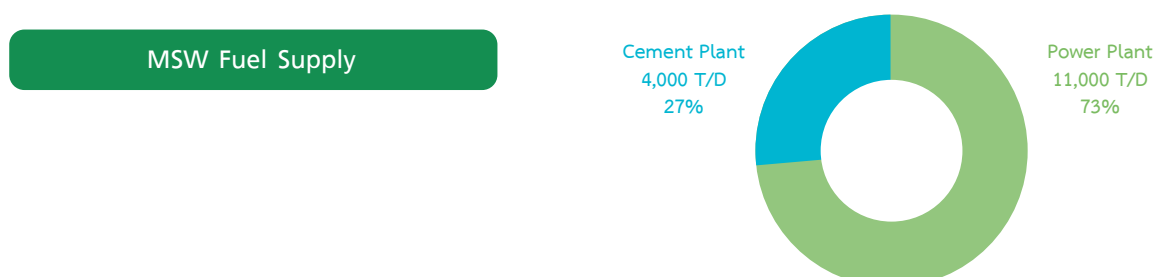
Moreover, the Company entered into a power purchase agreement with cement plants of TPI Polene Public Company Limited, Saraburi Province. The minimum amount of power that the Company and TPI Polene agree to buy and sell shall not be less than 30% of the power generated each year. This power plant has a total installed capacity of 220 megawatts and the Company charges electricity fees based on the amount of electricity it actually sells each month at the rate of baht per kilowatt-hour which is equal to the base tariff per unit according to the Time of Use Rate (TOU) combined with the electricity bill according to the float time (FT), which is the same rate as the electricity purchase that TPI Polene purchases directly from the Provincial Electricity Authority, calculated from actual electricity sales volume without demand charge (VAT not included). The agreement will expire upon the expiration of the lease period for the land on which this power plant is located pursuant to the lease agreement between the Company as a lessee and TPI Polene as a lessor. The lease term under the lease agreement will expire in July 2042.

As for the waste fuel plant, the Company produces waste fuel from municipal waste disposal to convert and produce fuel to be used in the production of electricity within the Company's power plants and sells waste fuel to cement plants to replace the use of coal. Currently, the Company has two groups of fuel production plants, namely the waste fuel plants located at its Saraburi plants and the waste fuel plants located in community waste sources across the country such as Samut Sakhon, Ayutthaya, Rayong, Chonburi, Pathum Thani, etc.

In 2022, the Company has a total waste disposal capacity of 15,000 tons per day, of which approximately 9,000-10,000 tons are delivered to the Saraburi plants per day and about 5,000 tons are delivered to the plants in other provinces per day, which can be summarized as follows:



The Company aims to produce waste fuel to be used as fuel in power plants by using approximately 11,000 tons of waste per day in power plants and approximately 4,000 tons per day of waste being used as fuel in cement plants, summarized as follows:

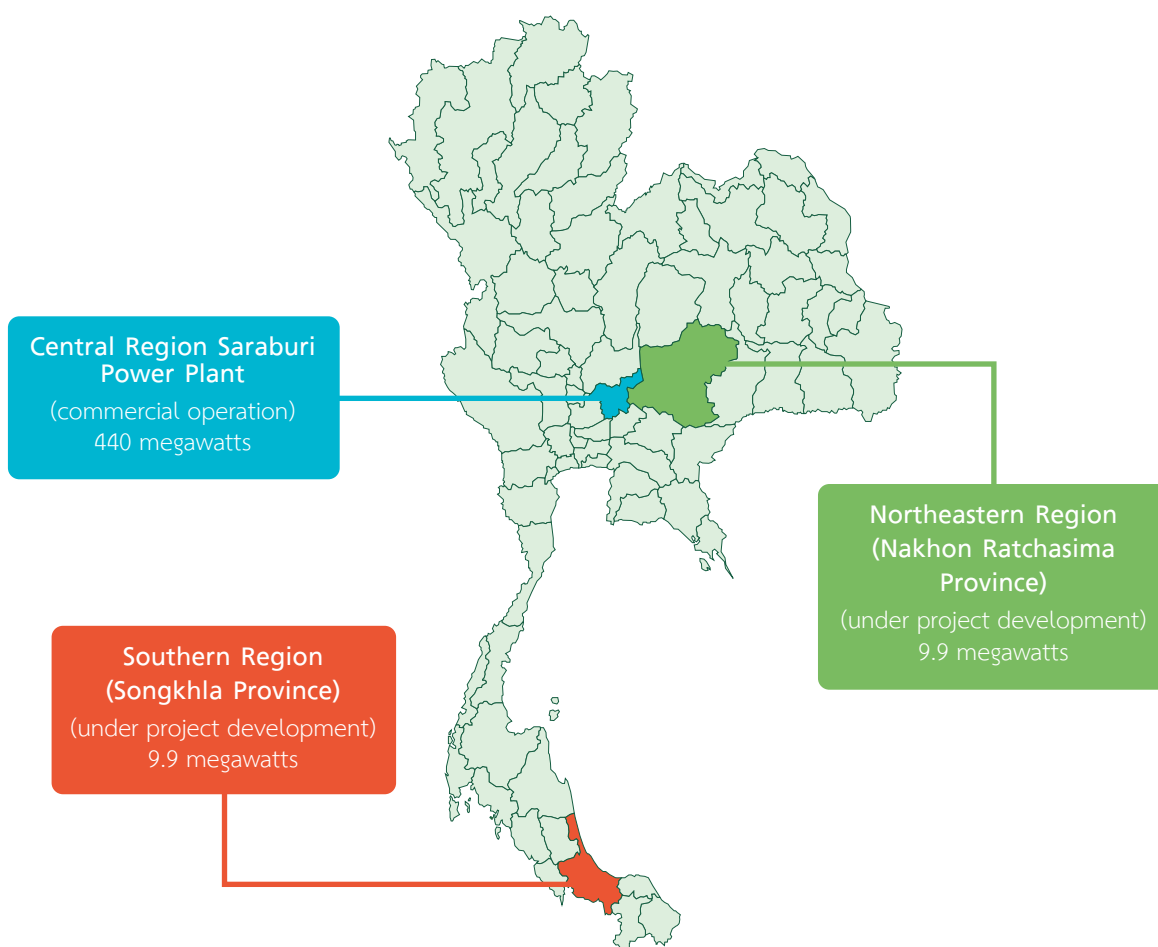


In addition, the Company successfully in bidding participated for 2 municipal waste-fuel power plants as follows:

	Installed capacity	Power Purchase Agreement	Sold to	Commercial operation commenced (approx.)
1. Municipal Waste Power Plant, Songkhla Provincial Administrative Organization	9.9	7.92	Provincial Electricity Authority	2024
2. Municipal Waste Power Plant, Nakhon Ratchasima	9.9	9.90	Provincial Electricity Authority	2024
<b>Total</b>	<b>19.8</b>	<b>17.82</b>		

Notes : The above projects receive returns in the form of solid waste disposal fees and electricity sales for a period of 20 years at the rate of 5.78 baht/unit for the first 8 years and 5.08 baht/unit for the following 12 years.

#### Summary of the Company's Power Plant Projects



### 1.1.2 History and Major Developments

TPI Polene Power Public Company Limited (“TPI Polene Power or the “Company”) is known in English as TPI Polene Power Public Company Limited (abbreviation: TPIPP). The Company was established mainly for the purpose of operating energy and utilities businesses under the name TPI Nylon Co., Ltd. in 1991 and changed its name to TPI Polene Power Co., Ltd. in 1996.

In 2009, TPI Polene Power Company Limited (as a subsidiary held 99.99% by TPI Polene Public Company Limited at that time) operated a business of generating electricity from waste heat energy (from TPIPL’s cement production process) for sale to TPI Polene) and in 2011, the Company operated a waste-to-fuel plant business.

Subsequently, the Company transformed into a public company by offering newly issued ordinary shares in the amount of 2,500,000,000 shares (par value of 1 baht per share) to the general public and listed on the Stock Exchange of Thailand on April 5, 2017, making the Company’s paid-up capital increase from 5,900,000,000 baht to 8,400,000,000 baht, resulting in reducing TPI Polene Plc’s. shareholding in the Company from 99.99% to 70.24%. The Company is currently the largest waste-to-energy power producer in Thailand with a total installed capacity of 440 megawatts.

The Company is a power plant operator in Thailand with the country’s largest waste-fuel power plant business (according to AWR Lloyd) located in Saraburi Province and is the largest electricity and waste-to-energy producer in ASEAN. The main business is to dispose of municipal waste to be used as waste fuel and is an electricity producer for sale to the Electricity Generating Authority of Thailand (“EGAT”) and TPI Polene Public Company Limited. The Company currently operates three types of power plants: waste-to-fuel power plants, waste heat recovery power plants, and coal-fired power plants. The Company is in the process of converting to alternative fuels from municipal waste and other renewable fuels to replace all coal fuel within 2025

Registered capital	: 8,400,000,000 baht
Issued and fully paid capital	: 8,400,000,000 baht
Par value per share	: 1 baht





## 1.1.2 Policy and Overview of Business Operations

### 1.1.1 Vision, Mission and Operational Strategy

**Vision:** To become a efficient leader in renewable energy as a clean and green energy producer focusing on developing technology and innovation in all dimensions of working, and being the largest waste disposal plant in the country and in the ASEAN region in order to reduce greenhouse gas emissions to be zero or negative, conducting business responsibly for sustainable growth in economic, environmental, and social dimensions under good corporate governance.

#### Mission

- To support the disposal of municipal waste to various local organizations to be processed into fuel in the form of renewable energy correctly and efficiently.
- To develop technology to produce alternative fuels and power generation to suit Thailand's waste conditions and reduce waste fuel costs.
- To improve the production efficiency of the power plants, as well as design and install equipment to be ready for use, prevent problems in the production process, or if a problem occurs, it can be solved quickly and promptly.
- To produce electricity from renewable energy by using municipal waste fuel for the local economy instead of using coal to reduce greenhouse gas emissions.
- To promote and develop personnel potential to be ready to drive the organization to be competitive.
- To maintain and comply with BCG (Bio-Circular-Green Economy) standards in managing
- environmental impacts, including implementing waste management practices with maximum utilization and zero waste.
- To conduct business with responsibility to all stakeholders in a balanced manner and strive to develop society to grow along with sustainable development of the organization.

#### Business Strategy

- To expand business and investment by focusing on increasing domestic electricity generating capacity by emphasizing clean and green energy such as municipal waste fuel power plants for the grassroots economy and natural gas power plants for energy stability
- To expand investment in new businesses by focusing on being a leader in public utilities in the southern region in Songkhla Province, consisting of industrial park development projects, natural gas power plants, solar power plants, deep sea ports, distribution centers, and smart cities, along with readiness to jointly invest with business partners to create stability and to grow business together.
- To seek investment opportunities with good returns at manageable risks, focus on investing efficiency, reduce costs, review investment plans, and prioritize investment projects by aiming to increase the return on investment.
- To focus on the use of technology and innovation to manage business continuity comprehensively and quickly.
- To develop work processes along with reducing management costs for maximum efficiency.
- To reduce financial costs as well as manage liquidity and financial risks to manageable levels.
- To manage risks throughout the organization with good corporate governance, create flexibility in adapting to keep up with business disruptions, prepare to look forward to increase competitiveness.
- To create value for shareholders and investors through stable profit growth, good returns, and sustainable business expansion.
- To conduct business responsibly and participate in improving the quality of life for society, communities, manage operations throughout the supply chain, and manage relationships with suppliers and customers, support continuous development of personnel capabilities, ensure employees' quality of life and work comparable to other leading companies in order to create a bond with the organization.



### Major changes and developments in the past 3 years

#### 2019

<b>January 25, 2019</b>	The 150 MW coal-fired power plant (TG 8) has commenced commercial operation by selling electricity to TPI Polene Plc.
<b>August 30, 2019</b>	The Board of Directors' Meeting No. 9/2019 resolved to approve the purchase of 999,080 ordinary shares of Zenith International Trading Company Limited at a price of 105.99 baht per share, total investment value of 105,987,880.20 baht from TPI Polene Plc., which is a major shareholder and has common directors, causing the Company to hold 99.998% of the paid-up capital, resulting in Zenith International Trading Co., Ltd. being the Company's subsidiary.
<b>October 4, 2019</b>	Establishments: 1. TPI Polene Power (Songkhla) Co., Ltd. to operate business of electricity generation from waste energy and biomass energy. 2. TPI Solar Power Company Co., Ltd. to operate business of electricity from solar energy. 3. TPI Wind Power Co., Ltd. to operate business of electricity from wind energy.
<b>October 11, 2019</b>	4. Deep Sea Port TPI Co., Ltd. to operate port business.
<b>December 26, 2019</b>	The Board of Directors' Meeting No. 12/2019 resolved to approve the registration of business dissolution and liquidation of TPI Polene Power Investment Company Limited (100% shareholding), a registered company in Cambodia.

#### 2020

<b>March 27, 2020</b>	The Board of Directors' Meeting resolved to approve the Company to invest in the purchase of 99,993 ordinary shares of TPI Olefins Company Limited at a price of 29.596 baht per share, total investment value of 2,959,396.69 baht, resulting in the Company holding 99.993% of paid-up registered capital, resulting in TPI Olefins Co., Ltd. being the Company's subsidiary.
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#### 2021

<b>January 25, 2021</b>	Songkhla Provincial Administrative Organization announced that the Company was the winner of the bidding for the private sector to jointly invest in the construction and management of the Songkhla Provincial Administrative Organization's solid waste disposal system.
<b>March 24, 2021</b>	Nakhon Ratchasima municipality announced that the Company was selected from submitting a proposal for a private procurement project to invest in the construction and management of the solid waste disposal system, Phase 2, Nakhon Ratchasima Municipality.
<b>September 29, 2021</b>	The Company and the Songkhla Provincial Administrative Organization signed a contract for a private procurement project to jointly invest in the construction and management of the Songkhla Provincial Administrative Organization's solid waste disposal system.
<b>October 15, 2021</b>	The Company received approval from the Department of Industrial Works to dispose waste infected with COVID-19 to solve the problem of waste infected with COVID-19 in Thailand
<b>December 13, 2021</b>	The Company signed a contract for the construction and installation of the New Additional 130T/H Boiler CFB Boiler and Modification project in accordance with the coal fuel consumption reduction policy (TG7).
<b>2021</b>	The Company operates the second waste fuel plant with 4 additional production lines (Production lines 10-13). When combined with the existing production capacity, it results in the Company's waste disposal plant being able to handle a total of approximately 15,000 tons of waste per day or approximately 5.5 million tons per year.

## 2022

**February 10, 2022** The Company signed the machine installation contract for RDF PLANT 3 project (RDF SORTING LINE 14-15-16-17-18) WITH ADDITIONAL LINE 13 with the 1st Supplier.

**February 14, 2022** The Company signed the machine installation contract for RDF PLANT 3 project (RDF SORTING LINE 14-15-16-17-18) WITH ADDITIONAL LINE 13 with the 2nd Supplier.

**March 27, 2022** The Company signed the 3x160 T/H RDF Boiler Island construction and installation contract under the coal fuel consumption reduction policy (TG8).

**May 13, 2022** The Company signed the machine installation contract for the RDF Outside Sorting Line 1-2-3 project.

The Company built the 3rd waste fuel plant, with 5 additional production lines (Production lines 14-18) which are expected to be completed in 2024. When combined with the existing capacity, it results in the Company's waste disposal plant being able to handle approximately 23,500 tons of waste per day, or approximately 8.6 million tons per year, which will correspond to the timeline for the TG 8 power plant to be completed in 2025.

In 2022, the Company plans to convert TG7 and TG8 coal-fired power plants to 100% waste-to-fuel power plants, which will be completed by 2023 and 2025, respectively. This will allow the Company to have a 100% renewable fuel power plant with a total installed capacity of 440 megawatts.

The Company signed a contract for the construction of a 61.226-megawatt solar power plant in Saraburi Province with the objective of selling more electricity to the cement plants in order to increase the proportion of energy used to replace fossil fuels in cement production. It is scheduled to be completed around 2024.

Sign a contract for the investigation, planning, and development of solar power plants (placed on the roof) with a combined capacity of 6 megawatts to supply the cement mill with electricity. Commercial production is anticipated to begin in 2024.

The Company also participated in bidding for several renewable energy power plant projects according to the Power Development Plan of the country announced by the Energy Regulatory Commission's Notification regarding the procurement of electricity from renewable energy, processed fuel from municipal waste, industrial waste, and renewable energy solar energy and wind energy that the government stipulates the conditions for the private sector to participate in the selection. The Company participated in the bidding for both small power producer projects with a power distribution capacity of not more than 90 MW (SPP) and very small power producer projects with a power distribution capacity of less than 10 megawatts (VSPP).

The Company also participated in bidding for 4 community waste power plant projects.

### 1.1.3 Report on the purposes of using the proceeds

#### 1) Use of proceeds from the offering of debt securities

In the past year 2022, the Company offered one debenture with a total value of Baht 4,695 million, which can be summarized as follows:

Use of proceeds	Amount (million Baht)	Period	Progress
TPIPP Debenture No. 1/2022 - Baht 4,695 million			
1. To repay debt from the issuance of debt securities	4,000	November 2022	Paid in November 2022
2. To be working capital in the business of the Company	695	Within 2022	Paid within 2022
<b>Total</b>	<b>4,695</b>		

In this regard, the Company uses the proceeds from the issuance and offering of debentures for the purposes specified in the registration statement for the debenture offering.

As for bills of exchange offered for sale, the Company uses the proceeds as working capital in business operations and has already repaid bills of exchange debt within the period of bills of exchange.

#### 2) Laws Governing Debt Instruments

Debt instruments are binding in accordance with applicable laws and are construed in accordance with Thai law.

### 1.1.4 Commitments that the Company has pledged in the registration statement and/or the SEC's approval conditions (if any) and/or the Listing Conditions of the SET (if any).

- none -

### 1.1.5 Name, location of head office, type of business, company registration number, telephone number, facsimile, company website, amount and type of all shares sold

Company name in Thai	บริษัท ทีพีโอ โพลีน เพาเวอร์ จำกัด (มหาชน)
Company name in English	TPI Polene Power Public Company Limited
Abbreviation	TPIPP
Company registration number	0107559000184
Type of business	Engage in power plant business, focusing on waste fuel power plants, waste heat recovery power plant, coal-fired power plant and operates Petrol and natural gas (NGV) stations and services
Type of business	Energy and Utilities
Fiscal Year End Date	31 December of each year
<b>Head office</b>	
Location	26/56 Chan Tat Mai Road Thungmahamek, Sathorn, Bangkok 10120
Phone	0-2213-1039-49, 0-2855-090-9
Fax	0-2213-1035, 0-2213-1038
Website	<a href="http://www.tpipolenepower.co.th">http://www.tpipolenepower.co.th</a>

**Power Plant and waste-to-fuel plant**

<b>Location</b>	299 Moo 5 Mittraphap Road, Tab Kwang Sub-district, Kaeng Khoi District, Saraburi Province 18260
<b>Phone</b>	036-339111
<b>Fax</b>	036-339228-30

**Investor Relations Department**

<b>Phone</b>	0-2213-1039 Ext. 12985 and 12988
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**Company Secretary**

<b>Phone</b>	0-2213-1039 Ext. 12214
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**Reference**

<b>Securities Registrar</b>	Thailand Securities Depository Co., Ltd.
<b>Location</b>	The Stock Exchange of Thailand Building 93 Ratchadapisek Road, Din Daeng Subdistrict, Din Daeng District, Bangkok 10400
<b>Phone</b>	+66 (0) 2009-9000, Call Center +66 (0) 2009-9999
<b>Fax</b>	+66 (0) 2009-9991

**Auditor KPMG Phoomchai Audit Co., Ltd.**

<b>Location</b>	1 Empire Tower, 48th-50th Floor, South Sathorn Road, Yannawa Subdistrict, Sathorn District, Bangkok 10120
<b>Phone</b>	+66 (0) 2677-2000
<b>Fax</b>	+66 (0) 2677-2222

**Company Legal Advisor SCL Nishimura & Asahi Co., Ltd.**

<b>Location</b>	34th Floor, Athenee Tower, 63 Wireless Road Lumpini, Pathumwan, Bangkok 10330
<b>Phone</b>	02-126-9100
<b>Fax</b>	02-126-9120

**Legal Advisor for Issuance and offer debentures Weerawong Chinnawat and Partners Co., Ltd.**

<b>Location</b>	540 Mercury Tower, 22nd Floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330
<b>Phone</b>	0-2264-8000
<b>Fax</b>	0-2657-2222

**Debenture Registrar****CIMB Thai Bank Public Company Limited**

<b>Location</b>	44 Lang Suan Road, Lumpini Subdistrict Pathumwan, Bangkok 10330
<b>Phone</b>	+66 (0) 2626-7507-8, +66 (0) 2626-7591
<b>Fax</b>	+66 (0) 2657-3390

**Bank of Ayudhya Public Company Limited**

<b>Location</b>	1222 Rama 3 Road, Bang Phong Phang Subdistrict, Yannawa District, Bangkok 10120
<b>Phone</b>	+66 (0) 296-2000, +66 (0) 296-5696
<b>Fax</b>	+66 (0) 638-1302

## 1.2 Nature of business operations

### 1.2.2 Information about the product

Nature of business of each product line can be divided by business type as follows:

#### I. Power and Utilities Business

##### 1. Product characteristics, production capacity, and strengths

###### 1.1 Power Plant

The Company has 3 types of power plants, namely (1) waste heat power plants, (2) waste-to-fuel power plants, and (3) coal-fired and supplementary renewable fuel power plants. The Company believes that the operation of power plants using waste heat energy waste fuel energy and renewable energy will benefit from government policies that tend to encourage and promote the generation of electricity from waste to energy and renewable energy.

As of December 31, 2022, the Company has 8 commercially operated power plants with a total installed capacity of 440 megawatts, divided into waste-fuel power plants with a total installed capacity of 180 megawatts, (with the electricity sales agreement to Electricity Generating Authority of Thailand 163 megawatts) and the remaining installed capacity of 260 megawatts (authorized capacity of 230 megawatts and sold to TPI Polene), all of which are located in Kaeng Khoi District, Saraburi Province, and are in the same area as the cement plant of TPI Polene Public Company Limited, with each type of boiler and power generation. The details can be summarized as follows:

###### A. Waste Heat Recovery Power Plant

The waste heat recovery power plant is located in the same area as TPI Polene's cement plant. It commenced its commercial operation in June 2009. The power plant consists of 2 power generating units, each with an installed capacity of 20 megawatts, totaling 40 megawatts, and uses the waste heat emitted from the cement production process of TPI Polene Public Company Limited. The Company's power generation process uses waste heat from clinker kilns (instead of being treated by reducing the temperature before releasing it into the atmosphere) and transfers the heat to boilers to generate electricity without the use of supplementary fuels, which, in addition to obtaining electric power, can also reduce the impact on the environment.

###### B. Waste-to-fuel power plants

Waste-to-fuel power plants generate electricity by combustion of waste fuel as the main fuel by converting municipal waste into fuel to produce steam from the steam boiler and use the steam to generate electrical energy further.

The process of converting municipal waste into fuel to generate power is to dispose municipal waste that reduce the impact on the environment and greenhouse gas emissions which is better than landfill waste management. The Company was also evaluated by the Thailand Greenhouse Gas Management Organization for reducing greenhouse gas emissions by using municipal waste as fuel in order to register for a carbon credit certificate.

The Company installed Grate Boiler incinerator and boiler completed in August 2018, which can be used to burn municipal waste directly, resulting in steam production and increase the amount of steam produced to increase the power utilization rate of the waste fuel power plant by disposal of remaining material left from the waste fuel production process. The grate boiler installed by the Company is the largest grate boiler installed in Thailand and it is the highest waste combustion capacity installed in the single-location (Economy of Scale) in the ASEAN region.

Currently, the Company's waste-fuel power plants have a total installed capacity of 180 megawatts, coming from a power generation unit with three sizes of generators: 30 megawatts, 60 megawatts, and 70 megawatts.

### **C. Coal-fired and renewable fuel power plants**

The Company has a coal-fired power plant using steam boiler technology with highly efficient. Subsequently, the Company has modified the boiler to use supplementary alternative fuels to partially reduce the coal consumption, being a power plant that produces electricity sold to cement factories with a pollution prevention system higher than the environmental impact reporting standards announced by the Office of Natural Resources and Environmental Policy and Planning (ONEP).

Currently, the Company's coal-fired and renewable fuel power plants have a total installed capacity of 220 megawatts, coming from a power generation unit with 2 sizes, 70 megawatts, and 150 megawatts.

In addition, the Company has committed to be a full-formed green and clean energy producer with an integrated management to solve Thailand's solid waste problem. Therefore, the Company has plan to stop using coal in the power generation process by investment in changing all boilers to use waste fuels and other renewable fuels instead of coal, which will be partially completed within 2023 and will totally completed in 2025. In addition to reducing fuel costs for power generation from rising coal prices, the Company can also apply for a carbon credit certificate as increasing amount of municipal waste to be used as fuel instead of coal in such power plants, as well as reducing the direct and indirect impacts on the environment by replacing fuel in power generation to solve the problem of governmental waste management.

## **1.2 Waste Fuel Plant**

The Company has municipal waste disposal plant to produce waste fuel for its boilers to generate electricity. It is also sold wasted fuel to cement plants to replace the coal fuel of the TPI Polene Cement Plant in Saraburi Province.

The Company's waste fuel plant has a total capacity to support 15,000 tons of waste per day, which is the largest garbage disposal facility in Thailand and the largest in the World. The main plant is located in Kaeng Khoi District. Saraburi Province, in the same area as the Company's power plant.

The Company has built a waste fuel plant in collaboration with its partners who receive waste disposal concessions in surrounding provinces. The Company is confident in its ability to procure a sufficient amount of waste in the long run. The Company expands its waste fuel production plants in Saraburi Province, as well as increase the number of waste-collecting plants in several communities to expand production capacity to support the increasing demand for waste fuel. The goal is to increase the waste fuel production capacity to support of more waste increased up to a total of 23,500 tons per day in 2024.

## **1.3 Solid Waste Disposal Plant, Waste Incinerator**

The Company expanded its business by participating in the bidding for Incinerator Waste Management Projects and Power Generation Projects purchasing for selling electricity from municipal waste power plants in the Power Purchasing program according to the Energy Regulatory Commission Notification of purchase on June 30, 2022, by purchasing electricity from municipal waste in the form of Feed-in-tariff (FIT) for a period of 20 years and tipping fee from the public agency for the specified duration. Waste disposal fees and terms are varied depending on the each agreements.

The Company was selected from the bidding of the Solid Waste Management Project, Songkhla Provincial Administrative Organization and Solid Waste Management Project Phase 2, Nakhon Ratchasima Municipality with the signing of an operating agreement for submitting an offer for the sale of electricity to the Provincial Electricity Authority. Both projects are expected to be operational by 2024.

#### 1.4 Renewable Energy Plants from Solar and Wind Power

The Company has committed to grow in the clean and green energy business, therefore the expansion of the Company's power plant business, in addition to waste fuel power plants and solid waste disposal plants, the Company also set a target to grow and expand power generation capacity,, focusing on renewable energy plants from solar and wind power, in line with the direction and Thailand's Power Development Plan 2018-2037, Revision 1 (PDP2018 Rev.1).

The Company invested in the Solar Farm Power Plant Project with a maximum installed capacity of 61.226 megawatts in the plant area of Saraburi Province, aiming to sell more electricity to cement plants to increase the proportion of renewable energy in cement production. It is expected to be completed around 2024 and will enable the Company to produce electricity from solar power at lower costs, reduce the average cost of electricity, and increase the amount of electricity sold, in order to support electricity usage expansion project of TPI Polene Group in the future, which will change the use of energy in vehicles and machinery in the cement plant to the electric system.

In addition, the Energy Regulatory Commission announced to purchase of power from renewable energy under the FIT system for 2022-2030 for the no-cost-fuel cost group, including wind power, ground-mounted solar power, and ground-mounted solar power combined with energy storage systems. It is scheduled to bid for such projects in November 2022 TPI Polene Power Group is ready in terms of technology, experience, and has its own lands, with potential for project development. TPI Polene Power Group, therefore, submitted proposals to participate in the bidding in many areas If the Group is selected for the mentioned projects, it is regards as a further extension of TPI Polene Power Group's clean and green energy business.

#### 1.5 Petrol and Natural Gas Vehicle (NGV) Station Business

At present, the Company operates 12 petrol and natural gas stations under "TPIPP" brand located throughout Bangkok and other provinces. Most of customers are those who transport cement for TPI Polene, and retail customers, in general. There are 8 petrol stations, 1 natural gas station, and 3 petrol and natural gas stations under "TPIPP" brand, which 3 stations located in Bangkok and 6 stations in provincial areas, consisting of 3 stations in Saraburi Province, 1 station in Ubon Ratchathani Province, 1 station in Nakhon Sawan Province, and 1 station in Samut Prakan Province.

The Company was allowed to use trademarks of TPI Polene Public Company Limited under the Trademark License Agreement dated March 7, 2016, (granted by the Department of Intellectual Property on April 4, 2018) for the sale of products from certain types of fuel and natural gas (NGV).

The Company procures fuel for gas stations from gas companies such as Bangchak Corporation Public Company Limited, Esso (Thailand) Public Company Limited, IRPC Public Company Limited, and Shell Company of Thailand Limited at market prices on a spot basis.

The Company supplies natural gas (NGV) for natural gas (NGV) stations from PTT Public Company Limited ("PTT") under a long-term natural gas (NGV) purchase agreement.

At present, the Company is studying to change the model of the petrol and natural gas service business to electric vehicle charging stations for EVs (Electrical Vehicles). In addition to providing power charging services for general electric vehicles, the Company aims to develop the lands of TPI Polene Power Group to support the power charging stations project for trucks and buses because the construction of such charging stations requires space and lots of power. The area must be located in the main transportation routes, which TPI Polene Power Group has potential locations to be developed to support such projects in the future.

## 2. Market and Competition and Industry Trend

### (1) Marketing Policy:

#### 1. Power Plant Business

The power plant business currently defines the purchaser of electricity according to the power purchase agreement which stipulates both quantity and a certain price structure. Business operations are to compete with their own performance to generate electricity for sale under the agreements and to manage the cost of electricity generation at the lowest. Competition in this industry is to obtain the power purchase agreements as much as possible, which will be in the form of agreements with the public sector's notification to purchase electricity announced by the Energy Regulatory Commission or an agreement of electricity sold directly to private customers in the same areas where the power plants that can sell electricity without relies on the transmission line of the Electricity Generating Authority of Thailand.

Competition in procuring power plant agreements of government is based on considering criteria of readiness in terms of prices, qualifications, and techniques, with the following consideration framework:

1. Price considerations: The Ministry of Energy determines the purchasing rates of electricity suitable for the future electricity generation technology of each type of fuel and the prices shall not cause a burden on the electricity generation cost in the long run to the country. All bidders must accept and comply with the specified electricity tariffs.
2. Qualification: It will be reviewed according to the requirements; for example, the bidder must be a juristic person registered in Thailand, must not be a public agency or state enterprise, have a minimum registered capital, and place a guarantee for submitting an offer to sell electricity at a specified value, which the government will determine an appropriate value for each project. The submitted offer must be for a new project and the bidder does not have any prohibited characteristics; for example, a project has already been supported in another forms or has a commitment contract with a public sector, or is a bidder submitting a proposal that the public agency considered to have problems. If it was found that the power purchase in the past was still unable to develop until completion, the offer will not be considered. Only those who meet the minimum eligibility criteria will be given further technical consideration.
3. Technical aspect: Readiness will be reviewed and scored in various aspects such as area readiness, technology readiness, fuel readiness, financial readiness, appropriateness of the operational plan, etc.

Alternatively, in the event of a bidding competition for a solid waste disposal project by combustion in furnace for electric electricity generation, it will be a direct offering submitted to the local authority that owns the project using the criteria for rediness determination about the price for waste disposal, qualifications, and techniques, as well as offering other compensation to that public agency that owns the project, also including the experience and performance of the bidding companies.

The quantity and type of power plants for the government's power purchase shall be in line with Thailand's Power Development Plan 2018-2037, the 1st revision (PDP2018 Rev.1), or a new version of Thailand's Power Development Plan in the future.

In the case of direct sales of electricity to customers, it is the sale of electricity produced for direct distribution to customers without the transmission line of the Electricity Generating Authority of Thailand, which is mainly the electricity generation and sale of electricity in the same area or in an industrial estate area. In the future, the government will allow power trading through the Electricity Generating Authority of Thailand's transmission line, which will increase the opportunity for power plant operators to be able to produce and sell more electricity to customers and they will have to compete in terms of price with the Electricity Generating Authority of Thailand. However, customers can choose to purchase electricity from the operators using renewable energy in order to reduce their company's greenhouse gas emissions.

The Company operates a waste-to-fuel power plant with the highest production capacity in the country. It is also the only producer that sells waste-to-fuel electricity in the form of SPP to EGAT under a power purchase agreement totalling 163 megawatts (Non-firm). In addition, the Company sells electricity generated from coal-fired power plants and other renewable fuels to TPI Polene Public Company Limited with a total capacity of 260 MW, which is currently in the process of converting from coal to waste fuel.



The Company is classified as a large operator, a pioneer and the leader in the waste-to-fuel power plant business with experience in operating waste-to-fuel power plants for a long time and has a tangible successful performance. Therefore, it has an advantage over other competitors in terms of capital, experience, technology, and credibility with the ability to complete the projects all along.

Moreover, the Company is expanding its electricity generation business in several ways of renewable energy, including wind power, ground-mounted solar power, and ground-mounted solar energy combined with energy storage systems. The Company is a potential readiness operator in all aspects, with experience in operations and awards related to business operations both domestically and internationally. Therefore, it is the Company's strength to compete with other operators in the power business.

## (2) Customer Characteristics and Target Customer Group

Currently, the Company's power purchasers are (1) the Electricity Generating Authority of Thailand for the Small Power Producer (SPP) Agreements; (2) the Provincial Electricity Authority for the Very Small Power Producer (VSPP) Agreements; and (3) TPI Polene Cement plants, Saraburi Province, TPI Polene Public Company Limited, the Company's parent company, and being a company listed on the Stock Exchange of Thailand

As for the solid waste disposal project, the Company was selected as the project operator, focusing on providing waste disposal services to local customers with the goal of selling electricity. It entered into a direct power purchase agreement with the Provincial Electricity Authority, which is a non-firm agreement for a very small power producer (VSPP). The Company has public agencies as counterparties to the agreements, including Songkhla Provincial Administrative Organization for the municipal waste power plant in Koh Taew sub-district, Songkhla Province and Nakhon Ratchasima Municipality for the power plant at Korat municipality, Nakhon Ratchasima Province. In accordance with the solid waste disposal contracts, prices and volume shall be set for each contract.

The sale of waste fuel to the cement plants shall be in accordance with the waste fuel purchase agreement, where the price structure depends on the quality of waste fuel.

### Industry Trend

The National Energy Board chaired by the Prime Minister gave approval to Thailand's Power Development Plan (PDP2018 Revision 1) 2018-2037, with the adjusted plan to focus on using clean energy from renewable energy power plants to fulfill the objectives that Thailand has set to reduce the impact of climate change, according to the guidelines from the COP 26 meeting, the aforementioned Power Development Plan determines the additional amount of power purchased for 2021-2030 which can be summarized as follows:

Solar energy	4,455	megawatts
Wind power	1,500	megawatts
Biogas	355	megawatts
Biomass	485	megawatts
Municipal waste	400	megawatts
Industrial waste	200	megawatts
Purchase electricity from foreigner countries (water)	2,569	megawatts
Small Hydro Power	52	megawatts
Total	10,016	megawatts



Plan to increase the electricity generation from clean energy under PDP2018 Rev.1 Plan during 2021-2030  
Committee on Energy Policy Administration (CEPA) approved on April 29,2022

SCOD	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
Solar energy	45	10	34	300	400	666	600	700	800	900	4,455
Wind energy					250	250	250	250	250	250	1,500
Municipal waste					200	200					400
Industrial waste						100	100				200
Others		10.81	4.14	1.27	9.84	699.25	230.25	856.51	143.45	1,486.18	3,441
<b>Total</b>	<b>45</b>	<b>21</b>	<b>38</b>	<b>301</b>	<b>860</b>	<b>1,915</b>	<b>1,180</b>	<b>1,807</b>	<b>1,193</b>	<b>2,635</b>	<b>9,996</b>

The power purchase market for renewable energy has been increasing in volume and has a clear purchase schedule, which results in the direction of the renewable energy business to be a market that is more competitive from existing business operators and new power business players. The direction of Thailand's new power development plan is likely to increase the proportion of the production and power purchase from renewable energy, which is a positive direction for renewable energy business operators.

In 2022, the Energy Policy and Planning Office is in the process of preparing a new PDP 2022 power development plan, which is expected to be announced in 2023 under the following key principles:

- Focus on stability
- Electricity generation system is flexible enough to switch from fossil fuels to renewable energy.
- Reasonable cost of electricity
- Taking into account environmental impacts by limiting the amount of carbon dioxide emissions in accordance with the goals of Carbon Neutrality and Net Zero plans.
- Increasing efficiency in the electrical system both in terms of production and in terms of electricity consumption by applying smart grid technology and green tariff to support the purchase of renewable energy directly from buyers and sellers.

TPI Polene Power's business direction is aiming to become a green energy producer company from renewable energy, as well as its business expansion plan and growth of TPI Polene Power according to the directions set out in the Power Development Plan, including the opportunity to increase the amount of electricity traded with the government and the opportunity to directly sell and purchase electricity from renewable energy with other power buyers through the transmission network of the Electricity Generating Authority of Thailand.

## 2. Petrol and Natural Gas (NGV) Station Business

The Company has 12 petrol and natural gas stations under TPIPP brand located throughout Bangkok and other provinces. Most of the customers are customers who transport cement for the Company and general retail customers.

### Industry Trend

In 2022, the domestic NGV sales volume increased by 6% compared to the previous year, 2021, due to the government fixing the selling price of NGV and the COVID-19 pandemic began to subside. As a result, the Company's NGV sales volume in 2022 increased slightly compared to 2021. The Company's oil sales volume in 2022 decreased slightly compared to 2021 because of the continuous increase of oil price in the market in 2022.

However, if the country's overall economy in 2023 has a better direction, the Company's sales volume of oil and NGV tends to improve respectively. The Company also continues to organize its sales promotions in which customers can bring discount slips for refueling or NGV to purchase products at marts within the Company's service stations, which are continuous advertisements for the products of TPI Polene Group.

Currently, the Company is in the process of studying to change the operation of oil and natural gas service business to be an electric charging station for EVs and it aims to develop the lands of TPI Polene Power Group.

#### **Competitive Strategies for Power Plant Business Operations**

##### **1. Implementation of modern technology in the construction of new renewable power plants**

The Company places importance on education and technology development from machinery manufacturers to construct and install various types of renewable energy power plants as the demand of renewable energy has been increasing worldwide purposely. As a result, there has been competition for improving the efficiency of machinery, the investment cost of construction, as well as employing technology to control electricity generation and maintenance for maximum efficiency with the lowest cost. Power plant business operators are supposed to cooperate with manufacturers of machinery and equipment used in renewable energy power plants in order to study and analyze in details to invest in certain projects in the future. The Company cooperates with machinery manufacturers to design renewable energy power plants with the intention of studying and developing projects together using the most advanced technology for the best production efficiency.

##### **2. Ongoing research and development for the most efficient power plant operations**

The Company is committed to enhancing its competitiveness by operating the power plants for maximum efficiency. It always study technology development and new production processes for maximum efficiency in operation, increasing the utilization rate of the power plants and reducing the cost of electricity production per unit. The Company believes that its technological know-how is an important strength that gives the Company a competitive advantage and ability to maintain such advantage. Therefore, the Company places importance on new improvements and innovations in order to acquire knowledge and expertise continuously in electricity generation technology.

##### **3. Being a socially responsible and environmentally friendly organization with reduction of the amount of greenhouse gas emissions and waste from the production process.**

The Company has a social responsibility with focus on waste management as clean energy, which is environmentally friendly and promote environmental awareness. The Company believes that using waste as fuel for electricity generation is an effective waste management method to reduce toxic and waste loads by converting waste into useful renewable fuels. The Company places great importance on controlling the emission of waste from its power plants into the environment and strictly complying with applicable environmental laws.

The Company is committed to operating in accordance with the “Zero Waste” guidelines by striving to reuse all resources in the production process without waste released to the environment, which increases the efficiency of the Company’s operations and reduces environment impacts at the same time.

The Company also strives to remain a socially responsible and environmentally friendly organization and has been recognized for its efforts to promote environmentally friendly electricity generation and energy efficiency.

##### **4. Aiming to maximize shareholder value through prudent capital management and business expansion**

The Company is committed to prudent capital management by keeping its debt at a manageable level and strengthening its financial profile by generating revenue from power projects and expanding its waste fuel plants in areas that require more municipal waste disposal.

The Company continues to focus on expanding its renewable energy business by utilizing a variety of renewable energy sources.

##### **5. Maintaining appropriate and sustainable relationships with stakeholders in the waste-to-fuel electricity generation industry network**

The Company places importance on maintaining appropriate and sustainable relationships with stakeholders in the waste-to-fuel power production industry network. It entered into municipal waste collection agreements with waste management companies and municipalities to supply municipal waste whereas the Company sometimes agrees to absorb waste transportation costs. The delivered municipal waste must be qualified as specified by the Company. The fact that the Company entered into this kind

of agreement is a part of the Company's social responsibility projects, most of which are public agencies located in Saraburi Province. The Company believes that such waste supply agreements are appropriate and sustainable for the Company to maintain long-term relations with waste suppliers.

In addition, the Company also strives to create good relations with communities by adhering to good corporate governance practices and publishing a policy on conflicts of interest, business ethics, and an employee handbook as guidelines for employees to treat those involved with conflicts of interest appropriately.

The Company is also committed to building a sustainable relationship with employees by providing comprehensive training and following the policy on treating employees and fair remuneration, including providing a systematic and standardized management of occupational health and safety in the workplace.

### **Business Advantages**

The Company believes that it has advantages in doing business that will make it competitive and differentiate itself from competitors in the waste-to-fuel industry in Thailand as follows:

#### **1. The Company is the largest operator of waste-to-fuel power plants in Thailand and has a proven track record and success in developing its own projects.**

According to AWR Lloyd, the Company is the largest operator of waste-to-fuel power plants in Thailand (data provided in 2017). In addition, AWR Lloyd stated that the Company was among the early operators as the pioneer of the waste-to-fuel power plants business in Thailand. It has the advantage of being a pioneer with the know-how and ability to effectively address the challenges in the waste-to-fuel industry.

The Company believes that it is the leading operator of waste-to-fuel power plants in Thailand due to its proven ability to execute projects and sell electricity generated from waste-to-fuel power plants, which won several awards from both domestic and international institutions such as being certified "Crown Standard" for the Clean Quality Development Mechanism Projects, the Thailand Energy Awards 2014, Renewable Energy Award 2014 organized by the ASEAN Energy Center, and the Thailand Energy Awards 2015, 2017, 2018, and 2019, including its power plants being certified by international standards, namely ISO9001:2015, ISO14001:2015 and ISO50001:2011

#### **2. The Company has acceptable operating performances and expertise in waste management and develops technology suitable for waste-to-fuel electricity generation in Thailand.**

The Company has proven performance and expertise in waste management and develops its own technology suitable for waste-to-fuel electricity generation in Thailand. It also studied deeply until gaining an understanding of the characteristics of community waste in Thailand. That is, community waste in Thailand has high humidity and low calorific value, thus the Company developed its own technology in waste separating process to produce a qualified waste fuel to be used for electricity generation.

At the end of 2022, the Company's waste-to-fuel plants have a municipal waste installed capacity of 15,000 tons per day, which in turn equals 7,200 tons per day of waste fuel production.

The Company believes that its technological know-how is a key competitive business advantage which enables the Company to maintain the Company's advantage position. It is also competing with other waste-to-fuel power producers in entering into power purchase agreements with EGAT, in terms of technology development capabilities. The Company also believes that its performance, expertise in waste management and its technology to generate electricity from waste is one of the key advantages that will give it a competitive edge over its competitors. In addition, the Company or its business suppliers probably refer to the experience in proposing waste disposal projects in the local area.

#### **3. Strong relationships with key players in the waste-to-fuel industry networks**

The Company has close relationships to key operators in the waste-to-fuel industry network where it competes for waste procurement with other competitors. The Company has an extensive network of waste suppliers for both sorted and unsorted waste, as well as municipal waste, which will be put into the Company's waste sorting process to produce waste fuel and be used as fuel to generate electricity. In addition, the Company has a good relationship with EGAT in terms of cooperation, consulting, promotion, and development of electricity generation technology suitable for municipal waste disposal in the country.

#### 4. The government establishes a promoting policy for the electricity generation industry from renewable energy.

The Company believes that operating waste-to-fuel power plants will benefit from the government's policy to increase the prices according to the electricity tariff structure under the FIT purchase rates and to pay adder above power purchase price to renewable energy power producers in order to promote the generation of electricity from renewable fuel sources. A purchase rate of electricity from municipal waste is at a FIT rate of 5.08 baht per unit plus a FIT Premium for the first 8 years at 0.70 baht per unit.

**Feed-in Tariff (FiT) Power Purchase From Municipal Waste in 2022  
under Thailand's Power Development Plan B.E. 2561-2580 (2018 - 2037), 1st Revision  
(PDP2018 Rev.1)**

Feed-in Tariff (FiT) power purchase from municipal waste in 2022 under the PDP2018 Rev.1 Plan for very small power producers (VSPPs) and small power producers (SPPs) for issuing regulations and announcements inviting to purchase electricity of 34 projects, total amount of not exceeding 282.98 megawatts of waste disposal projects for electricity generation of local public organizations, has been approved by the Minister of Interior. The details are as follows:

1. FiT electricity generation project from municipal waste for very small power producers (VSPP) in 2022

Capacity (megawatts)	FIT (baht/unit)			Support term (year)	FIT Premium for the first 8 years (baht/unit)
	FIT <sub>F</sub>	FIT <sub>V,2560</sub>	FIT		
Installed capacity ≤10 MW	2.39	2.69	5.08	20	0.70

2. FiT electricity generation project from municipal waste for small power producers (SPP) in 2022

Capacity (megawatts)	FIT (baht/unit)			Support term (year)
	FIT <sub>F</sub>	FIT <sub>V,2560</sub>	FIT	
Installed capacity >10-50 megawatts	1.81	1.85	3.66	20

Note: FiTV rate is adjusted annually based on core inflation as announced by the Energy Regulatory Commission

**Source:** The National Energy Policy Council's Resolution at Meeting No. 3/2022 (158th) on May 5, 2022

#### 5. Electricity price adjustment according to variable tariffs (Ft - Fuel Adjustment Charge at the given time)

The Company's power purchase prices in all agreements can be adjusted according to the variable tariffs (Ft.). The Energy Regulatory Commission will consider price adjustments in line with energy cost prices that are affected by market dynamics and foreign currency exchange rates. This allows the Company to reduce its risks from the effects of such factors.

In 2022, the Energy Regulatory Commission (ERC) increased the variable tariffs (Ft) and the main factors affecting the Ft are the Russian and Ukrainian wars, the global energy price crisis, which caused the global energy price crisis to rise considerably, as well as a decrease in natural gas in the Gulf of Thailand, causing the need to import liquefied natural gas (Spot LNG) to supplement or use oil to replace the insufficient gas supply for power plants while the demand for electricity is expected to increase and due to high energy prices, electricity costs will increase until the beginning of 2023. Therefore, replacing natural gas in the Gulf of Thailand with LNG or using oil will significantly increase fuel costs for electricity generation. In addition, natural gas from Myanmar is likely to be produced less and continue to decline towards the end of 2022 and early 2023, which may lead to higher demand for LNG imports than expected. As a result, the electricity prices are expected to increase substantially.

During the COVID-19 pandemic, LNG producers delayed their investment due to less demand for energy. Later, at the end of 2021, many countries around the world began to recover their economy, resulting in the demand for LNG exceeding global production capacity. This affects prices and negotiations for LNG purchase agreements that are likely to rise at the end of 2021 and continuing throughout 2022 and 2023.

The Russian-Ukrainian War led Russia to reduce or cut off natural gas supplies through pipelines to Europe, which resulted in a drastic increase in demand for LNG in Europe and indirectly affecting LNG prices in Asia.

**6. The Company is strongly supported by TPI Polene Public Company Limited.**

The Company is always strongly supported by TPI Polene Public Company Limited, its major shareholder, and believes that their relationship with TPI Polene Public Company Limited in various aspects is a business synergy. This will promote the business to develop continuously and grow sustainably.

**7. Experienced and visionary management team, along with dedicated operational and technical staffs**

The Company has a management team with extensive experience in the power industry and a track record in the development, operation and expansion of power plants that have been successful and recognized. The Company's management team believe that waste management problems in Thailand (according to AWR Lloyd, development is still relatively lagging compared to other developed countries) will expand opportunities for companies to grow in the waste-to-fuel industry more efficiently.

**Research and Development**

The Company has consistent research and develop production technology, and improve its electricity generation management by the Company's personnel to improve electricity generation from waste fuel to be suitable for the types and characteristics of waste in Thailand which generally have high moisture content and low heat content. The Company believes that its practical know-how and expertise in technology are key competitive strengths which enable the Company to maintain its competitive advantages, especially in the ongoing development and innovation of technological know-how in electricity generation. Therefore, the Company focuses on research and development to improve and modify existing technologies, including waste separation and waste processing techniques, to increase the electricity generation efficiency of power plants, and reduce environmental impacts from the Company's operations.

The Company strives to strengthen its competitiveness and maintain its technological advantage by investing in technological development and process to increase operational efficiency and reduce environmental impact as much as possible.

In addition, a sales and service agreement between the Company and TPI Polene Plc. with research and development services from TPI Polene Plc. can upgrade the technological skills and expertise of the Company's personnel, as TPI Polene Plc. has a research and development team of more than 150 researchers.

The Company has jointly developed and supported researchs of the team and hired professors from universities in Thailand such as Chulalongkorn University, Suranaree University of Technology, and Kasetsart University to support researchs and developments of product, machinery, and technology for production activities, environmental protection as well as the Company's personnel training.

The Company also grants funds to support research through the Fund relating to Research of Community Career Development and Environmental Conservation Projects, TPI Polene Power Public Company Limited, for research conducted by researchers from educational institutions as an extension and develop research results that can be used for the benefit of both the Company and its stakeholders, such as:

- The Innovative Use of Bottom Ash on Sea dome for Marine Habitat of Prince of Songkla University by Asst. Prof. Payom Rattanamanee, the research project leader, and research team with the objective to study, analyze, and design details of the sea dome for the restoration of fishery resources as well as to study the utilization of the heavy ash residue from the power plant. Based on such research, the Company can sign a cooperation agreement with relevant public agencies such as Department of Marine and Coastal Resources, Department of Fisheries, provincial administration organization, to drive the project becoming substantially.
- The value addition of bottom ash and fly ash using as construction materials (TPI Cement Plant) by Assistant Professor Dr. Weerachai Arjharn, School of Engineering, Suranaree University of Technology and the research team with the objective to use resources efficiently along with creating added value of by-product in the production process, reduce the usage of resources, and conduct environmental preservation according to the Green Industrial Policy by studying the use of heavy ash and fly ash from waste fuel power plants as construction materials and increasing the value of heavy ash and fly ash.
- Research on Heavy Metals in Bottom Ash Concrete by Associate Professor Dr. Thaniya Kaosol, Department of Civil and Environmental Engineering, Faculty of Engineering, Prince of Songkhla University with the objective to study and research heavy metal in concrete for utilization in construction and civil engineering works. It is also a reuse of industrial waste without damaging the environment.

### Rights and Benefits from Investment Promotions

The Company received investment promotion privileges under the Investment Promotion Act B.E. 2520 (as amended) from the Board of Investment.

Under the provisions stipulated in the investment promotion certificates, the Company's power plants, waste fuel plants, and natural gas (NGV) stations receive key benefits from investment promotion as follows:

- Permission to own land for operating a business investment promoted as the Board of Investment deems appropriate;
- Exemption from import duty on machinery as approved by the Board of Investment;
- Exemption from corporate income tax on net profit derived from the investment promoted activity for 8 years from the first day the promoted business earns operating income;
- 50% reduction in the corporate income tax rate on the net profit from the regular rate for 5 years after the ending period of the corporate income tax exemption; and
- Exemption from withholding tax on dividends paid from the profit of the investment promoted business for 8 years.

As of December 31, 2022, the Company's investment promotion privileges for power plants, waste fuel plants, and natural gas (NGV) stations can be summarized as follows:

Power Plants/Natural Gas Stations (NGV)	First month of earnings from the promoted business	End of total income tax exemption	Ending of 50% reduction of the income tax rate.
Waste-to-fuel Power Plant-60MW (TG5)	September 2015	September 2023	September 2028
Waste Heat Recovery Power Plant - 30MW	January 2016	January 2024	None <sup>(1)</sup>
Waste-to-fuel Power Plant-70MW	May 2018	May 2026	None <sup>(1)</sup>
150MW Coal-fired Power Plant	January 2019	January 2028	None <sup>(1)</sup>
Waste Fuel Plant	July 2011	End of exemption	June 2024

**Notes:** (1) Do not entitled to 50% reduction in the corporate income tax rate on the net profit from the regular rate for 5 years after the expiration of the corporate income tax exemption period.





### 3. Procurement of Products or Services

#### 3.1 Production Facilities

##### 3.1.1 Power Plants

The Company has 8 power plants with a total installed capacity of 440 megawatts located in the Company's cement plant area at Saraburi Province, divided into 4 waste-to-fuel power plants with a total installed capacity of 180 MW (with a 163 MW power purchase agreement with the Electricity Authority of Thailand) and 2 waste heat recovery power plants with a total installed capacity of 40 MW, and 2 coal-fired and renewable fuel power plants, with a total installed capacity of 220 MW (which are in the process of improving the use of waste fuel instead of coal), all of which sell electricity to TPI Polene Public Company Limited and currently in the process of switching from coal fuel to waste fuel.

##### 3.1.2 Petrol and Natural Gas Stations

The Company has 8 petrol stations, 1 natural gas station (NGV), and 3 oil and natural gas vehicle stations under the TPIPP brand, of which 3 service stations located in Bangkok and 6 stations in provincial areas, that is 6 stations in Saraburi Province, 1 station in Ubon Ratchathani Province, 1 station in NakhonSawan Province, and 1 station in SamutPrakan Province.

#### 3.2 Production Process

The Company generates electricity from renewable energy power plants, including waste heat and waste fuel.

The waste heat recovery power plants use the waste heat emitted from the cement production process of TPI Polene Public Company Limited to increase the temperature of the water in the boilers to generate steam used to drive a steam turbine generator to generate electricity.

The waste-to-fuel power plants generate electricity by burning waste fuel as primary fuel and waste heat can be used as an additional energy to generate steam to drive a steam turbine generator to generate electricity.

Details of the electricity generation process from waste heat and waste fuel are as follows.

##### (1) Generation of power from waste heat

The Company's waste heat recovery power plants generate electricity by using the waste heat emitted from TPI Polene's cement production process, which mix raw materials crushed together through a rotary kiln, complex physical and chemical reactions occur, transforms into clinker, and then the produced clinker is cooled by cold wind, causing waste heat released from the coolers be used in electricity generation, with the process of electricity generation from waste heat energy as follows:

##### 1. Recovery of waste heat from preheater

It is the recovery of waste heat from a preheater to produce steam with a suspension preheater boiler by heating condensed hot water with waste heat turning hot water into steam.

##### 2. Recovery of waste heat from the clinker coolers

The waste heat from the clinker coolers is used to produce steam with an air quenching cooler boiler by heating hot water that has been condensed with recycled waste heat to turn hot water into steam

##### 3. Electricity generation

The steam from suspension preheater boilers and air quenching cooler boilers is flown into the steam turbine to drive the generator and generate electricity.



## (2) Electricity generation from waste fuel

The Company's waste-to-fuel power plants generate electricity by using the combustion of waste fuel to heat water in the boiler to steam and use the steam to drive the steam turbine generator.

Process of generating electricity from waste fuel is as follows:

1. **Waste Fuel Combustion:** Waste fuel is burned in a steam boiler which uses waste fuel to heat water to produce steam.
2. **Electricity generation:** Steam from the waste-fuel steam boiler passes through a steam turbine to drive a generator to generate electricity.
3. **Steam condensation:** A condenser takes steam passed through a steam turbine to condense it into water. Water from this process will be flown back to the waste-fuel steam boiler to be recirculated into steam to generate electricity.
4. **Air purge:** Dissolved oxygen gas may corrode metallic equipment and cause rust in electricity generation systems. The Company installed a machine to extract oxygen from the water before the water was fed back into a waste-fuel steam boiler to generate steam.

## (3) Waste fuel production

Most of the waste fuel used in the Company's power plants is produced by reusing municipal waste obtained from municipal waste suppliers and have not been sorted through the sorting process and transforming into waste fuel, including waste fuel from many waste suppliers and waste management companies in the form of sorted waste. It can be directly used as waste fuel after a few sorting processes.

The Company studied until gaining a good understanding of the nature of municipal waste in Thailand. That is, it is a waste with high moisture content and low heating value. The Company develops its own technology to bring such waste through the sorting process and converting it into waste fuel.

The waste brought into the waste fuel plant is municipal waste, of which the Company quantified by passing through the scale every time and collects samples to analyze the composition of the waste according to the properties and conditions used in the production of waste fuel and then put it into the production process of waste fuel. The Company can take the waste to a quality improvement process with a machine in its waste fuel preparation plant in order to generate sufficient heat to fuel its electricity generation.

Currently, the Company's waste fuel plant has an installed capacity to process 15,000 tons of municipal waste per day, which can produce up to 7,200 tons per day of waste fuel.

The Company set up a waste fuel storage facility which can store up to 100,000 tons of waste fuel and is in the process of expanding additional areas to reserve raw materials sufficient for the operation of the Company's waste-to-fuel power plant for approximately one month.

## 3.3 Procurement of Raw Materials

### 1. Supply of Waste Heat

The Company purchases waste heat from TPI Polene Public Company Limited according to the purchase and service agreement. Such waste heat is generated from the production of clinker in the kiln and the amount of such waste heat cannot be precisely determined depending on the operating conditions and the number of operating hours of the cement plant.

### 2. Procurement of Waste

In addition to using waste heat energy, the Company's waste-fuel power plants generate electricity by burning waste fuels. Waste used in the production of waste fuel is divided into 3 main types: (1) landfill waste sorted by waste management companies; (2) landfill waste unsorted by waste management companies; and (3) municipal waste that the municipality and waste management companies authorized by the municipality transport to the Company. Most of landfill waste sorted by removing low combustible waste such as sand, stone, and metal will be in a slight re-treatment process and can be burned in a waste-fuel steam boiler.

As for old waste that has not been sorted and municipal waste, the Company must take it through the Company's separation process to produce as waste fuel before burning it in a waste-fuel steam boiler.

For waste fuel power plants, recycling, and municipal waste supply companies, the calorific value of the waste fuel produced by the waste fuel power plant affects the efficiency of the Company's electricity generation. The high calorific value of waste fuel allows the Company to generate a lot of electricity.

The Company buys both municipal waste and landfill waste sorted from suppliers and alliances around the plants and suppliers in nearby provinces without a monopoly.

In addition, the Company diversifies the waste procurement risk by investing in waste fuel production plants in areas with an accumulation of landfill waste and community waste with high amounts of waste per day either from private landfills or from public agencies to create stability in raw material procurement and reduce production costs by purchasing waste as raw materials. Pricing is determined according to the quality of the sorted waste.

### **3. Coal Procurement**

As for the coal-fired power plant, the Company buys coal from TPI Polene Plc. at the market price. However, the Company can purchase and procure coal from other coal sellers.

The Company entered into a sales and service agreement with TPI Polene Plc. for the initial procurement of coal and at present TPI Polene Plc. procures coal in large quantities for cement production and distribution as a normal business practice, resulting in high bargaining power in coal purchase negotiations as a company under TPI Polene Group.

### **4. Supply of Oil and Natural Gas**

The Company procures fuel for gas stations from oil companies such as Bangchak Corporation Public Company Limited, Esso (Thailand) Public Company Limited, IRPC Public Company Limited, and The Shell Company of Thailand Company Limited at market prices on a spot basis.

The Company also procures natural gas (NGV) for natural gas (NGV) stations from PTT Public Company Limited ("PTT") under a long-term natural gas (NGV) purchase agreement.

## **3.4 Maintenance**

The Company redesigned steam pipes in power plants by changing materials to resist physical and chemical wear and the redesign of the steam pipe arrangement as well as the installation of the steam pipe cleaning system, which has been stopped for approximately 90 days per machine.

In addition, the fuel feeding system has been improved to solve the problem of fuel feeding accuracy.

Proper maintenance not only allows the Company to operate its power plants more efficiently and produce more electricity with higher efficiency, but it also prevents the risk of downtime or major failures of the Company's power plants, including for the safety of employees. The Company is responsible for routine maintenance and performance monitoring of power plants and waste fuel plants.

Major power plant maintenance includes steam turbine maintenance and shutdown of all boilers for maintenance at each power plant, which is performed every five years as recommended by the generator manufacturer and it will take about 30 to 60 days. The Company requires regular maintenance and operational efficiency checks once a year, which take approximately 15 to 30 days. During the routine maintenance, the power plants can operate normally. The boilers will be shut down for maintenance for 30 to 45 days per year and each boiler will be shut down for maintenance at different intervals. In general, in case there are several boilers installed in each power plant, the Company will perform maintenance for each boiler at different intervals in order to plan appropriate electricity generation and also plan to schedule maintenance of its waste-to-fuel power plants and waste heat recovery power plants in line with the maintenance of TPI Polene's cement plants in order to reduce the interruption of the Company's power plant operations and to be able to continue producing electricity.

### 3.5 Impacts on Environment, Health and Safety

The Company is subject to the Enhancement and Conservation of the National Environmental Quality Act, B.E. 2535 (1992). The Office of Natural Resources and Environmental Policy and Planning approved the environmental impact assessment for each of the Company's plants and the Company will also be held liable if any environmental laws are violated and will be required to undertake developments and/or modifications to its plant as necessary to comply with environmental laws. Each of the Company's plant currently complies with all material environmental regulations and standards in force. The Company believes that its business operations are in strict compliance with relevant laws and the World Bank guidelines on electricity generation. At present, the Group is not a party to any litigation, arbitration, lawsuit, and proceeding regarding environmental issues or compliance with any environmental regulations.

The Company installed a Continuous Emission Monitoring System (CEMS) to monitor air pollution from smokestacks, which will report the measurement results to the data receiving center of the Department of Industrial Works. The measurement result must have the emission value of air pollution not exceeding the specified control value and the measurement result will be displayed on the screen in front of the plants.

The Company also installed air monitoring stations to measure the air quality in the communities located around the power plants from 5 Air Quality Monitoring System (AQMS) stations including Ban Sub Bon School, Ban Subbon Station, Ban Ang Hin Station, Wat Hin Lap Station, and Ban Sai Ngam Station, within a 5-kilometer radius from the power plants. Each station sends measurement results online to the Company's power plants and displays the report on the Company's website and on the display screens at community monitoring station in order to be able to monitor air quality in a timely and efficient manner.

Air monitoring stations to measure the air quality in the surrounding communities of the power plants from 5 air quality monitoring system stations (AQMS stations)



The Company prepared a report on the measurement results and the implementation of environmental impact reporting measures, which examined and assessed both internal audits and audits by an environmental management system certification body to prepare a report to submit to all relevant public agencies according to the audit period in line with the scope of the environmental impact under the work plan specified by law, by communicating and publicizing the results of the environmental assessment to all relevant parties in the community, as well as listening to and resolving all complaints that arise to ensure that the Company complies with standards and monitors the effectiveness of its environmental management system.

#### Health and Safety at Work

The Company has control and prevention of physical and health hazards of its employees and contractors, which is considered a key aspect of the Company's business operations. The Company applied a proactive occupational health process by health risk assessment covering all areas of practice to determine appropriate risk control and mitigation measures, including regular surveillance and measurement of the working environment, such as measuring light, sound, dust, chemicals and heavy metals in the work area, etc. It also provides an infirmary with nurses and doctors on duty to give advice on illnesses, along with first aid in case of injuries to employees and contractors. The Company provides surveillance of employees' health as follows:

- Health check-up for employees from the start of work: The Company provides health check-ups according to the risk factors, such as, hearing test, pulmonary function test, and EKG test in case of working in confined spaces, etc.
- Taking care of employees' health through annual health check-ups: The Company conducted annual health check-ups for 2022 on Aug 22-26, 2022, both general health check-ups and special check-ups according to job characteristics and occupational health risk factors. The Company's occupational physicians and occupational health professionals jointly determined the health check-up list for workers based on factors inside and outside the workplace, with individual health check-up results being notified. In 2022, there were no abnormalities in health check-up results based on employee risk factors, and in the event that employees had slightly abnormal health check-up results, they were required to see a doctor for continuous health care advice. The Company also provides additional tests according to the risk of age groups by adding blood lipid tests (Total Cholesterol, LDL, HDL, Triglycerides) in the employee health check-up program to cover diseases that may be caused by their daily life and for employees to continuously monitor their health.
- The Company has medical expenses welfare (OPD) for employees, parents, spouses and legitimate children.
- The Company established policies, procedures and control mechanisms to reduce the risk of chemical leakage and reduce the risk that employees may be exposed or exposed to hazardous chemicals. It carefully selects chemicals for different processes in the plants and uses chemicals with the lowest possible impact on the environment and employee health.
- The Company implements an environment, health, and safety training program for its employees in order to become more aware of environmental, health, and safety issues. It also has a contingency plan in the event of a chemical spill, and provides training for employees, including drills in case of emergencies according to the aforementioned plan. The Company regularly provides garbage and hazardous waste disposal reports to public agencies, and implements a waste sorting and collection plan. In addition, it has entered into an agreement with noise control experts to monitor the noise levels from time to time in order to comply with relevant regulations.

#### Annual Health Checkup 2022





### Healthcare for the Surrounding Communities

As the Company places great importance to the health of people around the plants, it established a mobile medical unit to provide health check-up services to people in the annual health check-up project according to the prevention and correction of environmental impact measures in Thap Kwang Subdistrict, Kaeng Khoi District on March 3, 2022, in Muak Lek Subdistrict, Muak Lek District on February 17, 2022, and in Mittraphap Subdistrict, Muak Lek District on March 10, 2022 and March 17, 2022. The Company provides pulmonary function tests, chest X-rays, hearing tests, complete blood counts, urinalysis, kidney and liver function tests, eye checks to ensure that people around the plants are in good health, and advises people in the community to sort waste to create good hygiene, and reduce the breeding grounds for pathogens.



Mobile Medical unit in Muak Lek Subdistrict



Mobile Medical unit in Thap Kwang Subdistrict



Mobile Medical unit in Mittraphap Subdistrict

### Power Plant Funds to Promote and Support Social Responsibility Activities

The Company provides financial support by establishing funds with the objective of promoting community care in the areas surrounding the Company's power plant operations, for educational institutions, research institutes, academics, and community representatives, and participates in the implementation of several projects for the following purposes:

1. Health insurance fund for communities surrounding the power plant

For the benefit of being a collateral for the treatment of illnesses of people in a radius of 5 kilometers around the projects in the event that the illness is caused by the operation of the projects, 1,000,000 baht will be deposited into the fund account in the first year and 500,000 baht in subsequent years every year.

2. Fund for research projects for community career development and resource conservation and restoration nature and environment

To support community affairs and to create understanding among the communities, to support budgets for research and development projects related to the conservation and restoration of natural resources and the environment, to promote the development of livelihood capabilities, and to develop occupation of the project communities. 1,000,000 baht will be deposited into the fund account in the first year and 200,000 baht in subsequent years every year.

3. Quality of medical equipment and personnel and public health research support budget

To support public health activities in the areas to promote and monitor health at the sub-district, district, and provincial levels, such as supporting the training of village health volunteers, supporting research budgets, or monitoring health impacts, purchasing medical equipment, and supporting public health personnel, etc., with a fund of 300,000 baht deposited into the fund account each year.

4. Occupational health and safety support budget

To support the increase of the hospital's potential, promote sub-district health and public health personnel, to maintain the health of people in the areas by supporting medical supplies and equipment, annual training and practice from personnel in occupational health or hygiene or occupational science, with a fund of 300,000 baht deposited into the fund account each year.

5. Biological resources support budget

A budget of at least 300,000 baht per year to support forest rehabilitation activities for communities and related agencies for reforestation.

### 3.6 Upcoming Projects

1. Investment project to expand waste fuel production capacity (Plant 3) by another 5 production lines (14-18) with the installed capacity of 8,500 tons per day to supply waste fuel to support the power plant project that will change from coal fuel to use waste fuel instead with an investment of approximately Baht 1,100 million. The project is expected to be completed in 2024, giving the Company the ability to dispose 15,000 tons of municipal waste per day in order to convert it into energy.
2. Boiler improvement project for the coal-fired power plant (TG7) to change to a waste-to-fuel power plant with 100% coal instead of waste fuel with an investment of approximately Baht 1,000 million. Phase 1 is expected to be completed in early 2023 and Phase 2 is expected to be completed around mid-April-2023. When all projects are completed, the improved boilers will be able to use all waste fuel instead of coal fuels to generate electricity for the 70 MW power plant to supply electricity to the cement plants, increasing the proportion of renewable energy production for the Company in order to become a green energy power producer according to the policy and also be able to reduce the electricity generation cost affected by fluctuating coal prices and increase the amount of municipal waste disposal in the country.
3. Boiler improvement project for the 150 MW coal-fired power plant (TG8), Phase 1, which will use waste fuel to replace coal, with an investment of approximately Baht 200 million. The Company has completed Phase 1 in November 2022, enabling it to replace coal by 10% by using renewable fuels such as garbage and/or other renewable fuels to replace according to the goal of reducing the proportion of coal fuel use in the Company's power plants.

4. New boiler construction project for the 150 MW power plant, Phase 2, which will use waste fuel to replace coal with an investment of approximately Baht 3,000 million, is expected to be completed in 2025 and will be able to stop using coal for the plants. Replacing all coal with waste or renewable fuels as part of the Company's goal of going net zero, in addition to reducing the cost of electricity generation, also reduces coal imports and greenhouse gas emissions. After the completion of the project, all electricity generation and consumption of the Company will be powered by renewable energy and completely become a green energy power producer.
5. Songkhla Provincial Administrative Organization's waste management project by installing a furnace with a capacity of 600 tons per day to accommodate waste disposal of 500 tons per day according to the agreement, with a waste disposal fee of 500 baht per ton and having an installed electricity generation capacity of 9.9 megawatts to distribute electricity under a Very Small Power Producer (VSPP) contract of 7.92 megawatts. The contract term is 20 years with investment of approximately Baht 2,000 million. Construction is expected to begin by early 2023 and power sale to the Provincial Electricity Authority can be commenced at the end of 2024, with feed-in electricity tariffs (FIT) for renewable energy power producers to promote electricity generation from renewable fuels. The feed-in electricity tariff rate of electricity from municipal waste is still at 5.08 baht per unit and the FIT Premium for the first 8 years is 0.70 baht per unit. Currently, it is in the process of preparing an offer for sale of electricity with the Provincial Electricity Authority to sign a renewable power purchase agreement (PPA).
6. Waste disposal plant project, Phase 2, Nakhon Ratchasima municipality by installing a furnace with a capacity of 600 tons per day to accommodate contractual waste disposal of 500 tons per day and with an installed electricity generation capacity of 9.9 megawatts to be sold under a very small power producer contract of 9.9 megawatts. The contract term is 20 years with investment of approximately Baht 2,000 million. Construction is expected to begin by early 2023 and power sale to the Provincial Electricity Authority can be commenced at the end of 2024, with feed-in electricity tariffs (FIT) for renewable energy power producers to promote electricity generation from renewable fuels. The feed-in electricity tariff rate of electricity from municipal waste is still at 5.08 baht per unit and the FIT Premium for the first 8 years is 0.70 baht per unit. Currently, it is in the process of preparing an offer for sale of electricity with the Provincial Electricity Authority to sign a renewable power purchase agreement (PPA).
7. Bidding for waste disposal plants with waste furnaces to generate electricity, in which the Company aims to increase electricity generation within 2022-2024 by participating in bids organized by various local public organizations that own the projects under the Energy Regulatory Commission's power purchase announcement according to the resolution of the National Policy Council, Phase 1, for 34 power purchase projects with a total purchase volume of not more than 282.98 megawatts. The Company is in the process of participating in the bid selection according to the announcement for 4 projects of approximately 36 megawatts and in the process of studying to participate in the bidding process of Phase 2, which will be announced for further purchases.
8. Ground Mounted Solar Power Plant Project, the Company signed a contract for the construction of a solar power plant in Thap Kwang District, Saraburi Province to construct a solar power plant with an installed capacity of 61.22 megawatts to generate electricity for internal use and sell to the cement plants in order to increase the proportion of electricity consumption from renewable energy in cement production and reduce average cost of electricity generation using solar energy without fuel cost averaged with the cost of electricity generation of the Company's existing renewable energy power plants. Currently, it is in the process of preparing the COP report and is scheduled to be completed and able to generate electricity into the system from 2023 and the entire project will be completed in 2024.
9. Sign a contract for the investigation, planning, and development of solar power plants (placed on the roof) with a combined capacity of 6 megawatts to supply the cement mill with electricity. Commercial production is anticipated to begin in 2024
10. Cooling Tower efficiency improvement project by replacing new deflector plates and installing cooling panels and air distribution panels, which increase the efficiency of the cooling tower and reduce water consumption in the system and reduces the coolant temperature by 1-2 degrees Celsius, increasing



the efficiency in electricity generation and reducing the energy consumption of the machinery in the cooling tower.

11. Construction project of a natural water storage pond with a size of 1 million cubic meters to reduce water consumption and pumping water from the Pasak River and being able to store water in advance before the dry season in order to manage water more efficiently and reduce the cost of electricity generation.
12. Short-term electricity sales project to support emergency situations in line with the Energy Regulatory Commission's invitation announcement for short-term power purchases to support emergency situations from power producers without a power purchase agreement with EGAT. The Company submitted an offer for sale of electricity for 1 additional project of 40 megawatts from the Company's waste heat recovery power plant for EGAT to consider, which is expected to be implemented around the beginning of 2023. This will result in the Company having more power purchase with EGAT and increasing its revenue from electricity sales.

#### 4. Business assets consist of:

##### 4.1 Major fixed assets of the Company and its subsidiaries

As of December 31, 2022, the Company and its subsidiaries have property, plant and equipment as follows:

Asset	Proprietary nature	Cost price (million baht)	Net worth (million baht)	Obligation
1. Building	Owner	1,616.71	1,362.31	None
2. Land	Owner	11,757.51	11,757.51	None
3. Machinery	Owner	27,708.28	22,076.76	None
4. Tools, appliances and factory equipment	Owner	279.64	127.95	None
5. Furniture, fixtures and office equipment	Owner	64.02	27.50	None
6. Major spare parts	Owner	59.94	59.94	None
7. Assets under construction and installation	Owner	6,239.90	6,239.90	None
8. Vehicle	Owner	0.89	0.64	None
<b>Total</b>		<b>47,726.88</b>	<b>41,652.50</b>	

##### 4.2 Intangible assets of the Company and its subsidiaries

- None -

##### 4.3 The Company's Investment Policy in Subsidiaries and Joint Venture

The Company established investment policy in subsidiaries and joint venture to invest in subsidiaries and/or joint venture with investment policies in line with the Group's vision and growth plan, which will increase the Company's operating performance or profits, or to invest in synergy business for the Company to increase its competitiveness and to achieve the goal of being a leading operator in the Company's core business.

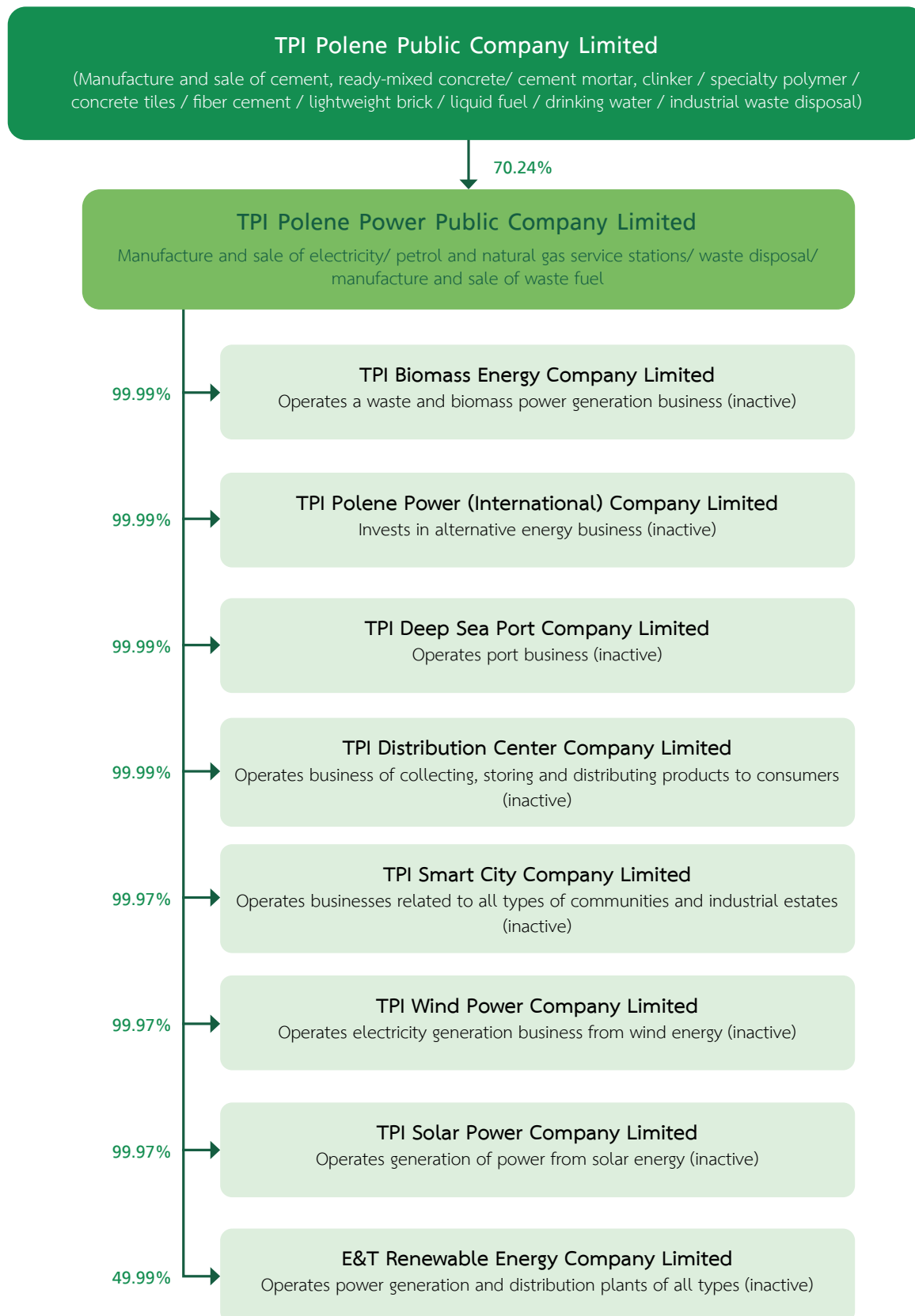
In this regard, the Company, its subsidiaries and/or joint venture may consider investing in other businesses if it is a business with growth potential or is beneficial to the Group's business to generate good returns on investment. When considering the investment of the Company, its subsidiaries, and/or joint venture, it must be approved by the Company's Board of Directors' meeting or the shareholders' meeting (as the case may be).

#### 5. Undelivered work

- None -

### 1.3 Shareholding Structure of the Group

1.3.1 The shareholding structure of the Group as of December 31, 2022, is as shown in the following diagram:



## Subsidiary information as of December 31, 2022

Company	Address	Type and nature of business	Registered capital (Baht)	Paid-up capital (Baht)	Shareholding %
<b>Subsidiaries</b>					
1. TPI Biomass Energy Company Limited	26/56 TPI Building, Chan Tat Mai Road, Thungmahamek, Sathorn, Bangkok 10120 Tel. (02) 285-5090-9 Fax (02) 213-1035	Operates a business about generating electricity from waste and biomass (Inactive)	750,000,000	187,500,000	99.99
2. TPI Polene Power (International) Company Limited	26/56 TPI Building, Chan Tat Mai Road, Thungmahamek, Sathorn, Bangkok 10120 Tel. (02) 285-5090-9 Fax (02) 213-1035	Invests in alternative energy business (Inactive)	100,000,000	100,000,000	99.99
3. TPI Deep Sea Port Public Company Limited	26/56 TPI Building, Chan Tat Mai Road, Thungmahamek, Sathorn, Bangkok 10120 Tel. (02) 285-5090-9 Fax (02) 213-1035	Operates port business (Inactive)	100,000,000	25,000,000	99.99
4. TPI Distribution Center Company Limited	26/56 TPI Building, Chan Tat Mai Road, Thungmahamek, Sathorn, Bangkok 10120 Tel. (02) 285-5090-9 Fax (02) 213-1035	Operates business related to collecting, storing and distributing products to consumers (Inactive)	1,000,000	1,000,000	99.99
5. TPI Smart City Company Limited	26/56 TPI Building, Chan Tat Mai Road, Thungmahamek, Sathorn, Bangkok 10120 Tel. (02) 285-5090-9 Fax (02) 213-1035	Operates business related to all types of communities and industrial estates (Inactive)	1,000,000	1,000,000	99.97
6. TPI Solar Company Limited	26/56 TPI Building, Chan Tat Mai Road, Thungmahamek, Sathorn, Bangkok 10120 Tel. (02) 285-5090-9 Fax (02) 213-1035	Operates solar energy business (Inactive)	1,000,000	1,000,000	99.97
7. TPI Wind Power Company Limited	26/56 TPI Building, Chan Tat Mai Road, Thungmahamek, Sathorn, Bangkok 10120 Tel. (02) 285-5090-9 Fax (02) 213-1035	Operates electricity generation from wind energy (Inactive)	1,000,000	1,000,000	99.97
<b>Joint venture</b>					
8. E&T Renewable Energy Company Limited	26/56 TPI Building, Chan Tat Mai Road, Thungmahamek, Sathorn, Bangkok 10120 Tel. (02) 285-5090-9 Fax (02) 213-1035	Operating power plants and selling all types of electricity power (Inactive)	2,000,000,000	250,000,000	49.99

## 1.3.2 Parties with Conflict of Interest

- None -

## 1.3.3 Relationship with major shareholder's businesses

Currently, the Company's major shareholder is TPI Polene Public Company Limited, holding 70.24% of the Company's shares and TPI Polene Plc. entered into sales and service agreements with the Company, both in cases where the Company agrees to provide certain types of services to TPI Polene Plc. and TPI Polene Plc. agrees to provide certain types of services to the Company. However, if either party can procure goods or services from other suppliers or service providers with more reasonable prices or conditions, such party have the right to purchase

such products or services from other parties. Sales and services shall be in line with market prices or if there is no reference market price, the cost price plus a margin of about 0.5-10 percent will be applied.

Most of the transactions that the Company purchases or receives services from TPI Polene Plc. are as follows:

1. Purchase of raw water and coal
2. Purchase of waste heat in the form of hot gas emitted from the cement production process from TPI Polene Plc.
3. Payments of occasional labor service fees, spare parts and general consumables, as well as power plant and equipment maintenance and ash removal fees.
4. Payments for administrative works of the head office and factories, such as personnel, legal, administrative, information technology, research and development, waste purchasing (in order to provide another channel of waste supply to the Company), public relations, accounting, finance, import-export, and transportation, etc.

At the same time, the Company has sold electricity to TPI Polene Plc. for power plants TG 1&2, TG7 and TG8 at the same rate as the electricity TPI Polene Plc. purchases directly from the Provincial Electricity Authority

However, TPI Polene Plc. clearly separates the business between the Company and TPI Polene Plc., where the Company will be a flagship for all types of TPI Polene Group's power plant businesses, both domestic and international. TPI Polene Plc. and its subsidiaries will not operate any type of power plant business competing with the Company and/or its subsidiaries.

#### 1.3.4 Shareholders

List of the first 10 major shareholders by their company's address as of January 4, 2023, is as follows (as of the latest registration closing date):

List of shareholders	Number of shares	%
1. TPI Polene Public Company Limited	5,899,999,300	70.238
2. Mr. Prateep Tangmatitham	99,529,600	1.185
3. Thai NVDR Company Limited	92,269,898	1.098
4. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	81,344,564	0.968
5. Leophairatana Enterprise Company Limited	78,060,394	0.929
6. Mr. Paiwan Chartpitak	57,699,300	0.687
7. MR.YUK LUNG LEE	50,000,000	0.595
8. Mr. Nares Ngamapichon	45,000,000	0.536
9. THE BANK OF NEWYORK MELLON	31,583,827	0.376
10. Mr. Paisarn Chartpitak	31,000,000	0.369

#### Notes:

- (1) Major shareholder of TPI Polene Power Public Company Limited is TPI Polene Public Company Limited.
- (2) Shareholders of Thai NVDR Company Limited are those who hold a Non-Voting Depository Receipt (NVDR) and have no voting rights in the shareholders' meeting except for the exercise of voting rights to resolve the delisting of shares from being listed securities on the SET.
- (3) The fourth shareholder is a juristic person or NOMINEE ACCOUNT which the Company has checked with Thailand Securities Depository Company Limited (TSD) and Ultimate Shareholder cannot be verified and disclosed.  
As of December 31, 2022, the major shareholders whose behavior significantly influences management policy or the Company's operations is TPI Polene Public Company Limited holding 70.238% of the Company's shares.
- (4) The number of minority shareholders (free float) is 31,403 persons, representing 23.76% as of January 4, 2023.

## 1.4 The Company's registered capital and paid-up capital

### 1.4.1 Ordinary shares

As of December 31, 2022, the Company has a registered capital of 8,400,000,000 baht, divided into ordinary shares of 8,400,000,000 shares, with a par value of 1 baht per share, which is a paid-up capital of 8,400,000,000 baht as 8,400,000,000 ordinary shares.

### 1.4.2 Other types of shares with different rights or conditions from ordinary shares

- None -

### 1.4.3 Convertible stock or securities of the Company as underlying securities for the issuance of mutual funds for foreign investors (Thai Trust Fund)

- None -

### 1.4.4 Restrictions on Transfer of Shares

The Company's shares can be transferred without any restrictions. Transfers must not cause the shareholding by foreigners to be more than 49% of the Company's total issued ordinary shares.

## 1.5 Issuance of other securities

### 1.5.1 Convertible securities

- None -

### 1.5.2 Debt securities

#### (a) Issuance and offering of debentures, debenture registrar, and debenture holder representative

As of January 31, 2023, the Company has debentures offered for sale in the country in the form of bearer, unsubordinated, unsecured, and debenture holders' representative, with the details as follows:

Symbol	Instrument name	Total par value (million baht)	Interest rate per year	Issue date	Redempti on date	Age	Debenture Holder Representative *	Debenture Registrar and Payment Agent*
TPIPP247A	Debentures of TPI Polene Power Public Company Limited No. 1/2020 Due 2024	4,000	3.90 %	19 Aug. 20	19 Jul. 24	3 years 11 months	Bank of Ayudhya Public Company Limited	CIMB Thai Bank Public Company Limited
TPIPP23DA	Debentures of TPI Polene Power Public Company Limited No. 1/2021 Due 2023	3,000	3.00 %	10 Jun. 21	10 Dec 23	2 years 6 months	Bank of Ayudhya Public Company Limited	Bank of Ayudhya Public Company Limited
TPIPP262A	Debentures of TPI Polene Power Public Company Limited No. 2/2021 Due 2026	4,523.6	3.55%	12 Nov. 21	12 Feb 26	4 years 3 months	Bank of Ayudhya Public Company Limited	Bank of Ayudhya Public Company Limited
TPIPP278A	Debentures of TPI Polene Power Public Company Limited No. 1/2022 Due 2027	4,695	4.10 %	11 Aug. 22	11 Aug 27	5 years	Bank of Ayudhya Public Company Limited	CIMB Thai Bank Public Company Limited
TPIPP267A	Debentures of TPI Polene Power Public Company Limited No. 1/2023 Due 2026	3,000	4.15 %	18 Jan. 23	11 Jul. 26	3 years 6 months	Bank of Ayudhya Public Company Limited	Bank of Ayudhya Public Company Limited

Symbol	Instrument name	Total par value (million baht)	Interest rate per year	Issue date	Redempti on date	Age	Debenture Holder Representative *	Debenture Registrar and Payment Agent*
TPIPP281A	Debentures of TPI Polene Power Public Company Limited No. 1/2023 Due 2028	3,000	4.60 %	18 Jan. 23	18 Jan. 28	5 years	Bank of Ayudhya Public Company Limited	Bank of Ayudhya Public Company Limited
<b>Total</b>		<b>22,218.6</b>						

All debentures are rated as follows:

Credit rating agency	Credit rating	Trend	Rating date
TRIS RATING	A-	Stable	February 24, 2023

Address: Debenture registrar and paying agent, and debenture holders' representative\*

#### Bank of Ayudhya Public Company Limited

Location: 1222 Rama 3 Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok 10120

Phone: +66 (0) 2296-2000, +66 (0) 2296-5696

Fax: +66 (0) 2683-1302

Debenture registrar: TPIPP23DA TPIPP262A TPIPP267A TPIPP281A

Debenture holders'

representative : TPIPP247A TPIPP23DA TPIPP262A TPIPP278A TPIPP267A TPIPP281A

#### CIMB Thai Bank Public Company Limited

Location: 44 Lang Suan Road, Lumpini Subdistrict, Pathum Wan District, Bangkok 10330

Phone: +66 (0) 2638-8000, +66 (0) 2626-7000

Fax: +66 (0) 2657-3333

Debenture registrar: TPIPP247A TPIPP278A

#### Legal advisor for the issuance and offering of debentures

Weerawong, Chinnavat and Partners Company Limited  
22nd Floor, Mercury Tower, 540 Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330

#### (b) Short-term bills of exchange

As of December 31, 2022, the Company has no short-term bills of exchange outstanding.

## 1.6 Dividend Payment Policy

### 1.6.1 Dividend Payment Policy of the Company

The Company has an annual shareholder dividend payment policy according to the single financial statements, at the rate of not less than 50.0% of the net profit from the single financial statements after corporate income tax and all types of reserves as required by laws and the Company's Articles of Association. However, the dividend payment is subject to change depending on operating results, cash flow, investment plan, necessity, and other aspects as the Board of Directors deems appropriate. The annual dividend notification must also be approved by the Annual General Meeting of Shareholders.

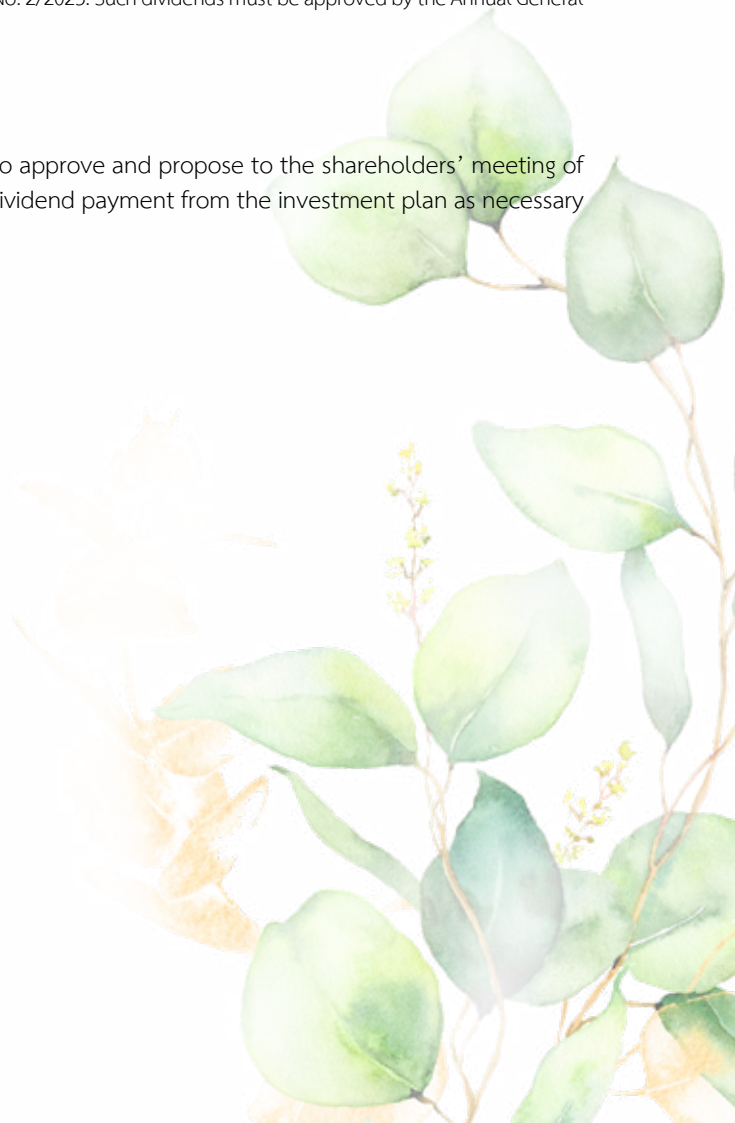
In addition, the Board of Directors may, from time to time, pay interim dividends to shareholders when it considers that the Company is reasonably profitable to do so, and when the dividend has been paid, it shall be reported to the next meeting of shareholders for acknowledgment.

Separate financial statements	2022	2021	2020
Net Profit per share (Baht)	0.335	0.499	0.536
Dividend per share (Baht)	0.24*	0.25	0.27
Par value per share (Baht)	1.00	1.00	1.00
Dividend payout ratio per net profit (%)	71.64	50.10	50.37

**Notes:** \* Dividend payment for the Company's operating performance 2022 was divided into an interim dividend payments for the first 9 months of 2022 at the rate of 0.12 baht/share and 0.09 baht/share, totaling 0.21 baht/share which was already paid to shareholders and remaining dividends for the 4th quarter performance of 2022 will be paid at the rate of 0.03 baht per share according to the resolution of the Board of Directors Meeting No. 2/2023. Such dividends must be approved by the Annual General Meeting of Shareholders 2023.

### 1.6.2 Dividend Payment Policy of Subsidiaries

The Subsidiary's Board of Directors will consider to approve and propose to the shareholders' meeting of that company for approval each year by considering the dividend payment from the investment plan as necessary and appropriate and the subsidiary's net cash flow.





## 2. Risk Management

### 2.1 Policy and risk management plan

TPI Polene Power Group established an enterprise-wide systematic risk management policy in accordance with international standards and integrate it with the organization's business operations in order to identify risks or business opportunities appropriately and in a timely manner, and able to manage risks to an acceptable level.

TPI Polene Power Group believes that risk management throughout the organization with a strong risk management system plays an important role to enable TPI Polene Power Group to quickly achieve its business goals, helps promote the organization to be ready to adapt itself to effectively cope with challenges amid severe impacts on the economy, society, and environment, demonstrating risk management standards are developed and improved in an integrated, systematic and ongoing manner throughout the organization, reducing the likelihood and damage that may arise from risks, resulting in increasing competitiveness and creating sustainable value for the business.

In 2022, the Risk Management Committee performed its duties, which can be summarized as follows:

1. Supervise risk management in all aspects to ensure that risk management is in line with the plan as follows:
  - 1.1 A Feasibility Study must be prepared to be used as a tool for screening new investments prior to consideration of investment and business expansion.
  - 1.2 Financial projections must be prepared in advance to be able to manage net cash flow and assess financial liquidity for both short-term and long-term financial planning.
  - 1.3 MIS information system must be applied as a tool to manage production, raw materials, sales, transportation, inventory levels, accounts receivable, EBITDA, profit/loss, cash and investment status, etc.
  - 1.4 TPI Polene Group and TPI Polene Power established the Net Zero Greenhouse Gas Emission Policy by 2043 to be in line with the Thailand Greenhouse Gas Management Organization's Policy (Thailand announced that it would achieve its goal of carbon neutrality by 2050 and net zero emissions by 2065).
 

TPI Polene Group and TPI Polene Power aim to use waste fuel to replace coal in all four cement plants by 2022 and use waste fuel to replace coal up to 25% of coal consumption by 2023, and up to 100% in power plants by 2025, which causes clear business practices. This can reduce the business risk from the volatility of coal prices compared to the relatively stable cost of waste as well as reduce the risk from climate change problems that internationally prioritize greenhouse gas reduction goals, which may result in the regulation of greenhouse gas emissions in the future, This may cause costs in doing business for companies that are not capable of adapting itself to cope with such risks.
  - 1.5 To reduce the risk of a shortage of key production factors to prevent business interruption by entering into both short-term and long-term agreements for coal and waste raw materials without relying on any one person.
  - 1.6 To use technology and innovation to develop products to increase value. It can also save energy costs as well as improve the production of waste fuel.
  - 1.7 Emphasis on continuous product research and development in order to have low waste costs.
  - 1.8 Emphasis on cyber security with a team responsible for computer safety system, conducting system tests, and practicing plans to be able to prevent threats to cyber security.
  - 1.9 To strictly comply with relevant rules and regulations.
2. In the long run, TPI Polene Group continues to seek investment opportunities in businesses with high margins and growth rates, focusing on cost management, using waste fuel to replace coal, and increasing production efficiency.
3. To consider reviewing risk management information, which consists of an organizational risk management framework that has been accepted as a guideline for promoting risk management and is a practice that is internationally accepted by categorizing risks into 6 aspects as follows:

- 3.1 Strategic risk is arising from the failure to operate according to the business plan in accordance with internal and external factors, therefore, the risk management of the business plan must be managed, such as (1) Risk management of waste fuel energy to replace coal to reduce production costs, which requires management of the amount and cost of waste procurement, including moisture properties of waste; (2) Investment in projects that are environmentally friendly; and (3) Investment in projects and businesses with high growth potential in the future.

Such projects require feasibility studies and sensitivity analysis of crucial factors before investing, as well as monitoring the investment progress in order not to face the risk of return on investment that may not meet the target, the risk of project implementation is delayed according to the plan, and the investment cost is higher than the budget.

- 3.2 Operational risk is caused by internal operational processes or external factors that affect revenue and operating costs, such as cost control, raw material procurement to be sufficient within the budget limit, agree ments to buy both short-term and long-term waste to be sufficient for business operations, without causing operational interruptions, etc.
- 3.3 Financial risk is the prudent use of financial policies within a set budget in order to obtain appropriat returns, and sufficient cash flow to operate the business, to ensure good risk management and internal control system, appropriate to the changing environment in order to reduce financial risks such as the risk from exchange rate volatility interest rates, liquidity adequacy, revolving credit limits, long-term credit, and issuance of debentures managed in line with the changing trends in the exchange rate market, money and capital markets, etc.
- 3.4 Compliance risk is failure to comply with rules, regulations, relevant regulations or existing rules that are inappropriate, out of date, obstructing operations, and may result in punishment according to the law. The Company must establish a unit that strictly controls compliance with government regulations and policies including corruption and operations in compliance with the rules and regulations of the Securities an Exchange Commission and the Stock Exchange of Thailand, etc.
- 3.5 Environmental Risk is the risk of emissions from the production process affecting the environment. Hence, the production process of the company is managed not to cause dust particle pollution, chemical residues and waste water, which affect the environment of the community, etc.
- 3.6 Social risk is in human resource management, safety, occupational health, and the working environment, including violations of human rights, etc. The Company must establish a policy to enhance knowledge and skills, including giving appropriate compensation to employees, respecting human rights with regard to benefits and equality, provide a safe operation manual according to industry standards. In addition, it establishes complaint channels, as well as a welfare committee to supervise the safety and occupational health of employees, etc.
- 3.7 Sustainability risk is when the investment is not considered, it may lose the opportunity and make it unable to maintain a sustainable income condition or may eventually cause the Company to go out of business if it fails to keep up with the disruptive industry.

Risk management is conducted across the organization through risk analysis and response to risk within acceptable levels.

4. To promote a culture of risk management by establishing policies from the management and organizing training course, "Risk Management", to provide knowledge and understanding to employees on risk management, which will organize training every year at least 2 times a year for employees at all levels to create knowledge and understanding, participation, and systematic risk management

Risk Management Committee performs its duties independently in taking care of the risk management of TPI Polene Group with prudence and full competence in order to ensure efficient risk management, achieve the objectives and goals of the organization for the utmost benefit of TPI Polene, shareholders, and all groups of stakeholders fairly and sustainably in the long term.

### Risk Management Structure

The Company established Risk Management Committee with the Chairman of the Board of Directors as th Committee Chairman and executives from related departments as committee members to consider structures, policies, and risk management framework, risk management plans, risk review, and risk management monitoring, with the risk management department responsible for preparing risk management reports, implementing and supporting enterprise-wide risk management. The Company, through the Risk Management Committee and all departments in the organization, continuously observes the changing environment and considered significant risks that may affect the Company's operations, and determine measures to respond to risks at an acceptable level from the management meeting and set in the annual work plan.

**Risk Management Committee has the scope of its duties and responsibilities as follows:**

1. To review and propose the policy and risk management framework to the Board of Directors for approval.
2. To review and approve the risk appetite and present it to the Board of Directors for acknowledgment.
3. To take care of the development and implementation of an ongoing risk management policy and framework for the Group, an effective enterprise-wide risk management system, and continuous compliance.
4. To review risk management reports to monitor material risks and take action to ensure that the organization has adequate and appropriate risk management.
5. To coordinate with the audit committee on significant risks and assign the internal audit department to review and ensure that the Company has an appropriate internal control system for risk management, including the appropriate implementation of the enterprise-wide risk management system and compliance.
6. To regularly report to the Board of Directors on significant risks and risk management.
7. To provide advice and consultation to the Sub-Risk-Management Committee (SRM) and/or departments and/or working groups related to risk management, including considering appropriate ways to correct information related to the development of risk management systems.
8. To consider the appointment of sub-committees and/or additional or replacement personnel in the risk management sub-committee and/or departments and/or working groups related to risk management as appropriate, including determining roles and responsibilities for the benefit of operations according to the purposes.
9. To perform any other operations related to risk management assigned by the Board of Directors.

### Corporate Culture in Risk Management

The Company emphasizes the promotion of enterprise-wide risk management culture by laying down a systematic foundation for both short-term and long-term risk management, cultivating risk management awareness among all employees, and fostering a risk management atmosphere and culture by considering that risk management is an essential component of all business process and must be linked at all levels by integrating it into key work processes to promote effective risk management

In 2022, TPI Polene Power Group established a policy from the management and organized training courses, "Risk Management", to provide knowledge and understanding to employees on risk management.,The training will be held every year. At least 2 times a year for employees at all levels to create knowledge and understanding, participation, and systematic risk management.

## 2.2 Risk factors for the Company's Business Operations

### 2.2.1 Risks to the Group's Business Operations

#### Strategic risks in business operations

#### (1) Risk of gradual purchase of land for the special economic area development project in Chana District, Songkhla Province

Over the years, the Company has gradually purchased land with plans to invest in the development of special economic areas in Chana District (Natap Subdistrict, Taling Chan Subdistrict, and Sakom Subdistrict), Songkhla Province, as a result of the approval of the Cabinet as the Southern Border Provinces Administrative Centre ("SBPAC") designated Chana District (Na Thap Subdistrict, Taling Chan Subdistrict, and Sakom Subdistrict) in Songkhla Province as a Special Economic Zone in the South as a special purpose according to the Southern Border Administration Act and allowed the Company to propose a project plan with an investment value of approximately Baht 300,000 million in order to spread prosperity to the region, create jobs for people in the area and for economic benefits. Later, on May 7, 2019, the Cabinet approved the development of the said project and ordered SBPAC and relevant agencies to proceed.

On March 6, 2020, SBPAC sent a letter to the Company informing that SBPAC had proposed to the Development Strategic Committee for Southern Border Provinces for consideration and approval according to the 1/2019 CPC meeting held on October 31, 2019, and presented to the Cabinet for acknowledgment and approval on January 21, 2020.

At present, SBPAC coordinated with agencies involved in private investment plans to proceed further, including requiring the private sector to conduct Environmental Impact Assessment (EIA) and/or Environmental and Health Impact Assessment (EHIA) as the case may be, in order to achieve development along with together from 2021 onwards. As of March 2021, the Prime Minister reaffirmed the government's commitment to developing the project and approved the Southern Border Provinces Administrative Center (SBPAC) to proceed with the relevant cabinet resolutions.

The Company plans to become a project developer in the southern coastal area of the Model City for Industrial Advancement of the Future, consisting of industrial estates including natural gas and other renewable energy power plants with a total capacity of 3,700 MW, Phase 1, and a deep sea port. It also plans to buy lands at Na Thap Subdistrict, Taling Chan Subdistrict, and Sakom Subdistrict, with an area of approximately 16,753 rai, to develop the project. At the end of 2022, the Company had already paid for the lands in the amount of approximately Baht 11,746 million and expected to pay another Baht 6,000 million by cash flow from business operations when the project is progressing. The purchase of a large plot of land increases the Company's debt burden and may expose the Company to various risks such as the risk of project delays, the risk from changes in government policy, the risk of community conflict, etc. In addition, such projects may take several years without a fixed timeline, which may cause the Company to hold the land without receiving any return for a long period of time.

If the project does not finally happen, the Company probably gradually sell the said lands. However, the Company has an opinion that it is very unlikely that the project will not happen because the Cabinet has passed a resolution to develop the said project is completed. In addition, the aforementioned project is a policy for national security and southern economic development. Most of the land purchased by the Company is located in 3 sub-districts (Na Thap Subdistrict, Taling Chan Subdistrict, and Sakom Subdistrict), which are designated by the government as the development areas for such projects. The Company also purchased 2.1 kilometers of beachfront land to develop a deep sea port as part of the project. If other private investors want to invest, it will be difficult to collect large tracts of land adjacent to the sea to build a deep sea port because most of the remaining land in these 3 sub-districts is part of the community and the main public area.

The Company will not make additional investments in such projects except in the event that it obtains official approval from the government such as a new power purchase agreement or investment promotion permission from the BOI.

**(2) Investment and business expansion risks**

From the expansion of the Group's business with the goal of expanding growth in alternative energy and waste fuel energy, including investing in waste energy innovation to reduce production costs, create potential business growth along with reducing emissions of greenhouse gases that cause global warming, as well as joint ventures with partners who specialize in targeted businesses, human resource development to support long-term business expansion. Investment expansions involves risks that investment returns may not meet targets; project implementation is behind schedule; and capital expenditures exceed the budget.

TPI Polene Group has an Executive Committee to screen investment decisions prior to presenting them to the Board of Directors for consideration of investment decisions. Once investments are made, project performance will be monitored to ensure that investments bring benefits and efficiency. Investment projects will be also monitored and analyzed regularly to improve performance and investment plans are reviewed to reduce the risk level of the project to a manageable level by allowing the project to be completed within the specified budget, and in accordance with relevant laws and regulations.

**(3) Uncertainties and changes in operations, incentives, and negative government policies affecting the waste-to-fuel industry may not be beneficial to the Company's business and performance.**

Currently, the Company sells electricity from its waste-to-fuel power plants to EGAT and is entitled to an additional 3.50 baht per kilowatt-hour as the adder in addition to the basic electricity price under the power purchase agreement. The adder will be paid to all waste-to-fuel power plants of the Company in operation for 7 years from the Commercial Operation Date (COD) of each power plant.

The government established a policy to promote and support the development of the renewable energy power plant industry, which prioritizes waste fuel power plants by canceling the adder system and applying the feed-in tariff system or a fixed power purchase rate and will receive an additional tipping fee.

In the past, operators who have the adder power purchase agreements with the authorities that are about to expire have applied for permission from the Ministry of Energy to consider renewing the adder power purchase agreements. However, the Ministry of Energy has no policy to renew such adder power purchase agreements, which will result in the operators having no income from the adder.

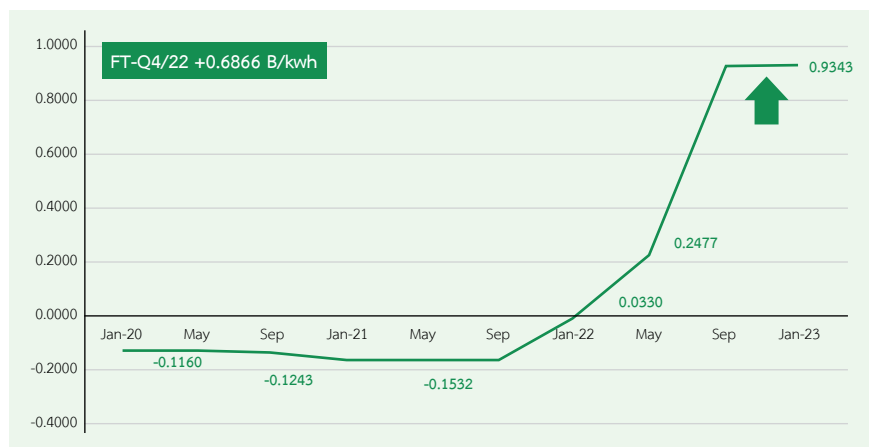
On the part of the Company, in the event that the adder power purchase agreement with the government expires after the end of the 7th year of the power purchase agreement, it considers the implementation method for reducing the cost of waste fuel production and may consider collecting waste disposal fees as income to compensate for the adder that is no longer received from electricity sales, but due to global warming and from the United Nations COP26 meeting, all countries are interested in reducing CO2 EMISSION, this results in a Carbon Credit price from municipal waste disposal and the Company may be entitled to benefit from a large number of Carbon Credits in the future to compensate for the missing adder.

**(4) Risk of a decrease in electricity revenue due to a reduction in the electricity price per unit from the variable tariffs (Ft)**

Energy prices in the world market have increased dramatically, as well as fluctuations in the exchange rate of the US dollar currency when compared to Thai baht which is the main reason for the price of oil trading and natural gas has increased significantly and prices continued to increase, causing the Energy Regulatory Commission to consider increasing the variable tariff in 2022, increasing 1.0503 baht per unit from the beginning of 2022 to the end of 2022 for Power purchase from the Provincial Electricity Authority, which is the selling price of electricity to the cement plants.

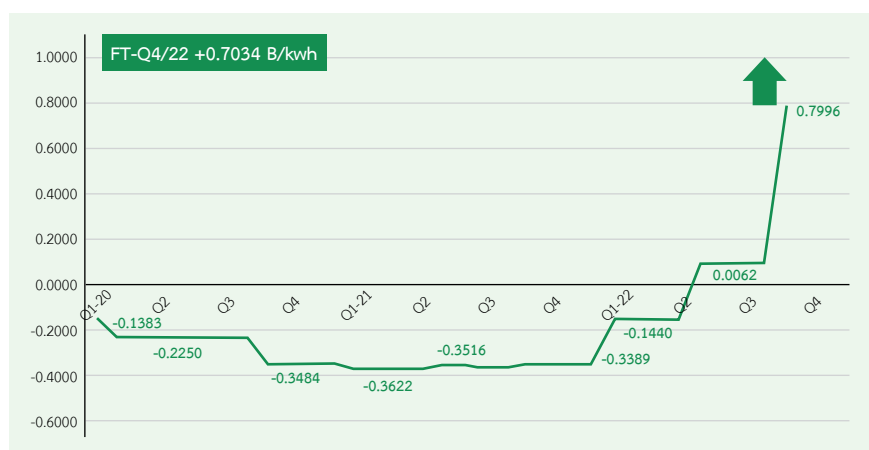
Electricity prices under the power purchase agreements with the Electricity Generating Authority of Thailand decreased at the beginning of the year, about 0.229 baht per unit, and have increased according to the variable tariff increasing since mid-2022, equal to 1.1618 baht per unit, and the trend of variable tariffs in 2023 is still in an upward direction.

## Trend of FT Adjustment Sell for TPIPL



In 2020-2021, there were problems that affected the economy from the outbreak of COVID- 19, resulting in a decrease in domestic electricity demand the government aims to stimulate the economy and help reduce the cost burden of people by reducing the variable tariff (Ft). Throughout 2021, th variable tariff (Ft) had decreased, resulting in a decrease in profit from electricity sales due to a decrease in electricity selling price per unit due to domestic economic factors. In 2022, it has been announced that the variable tariff (Ft) will be increased depending on the exchange rate, inflation rate, and world fuel prices in the world market, which will continue until the beginning of 2023.

## Sell for SPPTrend of FT Adjustment



The reason for the increase in the Ft is due to higher fuel prices in line with world energy prices, especially liquefied natural gas (LNG), which has a high price and a higher proportion of imports as well as a weak exchange rate situation, resulting in a much higher Ft value.

**(5) Risk of failure to comply with laws and regulations regarding obtaining a license to conduct business with relevant authorities, health and sanitation, safety, and environmental laws and regulations, and other laws or regulations, including the conditions under the relevant license.**

As the Company operates the power plant business and the oil and NGV service station business, it is subject to laws and regulations regarding licenses necessary for business operations, construction of power plants and installation of machinery with related public agencies, health and sanitary, safety, and environmental laws and regulations, and other laws or regulations, and the Company's compliance with the conditions of the necessary licenses to operate its business. Such laws and regulations regulate air emissions, drainage, waste and hazardous waste management, and the use of hazardous materials, as well as their composition, handling, distribution, and transport of hazardous materials.

The Company implements the ISO 9000, ISO 14000 environmental standards, and ISO50001 energy management standards to ensure that its business operations are safe and environmentally friendly. In addition, the Company conducts operational audits, risk assessments, and action plans which ensure that it complies with relevant laws and regulations. As legal provisions, regulations, and government policies are very important to the Group's business strategy and expenditure, the Group has taken the following actions:

1. Establish a team to follow up and report changes to government policies, laws, rules, and regulations for the Group to conduct business in compliance with laws, rules, and regulations.
2. Establish a team of legal advisors and tax advisors to advise the Group to comply with relevant regulations.
3. Handle legal risks in advance by following up on new legislation and regulations in order to analyze issues, problems, and obstacles and prepare discussions on unclear regulations for the Group to conduct business in compliance with new laws and regulations that will be enforced in the future, as well as being used as a factor in considering investments in various projects.
4. Supervise legal and regulatory compliance governance processes in place to comply with good corporate governance guidelines and adequate internal controls, and consider all-around risks to mitigate the risk of non-compliance with relevant laws and regulations.
5. Cultivate values for employees to follow the Group's business ethics and employee handbook in line with its intention to be a responsible business operator for the community, society, and the environment, as well as all stakeholders.

**(6) Personnel development risk to support business growth**

According to the Group's business growth plan, it must have the right personnel readiness and organizational structure. The Group places importance on personnel development at all levels to support its business growth under appropriate management and coordinates with related educational institutions. It recruits personnel to meet the needs of business units appropriately and establishes manpower plans to ensure that it has executives and employees who are qualified and sufficient to effectively support future business growth.

**(7) Competitiveness Risk**

In the volatility of socio-economic conditions and severe changes such as new competitors, intense competition, changing consumer behavior, and the emergence of a new normal trend causing a disruptive industry, TPI Polene Group must strengthen its competitiveness, business operations, and be flexible, as well as creating competitive advantages to be able to conduct its business under challenges and volatility from external factors in order to achieve sustainable growth.

TPI Polene Group reduces the sustainability risk by considering an investment so as not to lose opportunities and to maintain sustainable income with new technologies, modernization and innovation, and production process development into a Smart Plant to increase efficiency and reduce production costs.



**(8) Risk in Sustainable Water Management**

Sustainably water management ability in terms of quantity and cost is essential to business operations in order to prevent production interruption, maintain competitiveness, and increase confidence in future investment plans, the Company has establishes sustainable water management measures at the national level, procurement of alternative water sources, and considering the use of water reduction technologies to ensure that water is sufficient for current and future production processes.

TPI Polene Group has a business continuity plan in the event of drought, increases the efficiency of water use in the production process, uses circulating water, improves production process, provides reserve water sources, and studies new water production technology with integrated water management.

**(9) Climate Change Risk**

The global concern of climate change issue leads to the setting of greenhouse gas emission reduction targets, which may be lead to greenhouse gas emissions guidelines in the future. Disaster risks from sudden climate change and severe natural disasters are caused by greenhouse gas emissions, resulting in measures and penalties at the national level to curb greenhouse gas emissions.

TPI Polene Group is a major cement producer in Thailand and has the vision of being an environmental friendly cement producer, implementing the Net Zero GHG Emission policy and finding methods to reduce greenhouse gas emissions that cause global warming, in line with other public and private sectors. As Thailand is one of the countries clearly affected by climate change, it is important that all sectors work together to come up with preventive and mitigation measures to reduce the amount of greenhouse gas emissions that are the main cause of the problem, which is in line with Thailand's government policy that has promised internationally that Thailand will fully raise the level of climate solutions to achieve net zero greenhouse gas emissions by 2050 (B.E. 2593).

TPI Polene Group is aware of the risks from such changes and takes concrete steps in a very practical business model by using waste as fuel to replace coal 25% in cement plants and 100% in power plants, with a goal to reduce net greenhouse gas emissions to zero by 2043 (2043) and reduce net greenhouse gas emissions by 30% from the base year (2020) by 2030.

**(10) Drought Risk**

Climate change results in less seasonal rainfall while increasing the demand for water. The Group established a water management policy to reduce water consumption by taking relevant actions as follows:

1. Construction of rainwater collecting ponds to replace water from natural sources
2. Recycle wastewater from cooling towers to improve quality for reuse instead of discharging.
3. Social and environmental activities to revitalize the relevant areas

**Operational Risk****(11) Risk of Diminishing Returns**

Due to the power purchase agreements that the Company has with the Electricity Generating Authority of Thailand, it receives electricity sales at the basic electricity rate plus an adder at the rate of 3.50 baht per kilowatt-hour, totaling electricity sales of approximately 6.50 baht per kilowatt-hour for a period of 7 years. After the 7-year period of each power purchase agreement, the Company may continue to sell electricity to the Electricity Generating Authority of Thailand at the specified basic electricity tariff. However, two power purchase agreements with adder, with a total electricity sales volume of 73 megawatts (out of three power purchase agreements totaling 163 MW) ended in January and August 2022, respectively, and there is one power purchase agreement plus adder with a total sales volume of 90 megawatts, which will expire in 2025 and may cause the Company's operating results and future cash flows to decline in the future.

In this regard, the Company considers additional investments to offset the impact of lower revenues. In addition, the waste disposal and RDF production business will be able to increase production capacity, resulting in an increase in "carbon credits" from reducing coal consumption according to the 5-10 year plan that aims to generate electricity from 100% alternative energy and increasing waste disposal every year. It is expected that when Thailand's carbon credit trading law is clarified, the Company's carbon credits will also significantly increase.

**(12) EGAT will pay the electricity tariff and the adder in full only if the Company complies with the terms specified in the power purchase agreements.**

According to the power purchase agreements from waste-to-fuel power plants between the Company and EGAT, the Company shall comply with conditions relating to the type of fuel used in electricity generation. The Company is required to use waste fuel as the main fuel. Although the Company is allowed to use other fuel sources as supplementary fuel, including waste heat from the cement production process of TPI Polene, it is not allowed to use coal as additional fuel. In addition, the use of other fuels must not exceed 25% of the total heat energy used in the generation process in the contract year.

The Company places the utmost importance on this issue by complying with the conditions of using such fuel sources and receiving payment of electricity plus adder in full amount throughout the contract period.

**(13) The Company has a small number of power purchasers.**

The Company sells nearly all of its electricity generation to EGAT and TPI Polene Public Company Limited, where EGAT is the Company's largest and most important customer. Therefore, it is significant to the Company's business. All power purchase agreements between the Company and EGAT are Non-Firm in which EGAT must purchase all electricity generated in accordance with the agreed amount of electricity under the power purchase agreements, and do not specify minimum amount of electricity required for the Company to sell to EGAT.

However, the Company's power purchasers are state enterprises and private companies with good credit ratings, with EGAT classified as the strongest state-owned enterprise in Thailand and TPI Polene Plc. as an Investment Grade Company.

**(14) The Company's competitors compete in waste procurement and entering into power purchase agreements with EGAT. In addition, competition may increase as waste separation technology develops and new competitors enter the market.**

The sourcing of waste is highly competitive. If the Company's competitor has technology capable of sorting waste in a more cost-effective way than the Company's technology, there may be arrangements with local authorities and other waste disposal companies to obtain their waste on terms that are better than the terms the Company could offer and such competition could become even more intense due to the increasing number of companies that can generate electricity from waste both domestically and internationally into the market. The government's policy to promote waste-to-fuel power plants in various areas instead of transporting waste according to the Cleanliness Act may also affect the amount of waste delivered to the Company.

Moreover, the Company competes with other power producers in entering into power purchase agreements with EGAT. When other power producers have entered into power purchase agreements with EGAT, they will make a certain income from selling electricity to EGAT for a constant period under the agreements. Therefore, competition in the waste-to-fuel electricity generation industry occurs when EGAT accepts proposals to sell electricity by bidding. Normally, the Company enters into a power purchase agreement with EGAT through the aforementioned bidding process, where the Company often faces intense competition from domestic waste-to-fuel power producers.

However, as the Company is classified as a major operator, as well as being a pioneer and leader in the waste-to-fuel power plant business with long experience and having a tangible successful performance, it has an advantage over other competitors in terms of funds, experience, technology, credibility, with the ability to complete the projects all along.

**(15) The Company's waste-to-fuel electricity generation relies on a continuous supply of sufficient waste and sufficiently high calorific value.**

In 2022, the Company procured more raw materials to support the growing demand for waste fuel by increasing the amount of direct waste receiving agreements and increasing the amount of waste input from contract parties as well as finding additional new sources of waste that can provide additional waste of about 1,000-1,500 tons per day, in line with the demand for waste in fuel production.

At the same time, the Company also prepares a waste management plan to support more various projects such as the use of waste fuel instead of coal, which has started and the demand will increase to the maximum by 2025 according to the goal of discontinuing the use of coal. Therefore, waste procurement and agreements are made with the original counterparties by increasing the quantity and extending to long-term agreements, as well as finding new counterparties and new waste sources to support the increasing demand by targeting. It aims to increase the amount of waste supply in 2023 by at least 1,500-2,000 tons per day.

**(16) The Company's waste heat electricity generation depends on continuous waste heat delivered from TPI Polene Plc.**

The Company relies on continuous waste heat delivery for its electricity generation from waste heat recovery power plant and waste fuel power plants. In this regard, it procures the required waste heat source from TPI Polene Plc. by reusing the waste heat in the form of hot gas emitted from TPI Polene's cement production process to generate electricity. In the event that the cement production process is interrupted, decreases, or slows down, or the waste heat recovery equipment is damaged, the Company may have insufficient waste heat energy to generate electricity from waste heat recovery power plant and waste fuel power plants.

The Company has electricity generation technology separate from TPI Polene's cement production process and it can manage fuel selection during the year. In the generation of electricity for maximum benefit in the part of electricity that the Company generates and sells to TPI Polene, it can adjust the generation process by choosing fuel from waste heat energy or waste fuel when there is no waste heat delivered from TPI Polene Plc. It can also manage the maintenance period of the power plant machinery to be in line with the planned shutdown of the cement plants.

**(17) If the Company fails to source coal in sufficient and commercially reasonable quantities or coal supply is disrupted, this could adversely affect the Company's coal-fired power plant operations.**

The Company currently operates commercial coal-fired power plants and the success of such power plants depends on several factors, including the ability to procure adequate coal supplies at competitive prices. The Company entered into a sales and purchase agreement to purchase coal from TPI Polene Plc. at the rate specified under the agreement.

TPI Polene Group has experience in purchasing coal for use in cement production for more than 20 years from many coal suppliers by purchasing coal in large quantities, resulting in the Group's bargaining power to negotiate the price of high-quality with low-pollution coal.

However, the Company has an investment policy to change the use of coal to waste fuel in 2 coal-fired power plants, TG7(70MW) and TG8(150MW). This will be able to start reducing the use of coal from 2022 onwards and is expected to completely use of waste fuel replaced by 2025.

**(18) Investment in research and development may not allow the Company to develop its technology in a reasonable time and the Company may not be able to develop in accordance with the technological changes in the industry in a reasonable time.**

Another key factor for the Company's achievement is the timely development of key new technologies to enable its power plants to keep up with technological advances, especially waste-fuel power plants, and waste-fuel production processes. Technological developments in the waste management process are likely to become more complex, which may require the Company to increase investment and need to invest more in the development of such technologies. It probably also needs to allocate R&D resources to technologies that may not be successful or not contribute to the expected results.

However, with its experience and determination in managing waste fuel plants to produce qualified waste fuel to have a high calorific value to be used as fuel to generate electricity and as a leader in the largest waste fuel power plant business in the country and in the ASEAN region, the Company is confident that it will be able to adjust the production process to keep pace with technological advancements.

The Company Group has the availability of personnel both in the production and maintenance departments with both domestic and international training, development, and be able to transfer of operational knowledge in order to be able to fully operate and be able to replace the work in the relevant department.

**(19) The Company may be negatively affected if the Company's power plants stop operating (downtime) for a long time**

The Company's power plants will deteriorate from operation over their useful lives and this deterioration is also a result from the surrounding in which the plants and equipment are located. A prolonged shutdown of the Company's power plants would have a significant adverse effect on the Company's business, financial position, and operating results.

The Company develops and improves production efficiency with its capacity to generate electricity for sale as a target, investing in additional boilers to produce more steam and use as a reserve in the event of a boiler maintenance shutdown and in order to increase the production capacity of the amount of steam delivered to the turbine generators of all power plants to have a production capacity of more than 150% of steam. It also purchases spare machines and spare parts in order to be ready for quickly solving problems in an emergency case, reducing the impact of machine damage in electricity generation. The Company has a regular and continuous maintenance plan for the machines related to electricity generation, resulting in the utilization rate of the Company's power plants at a consistently high level and reducing the risk of downtime impacts.

**(20) The Company probably fails to develop its projects, which are currently under construction, within the specified timeframe and budget and delays the start date of power purchase or increases project development costs.**

The Company's power projects are subject to risks in terms of system commissioning prior to commercial operation. This may result in delayed power commencement or lower-than-expected operational efficiency. In addition, projects may be affected by the time it takes to issue permits from public agencies or revision of the terms of references may occur from time to time due to force majeure.

However, the Company has relevant departments responsible for taking care of the project construction, with continuous project progress reports. In the past, most projects were able to commence commercial operations on schedule.

**(21) Safety, Occupational Health, and Environmental Risks**

It is the control of safety, occupational health, and environmental risks that may lead to loss of life, injury, and illness due to the works of employees and contractors, resulting in disruption and continuity of business operations and may affect communities, society, and the environment.

TPI Polene Group, therefore, established a policy to set a framework for compliance with the Quality, Security, Safety, Health, and Environmental Policy in order to create safety attitudes for related people. Each plant appoints an occupational safety and health and environment committee to drive safety and environmental work in accordance with Quality, Security, Safety, Health, and Environmental Policy, as well as develop, improve, and promote occupational health, safety for employees, contractors, and related parties who enter the plant areas to work safely. The Company has guidelines for promoting safety in the workplace for its employees and contractors as follows:

- Establish policies on occupational health, safety, and the environment.
- Define operational guidelines consistent and in accordance with the occupational health and safety management system standards (ISO45001).
- Provide risk assessment and risk management guidelines for occupational health, safety, and working environment, including risk assessment and risk management guidelines that may affect communities, society, and environment covering all areas in work process.
- Prepare a manual on operational safety and supervise operations in accordance with the safety manual and operating procedures.
- Report and investigate accidents and incidents, as well as establish guidelines for remedial action and prevention of repeated accidents.

- Monitor operations to be in line with the laws on safety, occupational health, and working environment and other relevant regulations and other related measures.

**(22) Risk associated with COVID-19 pandemic**

During the Covid-19 pandemic, the Company has taken several measures to prevent potential risks by giving importance to the safety related to employees' health and hygiene as follows:

- Perform RT-PCR swab tests for all employees and the expenses reimbursed by the Company.
- Purchase COVID-19 testing kits (at-home testing) for all employees at high risk or who have been in contact with an infected person.
- Provide health care products such as BIO KNOX, Microme Knox Solution, mouthwash, and alcohol gel to employees and their families to prevent and reduce the infection of COVID-19.
- Provide vaccination to all employees stationed at the Company's head office and affiliates, including purchasing vaccines for employees stationed in Saraburi plants, Rayong plants, and other preventive measures.

**(23) Risk from changes in technological and product innovation**

As rapid changes in technology and innovation affect the competitiveness of TPI Polene Group, the Company establishes a policy to drive business with technology and innovation in production and other areas to remain a leader in the waste fuel power plant business.

**(24) Risk associated with threat to cyber security**

Today's competition increases productivity by relying on digital technology in both production and supporting lines connected to the internet may expose the Company to threats.

To prepare the Group with cyber security of computer system for information technology and operation technology, it takes the following actions:

- Provide a teamwork responsible for monitoring and developing such matters both in the short term and in the long term.
- Conduct system testing and practice plans to prevent potential cyber security threats.
- Educate employees about potential threats to prevent and respond to IT threats.

**Emerging Risk**

**(25) Risk from abrupt change in consumer demand due to trends in environmental protection and climate**

Nowadays, society focuses on the environment and climate change which is increasing in intensity both nationally and internationally. Around the world, they encourage the elimination of plastic bags and encourage the use of recycled materials to reduce the impact on the environment. Changing consumer behavior issues have caused operators to focus on environmental impacts and stakeholder expectations for the Company in its roles toward sustainable environmental management and business adaptation for sustainability

The Company places importance on changing consumer behaviors due to the trend of social and environmental concerns. It increases efficiency in all production processes to reduce the use of resources and energy and introduces new innovations and technologies such as installing a solar rooftop system in the plants as well as focusing on the zero waste production process, etc.

**(26) Risk from rapid changes and use of advanced technology**

Currently, technology and digital technology are rapidly and continuously evolving, affecting market changes, product development, business models, business opportunities and challenges, and the exponential growth of automated machines, artificial intelligence and robotics technology, which enhance the efficiency of business operations. While challenging infrastructure development and personnel development in line with the advancement of new technologies and rapid big data analytics, may pose human rights and ethical risks.

TPI Polene Group is aware of the changes in advanced technology, it raises the level of innovation work, including introducing new technologies to modernize and develop its plants into smart plants in order to increase competitiveness by focusing on business operations that increase competitiveness and respond to stakeholders, increase cyber threat management, and educate personnel to be consistent with new technologies.

**(27) Risk from adaptation to cope with the crisis of natural disasters**

Natural disasters resulting from climate change such as floods and droughts tend to become more severe. If the Company does not adapt itself adequately, there could be serious damage to the organization.

TPI Polene Group is aware of the crisis of natural disasters and prepares to deal with such situations by conducting emergency drills for business continuity management in various hypothetical situations so that executives and relevant employees are aware of their roles, duties, and deficiencies that occur in the operation in order to prepare backup measures and to make improvements before the actual incident occurs.

**Financial Risk**

**(28) Risk from tendency of higher debts from future investments**

As the Company won the bidding for the 7.92 MW waste fuel power plant project in Songkhla Province with a 20-year power purchase agreement and won the bidding for the 9.9 MW waste fuel power plant project at Korat, Nakhon Ratchasima Province with a 20-year power purchase agreement, it also participated in the bidding for several waste fuel power plant projects in the following years with a contracted generation capacity between 8-9.9 MW per project. The Company expects that the projects will yield good returns, but during the construction period of approximately 2 years, the Company will have more debt burden. However, leverage will decrease significantly once the commercial operation is completed as the projects will yield good returns. The Company expects EBITDA for each project to contribute approximately Baht 300-350 million per year. In addition, there are several projects that the Company plans to continue.

For the investment in the two power plant projects for which the Company has won bids, it used the funding source from raising funds through the issuance of debentures. For investments in other projects, the Company will consider funding sources with the Company's suitable financial structure. The Company's net debt to EBITDA ratio is expected to increase (but manageable) during the construction and non-commercial years and begin to decline once the projects can be commercially operated.

To reduce the risk during power plant construction, the Company prepares a long-term overall financial management plan for the projects and TPI Polene Group in order to assess the situation and resolve potential problems.

**(29) Risk of the Company's financial ratio maintenance**

As of December 31, 2022, the Company has unsubordinated, unsecured, debentures with or without a debenture holder's representative totaling Baht 15,906.2 million, which, according to the terms and conditions of the debentures, consist of:

1. The Company's debentures amounting to Baht 3,789.6 million issued under the Company's Medium Term Note Program 2018 with a debenture eligibility clause requiring the debt to equity ratio to be maintained (debt means interest-bearing debt) at the end of the quarter or the end of the fiscal year over the life of the debentures in the ratio not exceeding 1.75:1.
2. The Company's debentures amounting to Baht 12,116.6 million issued under the Company's Medium Term Note Program 2021 with a debenture eligibility clause requiring the debt to equity ratio to be maintained (debt means interest-bearing debt minus cash, deposits, and short-term investments in excess of Baht 1,500 million and deducted by lease liabilities and financial liabilities for investment in power plants with purchase agreements with the authorities) at the end of the quarter or the end of the fiscal year over the life of the debentures in the ratio not exceeding 3:1.

As of December 31, 2022, the Company and its subsidiaries have an interest-bearing debt-to-equity ratio of 0.53, which does not exceed the maintenance ratio of 1.75: 1 according to the conditions set forth in the terms and conditions of debentures in item 1 and have an interest-bearing debt to equity ratio of 0.46, which does not exceed the maintenance ratio of 3: 1 according to the conditions set forth in the terms and conditions of debentures in item 2.

However, if the Company and its subsidiaries are unable to maintain the debt to equity ratio as specified in the terms and conditions may cause the company to default on the terms and conditions and may cause all debenture debt to be immediately due. However, in the past, the company has focused on and has taken measures to ensure that the ratio of debt to total shareholders' equity and the capital structure of the Company and its subsidiaries to be consistently at an appropriate level.

**(30) Risk from the Company's reliance on funding sources from debt securities**

As of 31 December 2022, the Company has outstanding debenture liabilities of Baht 16,216.6 million, representing 96% of total interest-bearing liabilities. In the past, the Company relied mainly on funding through debt securities for investments and repayment of matured debentures. In 2023, the Company will have a total of Baht 3,000 million in maturity debentures and plans to issue new debentures to repay the debentures. Therefore, if the bond market is volatile and the Company fails to complete the debenture offering as planned, it may have a risk of default on the debenture, which may result in all outstanding debentures and a cross-default.

In the past, the Company had the policy to raise funds by issuing debentures due to the lower cost of finance and unsecured debt burden compared to borrowing from commercial banks. However, it still maintains a good relationship with commercial banks by constantly using revolving credit lines.

**(31) Investment Risk**

Since investing in competitiveness for long-term business growth may cause investment risks, the Company must closely monitor and manage both the ability to obtain investment funds to support growth along with maintaining its credit rating at an investment grade level, as well as monitoring the investment progress to meet the specified time and ensuring that the investment budget does not escalate.

The Company arranges to analyze, review, and prioritize investment projects in line with economic directions, seek investment opportunities that provide good returns under manageable risks, provide a prudent and concise investment consideration process, risk assessment and risk management measures, have sufficient funding, liquidity maintenance, financial discipline to maintain its credit rating, monitoring to prevent project delays, and investment budget to be within the investment framework.

**Investment risk of securities holders (Instrument risk)**

**(32) Credit Risk**

Holders of the Company's securities may be exposed to investment risks in the event that the Company's business and performance do not meet expectations or the Company's assets are insufficient to cover debt repayment. Therefore, before making an investment decision, investors should review the Company's financial status and debt serviceability from the information specified in the registration statement for debenture offering and draft prospectus for credit risk assessment of bonds. Investors may look at the credit ratings of debenture issuers provided by credit rating agencies to make investment decisions. If the credit rating of the debenture issuer is low, the credit risk of the debenture issuer is high, and the return that the investors receive should also be high to offset the high risk of the debenture. However, the credit rating does not constitute a recommendation to buy, sell, or hold any of the debentures offered and the credit rating may be revoked or changed throughout the life of the debentures prior to investment. Investors should study debenture issuers' performance information. In addition to considering the credit rating of bonds, investors should follow the news of debenture issuing companies, including changes in credit ratings on the SEC website, credit rating agencies, or the Thai Bond Market Association.

**(33) Default risk**

Defaults on principal or interest payments on debt instruments or default on loan payments from a commercial bank, a finance company or a financial institution established under a specific law

- None -

Breaches of the Rights Provisions during 2018-2022

- None -

**(34) Risks of investing in foreign securities (in case of a foreign issuing company)**

- None -



### 2.2.2 Risk associated with legal disputes

On 16 December 2019, individuals in total of 222 people sued Energy Regulatory Commission (ERC) et al to the Central Administrative Court which the Company was listed as the 5th Defendant. The Plaintiffs requested that the approval of Environmental and Health Impact Assessment (EHIA) report for the project of 150 megawatts thermal power plant, the license to operate electricity generating business and the construction approval of the Company be revoked. The Plaintiffs also requested that the Court take evidence out of Court and issued an interim measure and ordering that the electricity generating system be temporarily stopped until the final decision is reached.

On 25 December 2019, the Court inquired both Parties in considering the request for interim measure and rendered its decision on 28 January 2020 denied the request for interim measure due to the lack of reason to believe that the license to operate electricity generating business of the Company is unlawful.

Subsequently, On 31 January 2020, the Court ordered to accept the complaint and request the Company to file the answers within the time limit. The lawyer submitted the answer to the Court on 1 July 2020.





On 7 December 2020, the Court sent the objection to the answer of the 5th Defendant (the Company) and requested the Company to submit additional answer to the Court within the prescribed period. The Company submitted the additional answer to the Court on 12 March 2021, the case is under the Court consideration.

The Company's legal consultant considered the complaint and its appendixes and hereby opines that the Company lawfully received the license to operate the electricity generating business and the construction approval from the competent authorities. The complaint of the Plaintiffs is untrue. As the case is in the preparation for answer, the Company has causes to relieve itself of any liability generated from the complaint depending on the Central Administrative Court Decision. Moreover, the Company has pressed charges against the 222 Plaintiffs to the Muak Lek police station, Saraburi, for taking the false information to charge the person in the Court. The case is under the investigation of the police.



### 3. Business Drive for Sustainability

To reduce GHG emissions to net zero by 2043 (B.E. 2586)  
 To reduce net greenhouse gas emissions by 39% from the base year (2020) by 2030  
 Key actions towards Net Zero in 2022

 Economic	 Environment	 Community and Society	 Corporate Governance
Total revenue Baht 10,611.26 mil	Received CO2e Carbon Credit Certification for 765,297 tons and in the process of registering for Carbon Credit Certification the TGO for another 462,797 CO2e	Community and social contributions Baht 48.55 mil	Portion of independent directors 33.33%
EBITDA Baht 3,913.96 mil	The company use 2.73 million tons of waste fuel, reducing greenhouse gas emissions by 6.34 mil. tons CO2e	Injury frequency rate of employees =0.352 and contractors = 0	Portion of female directors 26.67%
Employee wages and benefits Baht 58.21 mil	Greenhouse gas emissions decreased by 743,431.34 tons CO2e compared to 2021	1,665,945 accident - free work hours (2.55% increase compared to 2021)	No complaints about the protection of customer personal information.
Tax payable Baht 21.10 mil.	Coal-fired power plants aim to use 100% of their waste fuel instead of coal for their electricity generation by 2025	Zero Work-related deaths of employees and contractors	Supplier awareness of code of conduct 93%
Net profit Baht 2,812.78mil.	Reduced energy consumption 8,912,561.64 GJ (25.52%)	Zero Occupational illness and disease rates to be recorded in total 0.2 million hours worked	No complaints of human rights violations (discrimination, child labor, illegal labor)
Dividend per share Baht 0.24	Investment projects to reduce environmental impact Baht 11,116.50 mil.	Disposed of 14,986 tons of COVID-19- related waste and disposed of 3,950 tons of non-hazardous industrial waste by using it as waste fuel	Satisfaction of power plant customers and waste fuel customers are 100%
	Proportion of recycled water 4.18.8%	Average training hours for employees 24.71 hours/person/year	Improve waste fuel quality to reduce moisture to 44 - 45 %
	Waste emissions (Zero Waste) decreased by 22% compared to 2021, 100% can be recycled Hazardous / non-hazardous waste 0.12%	Satisfaction and employee engagement with TPIPP 81.4%	Improve the fuel feed system to increase combustion efficiency, reduce energy consumption by 2.9%
	Project to produce electricity from wind power 5 megawatts (Expected COD 2024)	Employee Turnover rate = 1.49%	Improving the alternative fuel supply system to reduce the use of coal for combustion by 2.8% compared to 2021.
	Ground-mounted solar farm power plant project 61.22 MW (Expected COD in 2024)		Availability of the overall machine operation of the power plant at an average of 95.40%
	Project to produce electricity from solar rooftop 6 megawatts (Expected COD 2024)		The average operating efficiency of the power plant is 87.30%.
			Reduce the amount of steam used per production 1.42% compared to 2021
			Sales value of low carbon products (2022) Baht 7,680.19 Mil.

### 3.1 Sustainability Management Policy and Goals

The Board of Directors and top executives (both of the Company and TPI Polene Plc.) established a sustainability policy by emphasizing tools to drive the organization to achieve its vision of sustainable development in line with business directions and strategies, supporting the Sustainable Development Goals (SDGs) of the United Nations to create a balance in economic, environmental and social aspects under good corporate governance. The policy framework and sustainability management are as follows:

1. Economic Dimension: Focusing on the use of technologies and innovations for quality products and services, efficient management in every step, using technology to change work processes, applying research and development results to further develop business models, creating added value to products and services, seeking investment opportunities that yield good returns, establishing strategies for both short-term and long-term business growth with flexibility in adaptability, full consideration of both internal and external risks, as well as system readiness and efficient productivity.
2. Environmental Dimension: Aiming to develop into a low-carbon society by setting Net Zero GHG Emission goals through the BCG Model, focusing on the green economy policy, using clean energy, producing environmentally friendly products, reducing the use of fossil fuels, increasing energy efficiency, increasing the ability to use renewable energy together with solving solid waste and waste problems, focusing on bio-economy policies, promoting organic agriculture, promoting the use of biotechnology, reducing the use of chemicals in agriculture and livestock for good health and quality of life, promoting circular economy policies that optimize resource use, reducing waste generation, utilizing waste, caring for biodiversity and soil degradation, optimizing water use, reducing impacts from operations throughout the value chain, and responding to all groups of stakeholders in a balanced way.
3. Social Dimension: Conducting business with responsibility, giving importance to all stakeholders in a balance, creating good returns for shareholders, occupational health and safety, and a good working environment, continuously managing and developing talents and skills for personnel, paying attention to the health and safety of customers, conducting a social assessment of suppliers, providing clear product label information, respecting privacy, promoting education for youth, jointly creating value and improve the quality of life of communities and society to grow sustainably, protecting labor rights, do not use child labor and illegal labor, respecting human rights and providing diversity and equality without discrimination.
4. Governance Dimension: Adhering to the principles of correctness and compliance with relevant laws and regulations under the Code of Conduct, Business Ethics, an operating framework based on good corporate governance principles, transparent disclosure and performance, versatile risk managements, flexibility in management, anti-corruption, transparent and fair procurement system, prevention of insider information to be used for benefits, and security of information and information systems

See more details on the policies and goals of sustainability management at:

<http://www.tpipolenepower.co.th/index.php/th/th-investment/ar/sustainability>



## 3.2 Managing Impacts on Stakeholders in Business Value Chain

### 3.2.1 Business Value Chain

#### Value Chain Analysis : TPIPP



Inbound Logistics Transport and storage of raw materials
<p>Take raw materials from the Company's waste sorting units in certain areas.</p> <ul style="list-style-type: none"> <li>Sorted fresh waste</li> <li>Sorted landfill waste transporting raw materials into the shredding process for size reduction</li> </ul>



Operations Produce goods or Services
<ul style="list-style-type: none"> <li>Raw materials enter the shredding process for size reduction under the specified standards to be used as waste fuel.</li> <li>Waste fuel is transported through a conveyor system to the power plant.</li> <li>Waste fuel enters the furnace.</li> <li>Heat from fuel combustion is used to boil water in the boiler and becomes steam.</li> <li>High-pressure steam is sent to drive the turbine and run the generator.</li> </ul>



Outbound Logistics Storage and Distribution
<ul style="list-style-type: none"> <li>Connect the power distribution system to Cement Plant (TPIPL)</li> <li>Connect the electricity distribution system to the PEA.</li> <li>Distribute waste fuel to the cement plants (TPIPL) to be used as an alternative fuel to coal.</li> </ul>



Marketing & Sales
<ul style="list-style-type: none"> <li>Provide details of machinery technology, efficiency, and capacity to generate electricity and distribute clean energy to build confidence and prepare documents for consideration of power purchases for EGAT.</li> <li>Encourage local communities to participate in disposal of waste to be converted into fuel.</li> </ul>



Services
<ul style="list-style-type: none"> <li>Report the power plants' performance to EGAT every month.</li> <li>Provide a satisfaction evaluation form for the cement plants (TPIPL) to assess annually or report complaints.</li> <li>Support suppliers for production technology.</li> <li>Provide online programs allowing EGAT agencies (contractual suppliers) to log in to inspect the Company's electricity generating operations.</li> <li>Install a monitor to report online air quality measurement results in front of the plants.</li> <li>Act as a waste management learning center for public agencies, educational institutions, and communities.</li> </ul>

The Company takes into account and focus on business operations through management throughout the value chain by conducting business operations related to and connected to stakeholders in 3 phases as follows:

### 1. Upstream business operations

Beginning with cost-effective investments from equity and creditors from financial institutions, resulting in waste fuel power plants, waste heat recovery power plants, mixed fuel power plants, and coal-fired power plants (under the process of switching from coal fuel to waste fuel) by allocating investment budgets related to technology, innovation in developing waste fuel production in line with the types and characteristics of waste in Thailand. As for the procurement from suppliers of machinery and equipment, the Company's has focused on sellers who have standards and have good relationships, and trust from past performance. Regarding waste procurement, including transportation into the electricity generation process, the Company has entered into waste procurement agreements with a number of domestic suppliers without depending on any exclusive supplier, in order to receive qualified and sufficient raw material sources. In addition, the Company supports community waste disposal for local organizations to convert municipal waste into fuel and energy properly and efficiently through a transparent procurement process.

TPI Polene Group has consistently built a good relationship with its suppliers by preparing a Business partners' code of conduct which is based on transparency, equality, and fairness, covering ethical issues, resistant of child labor, human rights, the environment, health and safety, and anti- corruption. This reduces the risk of business operations and is the value that the Company provides to its suppliers and stakeholders in the business value chain. In addition, purchasing waste is considered as green purchasing, which creates local and community employment and added economic value, and is the proper waste disposal method.

### 2. Midstream business operations

Electricity generation with modern technology and innovation increases efficiency and reduces production costs, controls risk in safety, occupational health, and environment, which may lead to loss of life, injury, and illness, due to the employees' and contractors' works, which affects the interruption and continuity of business operations and impacts on the community, society, and the environment. Strictly operating on the environment by complying with the Notification on the Environmental Policy Regulations, is the result that led the Company receiving awards and certifications for management systems according to international standards, for example:

- ISO 9001:2015 Quality Assurance Management System Implementation
- ISO 4001:2015 International standard for an organization's environmental management system to enhance the environmental performance within the organization and for environmental sustainability management
- ISO 50001:2018 Energy management system standard as a framework for energy
- ISO 45001:2018 Occupational health and safety management system standard
- "Green Industry Level 4" Certification

### 3. Downstream business operations

Electricity generation focuses on efficiency in the transmission and distribution of electricity to 2 important customers, the Electricity Generating Authority of Thailand and TPI Polene Plc. The Company continuously delivers electricity to customers in order to maintain customer satisfaction.

In conducting business from upstream, midstream, and downstream, the Company operates business with its personnel throughout the business value chain and takes into account the impacts on the environment and local communities. It also strictly operates in accordance with the environmental rules, regulations, laws, and other relevant laws, employment with labor management and labor relations, appropriate occupational health and safety care, responsible and appropriate occupational health and safety care, and employee enrichment, giving importance and careful practice in human rights, managing efficiently according to the principles of good corporate governance so that the Company's business is stable and growing consistently.

### Support Activities


The Company focuses on business development with technology and eco-friendly innovation, with a transparent management policy under good corporate governance, conducting a verifiable and fair procurement process, and encouraging partners to practice under the Company's sustainable business guidelines. Moreover, it has created flexibility to keep pace with business disruption, ready to look ahead to increase competitiveness, including human resource management to provide employees with the knowledge to keep pace with disruption in the ever-changing business world to continuously increase competitiveness.

### 3.2.2 Analysis of stakeholders in the business value chain



The Company recognizes the importance of stakeholder participation based on the principle of creating collaborative values by analyzing internal and external stakeholders who are related to the value chain, comprising 9 groups as such Shareholders, Customers, Suppliers, Creditors, Governances, Employees, Community, and Society, Competitors, and Mass Media.






The Company established channels to foster relationships that are suitable for each group of stakeholders to listen to problems, operational impacts, comments and suggestions, which lead to the formulation of policies and operational strategies to effectively respond to stakeholders' needs and expectations through following operational guidelines:




Stakeholders	Guidelines for engaging with stakeholders	Concerns/Expectations	Approaches to response
<b>1. Shareholders / Investors/ Analysts/ Credit Rating Agency</b> 	<ul style="list-style-type: none"> <li>- Annual General Meeting of Shareholders</li> <li>- Opportunity for shareholders to attend the annual shareholders' meeting such as questioning and voting.</li> <li>- Presentation of information for investment to investors and analysts through investor relations activities at least 7 times a year.</li> <li>- Annual Information Disclosure Form /Annual Report (Form 56-1 One Report)</li> <li>- Provide communication channels through media including website, letter, email, telephone or others at least 20 times per month.</li> <li>- Annual Sustainability Report</li> <li>- Financial Report 4 times a year</li> </ul>	<ul style="list-style-type: none"> <li>- Good performance, stock prices and dividends are at a reasonable level and financially stable.</li> <li>- Operations are transparent and the business continues to expand.</li> <li>- Disclosure of important information of the Company with accuracy, completeness, timeliness, transparency, and reliability through the channels those are easily accessible by shareholders.</li> <li>- Conduct business with environmental, social, governance or ESG considerations.</li> <li>- Provide effective risk management system</li> <li>- Opportunity for shareholders to attend the annual shareholders' meeting and activities to engage and maintain good relations with shareholders.</li> </ul>	<ul style="list-style-type: none"> <li>- Manage the organization according to the vision under the BCG and ESG policies under good corporate governance.</li> <li>- Manage the efficiency of electricity generation and distribution to create long-term income stability.</li> <li>- Manage the innovations and technology, including research and development for business expansion.</li> <li>- Follow the policies to maintain liquidity and strengthen financial stability.</li> <li>- Implement appropriate comprehensive risk management</li> <li>- All shareholders have rights and are treated equally.</li> <li>- Clarify sufficient details regarding the shareholders' meetings, as well as all information relating to matters requiring shareholders to make decisions at the meetings in advance.</li> </ul>



Stakeholders	Guidelines for engaging with stakeholders	Concerns/Expectations	Approaches to response
<p><b>2. Employee</b></p> <p>- Full-time and Contract Employees</p> 	<ul style="list-style-type: none"> <li>- Collect information from all channels including complaints.</li> <li>- Communication within the organization through various channels, such as creating a Line chat group for top executives to communicate with all employees, specific Line chat groups to related management, internal memo circulated to employees in each department, announcement notice board in the establishment.</li> <li>- Workplace Welfare Committee</li> <li>- Occupational Safety, Health and Working Environment Committee</li> <li>- Annual Information Disclosure Form /Annual Report (Form 56-1 One Report)</li> <li>- Sustainability Report</li> <li>- Executives meet with employees at the plant once a week.</li> <li>- Provide clear communications within the organization through channels such as notifications to the departments within the Company and Line App.</li> <li>- Website comment box, email, Facebook</li> <li>- Performance appraisal 3 times a year</li> </ul>	<ul style="list-style-type: none"> <li>- Compensation and welfare that are consistent with the industry are appropriate and fair</li> <li>- The organization is stable and progressive in work.</li> <li>- Potential development for stability and opportunities for career advancement</li> <li>- The organization has a good image</li> <li>- Fair performance appraisal system</li> <li>- Occupational safety and quality of work life</li> <li>- Accept and respect opinions.</li> <li>- Equal treatment and respect for human rights and personal data.</li> </ul>	<ul style="list-style-type: none"> <li>- Treat employees fairly in accordance with human rights principles with equality, without discrimination, child labor, forced labor and migrant workers, including protecting personal information.</li> <li>- Skill development and promotion of employee advancement through training courses.</li> <li>- Motivate and retain employees by assessing their performance with clear criteria to determine fair remuneration and welfare that are comparable to other companies in the same industry.</li> <li>- Measure the level of satisfaction and engagement of employees towards the organization.</li> <li>- Provide good occupational health and safety system.</li> <li>- Provide channels for opinions and suggestions.</li> </ul>
<p><b>3. Suppliers and Contractors</b></p> <p>- Manufacturers / sellers and service providers, including raw materials, machinery and equipment / contractors for the projects</p> 	<ul style="list-style-type: none"> <li>- Complaints and communication channels such as websites, email, telephone, letters, etc.</li> <li>- Relationship building activities with suppliers at least once a year to create engagement.</li> <li>- Go out to meet suppliers at their premise at least twice a year.</li> <li>- Business negotiations, exchange of information and business opinions at least twice a year.</li> </ul>	<ul style="list-style-type: none"> <li>- Procurement system that is transparent, fair, non-discriminatory, free from corruption</li> <li>- Build relationship to grow together</li> <li>- Comply with the agreed terms, never take advantage of customers, and make payments on time.</li> <li>- Respect human rights and personal data.</li> <li>- Provide occupational health and safety in the workplace</li> </ul>	<ul style="list-style-type: none"> <li>- Conduct business together according to the Supplier Code of Conduct with strict equality.</li> <li>- Taking into account social issues and environment in procurement</li> <li>- Follow-up on compliance with the Supplier Code of Conduct</li> <li>- Determine a fair payment period to suppliers so that they have financial liquidity and is capable of continuing their business.</li> </ul>



Stakeholders	Guidelines for engaging with stakeholders	Concerns/Expectations	Approaches to response
<b>4. Customers and distributors</b> - Major customers including Electricity Generating Authority of Thailand and the Provincial Electricity Authority (EGAT and PEA) 	<ul style="list-style-type: none"> <li>- Visits and meetings once a year</li> <li>- Business visits once a year</li> <li>- Activities with customers for 12 months a year</li> <li>- Project production report to be prepared and f to EGAT once a month.</li> <li>- Customer satisfaction evaluation of power plants twice a year</li> <li>- Customer satisfaction evaluation of waste fuel products to be conducted twice a year</li> <li>- Complaints and other communication channels such as website, email, telephone, letter, etc.</li> </ul>	<ul style="list-style-type: none"> <li>- Selling power at reasonable prices</li> <li>- Stable and safe electricity generation and delivery with uninterrupted power supply</li> <li>- Electricity generation with environmentally friendly technology that does not cause any impact on communities and society</li> <li>- Compliance with agreements and contracts</li> <li>- Customer Confidentiality</li> <li>- Speed of service and support</li> <li>- Give importance to listening and responding to complaints.</li> </ul>	<ul style="list-style-type: none"> <li>- Generate and deliver stable and safe electricity for uninterrupted power supply.</li> <li>- Quality and efficient electricity generation with modern, environmentally friendly technology which does not cause any impact on the community and society.</li> <li>- Compliance with fair trade agreements and contracts, selling electricity at right and reasonable prices.</li> <li>- Strict compliance with business ethics including protection of customer information</li> <li>- Respond to the policy to reduce the use of highly polluting coal fuel and pay attention to the use of renewable energy as fuel.</li> </ul>
<b>5. Creditors / financial institutions / debenture holders</b> 	<ul style="list-style-type: none"> <li>- Submit a quarterly financial statement report.</li> <li>- Annual Registration Statement/ Annual Report (Form 56-1 One Report)</li> <li>- Sustainability Report</li> </ul>	<ul style="list-style-type: none"> <li>- Good corporate governance</li> <li>- Manage with transparency</li> <li>- Manage risks prudently</li> <li>- Payment in full and on time</li> <li>- Good performance, liquidity and solvency</li> </ul>	<ul style="list-style-type: none"> <li>- Conduct business with transparency and accountability under good corporate governance.</li> <li>- Comply with the conditions of the loan agreement and debentures.</li> <li>- Full disclosure of the Company's information and its financial information</li> </ul>
<b>6. Governances/ related public agencies/regulatory agencies/local public organizations</b> 	<ul style="list-style-type: none"> <li>- Report business performance to public agencies according to the period specified by the government as follows</li> <li>- Report the performance of safety officers in professional work every 3 months.</li> <li>- Report on compliance with EIA measures of the company every 6 months.</li> <li>- Report the electricity industry operation standards to the Energy Regulatory Commission every 3 months.</li> <li>- Be a place to visit and study business visits 12 times in 2022</li> <li>- Monitor policies, regulations, government requirements at least once a month.</li> <li>- Prepare project performance reports, both in terms of construction and operation reports to public agencies.</li> <li>- Support hygienic waste management for public agencies/local administrative authorities.</li> </ul>	<ul style="list-style-type: none"> <li>- Compliance with rules, regulations, laws and policies of regulatory agencies</li> <li>- Be responsible to the community, society and environment.</li> <li>- Sponsorship and cooperation with public agencies</li> <li>- Actions to mitigate climate change problems</li> <li>- Payment of taxes, related fees</li> </ul>	<ul style="list-style-type: none"> <li>- Comply with rules, regulations and laws.</li> <li>- Conduct business with responsibility to the community society and environment with sustainable good corporate governance.</li> <li>- Cooperate policy support and projects of public agencies appropriately.</li> </ul>

Stakeholders	Guidelines for engaging with stakeholders	Concerns/Expectations	Approaches to response
<b>7. Community and Society</b> - Local communities surrounding the establishments/ societies who access goods and services 	<ul style="list-style-type: none"> <li>- Complaints and communication channels such as websites, email, telephone, letters, etc.</li> <li>- Participate in community relations activities at least 28 times per month.</li> <li>- Organize public relations at least 22 times per month.</li> </ul>	<ul style="list-style-type: none"> <li>- Pay attention to community and social feedback.</li> <li>- Keep developing communities and supporting their activities.</li> <li>- Preserve the community environment.</li> <li>- Create jobs and strengthen the economy for the community.</li> </ul>	<ul style="list-style-type: none"> <li>- Explore community and social concerns that may be affected by the Company's business operations.</li> <li>- Care for the community and society.</li> <li>- Allocate budgets to support public projects and activities for the community, including the education of youth in the community.</li> <li>- Projects to support or participate in solving social problems, including creating jobs, creating careers, and creating sustainable income for the community.</li> </ul>
<b>8. Competitors</b> - Businesses in the same industry 	<ul style="list-style-type: none"> <li>- Collect information from all channels such as websites, letters, telephone, etc.</li> </ul>	<ul style="list-style-type: none"> <li>- Create conditions for fair competition together to maintain market share.</li> <li>- Conduct business in accordance with the Code of Conduct under the rules of free and fair competition.</li> </ul>	<ul style="list-style-type: none"> <li>- Not to violate intellectual property rights and copyrighted works of competitors and competitors' confidential information.</li> </ul>
<b>9. Press and media</b> 	<ul style="list-style-type: none"> <li>- Occasional business visits and activities for the community and society</li> <li>- Support media activities in line with company policy Benefits to the community and society</li> <li>- Regularly disseminate information and news that is beneficial to the Company.</li> <li>- Annual Information Disclosure Form /Annual Report (Form 56-1 One Report)</li> <li>- Sustainability Report</li> <li>- Quarterly earnings press conference</li> <li>- Participate in the Opportunity Day of the Stock Exchange of Thailand</li> </ul>	<ul style="list-style-type: none"> <li>- To be a company that conducts business with a focus on sustainable ESG.</li> </ul>	<ul style="list-style-type: none"> <li>- Conduct business with a focus on the community society and environment by appropriately and regularly disclosing and disseminating information that is beneficial to society.</li> </ul>

The Company prioritizes the stakeholders by measuring how the stakeholders are affected by the Company's business operations in terms of economy, society, and environment/stakeholders affecting the Company's business operations in terms of economy, society, and environment/stakeholders affecting the Company in the future and stakeholders at risk of human rights violations in the Company's value chain. The top three key stakeholders are 1) employees, 2) communities and society, and 3) government entities.

### 3.3 Environmental Sustainability Management

#### 3.3.1 Environmental Policy and Guideline

TPI Polene Group is committed to solving environmental problems under the principles of the Circular Economy by completing all steps from research and development planning, and production process, to product delivery to consumers in order to achieve a rotation in the use of natural resources, the use of renewable fuel energy, management to create added value to the leftovers from the production process and waste management to reuse for maximum benefit in the use of resources that contribute to sustainable development in the supply chain, businesses, society, and communities, It is also linked to the Green Economy drive with the goal of reducing the environmental impacts in terms of resource use, product manufacturing, as well as managing product waste to low carbon production. Its primary goal is to reduce greenhouse gas emissions by using renewable energy such as waste and waste heat in the production system, including developing the production of products of TPI Polene Group by using biotechnology to add value or apply in conjunction with the products of TPI Polene Group to create added value and support the country's agricultural sector to achieve a bio-economy. These three parts are implemented together as an economic action towards sustainable development known as Bio-Circular-Green Economy (BCG), which is considered an important strategy to drive TPI Polene Group to grow with innovation to be able to compete on a global scale and result in the distribution of income to the communities along with environmental preservation and sustainable development.

#### Strict compliance with environmental laws and regulations

The Company strictly complies with environmental laws with Environmental Impact Assessment (EIA) and Environmental Health Impact Assessment (EHIA) reports for the implementation of the Company's projects. Environmental law compliance reports, EIA and EHIA reports will be provided to public agencies and communities along with environmental measurements and assessments according to the plans, including submitting reports on environmental measures compliance to public agencies and communities in a timely manner.

#### 3.3.2 Environmental Performance

##### 1. Energy Management

The Company has the policy to manage energy by applying ISO 50001 as a management guideline. At the operational level, it applies the focus improvement pillar of total productive maintenance, which focuses on reducing "loss" in a systematic method to help discovering the point of energy loss and reduce costs, then improve by establishing a project team to achieve objectives and energy conservation goals, by efficiently manage energy in both lighting and air conditioning systems with installation and maintenance of equipment to control the operations of related electrical systems, enabling continuous reduction of electricity consumption.

The Company established a target of a station service used not exceeding 12% of the generated energy and the total energy cost of all types per electricity generation must not exceed 15 MJ/kWh.

In 2022, the Company's station service used is equal to 8.32% of the generated energy and the Company's total energy of all types per electricity generation is equal to 12.62 MJ/kWh.

The Company reduced energy consumption from 34,917,946.57 Gigajoules in 2021 to 26,005,384.93 Gigajoules in 2022, representing a decrease of 8,912,561.64 Gigajoules or 25.52%.

See more details in the Sustainability Report 2022 on Energy Management at the Company's website <http://www.tpipolenepower.co.th/index.php/th/th-investment/ar/sustainability>.

##### 2. Water resource management

The Company expresses an obvious intention to manage internal water to achieve the most cost-effective use of water with the community, setting a goal to recycle wastewater from the electricity generation process of not less than 30,000 cubic meters per month. The Company built a surface water storage pond as a reserve water source sufficient for use in the power plants. In addition, it increased water use efficiency by reducing water consumption in the production process and taking the wastewater from the office back through the water treatment system, and reusing water without draining outside the plants.

In 2022, the Company was able to recycle wastewater from the electricity generation process equal to 33,026.83 cubic meters per month.

See more details in the Sustainability Report 2022 on Water Resource management at the Company's website <http://www.tpipolenepower.co.th/index.php/th/th-investment/ar/sustainability>.

### **3. Emission Management**

The Company focuses on reducing the problem of greenhouse gas emissions in the production process of the combustion in coal-fired power plants, which leads to the problem of climate change becoming more serious in today humanity.

The Company set a goal to reduce greenhouse gas emissions from landfill waste by at least 6.2 million tons of carbon dioxide per year (where 1 ton of municipal waste emits 2.32 tons of carbon dioxide/per year) and receives an additional carbon credit of at least 180,000 tons of carbon dioxide per year. It will also be a power plant without use of fossil fuels and is a 100% carbon-free green power plant by 2025.

In 2022, the Company reduced the amount of greenhouse gas emissions from landfill waste by 6.34 million tons of carbon dioxide per year from the use of all types of waste that have been sorted for use as fuel, approximately 2.73 million tons.

The Company also reduced greenhouse gas emissions from 3,341,705.46 tons of carbon dioxide equivalent in 2021 to 2,598,274.12 tons of carbon dioxide equivalent in 2022, representing a reduction of 743,431.34 tons of carbon dioxide equivalent or 22.25%.

In 2022, the Company also allocated a budget of Baht 11,116.50 million for research and development of technology or implementing projects for the purpose of reducing risks or mitigating climate change impacts.

See more details in the Sustainability Report 2022 on Air Pollution, Table of GHG Emissions of Power Plants at the Company's website <http://www.tpipolenepower.co.th/index.php/th/th-investment/ar/sustainability>

### **4. Waste and Pollution Management**

The Company has the policy to manage garbage and waste according to the Zero Waste guidelines and has a goal of managing waste and pollution by using industrial waste  $\geq$  95% of the amount of industrial waste generated each year.

In 2022, the Company used industrial waste from the production process as alternative fuels, and alternative materials, and recycle a total of 19,706.66 tons, resulting in zero amount of waste.

See more details in the 2022 Sustainability Report on Waste and Pollution Management at the Company's website <http://www.tpipolenepower.co.th/index.php/th/th-investment/ar/sustainability>

### **5. Biodiversity**

The Company places importance on business operations with sustainable environmental and social responsibility and is well aware of the Company's business operations in order not to cause an impact on the ecosystem and biodiversity. Biodiversity management is, therefore, an issue to which the Company places importance in terms of ecosystems which are habitats for various species, and the integration of values in both the complete and effective preservation of biodiversity.

Biodiversity, as defined by the International Union for Conservation of Nature and Natural Resources (IUCN), means the presence of different and diverse species in terrestrial, marine, and ecosystem habitats. This diversity of organisms includes diversity among species and among ecosystems.

See more details in the Sustainability Report on Biodiversity at the Company's website <http://www.tpipolenepower.co.th/index.php/th/th-investment/biodiversity-th>

## 3.4 Sustainability Management in Social Dimension

### 3.4.1 Social Policy and Guideline

The Company is well aware that TPI Polene Group's activities and business operations are sensitive. It places importance on the policies and practices of the Company and TPI Polene Group to be in line with the laws and regulations concerning social management including respect for human rights throughout the business value chain, fair labor practices, responsible production and service to customers, participating in community and social development by integrating social responsibility in all work processes to connect the Company's business value chain.

### 3.4.2 Social Performance

#### Employment

Conducting a business under changes in economy, society, environment, and technology requires capable employees with knowledge, competence, and high potential, ready to cope with such changes, helping to support the Company's business operations and achieve success according to the set goals. Therefore, the Company has a manpower plan, a recruitment process, and attracting high-potential target groups from both internal and external personnel who are qualified to be in line with the corporate culture to be a part of driving the Company's business sustainably.

By promoting diversity in employment, promoting equal employment, non-discrimination, providing employment opportunities for people with disabilities to create a sustainable society, and hiring potential people with disabilities to work in appropriate positions. In 2022, a total of 26 people with disabilities were employed under Section 23 of the Persons with Disabilities Empowerment Act, B.E. 2550

#### Performance

- Manpower: The turnover rate is 1.49%
- In 2022, there were no complaints about discrimination incidents and incidents related to child labor and forced labor of the Company and labor contractors and subcontractors, and in 2022, the Company had no labor disputes.

See more details in the Sustainability Report 2022 on Employment at the Company's website <http://www.tpipolenepower.co.th/index.php/th/th-investment/ar/sustainability>.

#### Labor Management and Labor Relations

The Company conducts a survey of employees' satisfaction and engagement with the organization. The results from the survey are used to improve, develop and promote employees in various areas and to create participation in the internal management process, such as the election of a welfare committee in the workplace, which will result in employees' satisfaction and engagement with the organization.

#### Performance

In 2022, 65.42% of all employees participated in the organizational engagement assessment, with the level of job satisfaction at 78.50%, and the employee engagement level at 89.45%. The overall level of employee satisfaction and engagement was 81.24 percent.

In addition, the Company takes the results of employee satisfaction and engagement surveys to improve and create activities to build good relationships with employees on appropriate festivals in order to increase employee engagement with the organization.

See more details in the Sustainability Report 2022 on Labor Management and Labor Relations at the Company's website <http://www.tpipolenepower.co.th/index.php/th/th-investment/ar/sustainability>

### Training and Education

The Company has a policy to develop personnel regularly to develop employees to increase their knowledge, skills, experience, as well as expertise from on-the-job training from new employees. It provides a supervisor in each line of work to do the job training, including continuous promotion of ethics and integrity in work operations by determining development courses in accordance with employees in all areas so that employees can perform their assigned tasks efficiently, build pride in their work and support their career growth.

### Performance

- The average number of training hours for all courses is 24.71 hours/person/year.
- Satisfaction with the training evaluation was 90% (measured by the evaluation form after the training was completed, scored 4.5 out of 5).

See more details in the Sustainability Report 2022 on Training and Education at the Company's website <http://www.tpipolenepower.co.th/index.php/th/th-investment/ar/sustainability>

### Safety, Occupational Health, and Working Environment

The Company values occupational health and safety management systems as part of its business operations and strives to improve and prevent all existing hazards, including work-related injuries and illnesses for employees, partners, contractors, and stakeholders who are involved in the operations in the Company and all work areas to prevent and reduce losses that may occur to life, property as well as potential impacts on surrounding communities, which are operated under Occupational Health, Safety, and Environment Policy according to the ISO45001 occupational health and safety management system and aims to be an organization with zero accident.

See more details in Sustainability Report 2022 on Safety, Occupational Health, and Working Environment at the Company's website <http://www.tpipolenepower.co.th/index.php/th/th-investment/ar/sustainability>

### Corporate Social Responsibility

Corporate social responsibility operations are divided into 2 main areas: Community Relations and Corporate CSR. In 2022, TPI Polene Group supported the budget, construction materials, and healthcare products in TPI Polene Group for communities and society in all aspects by working on both sides in parallel, which can be summarized as follows:

#### (4.1) Community Relations

The Company has manufacturing plants located in various community areas and establishes a proactive policy for every production unit to provide support in sanitation and reduce the impact of the epidemic without waiting for community requests. The Company also supports the surrounding communities and important societies and strengthened the community to be healthy, provides a mobile medical unit in the "Good Healthy with TPI" Project to monitor illnesses, health examination and services, provide health knowledge and benefits, provide lung examination in surrounding communities in Kaeng Khoi District, Muak Lek District, Saraburi Province.

#### (4.2) Corporate Social Responsibility

In addition, the Company also takes part in improving the quality of life and promoting participation in the community. In 2022, the Company organized activities with the community and important activities as follows:



### Community and Social Contribution Activities

The Company delivered X-rays and excellent mobile vehicles worth 9,000,000 baht to the Songkhla Nakarin Hospital Foundation in order to reduce the service rate of patients in the hospital and reduce the risk in case of patients who are under surveillance for COVID-19 service. It is also to increase the efficiency of the work of medical personnel in the future. The Company would like to take part in sending concerns to people in the area to have access to the public health system thoroughly. The Songkhla Nakarin Hospital uses the mobile medical unit to serve people at the Javanese Dove Competition (international level), at the annual event, “ Unique Products of Chana”, Taling Chan Subdistrict, Chana District, Songkhla Province. There were about 1,000 people interested in joining the event from all over Thailand and from neighboring countries.

TPI Polene Power Public Company Limited, TPI Polene Public Company Limited, and the Environment for Life Foundation donated 2,700 bottles of hygienic liquid soap products (to help with athlete’s foot) with 50 boxes of clothing from executives and employees to help flood victims at the Ubon Ratchathani City Hall. In addition, 1,000 bottles of hygienic liquid soap (anti-fungal liquid) were also given through the Yang Mee Rao Foundation (TOPNEWS), and 300 bottles from Nation news stations were given to flood victims in various provinces.

- Support organic agricultural products in both plant and animal groups (in 162 targeted communities) for the Rural Development Education Foundation (Wat Pa Darapirom Chiang Mai Province) in 5 projects as follows: products to help 750 farmers who are members of the Cattle-Buffalo Bank; products to help 200 rice farmers; products to help 20 soybean farmers; products to help 40 longan farmers; and products to help 30 cocoa farmers to encourage farmers to use organic products to reduce chemical farming to increase productivity, free from residues, along with the physical health of the farmers, and not exposed to toxic chemicals from farming.
- Donate TPI bio-organic fertilizer products (TPI green fertilizer, TPI purple fertilizer, wood vinegar, bat cave granular fertilizer, and PH11 plus soil conditioner to Wat Thep Chetiyachan, Chom Thong District, Chiang Mai Province in the project of donating fertilizer to temples, schools, farmers for sustainable agriculture.





- Donate blankets for the winter of 2022: In the North, a total of 4,000 blankets were given to students, teachers, and people under the Border Patrol Police Region 3, Chiang Mai Province; 1,000 blankets were given through the Dharma Practice Center “Thammasilp” to the victims of the winter, Chiang Mai Province; and 235 blankets given to Mae Ai Hospital, Chiang Mai Province; In the Northeastern region, 3,000 blankets were given to students, teachers and people under Border Patrol Police Region 2, Khon Kaen Province; and 1,000 blankets were given to the Faculty of Medicine, Khon Kaen University to patients and victims of winter and 500 pieces given to Umphang Hospital. The Company would like to be a part of giving warmth and helping alleviate suffering from the winter.
- Support budgets to promote and develop a good quality of life for Thai people, such as
  - TPI Polene Power Public Company Limited, in collaboration with the “Yang Mee Rao” Foundation and TOPNEWS news station, supports TPI Nano Super Special Armor TPI Pain (TPI Water Paint, TPI Primer Paint for Fine Arts for the Street Art King Bhumibol Project, a volunteer project to paint portraits of King Rama IX along with the dissemination of the royal speeches. The creation of works by artists from all over Thailand was led by Kru Alai (art teacher) to give Thai people and people around the world to remember His Majesty’s benevolence and to bring His Majesty’s teachings to continue in life and benefit the public, with 6 activity points as such Bangkok, Samut Prakan, Chiang Mai, Songkhla, Nakhon Pathom, Nakhon Phanom. The Company would like to be a part of supporting the Yang Mee Rao Foundation in the Street Art King Bhumibol Project and will continue to apply His Majesty’s teachings for the benefit of the public.



- Support special charity events of the Thai Disabled Occupational Development Association for 35,000 baht to purchase emergency beds and nursing beds for the disabled of the Thai Disabled Occupational Development Association, and support 60,000 baht to purchase 3 special trikes and 5 wheelchairs in the “Wheelchairs for the Disabled Project” of the Association for the Promotion of the Development of the Life of the Disabled and the Underprivileged.
- Support the budget for the purchase of TPI construction materials products for constructions, renovations, and repairs of buildings and facilities such as joining TISCO Bank Group in “TISCO Ruamjai” Project to construct a 2-storey learning building with 12 classrooms and a 260-seat canteen building at Ban Khlong Sip Sam School, Sa Kaeo Province; to renovate the school building and buildings to facilitate learning and well-being, as well as building confidence in the community in sending their children to study at Prasit Thaweesin 2 School, Songkhla Province; to develop, repair and renovate the learning resources outside the classroom to facilitate the learning and well-being of students of Tha Phueng Wittaya School, Surat Thani Province; To repaint a new school building, Association College Charity School Bangkok; to improve and develop Dharma courtyards to make them suitable for being a learning center in Thepsirin Phukhae School, Saraburi Province for students to have a better quality of life.





- Co-hosted the Kathin Ceremony at Wat Sri Don Moon, Chiang Mai Province; Hosted the Kathina Ceremony Ban Hin Lap Temple, Saraburi Province; Wat Tham Sarika, Nakhon Nayok Province; Wat Suwanmat, Phetchaburi Province; and donate 350 bags of TPI cement products, TPI Nano Super Armor paint, TPI aerated bricks, and other products. to various temples, for example, to restore and gild the pagoda of Phra That Chae Haeng, Phra Aram Luang, Phu Phiang District, Nan Province; to build a building for meditation rooms and walking paths at Wat Suwanmasongkol, Cha-Am District, Phetchaburi Province. In addition, it also participated in promoting the maintenance of Buddhism in other areas; for example, supporting the Novices Rak Kaew Sacred Religion Project at Rama 9 Golden Jubilee; supporting the dissemination of Dharma on the Dharma Inspiration Channel, Wat Weluwan, Kanchanaburi Province; and support the propagation of Buddhism on the World Buddhism Television Station of Thailand Wat Yannawa (WBTv), etc.
- Provide the budget for the purchase of TPI drinking water products, and health-saving products (Provita drink, Bio Knox, Mouthwash, Microme Knox Solution) to schools and organizations for organizing volunteer activities and beneficial activities such as participating in the “Cycling, Share Happiness, Stop Cancer” Project, Field 3, Songkhla Province of Yang Mee Rao Foundation; take care of COVID patients, Community Isolation Center at the Sathorn District Sports Center of the Sathorn District Office; and participate in the international academic conference, “ the 13th IMT-GT UNINET BIOSCIENCE International” of the Faculty of Science, Prince of Songkla University.



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

### 4.1 Analysis of Operations and Financial Status

#### 4.1.1. Overview of performance in 2022

##### Sales revenue

In 2020, 2021, and 2022, the Company and its subsidiaries had sales revenue (including sale revenue from power, goods, and adders) equal to Baht 11,119.4 million, Baht 11,073.8 million, and Baht 10,200.0 million, respectively. In 2022, its sales revenue decreased by Baht 873.9 million or 7.9% compared with 2021.

Sales revenue from the energy and utilities business in 2020, 2021, and 2022 were Baht 10,586.8 million, Baht 10,557.4 million, and Baht 9,618.4 million, respectively. In 2022, the Company's total electricity sales amounted to Baht 9,248.4 million (divided into sales to the Electricity Generating Authority of Thailand ("EGAT") of Baht 7,680.2 million and sales to TPI Polene Plc. of Baht 1,568.2 million), decreased from 2021 with the Company's total electricity sales of Baht 10,412.5 million (divided into sales to EGAT of Baht 8,773.7 million and sales to TPI Polene Public Company Limited of Baht 1,638.8 million). The main reason for the decline in overall electricity sales was the expiration of the adders for 18 MW and 55 MW waste-to-fuel power plants in January 2022 and August 2022, respectively. However, the base tariff increased due to the continuous adjustment of the FT charge in 2022. In addition, in 2022, the Company had sales revenue from waste fuel (MSW) and steam to TPI Polene Plc. in the amount of Baht 370.0 million, an increase of Baht 225.1 million from Baht 144.9 million in 2021 due to the increase in sales volume of waste fuel (MSW).

Sales revenue from petrol and natural gas (NGV) stations business in 2020, 2021, and 2022 were Baht 532.6 million, Baht 516.5 million, and Baht 581.6 million, respectively. The increase in revenue from sales of fuel and natural gas (NGV) was mainly due to the increase in the selling price of fuel and natural gas.

##### Other Income

In 2020, 2021, and 2022, the Company and its subsidiaries had other income of Baht 281.8 million, Baht 240.6 million, and Baht 366.5 million, respectively, because the Company had rental income for machinery of Baht 216.8 million, an increase of Baht 33.6 million from the amount of Baht 183.2 million in 2021. In addition, in 2022, the Company had income from garbage disposal services of Baht 58.8 million, an increase of Baht 43.8 million from Baht 15.0 million in 2021. Moreover, in 2022, the Company had other income of Baht 90.9 million, an increase of Baht 48.5 million from Baht 42.4 million in 2021.

##### Investment Income

In 2020, 2021, and 2022, the Company and its subsidiaries had investment income of Baht 42.9 million, Baht 43.8 million, and Baht 52.3 million, respectively. In 2022, investment income increased by Baht 8.5 million or 19.3% compared with 2021.

##### Total Income

In 2020, 2021, and 2022, the Company and its subsidiaries had total income of Baht 11,444.0 million, Baht 11,358.3 million, and Baht 10,625.5 million, respectively. In 2022, total income decreased by Baht 732.8 million or 6.5% compared with 2021 due to the decrease in sales revenue while the other income increased as detailed above.

##### Cost of Sales

In 2020, 2021, and 2022, the Company and its subsidiaries had cost of sales equal to Baht 6,027.7 million, Baht 6,186.7 million, and Baht 7,184.5 million, respectively. In 2022, the cost of sales increased by Baht 997.8 million or 16.1% compared with 2021, mainly due to the price of coal, which is the fuel cost for generating electricity sold to TPI Polene Plc., has been increasing continuously in accordance with the world market situation and the increase of waste fuel costs.

**Gross Profit**

In 2020, 2021, and 2022, the Company and its subsidiaries had gross profits of Baht 5,091.7 million, Baht 4,887.1 million, and Baht 3,015.5 million, respectively. In 2022, the gross profit decreased by Baht 1,871.6 million or 38.3%, mainly due to the adders for 18 MW and 55 MW waste- to-fuel power plants expired in January 2022 and August 2022, respectively, and increasing fuel costs. The Company' s gross profit margin in 2020, 2021, and 2022 was 45.8%, 44.1%, and 29.6%, respectively.

**Distribution Costs**

In 2020, 2021, and 2022, the Company and its subsidiaries had distribution costs equal to Baht 66.4 million, Baht 65.4 million, and Baht 64.6 million, respectively. In 2022, distribution costs decreased by Baht 0.9 million or 1.3%, compared with 2021.

In 2020, 2021, and 2022, distribution costs as a percentage of sales revenue were 0.6%, 0.6%, and 0.6%, respectively. Distribution costs as a percentage of sales revenue in 2022 were similar to those of 2021.

**Administrative expenses**

In 2020, 2021, and 2022, the Company and its subsidiaries had administrative expenses of Baht 432.7 million, Baht 581.8 million, and Baht 459.2 million, respectively. In 2022, administrative expenses decreased by Baht 122.6 million or 21.1% compared with 2021 due to a decrease in donations to support various projects. In 2022, the Company had a donation of Baht 48.6 million, a decrease of Baht 94.9 million from Baht 143.5 million in 2021. In 2022, the Company had other administrative expenses of Baht 410.6 million, a decrease of Baht 27.7 million from Baht 438.3 million in 2021.

In 2020, 2021, and 2022, administrative expenses as a percentage of sales revenue were 3.9%, 5.3%, and 4.5%, respectively. Administrative expenses as a percentage of sales revenue in 2022 decreased compared with 2021.

**Financial Costs**

In 2020, 2021, and 2022, the Company and its subsidiaries had financial costs of Baht 285.2 million, Baht 207.8 million, and Baht 90.3 million, respectively. In 2021, the Company's finance costs decreased by Baht 77.4 million or 27.1% compared with 2020 due to interest expenses during construction being recorded as costs during construction. In 2022, the Company had a decrease in financial costs of Baht 117.5 million or 56.5% compared with 2021 as most of interest was recorded as costs during construction, which were interest expenses arising from borrowings used to invest in a lot of projects that had not been yet commercially operated.

**Income Tax Expenses**

In 2020, 2021, and 2022, the Company and its subsidiaries had income tax expenses of Baht 122.2 million, Baht 110.1 million, and Baht 14.1 million, respectively. In 2022, income tax expenses decreased by Baht 96.1 million or 87.2% compared with 2021

**Profit for the Year**

In 2020, 2021, and 2022, the Company and its subsidiaries gained profits from normal business operations (excluding profit (loss) from foreign exchange rate and income tax) equal to Baht 4,632.0 million, Baht 4,316.5 million, and Baht 2,820.1 million, respectively. In 2022, profits from normal business operations (excluding profit (loss) from foreign exchange rate and income tax) decreased by Baht 1,496.4 million or 34.7% compared with that of 2021.

In 2020, 2021, and 2022, the Company and its subsidiaries had net profit of Baht 4,505.8 million, Baht 4,191.3 million, and Baht 2,812.8 million, respectively. In 2022, the net profit decreased by Baht 1,378.5 million or 32.9% compared with 2021 due to the adders for the 18 MW and 55 MW waste-fuel power plants expired in January 2022 and August 2022, respectively, coupled with higher fuel costs. However, the Company reported higher income from investment and other income, and lower of distribution costs, administrative expenses, financial costs, and income taxes. Profit for the year 2022 amount of Baht 2,812.8 million consisted of the normal business operation profit of Baht 2,820.1 million, net foreign exchange gain of Baht 6.7 million, and income tax expenses of Baht 14.1 million.

The Company's net profit margins for the years 2020, 2021, and 2022 were 39.4%, 36.9%, and 26.5%, respectively. In 2022, the net profit margin decreased compared with that of 2021 due to the aforementioned reasons.

### Performance by Business Segments

#### 1. Energy and utilities

Revenues from energy and utilities in 2020, 2021, and 2022 were Baht 10,586.8 million, Baht 10,557.4 million, and Baht 9,618.4 million, respectively. In 2022, the revenue of the segment decreased due to the adders of 18 MW and 55 MW waste-to-fuel power plants expired in January 2022 and August 2022, respectively. However, the Base tariff has been increased due to the additional adjustment of the FT charge in 2022. In addition, the Company had sales revenue increased from sales of waste fuel (MSW) and steam to TPI Polene Plc., continuously.

Earnings Before Interest, Tax, Depreciation, and Amortization (EBITDA) from energy and utilities business in 2020, 2021, and 2022 were Baht 5,695.3 million, Baht 5,413.0 million, and Baht 3,878.4 million, respectively. In 2022, EBITDA decreased due to the expiry of adders for 18 MW and 55 MW waste fuel power plants in January 2022 and August 2022, respectively, along with the increase in cost of sales from coal price and the increase of waste fuel costs.

#### 2. Petrol and gas stations

Revenues from petrol and gas stations in 2020, 2021, and 2022 were Baht 532.6 million, Baht 516.5 million, and Baht 581.6 million, respectively. In 2022, the revenue from sales of fuel and natural gas (NGV) increased mainly due to the increase in selling prices of fuel and natural gas.

Profits (Losses) before interest and taxes, depreciation, and amortization (EBITDA) of petrol and gas stations in 2020, 2021, and 2022 were Baht (1.8) million, Baht 13.3 million, and Baht 35.6 million, respectively. In 2022, EBITDA increased.

### 4.1.2 Financial position and financial ratios for the year 2022

#### Assets

As of December 31, 2020, 2021, and 2022, the Company had total assets of Baht 43,775.2 million, Baht 48,485.4 million, and Baht 50,579.4 million, respectively, with total assets increasing due to an increase in the Company's investment in property, plant and equipment assets, and inventories.

Total current assets as of December 31, 2020, 2021, and 2022 were Baht 7,158.1 million, Baht 9,105.3 million, and Baht 7,001.5 million, respectively. Trade accounts receivable accounted for 33.9%, 28.1%, and 22.5% of total current assets or an average collection period of 74 days, 81 days, and 73 days, respectively. In addition, the inventory accounted for 17.4%, 17.5%, and 27.6% of total current assets or an average inventory turnover periods of 69 days, 83 days, and 88 days, respectively.

As of December 31, 2020, 2021, and 2022, the Company had property, plant, and equipment assets of Baht 35,605.6 million, Baht 37,808.8 million, and Baht 41,652.5 million, respectively. Most of the additional assets came from investments in the lands to support the Company's future project development.

#### Liabilities

As of December 31, 2020, 2021, and 2022, the Company had total liabilities of Baht 14,847.0 million, Baht 17,633.5 million, and Baht 19,014.9 million, respectively. Total liabilities increased because, in 2021, the Company issued and offered debentures in June and November in the amount of Baht 3,000 million and Baht 4,523.6 million, respectively, totaling Baht 7,523.6 million in order to refinance the matured debentures and support investment in the Songkhla Provincial Administrative Organization's waste disposal project and the waste disposal system project, Phase 2 of Nakhon Ratchasima Municipality, in which the Company won the bid in early 2021.

In 2022, the Company issued and offered additional debentures in August in the amount of Baht 4,693.0 million to refinance the matured debentures in the amount of Baht 4,000 million in November 2022. The remaining fund is to support capital expenditures for the waste fuel plant (RDF 3) and improve the efficiency of waste fuel power plants and for working capital in business operations.



Other payables proportion (payable for machinery and retention) accounted for 13.7%, 6.1%, and 19.5% of current liabilities, respectively. In 2021, the other payables proportion decreased significantly as the Company returned the retention deposit and paid for imported machinery from overseas suppliers which installed successfully, causing the machine payable decreased. For the year 2022, other payables increased due to the Company's investment in machinery installation in the Company's projects, causing increase in machine payable, accrued expenses, and retention charged from the suppliers and installers of the machinery as guarantees in the event of damage or mistakes during the contract period.

The Company had trade account payables equal to Baht 432.5 million, Baht 430.4 million, and Baht 743.2 million, as of December 31, 2020, 2021, and 2022, representing an average repayment period of 26 days, 25 days, and 29 days, respectively. During the COVID-19 pandemic, the Company consistently paid debts on time for its business partners to relieve their financial burdens.

#### **Shareholders' Equity**

As of December 31, 2020, 2021, and 2022, the Company had shareholders' equity of Baht 28,928.1 million, Baht 30,851.8 million, and Baht 31,564.4 million, respectively. Shareholders' equity increased because of the Company's business operation with net profits increased in 2021 and in 2022

#### **Capital Structure**

As of December 31, 2020, 2021, and 2022, the Company has debt to equity ratios of 0.51 times, 0.57 times, and 0.60 times and interest-bearing debt to equity ratios of 0.45 times, 0.52 times, and 0.53 times, respectively which increased accordingly. In 2021, the Company issued and offered debentures in June and November in the amount of Baht 3,000 million and Baht 4,523.6 million, respectively, totaling Baht 7,523.6 million in order to refinance the matured debentures and support investment in Songkhla Provincial Administrative Organization's solid waste disposal projects and the waste disposal system project, Phase 2 of Nakhon Ratchasima Municipality, in which the Company won the bid in early 2021. For the year 2022, the Company issued and offered debentures in August in the amount of Baht 4,693.0 million to refinance the matured debentures in the amount of Baht 4,000 million in November 2022. The remaining fund is to support capital expenditures for the waste fuel plant (RDF 3) and improve the efficiency of waste fuel power plants and use for working capital in business operations.

#### **Liquidity and Sufficiency of Funds**

In 2020, 2021, and 2022, the Company had net cash flows from operations of Baht 4,820.4 million, Baht 4,159.1 million, and Baht 5,407.8 million, respectively.

The Company had net cash flows from investing activities in 2020, 2021, and 2022 in the amount of Baht (4,885.8) million, Baht (5,495.9) million, and Baht (2,284.7) million, respectively. In 2021, net cash flows from investing activities increased as the Company invested in more debt instruments compared to 2020 for financial liquidity management by investing in short-term debt securities that can be quickly converted into cash. For the year 2022, net cash flows from investing activities decreased due to the Company receiving cash from the sale of equity securities and debt securities purchased in the previous year.

The Company had net cash flows from (used in) financing activities in 2020, 2021, and 2022 in the amount of Baht 1,166.0 million, Baht 475.1 million, and Baht (2,049.4) million, respectively, resulting in an increase (decrease) in net cash flow after financial activities in 2020, 2021 and 2022 in the amount of Baht 1,100.6 million, Baht (861.2) million and Baht 1,073.5 million, respectively.

Current ratios in 2020, 2021, and 2022 was 1.24 times, 1.80 times, and 1.37 times. The quick ratio was 0.99 times, 1.38 times, and 0.92 times, respectively. The interest coverage ratio in 2020, 2021, and 2022 was 15.65 times, 10.36 and 6.54 times, respectively. Those ratios decreased but remained at a high level. In addition, the debt service coverage ratio was 1.36 times, 1.35 times, and 1.29 times, respectively. The Company and its subsidiaries had interest-bearing debt to equity ratios of 0.45 times, 0.52 times, and 0.53 times, and had a net interest-bearing debt ratio (net after deducting cash, cash equivalents, and other current financial assets in excess of Baht 1,500 million according to the terms and conditions under the MTN Project 2021) to shareholders' equity equal to 0.36 times, 0.41 times, and 0.46 times, respectively.



In this regard, this implies that the cash flow, liquidity ratio, quick turnover ratio, and debt service coverage ratio of TPI Polene Group are at a high liquidity level, ensuring that the Company's Group has sufficient liquidity for its operations, be able to paying off debt, can comply with important loan terms and conditions, and has ability to find additional sources of financing with revolving credit facilities backed by financial institutions that are sufficient to operate the business.

#### **Maintaining Financial Ratios**

The Company and its subsidiaries have sufficient funds to invest in various projects. The source of funds comes from their business operational cash flow, debenture offerings, loans from domestic financial institutions, bill of exchange offerings, and loans from financial institutions in the category of revolving credit for business operations.

Financial obligations of the Company and its subsidiaries as of December 31, 2022, are as follows:

1. Debentures of the Company and its subsidiaries in the amount of Baht 3,789.6 million issued under the Company's Medium Term Note Program for the year 2018, with a provision on the debentures that require the debt to equity ratio to be maintained (debt means interest-bearing debt) at the end of the quarterly accounting period or the end of the fiscal year until the maturity of the debentures at a ratio not exceeding 1.75:1.
2. Debentures of the Company and its subsidiaries in the amount of Baht 12,116.6 million issued under the Company's Medium Term Note Program for the year 2021, with a provision on the debentures that require the debt to equity ratio to be maintained (debt means interest-bearing debt less by cash, deposits, and short-term investments in excess of Baht 1,500 million, and deducted by lease liabilities, and financial debt for investment in power plants under the power purchase agreements with the authorities) at the end of the quarter or the end of the fiscal year until the maturity of the debentures at the ratio not exceeding 3:1.

As of December 31, 2022, the Company and its subsidiaries have an interest-bearing debt to equity ratio of 0.53: 1, which is not more than the maintenance ratio of 1.75: 1 according to the term and conditions specified in the debenture agreements in Clause 1, and has an interest-bearing debt to equity ratio of 0.46: 1, which is not greater than the ratio that must be maintained at 3: 1 according to the terms and conditions stipulated in the debenture agreements in Clause 2.

#### **Policy and Credit Term**

The Company's Group has a credit management policy in which credit criteria and procedures are determined for each business unit that can compete and compare with competitors by considering the overall average earnings and payout periods to be consistent and have no impact on the financial liquidity, including but not limited to funding costs and financial risks that may arise from exchange rates.

## **4.2 Factors that may affect future operations**

### **4.2.1 Trends and impacts on the environment and society**

TPI Polene Group places importance on the impact of climate change, which is a key factor for its business operations in the future. Therefore, it promotes the conversion of waste to fuel used as alternative fuel instead of coal in the cement production process and power plants to reduce greenhouse gas emissions and focuses on developing low-carbon products along with environmental- friendly business operations. More details can be found in the Company's Sustainability Report.

### **4.2.2 Financial support obligations to affiliates**

The Company considers providing financial support to its affiliates if necessary and benefits to the Company and the Group in the long term. The Company believes that such policies and actions will be able to strengthen the companies under TPI Polene Group. On February 24, 2022, the Board of Directors' meeting resolved to extend the period of receiving and/or providing financial assistance between the Company and TPI Polene Public Company Limited for another 2 years (March 1, 2022) – February 29, 2024) in the amount of Baht 1,200 million (in the case of the Company receiving assistance) and Baht 700 million (in the case of the Company providing financial assistance) which is a short-term revolving loan in the form of promissory notes classified as a connected transaction in the category of providing and/or receiving financial assistance.

As of December 31, 2022, the Company provided financial support as follows:

Borrower Company	Loan Amount (million baht)	Outstanding Loan Balance
TPI Polene Public Company Limited	700	-

#### 4.2.3 The Company's business operations with the concept of sustainable business operations (ESG) in 2022

In 2022, the Board of Directors has approved the important sustainability issues, as materiality, to its business operations in all 3 aspects covering environment, society and economy, and good corporate governance to be formulated as a sustainability policy, focusing on being a tool to drive the organization to achieve its vision of sustainable development in accordance with the direction and strategy of TPI Polene Group's business operation by taking sustainability issues approved by the Board of Directors to prepare a 2022 sustainability report in accordance with Global Reporting Initiative (GRI)

1. The Company has moved towards a low-carbon society by setting a goal of Net Zero Green House Gas Emission for TPI Polene Group by 2043 (or B.E.2586) corresponding to the policy of Thailand Greenhouse Gas Management Organization (from using waste as alternative fuels in the cement production process of TPI Polene Plc. and in the Company's electricity generation). Thailand announced that it will achieve the target of carbon neutrality by 2050 and achieve the target of net zero emissions by 2065. Such actions are considered as operating cement production and power generation business while eliminating solid waste and reducing carbon dioxide emissions to reduce global warming together.
2. The Company can reuse approximately 2.73 million tons of waste as fuel instead of coal.
3. The Company received a Carbon Credit certificate for a total of 717,931 tons of carbon dioxide equivalent from the Thailand Greenhouse Gas Management Organization on May 24, 2022.
4. The Company measured employee satisfaction levels in several dimensions. The measurement result showed that the level of satisfaction at work was 78.50 percent; the level of employee engagement with the Company was 89.45 percent; and the overall level of satisfaction and engagement of employees was 81.24 percent. The opinions of such employees are used to develop activities to continuously form good relationships with employees.
5. The Company provides equal opportunities for employment without discrimination, covering disabled and other disadvantaged groups. In 2022, the Company had a total of 48 employees of such group and employed 3 elderly employees.
6. The Company supports projects and various public activities for communities, educational institutions, temples, hospitals, and several public agencies, by donating healthcare products. X-ray vehicles and mobile health check-up machines were also delivered to Songkhla Nakarin Hospital and Nano Super Special Armor paints were donated to the King Bhumibol Stream Art Project, etc. The total value of the donation was approximately Baht 48.55 million.
7. The Company disposed approximately 14,986 tons of COVID-19-infected waste and disposed approximately 3,950 tons of non-hazardous industrial waste by using as fuel in the production process.
8. The Company prepared a sustainability report based on the GRI (Global Reporting Initiative) 2021 reporting standards by providing total of 20 materiality issues in all 3 aspects (ESG).

#### Sustainability Development Performance

With its commitment and focus on working process to create sustainable growth, in 2022, the Company received awards and certifications from recognized organizations for promoting development for Sustainability and good corporate governance. For example, the Company was selected as one of the ESG100 securities companies with outstanding performance in environment, society, and good governance (ESG) from the assessment of listed securities in 2022 by Thaipat Institute and was certified for the ESG Credit 2022 project for green investment projects by Thaipat Institute. In addition, the Company has been selected to be in the sustainable stock THSI (Thailand Sustainability Investment) for the year 2022 from the Stock Exchange of Thailand and received the Corporate Governance Report of Thai Listed Companies: CGR for the year 2022 at a very good level (Very Good) by the Thai Institute of Directors (IOD)

### 4.3 Financial highlights

The auditor for the audited consolidated and separate financial statements for the year ended December 31, 2022, is Mr. Boonyarit Thanomcharoen, Registration No. 7900, from KPMG Phoomchai Audit Company Limited.

The auditor audited the consolidated and separate financial statements of TPI Polene Power Public Company Limited and its subsidiaries, and exclusively for TPI Polene Power Public Company Limited, consisting of the statement of financial position as of December 31, 2022, the statement of comprehensive income, the statement of changes in shareholders' equity, and the statement of cash flows for the same year ended, including notes which contain a summary of significant accounting policies and other matters.

The auditor was of the opinion that the above financial statements represented the Company's financial position as of December 31, 2022, operating performances and cash flows for the year then ended fairly and materially in accordance with the Financial Reporting Standards.

#### 4.3.1 Consolidated statement of financial position

(Unit: Million Baht)	2020	%	2021	%	2022	%
<b>Current assets</b>						
Cash and cash equivalents	1,790.58	4.09	929.34	1.92	2,002.86	3.96
Trade accounts receivable	2,425.69	5.54	2,561.00	5.28	1,574.31	3.11
Other receivable	148.50	0.34	229.66	0.47	230.16	0.46
Short-term loans to related parties	-	-	230.62	0.48	-	0.00
Accounts receivable and advances to related parties	40.14	0.09	56.28	0.12	91.66	0.18
Inventories	1,248.86	2.85	1,590.80	3.28	1,930.76	3.82
Other current financial assets	1,496.24	3.42	3,495.24	7.21	1,133.81	2.24
Other current assets	8.06	0.02	12.32	0.03	37.95	0.08
<b>Total current assets</b>	<b>7,158.07</b>	<b>16.35</b>	<b>9,105.26</b>	<b>18.78</b>	<b>7,001.51</b>	<b>13.84</b>
<b>non-current assets</b>						
Other non-current financial assets	188.05	0.43	670.89	1.38	486.17	0.96
Investment in joint ventures	-	-	-	-	249.89	0.49
Property, plant and equipment	35,605.61	81.34	37,808.80	77.98	41,652.50	82.35
Right-of-use assets	650.62	1.49	620.59	1.28	518.32	1.02
Advance payment for building and equipment	58.59	0.13	131.81	0.27	529.62	1.05
Deferred tax assets	82.26	0.19	94.01	0.19	82.24	0.16
Other non-current assets	31.95	0.07	53.99	0.11	59.11	0.12
<b>Total non-current assets</b>	<b>36,617.09</b>	<b>83.65</b>	<b>39,380.09</b>	<b>81.22</b>	<b>43,577.86</b>	<b>86.16</b>
<b>Total assets</b>	<b>43,775.15</b>	<b>100.00</b>	<b>48,485.35</b>	<b>100.00</b>	<b>50,579.37</b>	<b>100.00</b>

(Unit: Million Baht)	2020	%	2021	%	2022	%
<b>Current liabilities</b>						
Short-term loans from financial institutions	239.63	0.55	-	-	-	-
Trade payable	432.52	0.99	430.40	0.89	743.17	1.47
Other payable	791.22	1.81	306.88	0.63	998.42	1.97
Accounts payable and advances received from related parties	66.23	0.15	47.60	0.10	178.20	0.35
Current portion of leases liabilities	14.85	0.03	20.24	0.04	25.29	0.05
Current portion of debentures	4,000.00	9.14	4,000.00	8.25	3,000.00	5.93
Interest payable	53.24	0.12	66.13	0.14	72.69	0.14
Corporate income tax payable	47.47	0.11	43.96	0.09	0.23	0.00
Other current liabilities	139.06	0.32	143.25	0.30	97.06	0.19
<b>Total current liabilities</b>	<b>5,784.19</b>	<b>13.21</b>	<b>5,058.46</b>	<b>10.43</b>	<b>5,115.06</b>	<b>10.11</b>
<b>Non-current liabilities</b>						
Lease liabilities	645.18	1.47	630.20	1.30	536.67	1.06
Debenture	8,000.00	18.28	11,523.60	23.77	13,216.60	26.13
Non-current provisions for employee benefits	152.71	0.35	151.66	0.31	146.62	0.29
Provision for dismantling costs	264.93	0.61	269.61	0.56	-	-
<b>Total non-current liabilities</b>	<b>9,062.82</b>	<b>20.70</b>	<b>12,575.07</b>	<b>25.94</b>	<b>13,899.89</b>	<b>27.48</b>
<b>Total Liabilities</b>	<b>14,847.01</b>	<b>33.92</b>	<b>17,633.53</b>	<b>36.37</b>	<b>19,014.95</b>	<b>37.59</b>
<b>Equity</b>						
Registered capital	8,400.00	19.19	8,400.00	17.32	8,400.00	16.61
Issued and paid-up capital	8,400.00	19.19	8,400.00	17.32	8,400.00	16.61
Share premium	14,580.89	33.31	14,580.89	30.07	14,580.89	28.83
Retained earnings						
Appropriated - legal reserve	840.00	1.92	840.00	1.73	840.00	1.66
Unappropriated	5,107.42	11.67	7,030.75	14.50	7,743.54	15.31
Other components of equity	(0.18)	(0.00)	0.17	0.00	-	-
Non-controlling interests	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total shareholders' equity</b>	<b>28,928.14</b>	<b>66.08</b>	<b>30,851.82</b>	<b>63.63</b>	<b>31,564.43</b>	<b>62.41</b>
<b>Total Liabilities and shareholders' equity</b>	<b>43,775.15</b>	<b>100.00</b>	<b>48,485.35</b>	<b>100.00</b>	<b>50,579.37</b>	<b>100.00</b>

## 4.3.2 Statement of comprehensive income

(Unit: Million Baht)	2020	%	2021	%	2022	%
<b>Revenues</b>						
Revenue from sales of electricity and goods	6,333.23	56.96	6,104.73	55.13	6,588.03	64.59
Revenue from adders	4,786.12	43.04	4,960.10	44.87	3,611.94	35.41
	<b>11,119.35</b>	<b>100.00</b>	<b>11,073.83</b>	<b>100.00</b>	<b>10,199.97</b>	<b>100.00</b>
Cost of sales of electricity and goods	(6,027.66)	(54.21)	(6,186.73)	(55.87)	(7,184.50)	(70.44)
<b>Gross profit</b>	<b>5,091.69</b>	<b>45.79</b>	<b>4,887.10</b>	<b>44.13</b>	<b>3,015.47</b>	<b>29.56</b>
Net foreign exchange gain	-	-	-	-	6.73	0.07
Investment income	42.86	0.39	43.85	0.40	52.33	0.51
Other income	281.79	2.53	240.58	2.17	366.47	3.59
<b>Total income</b>	<b>5,416.35</b>	<b>48.71</b>	<b>5,171.53</b>	<b>46.70</b>	<b>3,441.00</b>	<b>33.74</b>
Distribution costs	(66.44)	(0.60)	(65.44)	(0.59)	(64.57)	(0.63)
Administrative expenses	(432.73)	(3.89)	(581.81)	(5.25)	(459.19)	(4.50)
Net foreign exchange loss	(3.99)	(0.04)	(15.03)	(0.14)	-	-
<b>Total expenses</b>	<b>(503.16)</b>	<b>(4.53)</b>	<b>(662.28)</b>	<b>(5.98)</b>	<b>(523.77)</b>	<b>(5.13)</b>
<b>Profit from operations</b>	<b>4,913.19</b>	<b>44.19</b>	<b>4,509.25</b>	<b>40.72</b>	<b>2,917.23</b>	<b>28.60</b>
Financial costs	(285.18)	(2.56)	(207.79)	(1.88)	90.29	0.89
Share of profit (loss) by the equity method	-	-	-	-	(0.11)	(0.00)
<b>Profit before income tax</b>	<b>4,628.01</b>	<b>41.62</b>	<b>4,301.46</b>	<b>38.84</b>	<b>2,826.83</b>	<b>27.71</b>
Income tax expense	(122.18)	(1.10)	(110.13)	(0.99)	(14.05)	(0.14)
<b>Profit for the year</b>	<b>4,505.83</b>	<b>40.52</b>	<b>4,191.33</b>	<b>37.85</b>	<b>2,812.78</b>	<b>27.58</b>
<b>Other comprehensive income</b>						
Exchange differences on translating foreign operations	(0.02)	(0.00)	0.35	0.00	(0.18)	(0.00)
Share of other comprehensive income (loss) of subsidiaries	-	-	-	-	-	-
- Net of income tax	(0.02)	(0.00)	0.35	0.00	(0.18)	(0.00)
<b>Total comprehensive income for the year</b>	<b>4,505.81</b>	<b>40.52</b>	<b>4,191.68</b>	<b>37.85</b>	<b>2,812.60</b>	<b>27.57</b>

(Unit: Million Baht)	2020	%	2021	%	2022	%
Profit (Loss) attributable to:						
Owners of the parent	4,505.82	40.52	4,191.33	37.85	2,812.78	27.58
Non-controlling interests	0.01	0.00	-	-	-	-
<b>Profit for the year</b>	<b>4,505.83</b>	<b>40.52</b>	<b>4,191.33</b>	<b>37.85</b>	<b>2,812.78</b>	<b>27.58</b>
Total Comprehensive Profit attributable to:						
Owners of the parent	4,505.81	40.52	4,191.68	37.85	2,812.61	27.57
Non-controlling interests	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>4,505.81</b>	<b>40.52</b>	<b>4,191.68</b>	<b>37.85</b>	<b>2,812.61</b>	<b>27.57</b>
<b>Basic earnings per share (Baht)</b>	<b>0.54</b>		<b>0.50</b>			<b>0.34</b>

#### 4.3.3 Revenue from external customers

(Unit: Million Baht)	2020	%	2021	%	2022	%
Energy and utilities	10,586.78	95.21	10,557.35	95.34	9,618.40	94.30
Petrol and gas stations	532.57	4.79	516.48	4.66	581.57	5.70
<b>Total</b>	<b>11,119.35</b>	<b>100.00</b>	<b>11,073.83</b>	<b>100.00</b>	<b>10,199.97</b>	<b>100.00</b>

#### 4.3.4 Consolidated cash flow statement

(Unit: Million Baht)	2020	2021	2022
Net cash provided by operating activities	4,820.44	4,159.10	5,407.75
Net cash used in investing activities	(4,885.83)	(5,495.87)	(2,284.66)
Net cash from (used in) financing activities	1,165.99	475.13	(2,049.41)
Net increase (decrease) in cash and cash equivalents before effect of exchange rate	1,100.60	(861.24)	1,073.69
Effects of foreign exchange rates on balance held in foreign currencies	(0.05)	0.40	(0.16)
Cash and cash equivalents from changes in investments in subsidiaries	0.48	-	-
Net cash and cash equivalents increased (decreased)	1,101.03	(861.24)	1,073.52
Cash and cash equivalents at January 1	689.56	1,790.58	929.34
<b>Cash and cash equivalents at December 31</b>	<b>1,790.58</b>	<b>929.34</b>	<b>2,002.86</b>

## 4.3.5 Financial Ratios

	Financial Statements		
	2020	2021	2022
<b>Liquidity Ratios</b>			
Current ratio (times)	1.24	1.80	1.37
Quick ratio (times)	0.99	1.38	0.92
Cash ratio (times)	1.19	0.77	1.06
Receivable turnover (times)	4.86	4.44	4.93
Collection period (days)	74.04	81.06	72.98
Inventory turnover (times)	5.24	4.36	4.08
Inventory turnover period (days)	68.72	82.62	88.23
Account payable turnover (times)	13.82	14.34	12.24
Payment period (days)	26.05	25.11	29.40
Cash cycle (days)	116.72	138.57	131.80
<b>Profitability Ratios</b>			
Gross profit margin (%)	45.79	44.13	29.56
Operating profit margin (%)	43.84	40.46	28.02
Other profit margin (%)	(2.15)	(1.58)	(0.29)
Cash to net profit ratio (%)	98.89	92.83	189.20
Net profit margin (%)	39.37	36.90	26.47
Return on equity (%)	16.08	14.02	9.01
<b>Efficiency Ratios</b>			
Return on assets (%)	11.04	9.09	5.68
Return on fixed assets (%)	16.22	13.92	9.59
Total asset turnover (times)	0.28	0.25	0.21
<b>Financial Policy Ratios</b>			
Interest-bearing debt to equity (times)	0.45	0.52	0.53
Net interest-bearing debt to equity according to terms and conditions (times) <sup>(7)</sup>	0.36	0.41	0.46
Debt to equity ratio (times)	0.51	0.57	0.60



	Financial Statements		
	2020	2021	2022
Net interest-bearing debt to EBITDA (times) <sup>(1)</sup>	2.23	2.98	4.29
Interest coverage ratio (times) <sup>(2)</sup>	15.65	10.36	6.54
Debt service coverage ratio (times) <sup>(3)</sup>	1.36	1.35	1.29
Debt securities to interest-bearing debt ratio (times) <sup>(4)</sup>	0.95	0.96	0.95
Interest-bearing debt matured 1 year to total interest-bearing debt (times) <sup>(5)</sup>	0.33	0.25	0.18
Loans from financial institution to interest-bearing debt ratio (times) <sup>(6)</sup>	0	0	0

**Notes:**

- (1) Net interest-bearing debt to earnings before interest, income tax, depreciation and amortization and amortization (interest-bearing debt to EBITDA ratio) calculated from (interest-bearing debt)/EBITDA  
Note: EBITDA is calculated from revenue from sales of electricity and goods + revenue from the adder + other income - cost of sales electricity and goods - costs of distribution - administrative expenses + depreciation.
- (2) Interest coverage ratio calculated from EBITDA/financial costs (from cash flow statement)
- (3) Debt service coverage ratio is calculated from EBITDA/( Short term interest bearing debt + long term interest bearing debt within one year)
- (4) Debt securities to interest-bearing debt ratio is calculated from debt instruments/interest-bearing debt.
- (5) Interest-bearing debt matured 1 year to total interest-bearing debt is calculated from (short-term interest-bearing debt + current portion of long-term interest-bearing debt)/interest-bearing debt.
- (6) Loan from financial institutions to total interest-bearing liabilities is calculated from loan from investment institutions/total interest-bearing debt. For the years 2020, 2021 and 2022 were 0 because the Company has no liabilities from financial institutions.
- (7) Net interest-bearing debt to equity ratio under the terms and conditions for the MTN Project 2021 is calculated from interest-bearing debt, excluding financial liabilities and deducted by the sum of cash, bank deposit, and short-term investments in excess of Baht 1,500 million, and less financial debts for the investment in the power plant projects under the power purchase agreements with the Electricity Generating Authority of Thailand or the Provincial Electricity Authority or public agencies/shareholder equity.

## 5. General Information and Other Key Information

### 5.1 General information

See section 1.1.5 for name, location of head office, type of business, company registration number, telephone, fax, company website, total number and type of shares sold

### 5.2 Other important information

- None -

### 5.3 Legal Disputes

See details in the notes to the financial statements for the year 2022, note 32.

### 5.4 Secondary market

The Company has no securities listed on the stock exchanges of other countries.

### 5.5 Financial institutions that regularly contact only in the case of issuing debt securities

CIMB Thai Bank Public Company Limited	44 Lang Suan Road, Lumpini Subdistrict, Pathum Wan District, Bangkok 10330
Bank of Ayudhya Public Company Limited	1222 Rama 3 Road, Bang Phongphang, Yannawa, Bangkok 10120
Asia Plus Securities Company Limited	3/1 Floor, Sathorn City Tower, 175 South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120



# Corporate Governance

# 02

## 6. Good Corporate Governance Policy

### 6.1 Overview of Corporate Governance Policies and Guidelines

The Board of Directors places great importance on and strives to conduct business by adhering to the good corporate governance policy and the Code of Conduct of TPI Polene Group, which are constantly reviewed, improved, and delivered to the Board of Directors, executives, and all employees. This good corporate governance policy and the Code of Conduct are published on the Company's website to provide guidelines for corporate governance at all levels throughout the organization in order to create a corporate culture as well as to enable investors to understand and use as a guideline to monitor the Group's business direction.

The Group conducts its business in accordance with the ESG framework with responsibility, transparency, and fairness by adhering to the ideals that have been traditionally practiced under the framework of the Company's Code of Conduct. It aims to develop the organization to be a role model in terms of corporate governance by defining it in the Company's vision with the belief that corporate governance is a management system that creates fairness, and transparency generates returns and increases long-term value for shareholders, as well as build confidence with all stakeholders and support, promote the competitiveness of the Company to grow sustainably. The Corporate Governance Committee is responsible for overseeing the Company's corporate governance, stipulating policies and guidelines, monitoring compliance with good corporate governance principles such as Principles of Good Corporate Governance for Listed Companies (SEC) and the Stock Exchange of Thailand, including the criteria under the Corporate Governance Report of Thai Listed Companies (CGR) survey project of the Thai Institute of Directors Association (IOD).

In 2022, TPI Polene Power has received the important corporate governance assessments as follows:



The Company received the Corporate Governance Report of Thai Listed Companies : CGR for the year 2022 with a Very Good score from the Thai Institute of Directors.



The Company was selected to be in the Sustainable Stock of THSI (Thailand Sustainability Investment) 2022 from the Stock Exchange of Thailand.

The Company announces the operational guidelines for its employees, which include Iddhipada 4 and Brahma-vihara 4 as follow:



See more details on the Company's website:  
<http://www.tpipolenelectric.co.th/index.php/en/en-aboutus/employeehandbook>

Brahma-vihara 4 (FOUR SUBLIME STATES OF MIND)		
Metta	(MERCY)	Love, desire for others to be happy
Karuna	(KINDNESS)	Desire to get others out of their sufferings
Mudita	(SYMPATHETIC JOY)	Pleasure that come from delighting in other people's well-being, even if one did not contribute to it.
Upekkha	(EQUANIMITY)	Even-mindedness and serenity, treating everyone impartially
Iddhipada 4 (BASIS FOR SUCCESS 4)		
Chanda	(ASPIRATION)	To be content and happy in doing good deeds with enthusiasm and strong intention.
Viriya	(EFFORTS)	Diligence, patience, commitment, endurance, willingness to work hard and to never give up; having the courage to tackle any obstacle and having the courage to make changes.
Citta	(CONCENTRATION)	Consciousness of the senses, Subconscious mind, and Intellect, is of immense power.
Vimamsa	(R&D)	Involves conducting an investigation or discrimination, a plan, a measure, an invention of a solution.

**Four Noble Truths**  
**Heart of Buddhism (Ariyatham to the Cessation or Extinction of Suffering)**

Ariyadhamma of Buddhism is Buddha's doctrine as a metaphysics for the liberation from suffering.

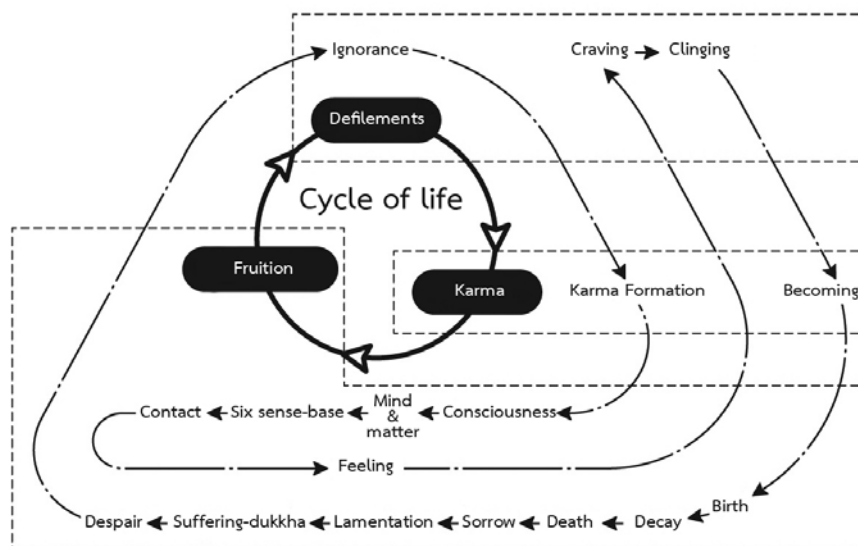
Dukkha	Suffering
Samudaya	The Cause or Origin of Suffering
Nirodha	The Cessation or Extinction of Suffering
Marga	The Path leading to the Cessation or Extinction of Suffering Defilement is the path that leads to the cessation of suffering.

### 1. DUKKHA : UNSATISFACTION, SUFFERING, PAIN

The word suffering in the Noble Truth does not mean suffering in the Thai language as it is commonly understood, but also refers to difficult conditions to endure in the same conditions and oppressive situations.

### 2. SAMUDAYA : THE ORIGIN OR ARISING OF DUKKHA

Considering from the Cause of Suffering



Cause of Suffering refers to defilement or ignorance.

### 3. Nirodha: Cessation of Suffering is Nirvana (EXTINCTION OF SUFFERING)

It is the elimination of defilements with the power to follow the Eightfold Path until attaining that

### 4. Marga (THE NOBLE EIGHTFOLD PATHS)

Dharma that kill defilements or end ten Samyojana 4 .

The Path leading to the Cessation or Extinction of Suffering:

1. Sammaditthi                      Right view
2. Sammasankappa              Right intention
3. Sammavaca                      Right speech
4. Sammakammanta              Right action
5. Samma-ajiva                      Right livelihood
6. Sammavayama                      Right effort

- |                 |                     |
|-----------------|---------------------|
| 7. Sammasati    | Right mindfulness   |
| 8. Sammasamadhi | Right concentration |

**Chants conquering Evil:  
Panmare Chino Na Tho**

Panmare Chino Natou Patto Sampothimuttaman  
Chatur Satjung Pakasti Thammajakang Pawattayi  
Etena Sajjavajchena Hotu Me Chayamankalang

Devil 5 (What Kills a Person to Die from Goodness) THE EVIL ONE, THE TEMPER, THE DESTROYER

1. The MARA of Defilement
2. The MARA of Aggregates 2
3. The MARA of Karma Formations 3
4. The MARA of Deity
5. The MARA of Death

After conquering the five devils, the Buddha enlightened us with the Four Noble Truths

**Notes:**

1. **MARA** (The Destroyer) is something that kills one from their virtue or from noble results, or something that consumes virtues or hinder one from achieving virtuous achievements.
  1. MARA of Defilement is love, greed, anger, delusion, and evil spirit.
  2. MARA of Aggregates is a devil who destroys one's aggregates, causing sickness, disability, and eliminating one's opportunity to do good deeds.
  3. MARA of Karma Formations is thought, emotion, and karma cultivator that prevents one from being released from suffering in the cycle of samsara or rebirth of one in 31 places of existence.
  4. MARA of Death is death that deprives one of the opportunity to do good deeds.
  5. Devaputta Mara is an evil deity who is powerful and inspire one not to do good deeds.
2. **Five Khandha** (Five Groups of Existence or Five Aggregates) are five aggregates of form and abstract that make up the collective units, which are called animals, persons, selfness, they, we, etc. These five components incorporated into life.
  1. Corporeality (rupa-kkhandha)
  2. Feeling sensation (vedana-kkhandha)
  3. Perception (sañña-kkhandha) is the aggregate that remembers what one received and is the part that defines the meaning of what have been known (Arrom 6) such as white, green, black, red, etc.
  4. Mental formation, Volitional Activities (sankhara-kkhandha) is the aggregate of thought to identify what you feel and remember whether it good or bad, or neither good nor bad. The mind was led by intention to be good or bad or upyakrit (neither good nor bad), kaya-sankhara (physical intent), vaje-sankhara (verbal intent), and mano-sakhara (mind intention).
  5. Consciousness (viññana-kkhandha) is the aggregate of cognition or knowing of things through the six senses including eyes, ears, etc.

The Five Aggregates are abbreviated into two groups, namely abstract and corporeality.
3. **Apisankhara 3** is the thought, emotion, and karma cultivator, comprising of:
  1. Punyaphisangkara is a thought that enhances good karma (merit).
  2. Apunyaphisangkara is a thought that enhances evil karma (sin).
  3. Anenchaphisangkhan is a thought that is calm, unable to be upset or excited.
4. **Fetter** is the defilement that binds the animals to suffering or that binds the mind to the cycle of defilement, karma, and the result of karma. There are 10 fetters:
  1. Sakkaya-ditthi: One has the view that the five aggregates are self.
  2. Wichikitcha: One has doubts in the virtues of the Three Jewels: the Buddha, the Dharma, and the Sangha
  3. Silappatapramas: One adheres to the sacred things or customs by believing in magic which is not Buddhism or adheres to the wrong practices, which is not the aim of Buddhism.
  4. Kamaraka: One has contentment in sensual pleasures or lust.
  5. Vengeance: One adheres with anger.



Udhamphakiyasayojana or the Five Higher Fetters are:

- |                |                                                                                                                       |
|----------------|-----------------------------------------------------------------------------------------------------------------------|
| 6. Rupa-raka:  | One has greed for material existence.                                                                                 |
| 7. Arupa-raka: | One has greed for immaterial existence                                                                                |
| 8. Mana:       | One had conceit or pride with the feeling of being better, worse, or equal with others.                               |
| 9 Uttacca:     | One is distracted or restless.                                                                                        |
| 10 Avijja:     | One has ignorance of the Four Noble Truths                                                                            |
| Phra Sodaban   | is the one who puts an end to all of the first three fetters, namely Sakkaya Ditthi, Vicikiccha, and Silabbat Pramas. |
| Sakathakami    | is the one who puts an end to all first three fetters, and reduces lust and anger.                                    |
| Anakami        | is the one who puts an end to the five lower fetters.                                                                 |
| Arahant        | is the one who puts an end to all 10 fetters.                                                                         |

5. **Sankhara** is bodily and mental formations, together with volitional formations and volitional activities. Sankhara also means “formations” or “that which has been put together” of all including ingredients, decorations, parts of the body, mind, life, spirit, and all things that are made up (Volitional Formation is what our brains think. The more we think, the more formations follow like a shadow following our body. What is in the brain will be expressed through words and actions, which is karma. Since our minds are endlessly concerned or embellished, we commit karma endlessly, resulting in us being reborn indefinitely. In the Trinity (Trilak), Sankhara is the thing being formed or improvised, which is all the mind and forms.

In Paticca-samuppada, Sankhara 3 includes:

- |                   |                 |
|-------------------|-----------------|
| 1. Kayasangkhara: | Vodily volition |
| 2. Vajisangkharā: | Verbal volition |
| 3. Manosangkharā: | Mental volition |

Sankhara has three qualities known as Trilak as follows:

- |            |                                                                                                                                                              |
|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Anicca: | Impermanence                                                                                                                                                 |
| 2. Dukkha: | State of suffering or being oppressed, state which cannot stand in its original condition, state that will deteriorate because of being oppressed by Anicca. |
| 3. Anatta: | No real self, incapable of being in power                                                                                                                    |

#### The opposite of Sangkhara is Wisangkharā

Wisangkharā is Nirvana, which is eternal. It leads to Nicca, Sukhang, Anatta (dharma).

As a listed company in the Stock Exchange of Thailand, TPI Polene Group recognizes the importance of good management, transparency, and equality for all stakeholders, and is committed to developing the organization to have good corporate governance with the belief that good corporate governance is a management system that creates fairness, confidence in investment and long-term value for shareholders, as well as confidence in all stakeholders, including making the organization have proper management, efficiency, and effectiveness, promoting the competitiveness of the organization to grow sustainably to raise the standards of corporate governance.

In this regard, good corporate governance and the code of conduct will lead TPI Polene Group to achieve stable, sustainable, and dignified growth; build confidence among shareholders and all stakeholders; develop international performance standards; monitor performance to ensure that it is implemented effectively and covers investments that are jointly planned; define clear action plans; monitor progress reports; regularly review operational progress; as well as determine strategies and long-term goals for sustainable growth development. The Board of Directors is aware of its role as a leader of the organization and comprehends the benefits and application of the Principles of Good Corporate Governance and the Code of Conduct in the organization in order to be recognized internationally.

#### Good Corporate Governance Policy

TPI Polene Group reviewed and revised the CG policy and manual to be in line with the law, best practice, business operations, and the change in economic and social environment. Their directors, executives, and employees are required, at all levels, to acknowledge and adhere to as part of their works, as a commitment, and to implement in a particular manner. The Board of Directors has established the good corporate governance policy of TPI Polene Group as follows:

1. The Board of Directors, executives, and all employees are committed to applying the principles of good corporate governance to their operations with interrelated fair management structures among the Board of Directors, executives, and shareholders, including stakeholders.

2. The Board of Directors performs their duties with dedication and responsibility, be independent. The roles and duties of the Chairman, the Managing Director, and the Chief Executive Officer are clearly separated.
3. The Board of Directors plays an important role in determining the Company's vision, strategies, policies, and important plans by considering risk factors and setting appropriate management guidelines, including taking actions to ensure that accounting systems, financial reports, and auditing are reliable.
4. The Board of Directors must be a leader in ethics, as a role model in practice in accordance with the principles of good corporate governance, and monitor the management of conflicts of interest and connected transactions.
5. The Board of Directors may appoint ad hoc committees as appropriate to carefully scrutinize significant works.
6. The Board of Directors must arrange an annual self-assessment as a framework for examining their own performance.
7. The Board of Directors determines the code of conduct and business ethics of the Company for the Board of Directors, executives, and employees as guidelines for their conduct along with the Company's regulations and rules.
8. The Board of Directors must ensure adequate, reliable, and timely disclosure of the Company's information, both financial and non-financial, so that shareholders and stakeholders of the Company are equally informed, and must determine a public relations unit and an investor relations unit to be responsible for providing information to investors and the general public.
9. The Board of Directors must ensure that shareholders are treated equally, have access to information, and have appropriate channels to communicate with the Company.
10. The Board of Directors must determine a suitable recruitment system for personnel to take responsibility for important management positions at all levels on a transparent and fair recruitment process.
11. The Board of Directors must establish an effective anti-fraud and corruption support system to ensure that the management recognizes and prioritizes anti-fraud and corruption, and adheres to anti-fraud and corruption measures.
12. The Board of Directors encourages education and training of employees on environment by setting policies and disclosing practices.

### 6.1.1 Policies and Guidelines Relating to the Board of Directors

The Board of Directors intends to promote the Company to be an organization with efficiency in business operations, good corporate governance, and excellent management with a focus on creating good benefits for shareholders, employees, and customers, and with regard to stakeholders and related parties as a whole with good governance in doing business that makes the operations of the Company's executives and employees transparent and auditable. For this reason, topics related to policies and practices related to the Board of Directors are stipulated as follows:

1. **The Board of Directors, executives, and all employees adhere to the 6 key principles of good corporate governance** with a management structure and a fair relationship among the Board of Directors, executives, and shareholders as follows:
  - **Accountability:** Responsibility for own decisions and actions
  - **Responsibility:** Responsibility to perform duties with adequate competence and efficiency.
  - **Equitable Treatment:** Equitable and fair treatment to stakeholders
  - **Transparency:** Transparency in auditable operations and transparent information disclosure to relevant parties
  - **Vision to Create Long-Term Value:** Vision to create long-term value for the organization
  - **Ethics:** Code of conduct and business ethics
2. **The Board of Directors and executives play an important role in determining the Company's visions, strategies, policies, and major plans** by considering risk factors and determining appropriate management guidelines, being responsible for the performance of duties to shareholders, determining the direction of growth, making important company decisions with care and honesty, and ensuring that accounting systems, financial reports, and audits are reliable and shareholders are treated equally.

- The Board of Directors must be a leader in ethics, be a role model in practice according to the principles of good corporate governance, and supervise the management of conflicts of interest and connected transactions.
  - The Board of Directors determines the code of conduct and business ethics of the Company for the Board of Directors, executives, and employees as guidelines for their conduct along with the Company's regulations and rules.
  - The Board of Directors must ensure adequate, reliable, and timely disclosure of the Company's information, both financial and non-financial, so that shareholders and stakeholders of the Company are equally informed, including set up a public relations unit and an investor relations unit to be responsible for providing information to investors and the general public.
  - The Board of Directors must ensure that shareholders are treated equally, have the right to access information, and have appropriate channels to communicate with the Company.
3. **The Board of Directors and executives must be leaders in ethics**, as a good model in practice according to the Company's good corporate governance guidelines, and monitor the management of conflicts of interest and connected transactions.
  4. **The Board of Directors performs their duties with dedication and responsibility, is independent**, and clearly separate the roles and duties of the Chairman, the Managing Director, and the Chief Executive Officer.
  5. **Roles and responsibilities of the Chairman**  
In order to clearly separate the authority of the Company's policy-making and management, the Company requires that the Chairman of the Board of Directors, and the President be different person. The Chairman of the Board of Directors has an independent role (see on the Company's website <http://www.tpipolenepower.co.th/index.php/en/en-aboutus/directors/roles-of-the-chairman>) in expressing opinions to ensure that the Company's board structure has a proper balance of power as follows:
    1. To convene and preside over the Board of Directors and the shareholders' meetings as well as determine meeting agendas in conjunction with the Chief Executive Officer.
    2. To control meetings efficiency in accordance with the Company's regulations, support and provide opportunities for directors to express their opinions independently.
    3. To support and encourage the Board of Directors to perform their duties with full ability according to the scope of authority, duties, responsibilities, and good corporate governance principles.
    4. To supervise and monitor the management of the Board of Directors and other sub-committees to achieve the specified objectives.
    5. To cast a decisive vote in the event that the Board of Directors' meeting has equal votes for both sides.
  6. **The Board of Directors arranges for self-assessment and annual assessment of other directors** to be used as a framework for examining the performance of the Board of Directors and considering, reviewing, analyzing their performance, and referring for further improvements. The performance appraisal form for the Board of Directors is used for the evaluation of the entire Board of Directors and for individual evaluation.
  7. **Succession plans**, the Board of Directors and the management must ensure that the Company has a system in place for appropriate personnel to assume key management positions at all levels, prepare personnel for succession planning, especially in executive positions, determine policies and guidelines for management and executive development, as well as individual development plans for higher positions in case of vacancies.
  8. **Establishment of specific committees**, the Board of Directors may appoint a specific committee as appropriate to carefully scrutinize significant matters. The Board of Directors has appointed knowledgeable and suitable directors to serve as sub-committees to assist in performing important tasks, which consist of directors with knowledge and expertise to perform their duties in each sub-committee to scrutinize tasks as assigned and in accordance with good practice of sub-committees; defined the scope of duties and responsibilities in the sub-committee charter for clarity; and required that the performance of duties be regularly reported to the Board of Directors meetings for acknowledgment and disclosed in the annual report, Form 56-1 One Report.

The Company's Sub-Committees consist of Executive Committee, Audit Committee, Nomination Committee, Remuneration Committee, Corporate Governance Committee, Sustainable Development Committee, and Risk Management Committee.

- **Executive Committee** consists of 9 directors who are knowledgeable, competent, ethical, and experienced in business operations.
  - **Audit Committee** consists of 3 independent directors who are fully qualified according to the announcement of the Securities and Exchange Commission, including the Stock Exchange of Thailand, in order to audit and balance the management of the Company's affairs to ensure accuracy, fairness, and for the best interests of the shareholders.
  - **Nomination Committee, Remuneration Committee, Corporate Governance Committee, Sustainable Development Committee, and Risk Management Committee** consisting of directors with knowledge and expertise to perform the duties of each committee, to scrutinize tasks as assigned and in accordance with the good practice of the committees. The scope of duties and responsibilities are defined in the Charter of Sub-committees for clarity, and the performance of their duties is required to be regularly reported to the Board of Directors' meeting and disclosed in the annual report, Form 56-1 One Report.
9. **The Board of Directors and executives recommend and determine the Company's Code of Conduct for the Board of Directors**, executives, and all employees as a guideline for their conduct along with the Company's regulations and rules published on the Company's website <http://www.tpipolenepower.co.th/index.php/en/en-aboutus/code-of-conduct>
  10. **The Board of Directors and executives provide adequate, reliable, and timely disclosure of the Company's information, both financial and non-financial issues**, so that the Company's shareholders and stockholders are properly informed. It also determines a public relations unit and an investor relations unit to be responsible for providing information to investors and the general public.
  11. **The Board of Directors and executives provide effective anti-fraud and anti-corruption support** to ensure that the management realizes and places importance on anti-corruption and complies with anti-corruption measures published on the Company's website  
<http://www.tpipolenepower.co.th/index.php/th/th-investment/social-responsibility-th>  
<http://www.tpipolenepower.co.th/index.php/th/th-aboutus/anti-corruption>
  12. **The development of directors.** The Company provides an orientation for new directors with director manuals, documents, and essential information for directors, and encourages them to attend relevant courses with the Thai Institute of Directors Association and other institutions throughout the year to promote knowledge and comprehension of how to conduct operations under the Principles of Good Corporate Governance of the Listed Companies in order to increase knowledge about the roles and responsibilities of directors which will lead to ongoing improvement and modernization.
  13. **The Board of Directors meetings and receipt of information documents.** All committee member should attend meetings with the committee's office responsible for document preparation, venue, and coordination of meetings. Each director must be informed of the meeting date, agenda, and information about the meeting in advance. The Company arranges regular meetings of the Board of Directors on average at least once a month and may hold additional meetings as appropriate for the Board of Directors to supervise the management's performance (see details of the preliminary schedule of the Board of Directors' meeting on the Company's website <http://www.tpipolenepower.co.th/index.php/th/th-aboutus/time-table-th>). In every meeting, appropriate and sufficient time must be allocated for the directors to be able to consider the agenda of the meeting. The Chairman of the Board of Directors and the Chief Executive Officer jointly set the meeting agenda and consider the agenda for the Board of Directors' meeting to ensure that all major issues in business operations are fully considered by the Board of Directors. Each director is free to propose agenda for consideration at the meeting and expresses opinions openly and freely and encourages careful discretion on all issues brought to the meeting.
  14. **Voting for agendas of the Board of Directors** must be approved by not less than two-thirds of the directors attending the meeting.
  15. **The Board of Directors meetings may be held through electronic media, in whole or in part.** The Company must comply with the Public Limited Companies Act and relevant laws regarding the Board of Directors meetings, take written meeting minutes, and retain meeting minutes that have been approved by the Board of Directors systematically and with good security.

**16. At the Board of Directors meetings, the Company properly complies with the Public Limited Company Act on Board of Directors Meetings.** Meeting minutes are taken in writing, approved by the Board of Directors, and retained systematically and securely.

**17. Remuneration for Directors and Executives**

Remuneration for the Board of Directors is fair and reasonable by considering the suitability and consistency with the responsibilities of the directors and the Company's performance. remuneration of directors is also approved by the shareholders' meeting in terms of executive remuneration. The Company determines remuneration appropriately by considering the duties, responsibilities, Company performance, and practices of the listed companies in the same industry.

**18. Company Secretary** is appointed by the Board of Directors to supervise the Board of Directors meetings and shareholders' meetings to be smooth and transparent, comply with the regulations and laws, and monitor compliance with accuracy and consistency. He or she is also responsible for supervising the activities of the Board of Directors and coordinating the implementation of the Board of Directors' resolutions and ensuring compliance with the Company's principles of good corporate governance.

**19. Principle of taking other positions of executives of TPI Polene Group**

Details are shown in Article 8 Corporate Governance Report, Subsection 8.1.3 Supervision of Subsidiaries and Associated Companies.

### 6.1.2 Policies and guidelines relating to shareholders and stakeholders

The Company has given importance to promoting the creation of a tangible corporate governance culture with the Company's Code of Conduct which has been published through the Company's website. The Company has a policy to constantly revise its business ethics in line with changing situations. The Board of Directors acknowledges and complies with the best practices of directors of the Listed Companies. The Board of Directors, executives, and employees at all levels also perform their duties with a conscience and adherence to honesty, morality, ethics, and recognizes the Company's reputation as a leading, reliable, and stable company that has built up its positive reputation for over 20 years. The Company's corporate governance is in accordance with the Principles of Good Corporate Governance and Best Practices of the Stock Exchange of Thailand. The summary of corporate governance is divided into 5 sections as follows:

#### 1. Section 1 Rights of Shareholders

The Company has always recognized the importance and respect of the rights of shareholders, it has a policy on preserving the fundamental rights that shareholders are fairly entitled to according to the law as follows:

##### 1. Arrangement of the shareholders' meeting

The Company arranges for an ordinary shareholders' meeting within four months from the end of the Company's fiscal year. In case of urgency to propose a special agenda related to the interests of shareholders or related to conditions or rules and applicable laws that require approval from the shareholders' meeting, the Company will hold an extraordinary general meeting of shareholders on a case-by-case basis. Every shareholder meeting of the Company must include the Company's auditor and legal advisor acting as an intermediary to inspect the vote throughout the meeting, with the Chairman conducting the meeting as required by law and the results of the meeting approving all agenda items.

In 2022, the Company scheduled the Annual General Meeting of Shareholders on April 19, 2022, on the 9th floor of TPI Tower, No. 26/56, Chan Tat Mai Road, Thungmahamek Subdistrict, Sathorn District, Bangkok.

##### Advance Delivery of Meeting Invitation

In 2022, the Board of Directors Meeting No. 2/2022 held on February 17, 2022, resolved to hold the Annual General Meeting of Shareholders on April 19, 2022, by disclosing the meeting resolutions, meeting date, and meeting agenda and news announcement on the website of the Stock Exchange of Thailand for shareholders to be aware of in advance on the date of the Board of Directors' resolution prior to sending invitation letters.

Thailand Securities Depository Company Limited, the Company's securities registrar, delivered the invitation letters containing details of the meeting agenda, important and necessary information for decision-making / the Board of Directors' opinion, minutes of past meetings with complete details, annual reports, together with meeting documents, documents required for proxy and the instructions as specified by the Company. These were delivered to shareholders more than 14 days in advance of the meeting date. The invitation letters were sent out on April 4, 2022, and published in a daily newspaper for three consecutive days at least seven days before the meeting date (March 15, 16, and 17, 2022) to notify the shareholders' meeting in advance before attending the meeting.

In this regard, at the Annual General Meeting of Shareholders for the year 2022, the Company disclosed information on the invitation letter to the shareholders' meeting and supporting documents including proxy letters published on the Company's website since March 14, 2022, or 37 days prior to the meeting date.

Conducting the shareholders' meeting, before the start of each shareholders' meeting, the Chairman of the meeting will assign an MC to conduct the meeting and to introduce the attendees to the meeting, which consists of the Board of Directors, Executives Committees, the management team, the Company's auditors, and legal advisors who act as mediators and witnesses to the meeting, and clarify all the rules of the meeting including the method of counting the votes of the shareholders who had to vote for each agenda according to the Company's Articles of Association, as well as clearly exercising the voting rights on each agenda using ballots for separate agendas and when information is provided according to the agenda,

The Chairman will give all attendees the opportunity to express their opinions and suggestions, and ask questions on each agenda. The Company provides attendees with paper and questionnaires for inquiries instead of using microphones. Then, the Chairman and executives will answer the questions clearly, straight to the point, focus on every question, and allow the meeting to vote on that agenda.

However, the Chairman conducts the meeting in the order of the agenda according to the Invitation of the 2022 Annual General Meeting of Shareholders only, and there are no additional meeting agenda without prior notice to the shareholders unless the meeting resolves to change the order of the agenda with a vote of not less than two-thirds of the number of shareholders attending the meeting or shareholders holding shares in aggregate of not less than one-third of the total number of shares sold, may asked to consider matters other than those specified in the invitation letter after the meeting has considered the agenda specified in the Company's Articles of Association. In this regard, at the 2022 Annual General Meeting of Shareholders, there was no change in the order of the agenda and no request for the meeting to consider any other matters not specified in the meeting.

In every meeting, minutes are recorded accurately and completely and concluded with resolutions and vote counting. The Annual General Meeting of Shareholders for the year 2022 was scheduled at 3:00 p.m. and registration began at 3:00 p.m. The Company had a total of 32,573 shareholders with a total number of 8,400,000,000 shares sold; 30 shareholders attending in person with 34,884,615 shares; and 59 shareholders by proxy with 6,164,067,729 shares; including 89 registered shareholders with a total number of 6,198,952,344 shares representing 73.80% of the total number of shares sold of the Company, which constituted a quorum. The attendees of the meeting and clarified information consisted of:

- There were 13 directors in attendance, where the Chairman of the Board of Directors acted as the Chairman of the meeting, the chairmans of all sub-committees, directors, the Chief Executive Officer, along with executive vice presidents, assistant managing director, and other executives in front of the stage to clarify and provide information in case of relevant inquiries. In this regard, independent directors are also proxies of minority shareholders.
- Auditors from KPMG Phoomchai Audit Company Limited attended the meeting:
  1. Mr. Bunyarit Thanormcharoen
  2. Mr. Chatsorn Likitpipatanakul
  3. Mr. Petcharat Promsuwan
- Legal advisors from SCL Nishimura & Asahi Company Limited (acting as witnesses, inspecting, and examining voting in case of disputes throughout the meeting):
  1. Mr. Weera Khammee
  2. Ms. Nilobon Tangprasit



### **Guidelines on Conflicts of Interest**

For meetings, the Good Corporate Governance Guide requires all directors and employees to prepare a conflict of interest report, both in the form of an annual report and a new report during the year in case of changes. At any meeting, persons with vested interests or conflicting interests with the Company must notify the meeting and refrain from participating in the consideration or abstaining from voting on that matter. At the shareholders' meeting, if any director has a vested interest or is involved in any agenda, that director must inform the meeting to abstain from attending the meeting and from voting on that agenda.

### **Review of Connected Transactions or Conflicts of Interest**

The Company prepared its Code of Conduct for its directors, executives, and employees at all levels to acknowledge and foster an organizational culture that prioritizes operations without conflict of interests with the Company in order for the organization to gain the utmost benefit from transparent and auditable business operations. The Audit Committee reviews the connected transactions and transactions that may have conflicts of interest from the relevant directors' reports and found that the transactions were reasonable without causing the Company to lose benefits and properly disclosed to the regulatory authority within the specified timeframe.

### **Disclosure of the Results of the Shareholders' Meeting**

In 2022, TPI Polene Power Public Company Limited delivered a report summarizing the resolutions of the shareholders' meeting to the Stock Exchange of Thailand and the Board of Governors of the Stock Exchange of Thailand in the evening after the meeting was over (April 19, 2022) and delivered the minutes of the shareholders' meeting (with clearly separated agenda, the number of attending/absent directors, questions from shareholders, and clarifications from the Board of Directors, method for counting votes, and the voting results for each agenda in complete) for the SET and the Securities and Exchange Commission (SEC) to acknowledge within 14 days.

## **2. Equitable Treatment of Shareholders**

The Company is committed to equitable treatment of each shareholder (despite their unequal shares and unequal voting rights according to the number of shares held). Every shareholder has fundamental rights as a shareholder regardless of gender, age, race, nationality, religion, beliefs, social status, disability, or political views. The invitation letter for the Annual General Meeting of Shareholders is delivered at least 14 days in advance of the meeting date. In addition, the invitation letter for the Annual General Meeting of Shareholders is also prepared in both Thai for Thai shareholders and in English for foreign shareholders. The details of the meeting invitation letter are also published in both Thai and English on the Company's website.

## **3. Facilitation to Shareholders**

The Company facilitates all shareholders equally by arranging staff to facilitate and check documents of meeting attendees and allow shareholders to register at least 1 hour before the meeting with a barcode system to assist in registration. This barcode system displays the details of each shareholder printed on the registration form or proxy form to facilitate and speed up registration.

## **2. Section 2 Equitable Treatment of Shareholders**

The Company places importance on and ensures equitable and fair treatment of all shareholders by taking the following actions:

1. The shareholders' meeting is conducted in the order of the agenda that has been informed in the invitation letter to the shareholders' meeting and has a policy not to add an agenda to the meeting without notifying shareholders in advance, so that shareholders have the opportunity to review the information supporting the agenda before casting a vote.
2. Proxy for others to attend the meeting on shareholders behalf in order to maintain the rights of shareholders who are unable to attend the meeting in person, shareholders may appoint a proxy to attend the meeting and vote on their behalf or may appoint a proxy to an independent director of the Company to vote on their behalf.

In addition, the Company provides both Proxy Form A and Form B as specified by the Ministry of Commerce with details and procedures for appointing a proxy on the Company's website <http://www.tpipolenepower.co.th/index.php/th/th-investment/shareholdings/shareholder-meeting/2019-07-02-04-03-19> in advance of the meeting date.

3. To encourage shareholders to use voting ballots for every agenda by preparing voting ballots for each separate agenda, so that shareholders can vote as they deem appropriate.
4. Acknowledgment of the Company information in a complete, accurate, transparent, and timely manner with an investor relations team responsible for providing news and information both in Thai and English to shareholders equally and completely so that the shareholders have confidence in investing in the Company's business. In addition, important news and information are also disclosed on the Company's website and the Stock Exchange of Thailand for the convenience of shareholders and people interested in receiving the Company's news.
5. The Company supervises the use of inside information in accordance with the Principles of Good Corporate Governance by stipulating in the Company's Code of Conduct and has measures to prevent the misuse of internal information by directors and executives (Conflict of Interest), whether it is beneficial to themselves and/or other parties. In this regard, the Company takes the following important actions:
  - (1) Inform directors and executives about relevant rules and regulations regularly to prevent the misuse of inside information for themselves or others.
  - (2) Completely disclose securities holdings of directors, top executives, and finance department managers or equivalent in the annual report as prescribed by the Office of the SEC.
  - (3) Prepare a report on the holding of securities in the Company by directors and/or executives and their spouses and minor children under Section 59 of the Securities Act.
  - (4) Prohibit the use of the Company's internal information for personal benefit and/or other persons by specifying penalties for violations of regulations in the announcement on disciplinary and employee regulations stating that the maximum penalty is the termination of employment.
6. Prescribe guidelines for conflicts of interest in the policy of Corporate Governance and in the Company's Code of Conduct for directors, executives, and employees to strictly comply with.

#### **Strict Supervision of the Use of Inside Information**

The Company supervises the use of inside information in accordance with the Principles of Good Corporate Governance by stipulating it in the Company's Code of Conduct and has measures to prevent the use of internal information by directors and executives (Conflict of Interest), whether it is beneficial to themselves and/or their parties. In this regard, the Company takes the following important actions:

- (1) Inform directors and executives about relevant rules and regulations regularly to prevent the misuse of inside information for themselves or others.
- (2) Completely disclose securities holdings of directors, top executives, and finance department managers or equivalent in the annual report as prescribed by the Office of the SEC and SET.
- (3) Prepare a report on the holding of the Company's securities by directors and/or executives and their spouses as well as minor children under Section 59 of the Securities and Exchange Act 1992 (B.E.2535).
- (4) Prohibit the use of the Company's insider information for personal benefit by specifying penalties for violations of regulations in the announcement on disciplinary and employee regulations stating that the maximum penalty is the termination of employment.

### **3. Section 3 Roles to Stakeholders**

The Company is well aware of the roles of all groups of stakeholders and determines a clear scope of responsibility for supervising and providing fairness, including always respecting the rights of stakeholders wherever the Company operates. It also establishes guidelines for business operations in the Company's Code of Conduct, taking into account the balance of stakeholders, which is published on the Company's website. The Company prescribes that it is the duty and responsibility of all directors, executives, and employees to acknowledge, understand, and strictly comply with the policies, and practices specified in the Company's Code of Conduct. Executives at all levels in the organization must take responsibility and ensure that employees under their supervision acknowledge, understand, and strictly comply with the Company's Code of Conduct. The Company treats the main groups of its stakeholders as follows:

1. **Shareholders:** The Company focuses on being the shareholders' representative in conducting business with transparency, having reliable accounting and financial systems, as well as creating maximum satisfaction for shareholders in consideration of The Company's long-term growth and consistently appropriating returns along with a continuous dividend policy for shareholders.
2. **Customers:** The Company has the policy to create maximum satisfaction for its customers in terms of product quality and service at reasonable prices and in accordance with international standards. This can be seen from the Company's power plants that have been certified for quality management system standards ISO 9001:2015.

In addition, it has been building good relationships with customers by organizing seminars to educate customers about the Company's products. The Company welcomes suggestions from customers about its products and services to lead to further improvements and to gain brand loyalty.

3. **Employees:** The Company values human resources in the organization, no matter where they work, without discrimination, and encourages personnel to be unified by creating a good and safe working environment. It also has a policy to constantly develop the potential of executives and employees by providing both internal and external training. In addition, the Company has an efficient recruitment and hiring process, including consideration of equal and appropriate compensation and welfare, which is comparable to other companies in the same industry. It also places importance on the health and safety of its employees as operators as can be seen from the Company's power plants having been certified for occupational health and safety management standards, which focus on reducing risks, dangers, and accidents of employees and related parties.
4. **Suppliers:** The Company established a strategy for conducting business with ethics and building relationships with its suppliers by adhering to the policy to treat all partners with transparency and fairness, taking into account mutual benefits with its suppliers and equality in business operations, including strict compliance with the conditions and agreements with its suppliers without any business commitment beneficial to either party. See more details on the Company's website <http://www.tpipolenepower.co.th/index.php/th/th-aboutus/supplier-code-of-conduct-th>.
5. **Creditors / Debenture Holders:** The Company takes into account the equality of all parties involved, integrity in business operations and adherence to building trust and treating creditors fairly; conducts business with transparency and verifiability under the Principle of Good Corporate Governance, complies with all loan conditions, provides complete finance information, performs business efficiently, and provides confidence and highest returns. The Company has a policy of strict compliance with the terms and conditions of agreements and financial obligations, including the repayment of principal, interest, and collateral maintenance under the relevant agreements, and prohibits dishonest concealment of information or facts that may cause damage to creditors. In the event of failure to comply with one of the conditions, creditors must be notified in advance in order to jointly consider a solution.
6. **Competitors:** The Company adheres to fair trade practices to its competitors and non-violation of competitors' confidential information by fraudulent means, conducts according to the rules of good competition, adheres to the rules of fair competition, does not destroy the reputation of commercial competitors by making defamatory accusations without truth, and does not commit violations of intellectual property and copyright works of its competitors.
7. **Community and Society:** The Company, as a Thai company, has always been aware of and given importance to being responsible for the country, society, and communities. It adheres to the policy to constantly promote and support public activities in terms of society, religion, education, and youth, both directly and indirectly, through the Life Environment Foundation. The details are shown in Article 3 Driving Business for Sustainability, 3.4.1 Sustainability Management in Social Dimension, and 3.4.2 Social Performance.
8. **Environmental Responsibility:** As the Company acts as a good citizen with a conscience and awareness of its belonging to society, it complies with relevant government regulations and helps the communities in the vicinity of its plants by reducing the problem and preventing the impact of production on the environment for the communities in the vicinity of its plants to be livable and it has been certified with environmental standards (ISO 14001). The details are shown in Article 3 Driving Business for Sustainability, 3.4.1 Sustainability Management in Social Dimension, and 3.4.2 Social Performance.

9. **Public Agencies:** Due to its consideration of the good environment, TPI Polene Group arranges to use waste as fuel instead of coal in the cement production process to reduce greenhouse gases according to the government's environmental policy, conducts business with transparency, complies with regulations, and cooperates with and supports the government's projects to live with communities sustainably.
10. **Mass Media:** TPI Polene Group supports media activities in line with the Company's policies beneficial to the communities and society, such as business visits and activities for the communities and society on occasion, dissemination of information useful to the communities and society, regular participation in the Opportunity Day of the Stock Exchange of Thailand, and business operations with a focus on community, society, and environment by appropriately and regularly disclosing and disseminating information that is beneficial to society.

In addition, the Company has the Anti-Fraud and Corruption Policy and set guidelines for anti-corruption in the Company's Code of Conduct regarding giving or accepting gifts with the following details:

#### Accepting and Giving Gifts

- (1) Company directors, executives, and employees are allowed to accept and give gifts, assets, or any other benefits for the benefit of the Company's business, and should avoid accepting gifts in any unreasonable manners or beyond normal relations from other persons associated with the Company or prospective suppliers, and such acceptance or giving must be done in an open and transparent manner.
- (2) They should avoid accepting gifts in a monetary or non-monetary form from business partners or those involved in the Company's business, except for special festivals or traditions.
- (3) The Company never has the policy to offer money, incentives, gifts, or preferential benefits of any kind to customers, partners, third parties, or any other person in order to obtain business, except for traditional business receptions, discounts, and company promotional programs.
- (4) Company directors, executives, and employees are obligated to report accepting gifts, assets, or any other benefits from partners, contractors, customers, or those involved in the Company's business in any case that may affect the decision to perform duties with bias, or discomfort, or as a result, conflicting benefits.
- (5) Company directors, executives, and employees are obligated to report accepting gifts, assets, or any other benefits. The Company will regularly publicize the policy of accepting gifts, assets, or other benefits to partners, contractors, customers, or those involved in the Company's business.
- (6) Any gifts, assets, or other benefits given or given must not be illegal.
- (7) The Company does not prohibit making gifts bearing the Company's logo as long as it is reasonable and consistent with the conduct of the business (see more details on the Company's website <http://www.tpipolenepower.co.th/index.php/th/th-aboutus/code-of-conduct-th>).

#### Practical Measures

Anti-Fraud and Corruption (Business dealings with partners and third parties)

Employees must comply with the following Anti-Fraud and Corruption Policy in all business dealings with customers, vendors, or other business-related third parties (hereinafter collectively referred to as "Business-Related Third Parties")

1. Employees must comply with laws, regulations, business customs, and business courtesy when dealing with business-related third parties.
2. Employees must not accept or solicit money, vouchers, checks, shares, gifts, or any other bribes, gratuities, or incentives of value from business-related third parties, directly or indirectly.
3. Employees may accept non-cash gifts or anything of value from business-related third parties, subject to the approval of their direct supervisor first. However, accepting such gifts must be in accordance with rules, business practices, or business courtesy and must not influence the employee's business decisions.
4. Employees must not take advantage of their position within the Company to obtain or solicit business-related third parties or related persons of such third parties, including not providing any services not related to the Company's business.

5. When employees introduce a person to the Company, such action must not be contrary to the interests or recruitment procedures of the Company, nor must it be made for unlawful personal gain.
6. Employees who are supervisors and subordinates in the same department must not have a relationship as a spouse or parent/child.
7. Employees must not bribe officials or government officials by offering money, vouchers, checks, shares, gifts, or any other bribes, gratuities, or incentives of any value.
8. Employees who violate the provisions of the preceding paragraph shall be punished in accordance with the relevant regulations of the Company and may be prosecuted according to the law.
9. Employees must obtain approval from their supervisor before offering a gift (such as Company products) or giving a dinner of welcome to business-related third parties with customs or business courtesy, local laws, and applicable regulations relating to the Company. If an employee does not obtain prior approval from his/her supervisor due to an urgent matter, the employee must still obtain approval from his/her supervisor after giving a gift or a dinner of welcome to business-related third parties.
10. Employees must not take any advantage from their position in the Company to engage in unlawful relations, sexual harassment, any form of discrimination (including discrimination based on race, sex, disability or religion), theft, coercion, or other unlawful conduct.
11. If employees have questions regarding anti-fraud and corruption, they must seek opinions from their supervisors to avoid controversy.

#### **Dissemination of Anti-Fraud and Corruption Policy**

The Company will take the following actions to make everyone in the organization aware of the Anti-Fraud and Corruption Policy.

1. The Company organizes training and announces the Anti-Fraud and Corruption Policy to employees for general acknowledgment.
2. The Company disseminates the Anti-Fraud and Corruption Policy through the Company's communication channels such as electronic mail, the Company's website, annual reports, etc.
3. The Company regularly reviews the Anti-Fraud and Corruption Policy.

#### **Additional Anti-Corruption Guidelines**

The Company Group has the Anti-Fraud and Corruption Policy by emphasizing morality, ethics, and transparency in business operations according to the Company's business ethics, as well as conducting business with an efficient, transparent, and verifiable management system. The Company also encourages its personnel at all levels not to be involved in any direct and indirect corruption and encourages the participation of employees at all levels in the corruption prevention and anti-corruption related to the Company's business.

The Company Group has a policy of giving or accepting gifts, presents, and other benefits from persons or companies doing business with the Company in order to avoid conflicts of interest. Employees of the Company must not directly or indirectly accept or solicit any gift or bribe, gratuity or incentive of any value from any business-related third parties. If it is necessary to do so, the Company's employees must first obtain the approval of their direct supervisor and the acceptance of such gifts must conform to rules, business customs, or business etiquette, and must not influence the employees' business decisions.

In addition, the Group has a policy to not allow nor encourage illegal payments or bribery of public agencies, and clearly specifies methods for whistle-blowing or complaints in case of witnesses of misconduct, along with guidelines for investigation and punishment in the Company's Anti-Fraud and Corruption Policy.

The Company, by the Chairman, announced the Anti-Fraud and Corruption Policy by providing a system for receiving complaints, including providing channels for employees, shareholders, and related persons to contact the Audit Committee directly to be able to report or provide information regarding complaints, illegal acts or non-compliance with business ethics, or doubts about financial reports or internal control systems via email, website, postal mail, and the whistleblowing and complaint box, as well as establishing measures to protect the informant from disclosing and keeping it confidential. The Audit Committee reviewed the risk assessment, the likelihood of corruption, and its impact in order to determine preventive measures for corruption that may occur in work systems, including reviewing measures and investigation procedures to be up-to-date and suitable for business conditions.

#### 4. Section 4 Disclosure and Transparency

The Company is aware of strict compliance with the Securities and Exchange Act and notifications of the SEC Office and relevant requirements of the Stock Exchange of Thailand as follows:

1. The Company arranges for the dissemination of the Company's information, including financial information, to be materially correct, complete, transparent, thorough, timely, and in accordance with generally accepted accounting standards, including preparation by independent auditors. In this regard, the Company provides a report on the Board of Directors' responsibilities for financial reports together with the auditor's report in the Annual Registration Statement/Annual Report (Form 56-1 One Report), including financial and non-financial reports in accordance with the relevant regulations of the Office of the Securities and Exchange Commission, including the requirements of the Stock Exchange of Thailand.
2. In doing the Company visit, the Company has an investor relations team to communicate with investors and third parties such as institutional investors, shareholders, analysts, and related public agencies in an equitable and fair manner.
3. Relationship with investors

The Company organizes its important activities which can be summarized as follows:

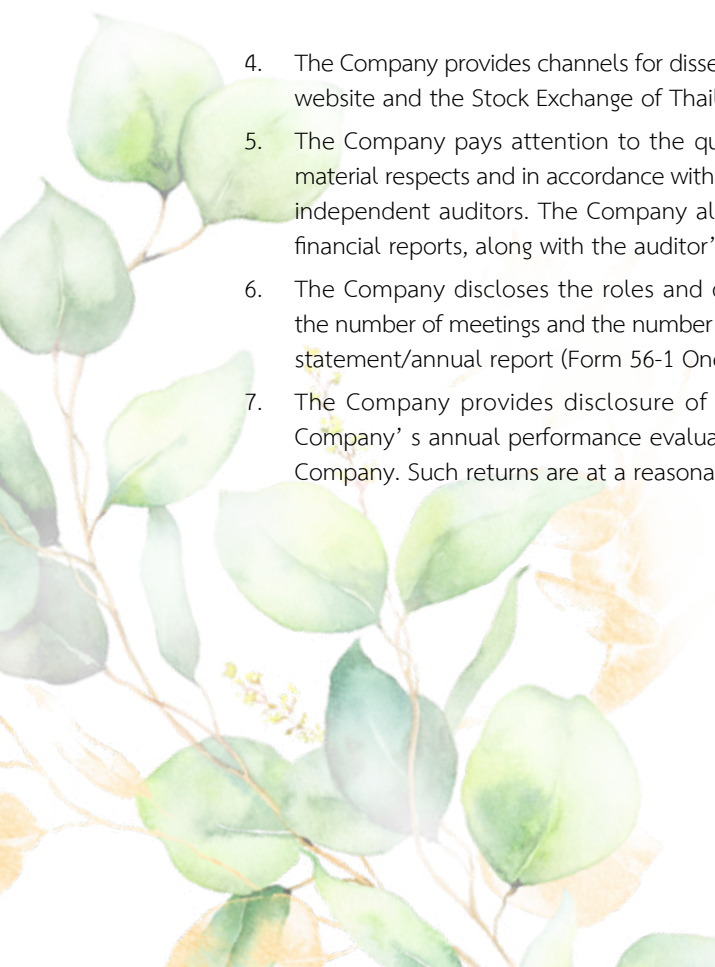
Activities	2020	2021	2022
Analyst Meeting	2	No meeting was held due to COVID-19	-
Via e-mail/ telephone	12 times/month	15 times/month	20 times/month
Plant visits	-	1	14
Opportunity Day (watch the video on the Company's website <a href="http://www.tpipolenelectric.co.th/index.php/th-investment/opday-th">http://www.tpipolenelectric.co.th/index.php/th-investment/opday-th</a> )	4	4	4

Investors and related parties who have any inquiries may contact the Investor Relations Department at 02-213-1039 ext. 12985 and 12988 or <http://www.tpipolenelectric.co.th>. The activities can be summarized as follows:

Activities	2020	2021	2022
News/Photos	132	115	240
Press conference/ Interview - Interview videos - Seminars	<ol style="list-style-type: none"> <li>1. New Normal is Now / Khun Pakkapol Leopaairut and Dr. Porakrit Leophairatana - Invest in Infrastructure on "Newsroom, Economic Research Room" Thursday, September 3, 2020, at 11.15-12.20 p.m. on Channel 22 <a href="https://youtu.be/aC388AhkC_GY">https://youtu.be/aC388AhkC_GY</a></li> <li>2. MONEY TALK Special - TPIPP, waste power plants with good profit and low PE - September 11, 2020 <a href="https://youtu.be/XBzs7-Nk0K8">https://youtu.be/XBzs7-Nk0K8</a></li> <li>3. Money Talk Special - Keep an eye on TPIPP and the Long-Term Growth of the Southern Seaboard Project - October 9, 2020 <a href="https://youtu.be/CFPy-61HTK0">https://youtu.be/CFPy-61HTK0</a></li> </ol>	<ol style="list-style-type: none"> <li>1. TPIPP Moves Forward Clean Energy /Than Talk /Economic Exit on 28-01-21 <a href="https://youtu.be/lm7pkQ_j7Fg">https://youtu.be/lm7pkQ_j7Fg</a></li> <li>2. TPIPP Business Direction in 2021 "Pakkapol Leopaairut, TPI Polene's Executives of the 3rd Generation /MoneyClub Talk via BIZCON-NEXT /1-02-64 <a href="https://youtu.be/jPqLSIRFY90">https://youtu.be/jPqLSIRFY90</a></li> <li>3. Money Talk Special - TPIPP, 2020 Performance, 2021 Forecast - March 17, 2021 (interview with Pakkapol Leophairat)</li> <li>4. New Generation Mission, Generation 3 TPIPP, "Waste Energy" Driving Sustainable Organization Biz Journey Program on PostToday / 7-04-64 <a href="https://youtu.be/qRD1tot_cN8">https://youtu.be/qRD1tot_cN8</a></li> </ol>	<ol style="list-style-type: none"> <li>1. TPIPP aims for a growth story to become a clean energy company within 3 years. Oct. 22, 2022 <a href="https://www.youtube.com/watch?v=kleg6yVZW0">https://www.youtube.com/watch?v=kleg6yVZW0</a></li> <li>2. Seminar "GO GREEN 2022 Driving Green Business" under the topic "Driving Green Business" held on March 17, 2022, at 12:30 - 16:30 at the Grand Hall, The Athinee Hotel Bangkok, A Luxury Collection Hotel by Pakkapol Leopaairut (Executive Vice President) of TPI Polene Power Public Company Limited as a guest speaker.</li> </ol>



Activities	2020	2021	2022
		5. Thai Energy Yai Udom on Monday, October 4, 2021 (live interview with Pakkapol Leopairut via ZOOM)	<p>3. Sustainability Forum 2023 / Special Talk: Private Sector Unlocks “Organization with Innovation Towards Sustainability” 12 minutes, Q&amp;A 3 minutes by Mr. Pakkapol Leopairatnan (Executive Vice President) TPI Polene Power Public Company Limited (Nov. 30, 2022 at 12.30 - 17.00) at Grand Ballroom, Grand Hyatt Erawan, Bangkok</p> <p>4. Seminar on Thai Stocks 2022: Driving Business for the Future, held on June 29, 2022 from 12:30 to 16:30, Location: Grand Hyatt Erawan Hotel, Bangkok <a href="https://www.bangkokbiznews.com/pr-news/biz2u/1009160">https://www.bangkokbiznews.com/pr-news/biz2u/1009160</a></p> <p>5. Thailand Economic Outlook Seminar held on October 10, 2022. The benefit is Logo jointly promoted.</p> <p>6. Interview with Mr. Pakkapol Leopairut Executive of TPI Polene Power, MEET THE TOP EP.66, TNN16 Channel, Saturday, January 7 at 22:00, giving an idea of choosing a renewable energy not made from sunlight or wind, but made from waste. Why did they choose to produce electricity from waste which is regarded the hardest? <a href="https://www.youtube.com/watch?app=desktop&amp;v=sQH8ZQWzJaA">https://www.youtube.com/watch?app=desktop&amp;v=sQH8ZQWzJaA</a></p>

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4. The Company provides channels for disseminating the Company's information and news via the Company's website and the Stock Exchange of Thailand, both in Thai and English.
  5. The Company pays attention to the quality of financial information to ensure that it is accurate in all material respects and in accordance with generally accepted accounting standards, including preparation by independent auditors. The Company also provides a report of the Board of Directors' responsibility for financial reports, along with the auditor's report in the annual report.
  6. The Company discloses the roles and duties of the Board of Directors and Sub-Committees, including the number of meetings and the number of times that each director attends the meeting, annual registration statement/annual report (Form 56-1 One Report) or other reports as the case may be.
  7. The Company provides disclosure of remuneration for directors and top executives based on the Company's annual performance evaluation, which is reflected in their duties and responsibilities for the Company. Such returns are at a reasonable level compared to companies in the same industry.

## 5. Section 5 Responsibilities of the Board of Directors

The Board of Directors plays an important role in corporate governance for the utmost benefit of the Company. Each director is a representative of the shareholders and participates in promoting the Company's good governance to protect the rights and create benefits for shareholders and other stakeholders with relevant details as follows:

### 1. Board Structure

#### (1) Composition of the Board of Directors

The Board of Directors consists of at least 5 directors, with at least one-third of the total number of directors as independent directors and at least three independent directors. Not less than half of the total number of directors must reside in Thailand and may or may not be the Company's shareholders.

#### (2) Qualifications of Company Directors

The Board of Directors consists of directors with various qualifications in terms of skills and experience, each of whom has morality, ethics, independence, and specialized skills that are beneficial to the Company and capable of taking care of the overall shareholders' interests. In addition, all company directors understand their duties and responsibilities and the nature of the Company's business operations by performing duties with honesty and prudence, improving their knowledge, and devoting sufficient time to fully perform responsibilities.

#### (3) Determination of Qualifications of Independent Directors

The Board of Directors determines the qualifications of independent directors in accordance with the rules of the Capital Market Supervisory Board and the requirements of the Stock Exchange of Thailand.

#### (4) Separation of Chairman and Chief Executive Officer Roles

The Company's board structure is to clearly separate the roles and responsibilities between the Board of Directors and the management, separate an individual who holds the position of Chairman and Chief Executive Officer in order to clearly separate the duties of corporate governance and management.

#### (5) Chairman

The Chairman of the Board of Directors acts as the Chairman of the Board of Directors' Meeting and the Shareholders' Meeting, including supporting compliance with the Principles of Good Corporate Governance of the Listed Companies.

#### (6) Company Secretary

Company Secretary is a person with appropriate qualifications and experience, providing advice on laws and regulations to the Board of Directors and ensuring that they are properly and consistently followed. In addition, Company Secretary is also responsible for overseeing the activities of the Board of Directors and ensuring compliance with the resolutions of the Board of Directors and complying with the Company's corporate governance policy.

### 2. Subcommittees

The Board of Directors appointed knowledgeable, skilled, and suitable directors as sub-committees to help perform important tasks. The Company's Sub-Committees consist of Executive Committee, Audit Committee, Nomination Committee, Remuneration Committee, Corporate Governance Committee, Risk Management Committee, and Sustainable Development Committee.

Executive Committee consists of members who are knowledgeable, competent, ethical, and experienced in business operations, performing administrative duties and carrying out activities related to the Company's general administration.

Audit Committee consists of 3 independent directors who are fully qualified according to the announcement of the Securities and Exchange Commission, including the Stock Exchange of Thailand, in order to audit and balance the management of the Company's affairs to ensure accuracy, fairness, and for the best interests of the shareholders.

Nomination Committee, Remuneration Committee, Corporate Governance Committee, Risk Management Committee, and Sustainable Development Committee consisting of directors with knowledge and expertise to perform the duties of each committee, to scrutinize tasks as assigned and in accordance with the good practice of the committees. The scope of duties and responsibilities are defined in the Charter of Sub-committees for clarity, and the performance of their duties is required to be regularly reported to the Board of Directors' meeting and disclosed in the annual report, Form 56-1 One Report.

### 3. Roles, Duties, and Responsibilities of the Board of Directors

#### (1) Good Corporate Governance and Code of Conduct

The Board of Directors recognizes the importance of good corporate governance, including standards of business ethics, which are regarded as a joint obligation to comply with the responsibility for the Company and its stakeholders within the Company's framework of laws and regulations on the basis of having professional ethics and maintaining transparent, honest and fair business operations, taking into account the interests of all relevant stakeholders.

In this regard, the Company establishes the Code of Conduct for the Board of Directors, executives, employees, and employees to use as a guideline for their conduct along with the Company's regulations and rules.

#### (2) Conflict of Interest

The Board of Directors establishes policies and guidelines for considering transactions that have or may have conflicts of interest in the Company's Good Corporate Governance and Code of Conduct for directors, executives, and employees to comply with, and to be careful in complying with the rules for connected transactions in order to prevent any connected transactions that violate the regulations of the SEC and the Stock Exchange of Thailand. A guideline for connected transactions has been prepared and it communicates the principles of connected transactions to the Company's relevant departments and the Group for acknowledgment.

The Company is determined to manage the Company under the Principles of Good Corporate Governance with a commitment to operate with transparency, morality, ethics, and responsibility to shareholders, customers, employees, society, and other stakeholders. The Company also places importance to and promotes the creation of a tangible culture and corporate governance. The Chairman of the Board of Directors established a conflict of interest prevention policy in the Company's Code of Conduct for the Board of Directors, executives, and employees at all levels to acknowledge, and adhere to good practices with a conscience with honesty, morality, and ethics, as well as protecting the interests of the organization as a whole.

In 2022, TPI Polene Power Public Company Limited prepared a Code of Conduct that focuses on the conflict of interest prevention policy delivered to the Company's directors, executives, and employees at all levels to acknowledge and use as a guideline. It also built understanding and measured the results by testing according to the assessment form approved by the executive directors and the result was that 100% of all 1,109 test takers passed the test.

The Board of Directors has clear guidelines for considering transactions that may have conflicts of interest for the benefit of the Company and its shareholders. In the event that the Company has connected transactions with persons who may have conflicts of interest, it will comply with the rules and regulations of the Capital Market Supervisory Board, the SEC, and the announcement of the SET on Disclosure and Actions of Listed Companies in Connected Transactions. Directors and executives who have interests in transactions with the Company shall not participate in the decision-making of such transactions.

Disclosure of transactions that may have conflicts of interest or connected transactions shall be in accordance with the rules set by the Capital Market Supervisory Board, the Securities and Exchange Commission, including the Stock Exchange of Thailand. They are disclosed in the annual report, annual registration statement (Form 56-1), or other reports as the case may be, as well as in accordance with generally accepted accounting standards.

In addition, according to the Company's regulations, directors must notify the Company without delay of their interests in any contract executed with the Company or hold shares or of their holding, and its increase or decrease, of shares or debentures of the Company .

**(3) Internal Control and Audit System**

The Board of Directors established a sound audit and internal control system which prevents potential losses, helps discover errors, reduces business risks, and helps financial statements and other financial reports, be accurate and reliable.

To protect the Company's assets and shareholders' investments, the Company has an internal audit unit to inspect and monitor its operations to be efficient and effective under an adequate and appropriate internal control system. It is an independent unit and capable of reporting audit results straightforwardly so that the management can be informed of any problems or shortcomings in their operations in a timely manner to be used as information to determine measures to protect the Company's assets and shareholders' investments, including the exploitation of unlawful benefits from the Company and used to improve and develop the Company's operating system to be more efficient and effective.

Moreover, the Company has the Audit Committee to perform duties in reviewing and evaluating internal control systems, reviewing information disclosure to investors, as well as reviewing compliance with relevant legal requirements and other important matters. The Company established an internal control system with 5 aspects: environment, risk management control, management operation control, information and communication system, and tracking system.

The Company also has measures and procedures appropriate and adequate for its operations, covering transactions with major shareholders, directors, executives, or those related to such persons to prevent conflicts of interest for the best interest of the Company and its shareholders and relevant stakeholders.

**4. Board of Directors Meeting**

The Company arranges regular meetings of the Board of Directors on average at least once a month and may hold additional meetings as appropriate for the Board of Directors to supervise the management's performance. At every meeting, appropriate and sufficient time must be allocated for the directors to be able to consider the agenda of the meeting. The Chairman of the Board of Directors and the Chief Executive Officer jointly set the meeting agenda and consider the agenda for the Board of Directors' meeting to ensure that all major issues in business operations are fully considered by the Board of Directors. Each director is free to submit matters for consideration at the meeting and expresses opinions openly and freely and encourages careful discretion on all issues brought to the meeting.

At the Board of Directors meetings, the Company complies with the Public Limited Company Act on Board of Directors Meetings. Meeting minutes are taken in writing, approved by the Board of Directors, and retained systematically and securely.

**5. Remuneration for Directors and Executives**

Remuneration for the Board of Directors is fair and reasonable by considering the suitability and consistency with the responsibilities of the directors and the Company's performance. The remuneration of directors is also approved by the shareholders' meeting in terms of executive remuneration.

The Company determines the remuneration of the executives appropriately by considering their duties, responsibilities, the Company's performance, and the practices of the listed companies in the same industry.

**6. Development of Directors and Executives**

The Company has the policy to support training on corporate governance for the Board of Directors and top executives to promote knowledge and understanding of how to operate under the Principles of Good Corporate Governance of the Listed Companies. The Company encourages its directors to attend training courses with the Thai Institute of Directors in order to increase their knowledge regarding the roles and responsibilities of directors, which will lead to ongoing and up-to-date performance improvements.

## 6.2 Code of Conduct and Ethics in Business Operations

TPI Polene Power Public Company Limited aims to conduct business under the Company's Corporate Governance Policy and Code of Conduct and is committed to promoting the Company to be an efficient organization by adhering to operating with transparency, integrity, and responsibility to shareholders and related stakeholders.

The Board of Directors is committed to conducting business under corporate governance, emphasizing the rule of law, transparency, fairness, social, cultural, and environmental responsibility along with enhancing the sustainable development of personnel, customers, communities, and all stakeholders under management consistent with good governance and ideology.

### **“Clean and Bright Thailand, citizens live happily”**

The Board of Directors sets out key principles for good corporate governance for all directors, executives, and employees of the Company to comply with as a guideline for their performance as follows:

1. The Board of Directors adheres to international guidelines for corporate governance and strives to develop good corporate governance in line with international standards. These include taking into account the rights of shareholders, the equitable treatment of shareholders, emphasizing the roles of stakeholders, disclosure and transparency, and accountability of the Board of Directors.
2. The Board of Directors, executives, and all employees, are committed to applying the principles of good operation, including the Creation of Shared Value, Responsibility, Equitable treatment, Accountability, Transparency, and Ethics (CREATE), as a guideline for conducting business as well as strictly performing duties under relevant laws and regulations in every country where the Company invests.
3. The Board of Directors shall provide a management structure with a fair relationship among the Board of Directors, executives, and shareholders as well as play an important role in formulating visions, strategies, policies, and important plans, establishing a system for monitoring/measuring performance and effective risk management, being independent and accountable for the results of performing their duties according to the principles of good operating practices. The Board of Directors and executives shall be ethical leaders and role models in compliance with the Company's Corporate Governance Policy and Code of Conduct, as well as promoting a culture based on the Principles of Good Corporate Governance, taking care of stakeholders involved, and promoting practices and business operations based on human rights, consumer rights, and fair labor practices. They shall also establish a monitoring, evaluation, and review system for all employees to adhere to and comply with the Principles of Good Corporate Governance in a complete and proper manner.

In addition, the Company announced written guidelines for the treatment of each group of stakeholders based on the principles of creating mutual value between the Company and its stakeholders. The top management is responsible for the participation of all groups of stakeholders as well as the improvement of channels for expressing opinions in order to share the opinions of the stakeholders with the responsible agencies. Stakeholders who are directly affected by the Company's business operations include employees, shareholders, suppliers, customers, competitors and surrounding communities to use as a guideline for all executives and employees to ensure their performance related to stakeholders is in line with clear principles of practice, such as treatments for shareholders, suppliers, and customers.

### **Principles of Conducting Business with Ethics**

With the intention of TPI Polene Power Public Company Limited to make its business progress with ethics and morality, along with a responsibility to all stakeholders, the Company prepared the Code of Conduct as a collection of policies on accountability and treatment of stakeholders, as well as the Company's business principles that are of international standard and disseminated to directors, executives, and employees to acknowledge the guidelines set forth in this Code of Conduct in order for the Company's operations to achieve its business goals and reflect the values and culture of the organization. The Company also hopes that its suppliers and all related stakeholders are informed and adhere to the same principles for further sustainable growth.

**The Code of Conduct** consists of the following topics:

1. Respect and Compliance with Relevant Laws, Rules, and Regulations
2. Anti-Fraud and Corruption Guidelines
3. Conflict of Interest

4. Use of Inside Information and Confidentiality
5. Internal Control / Internal Audit / Risk Management and Accounting/Financial Reports
6. Receiving and Giving Gifts, Assets, or Other Benefits
7. Procurement and Treatment of Suppliers
8. Intellectual Property, Use of Information Technology and Communication
9. Rights and Political Neutrality
10. Employee Code of Conduct
11. Reports/Complaints/Suggestions/Whistleblowing Channels Causing Damage to the Company, and Whistleblower Protection
12. Responsibility to Stakeholders
  - 12.1 Treatment of Shareholders
  - 12.2 Customer Treatment
  - 12.3 Treatment of Suppliers
  - 12.4 Treatment of Business Competitors
  - 12.5 Treatment of Creditors
  - 12.6 Treatment of the Government
  - 12.7 Treatment of Employees
  - 12.8 Treatment of Community, Society, and Environment
  - 12.9 Prioritization of Quality
13. Guidelines on Compensation For Stakeholders Damaged From Infringement

#### **Compliance with the Code of Conduct**

In case of inquiries or problems in making decisions or for the action that is not specified in the Code of Conduct, they shall exercise preliminary discretion by reviewing that action before ceasing it as follows:

1. Is the action against the law?
2. Is that action against the organization's policy and culture?
3. Is the action acceptable and disclosable to society?
4. Does the action cause damage to the reputation and image of the Company?
5. Does the action cause serious damage to the Company's stakeholders?

**\*\*** or inquire about the hierarchical supervisors responsible for giving advice in the initial stage or inquire directly to the agency responsible for that issue.

The Company published details and guidelines for the Code of Conduct on the Company website for stakeholders and the public at <http://www.tpiolenepower.co.th/.index.php/en/en-aboutus/code-of-conduct-en>

In 2022, TPI Polene Power Group prepared a test to review the knowledge of the Company's Code of Conduct with executives and employees at all levels in order to adhere to it as a guideline for working and performing duties with honesty, adhering to the rule of law and transparency, focusing on customers, being socially responsible, and taking into account all groups of stakeholders.

It prepared a "Code of Conduct" test via mobile phone using QR Code or a PC. The results are summarized from the test as follows:

74.12 % of the employees with great understanding (score 80-100%)

25.88% of the employees with moderate understanding (score 60-79%)



## 6.3 Significant changes and developments in policies, guidelines, and corporate governance in the past year

### 6.3.1 Significant changes and developments related to the review of policies, guidelines, and good corporate governance or the Board of Directors Charter in 2022 include:

- 1) Policies and guidelines for the year 2022 were determined and reviewed as follows:
  - Conducted a test on employees' understanding of the Company's Code of Conduct and published the CG & Code of Conduct). The result revealed that 100% of all 1,109 people passed the criteria on the Company website. <http://www.tpipolenepower.co.th/index.php/th/th-aboutus/code-of-conduct-th>.
  - The Corporate Governance Committee was appointed according to the resolution of the Board of Directors Meeting No. 12/2022 on December 29, 2022, including their roles and responsibilities and performance reports.
  - The Risk Management Committee was appointed (according to the resolution of the Board of Directors Meeting No. 12/2022 held on December 29, 2022), with the Chief Executive Officer as the Chairman and executives from related departments as directors, responsible for considering structure, policy, risk management framework, risk management plan, risk review, and risk management monitoring, with the Risk Management Department responsible for preparing risk management reports, implementing and supporting enterprise-wide risk management.
  - The Sustainable Development Committee and Chairman of the Risk Sustainable Development Committee were appointed according to the resolution of the Board of Directors Meeting No. 12/2022 on December 29, 2022, including their roles and responsibilities
  - Considered and approved the policy on fair treatment and accountability to creditors by approving the policy on strictly complying with the terms and conditions of financial agreements and obligations, repayment of principal, interest, and collateral care under relevant agreements, as well as not using dishonest methods to conceal information or facts that will cause damage to creditors. In case of failure to comply with any of the conditions, the creditor must be notified in advance in order to jointly consider a solution.
  - Considered and approved the security policy for the information system of the Company and its affiliates (IT Security), with the opinion that it is appropriate to review the cyber threat protection system regularly, including the development and improvement of the cyber protection system to keep up with the cyber threats with developed methods and severity of threats to information systems.
  - The Company reviewed the risk management information, which consists of the organizational risk management framework accepted as a guideline for promoting risk management and is an internationally accepted guideline with 7 categories of risk as follows:
    1. Strategic Risk
    2. Operational Risk
    3. Financial Risk
    4. Compliance Risk
    5. Environmental Risk
    6. Social Risk
    7. Sustainability Risk

The Company conducted enterprise-wide risk management through risk analysis and risk response to acceptable levels.

The Board of Directors promotes a culture of risk management by establishing policies and organizing training in "Risk Management" to educate employees at least twice a year for employees at all levels to create knowledge, understanding, participation, and systematic risk management.

- Review of fraud investigations

The Audit Committee encourages the Company to operate in accordance with good corporate governance and provides a complaint-handling system, including providing channels for employees, shareholders, and those involved to be able to contact the Audit Committee directly so that they can provide information to the Internal Audit Committee regarding complaints, illegal actions, or non-compliance with the Code of Conduct, or concerns regarding financial reporting, financial or internal control system via email, website, postal mail, and boxes for whistleblowing and complaints, as well as establishing measures to protect the informant from disclosing and keeping it confidential. The Audit Committee also reviews the risk assessment, the likelihood of corruption, and its impact in order to determine preventive measures against corruption that may occur in work systems, reviewing measures and investigation regulations to be up to date and suitable for business operations.

- Work plans and performance related to the prevention of conflicts of interest.

According to the Principles of Good Corporate Governance with a commitment to operate with transparency, morality, ethics, and responsibility to shareholders, customers, employees, society, and other stakeholders. The Company gave importance to and promoted the creation of a tangible corporate culture. The Chairman of the Board of Directors established a conflict of interest prevention policy in the Company's Business Ethics Manual for the Board of Directors, executives, and employees at all levels to acknowledge and comply with good practices, the awareness of adhering to honesty, morality, and ethics, as well as protecting the interests of the organization.

## 2) Compliance

- Issued a policy to comply with relevant laws and regulations, such as a policy to promote fair competition and anti-monopoly by preparing the Suppliers Code of Conduct for procurement, purchasing, and employment (the Company published details and guidelines for the Suppliers Code of Conduct for procurement, purchasing, and outsourcing on the Company website for stakeholders and the public to acknowledge at <http://www.tpipolenepower.co.th/index.php/th/th-aboutus/supplier-code-of-conduct-th>)
- Privacy policy to support the enforcement of the Personal Data Protection Act 2019 (B.E. 2562) and to educate executives and employees, as well as inform via email to employees. It plans to work with other relevant agencies to manage the Company's personal information, and support fair competition and antitrust of trade. The Company published the policy on the Company website for the stakeholders and the public to acknowledge at <http://www.tpipolenepower.co.th/index.php/th/th-aboutus/pdpa>.

### 6.3.2 Applying the Principles of Good Corporate Governance for listed companies 2017 (CG Code) of the SEC

The Company reviewed the Corporate Governance Policy by referring to the Principles of Good Corporate Governance for Listed Companies 2012 of the Stock Exchange of Thailand and the Principles of Good Corporate Governance for Listed Companies 2017 (CG Code) of the Office of the Securities and Exchange Commission, most principles of which the Company has been complied with.

At present, the Board of Directors considered applying the Principles of Good Corporate Governance for Listed Companies 2017 or Corporate Governance Code (CG Code) issued by the SEC Office by considering and realizing their roles and responsibilities as the Governing Board. The Company carefully considers such principles and understands the benefits and importance of implementing the CG Code, which focuses on integrating social, environmental, and corporate governance issues to create value for the business for sustainable development as well, consisting of 8 main categories as follows:



## Principle 1 : Establish Clear Leadership Role and Responsibilities of The Board

### Principle 1.1

The Board should demonstrate a thorough understanding of its leadership role, assume its responsibilities in taking care of the Company, and strengthen good governance, including:

- (1) defining objectives.
- (2) determining means to attain the objectives; and
- (3) monitoring, evaluating, and reporting on performance.

### Principle 1.2

To achieve sustainable value creation, The Board should exercise its leadership role and pursue the following governance outcomes:

- (1) competitiveness and performance with long-term perspective.
- (2) ethical and responsible business.
- (3) good corporate citizenship; and
- (4) corporate resilience

### Principle 1.3

The Board should ensure that all directors and executives perform their responsibilities in compliance with their duty of care and duty of loyalty, and that the Company operates in accordance with applicable law and standards.

### Principle 1.4

The Board should demonstrate a thorough understanding of the division of board and management responsibilities. The Board should clearly define the roles and responsibilities of management and monitor management's proper performance of its duties.

## Principle 2 : Define Objectives and Central Ideas that Promote Sustainable Value Creation

### Principle 2.1

The Board should define objectives that promote sustainable value creation for the business, customers, stakeholders, and society as a whole, and governance outcomes as a framework for the operation of the Company

**Principle 2.2**

The Board should ensure that the Company's annual and medium-term objectives, goals, strategies, and plans are consistent with the long-term objectives, while utilising innovation and technology effectively.

**Principle 3 : Strengthen effective board members (Effectiveness)****Principle 3.1**

The Board should be responsible for determining and reviewing The Board structure, in terms of size, composition, and the proportion of independent directors so as to ensure its leadership role in achieving the Company's objectives.

**Principle 3.2**

The Board should select an appropriate person as the chairman and ensure that the Board composition serves the best interest of the Company, enabling the Board to make its decisions as a result of exercising independent judgement on corporate affairs.

**Principle 3.3**

The Board should ensure that the policy and procedures for the selection and nomination of directors are clear and transparent resulting in the desired composition of the Board.

**Principle 3.4**

When proposing director remuneration to the shareholders' meeting for approval, the Board should consider whether the remuneration structure is appropriate for the directors' respective roles and responsibilities, linked to their individual and company performance, and provide incentives for the Board to lead the Company in meeting its objectives, both in the short and long term.

**Principle 3.5**

The Board should ensure that all directors are properly accountable for their duties, responsibilities and (in-) actions, and allocate sufficient time to discharge their duties and responsibilities effectively.

**Principle 3.6**

The Board should ensure that the Company's governance framework and policies extend to and are accepted by subsidiaries and other businesses in which it has a significant investment as appropriate.

**Principle 3.7**

The Board should conduct a formal annual performance evaluation of the Board, its committees, and each individual director. The evaluation results should be used to strengthen the effectiveness of the Board.

**Principle 3.8**

The Board should ensure that the Board and each individual director understand their roles and responsibilities, the nature of the business, the Company's operations, relevant law and standards, and other applicable obligations. The Board should support all directors in updating and refreshing their skills and knowledge necessary to carry out their roles on the Board and board committees.

**Principle 3.9**

The Board should ensure that it can perform its duties effectively and have access to accurate, relevant, and timely information. The Board should appoint a company secretary with necessary qualifications, knowledge, skills, and experience to support the Board in performing its duties.

**Principle 4 : Ensure Effective CEO and People Management****Principle 4.1**

The Board should ensure that a proper mechanism is in place for the nomination and development of the chief executive officer and key executives to ensure that they possess the knowledge, skills, experience, and characteristics necessary for the Company to achieve its objectives.

**Principle 4.2**

The Board should ensure that an appropriate compensation structure and performance evaluation are in place.

**Principle 4.3**

The Board should consider its responsibilities in the context of the Company's shareholder structure and relationships, which may impact the management and operation of the company.

**Principle 4.4**

The Board should ensure the Company has effective human resources management and development programmes to ensure that the Company has adequate staffing and appropriately knowledgeable, skilled, and experienced employees and staff.

**Principle 5 : Nurture Innovation and Responsible Business****Principle 5.1**

The Board should prioritise and promote innovation that creates value for the Company and its shareholders together with benefits for its customers, other stakeholders, society, and the environment, in support of sustainable growth of the Company.

**Principle 5.2**

The Board should encourage management to adopt responsible operations and incorporate them into the Company's operations plan. This is to ensure that every department and function in the Company adopts the company's objectives, goals, and strategies, applying high ethical, environmental, and social standards, and contributes to the sustainable growth of the Company.

**Principle 5.3**

The Board should ensure that management allocates and manages resources efficiently and effectively throughout all aspects of the value chain to enable the Company to meet its objectives.

**Principle 5.4**

The Board should establish a framework for governance of enterprise IT that is aligned with the Company's business needs and priorities, stimulates business opportunities and performance, strengthens risk management, and supports the Company's objectives.

**Principle 6 : Strengthen Effective Risk Management and Internal Control****Principle 6.1**

The Board should ensure that the Company has effective and appropriate risk management and internal control systems that are aligned with the Company's objectives, goals, and strategies, and comply with applicable law and standards

**Principle 6.2**

The Board shall establish an audit committee that can act effectively and independently.

**Principle 6.3**

The Board should manage and monitor conflicts of interest that might occur between the Company, management, directors, and shareholders. The Board should also prevent the inappropriate use of corporate assets, information, and opportunities, including preventing inappropriate transactions with related parties.

**Principle 6.4**

The Board should establish a clear Anti-Fraud and Corruption policy and practices (including communication and staff training) and strive to extend its Anti-Fraud and Corruption efforts to stakeholders.

**Principle 6.5**

The Board should establish a mechanism for handling complaints and whistleblowing.

**Principle 7 : Ensure Disclosure and Financial Integrity****Principle 7.1**

The Board must 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.

**Principle 7.2**

The Board should monitor the Company's financial liquidity and solvency.

**Principle 7.3**

The Board should ensure that risks to the financial position of the Company or financial difficulties are promptly identified, managed and mitigated, and that the Company's governance framework provides for the consideration of stakeholder rights.

**Principle 7.4**

The Board should ensure sustainability reporting, as appropriate.

**Principle 7.5**

The Board should ensure the establishment of a dedicated Investor Relations function responsible for regular, effective, and fair communication with shareholders and other stakeholders (such as analysts and potential investors).

**Principle 7.6**

The Board should ensure the effective use by the Company of information technology in disseminating information.

**Principle 8 : Ensure Engagement and Communication with Shareholders****Principle 8.1**

The Board should ensure that shareholders have the opportunity to participate effectively in decision-making involving significant corporate matters.

**Principle 8.2**

The Board should ensure that the shareholders' meetings are held as scheduled and conducted properly, with transparency and efficiency, and ensure inclusive and equitable treatment of all shareholders and their ability to exercise their rights.

**Principle 8.3**

The Board should ensure accurate, timely and complete disclosure of shareholder resolutions and preparation of the minutes of the shareholders' meetings.

In 2022, there was a matter under consideration to determine appropriate replacement measures as follows:

The Board of Directors has not set a policy limiting the number of years in the tenure of independent directors because the Company has considered knowledge, competence, and experience. The duties of each independent director that benefit all stakeholders and benefit the Company's business operations, based on the performance of each Independent Director' position, can be independent and without conflicts of interest, and considering the Company's current business structure, continuing to hold positions should be beneficial to the Company's business operations.

However, the Company acts in accordance with non-legal practices and in accordance with the corporate culture of the Company and the Company has determined that such actions do not affect the qualifications of the director's independence.

### 6.3.3 Conducting Principles of Good Corporate Governance in other matters

In July 2022, the Company submitted the assessment information and CGR Checklist 2022 to the Thai Institute of Directors Association (IOD).

The Company's Corporate Governance Survey of the Thai Institute of Directors Association (IOD), based on the 2022 Survey and Supervision of Listed Companies as a whole, the Company was appraised at a "very good" level and received an overall average score and category of 80% based on a total survey of 750 companies and the survey was based on data disclosed by the Company in 2022. The Company has good practices in accordance with the criteria for the survey of the Thai Registered Corporate Governance Program for the year 2022.

In 2022, the Company was also ranked in the list of Sustainable Stocks for the year 2022 (Thailand Sustainability Investment -THSI) from the Stock Exchange of Thailand.

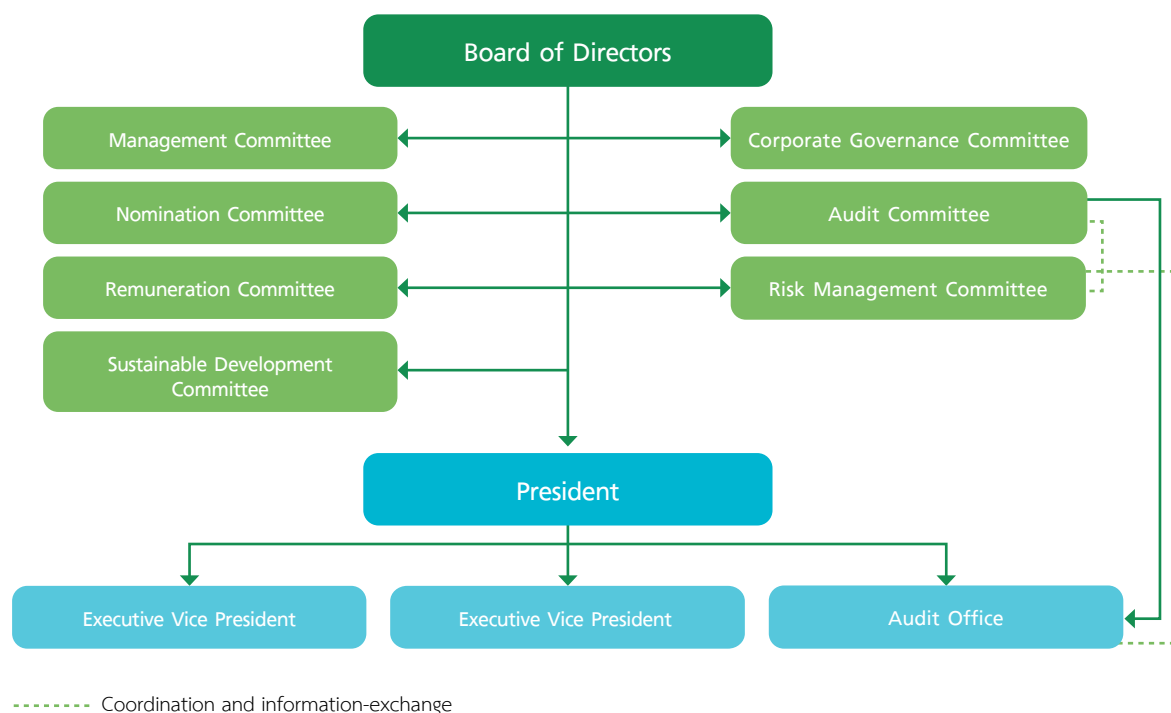
The Company received a Sustainability Disclosure Award for the year 2022 which was assessed based on the status of sustainability disclosure (from the Sustainability Report and Form 56- 1 One Report 2021) of 133 companies, as members of the Sustainability Disclosure Community (SDC).





## 7. Corporate Governance Structure and key information about the Board of Directors, sub-committees, executives, employees and etc.

### 7.1 Corporate Governance Structure



As of December 31, 2022, the management structure of the Company consists of the Board of Directors, which comprises seven Committees: Management Committees, Audit Committee Nomination Committee, Remuneration Committee, Corporate Governance Committee, Risk Management Committee, and Sustainable Development Committee

The Board of Directors' Meeting No. 12/2022 held on December 29, 2022 resolved to appoint the Corporate Governance Committee and the Risk Management Committee in order to comply with good corporate governance principles, which were considered by the entire Board of Directors.

### 7.2 Information of the Board of Directors

#### 7.2.1 Composition of the Board of Directors

As of December 31, 2022, the Board of Directors of the Company comprises 15 persons as follows:

- Twelves Non-executive directors, representing 80% of total directors
- Five Independent Directors, representing 33.33% of total directors
- Three Executive Directors, representing 20% of total directors
- Four Female Directors, representing 26.67% of total directors
- Eleven male Directors, representing 73.33% of total directors

The Board of Directors consists of directors who have a wide range of qualifications in terms of experience and skills, each with morality, ethics, and independence, specialized capabilities that benefit the Company, and can take care of the overall interests of shareholders. In addition, all directors have an understanding of the responsibilities and characteristics of the Company's business and act with integrity, cautious and prudent whereas their knowledge is constantly updated and sufficient time has been devoted to fulfilling their full responsibilities.

The Board of Directors established the qualifications of independent directors in accordance with the rules and regulations imposed by the SEC and the SET.

### 7.2.2 Information of the Board of Directors and Persons with Controlling Authority

As of December 31, 2022, the Board of Directors consists of 15 members consisting of:

Name	Position
1. Mr. Prachai Leophairatana	Chairman
2. Dr. Pramuan Leophairatana	Vice Chairman
3. Mrs. Orapin Leophairatana	Vice Chairman
4. Mr. Prayad Liewphairatana	Director
5. Miss Pattrapan Leopairut	Director
6. Mr. Pakorn Leopairut	Director
7. Mr. Pakkapol Leopairut	Director
8. Ms. Nitawan Leophairatana	Director
9. Ms. Malinee Leopairut	Director
10. Dr. Porakrit Leophairatana	Director
11. Mr. Manu Leopairote	Independent Director; Chairman of the Audit Committee
12. Mr. Thiraphong Vikitset	Independent Director; Member of the Audit Committee
13. Mr. Abhijai Chandrasen	Independent Director; Member of the Audit Committee
14. Mr. Khantachai Vichakkhana	Independent Director
15. Mr. Wanchai Manosooti	Independent Director

In this regard, every director of the Company attended at least one training course related to directors, organized by the Thai Institute of Directors Association, including the Directors Certification Program (DCP) or Directors Accreditation Program (DAP).

The Board of Directors consists of 15 directors, 5 of whom are independent directors, and 4 of whom are female directors, which represents board diversity with skills aligned with the Company's business strategies through the Board Skills Matrix and a wide range of educational backgrounds and experiences without limiting any other differences. Profiles of the directors are shown in Attachment 1.

## Board Skills Matrix

	List of Directors /Specialized Knowledge	Policy Development	Business Judgment	Strategic Planning	Finance & Accounting	Internal Audit	Law	Corporate Governance & CSR	Risk Management & Internal Control	HR & Organization Development	Construction Industry Expertise	International Business	Innovation Management
1	Mr. Prachai Leophairatana	X	X	X	X	X	X	X	X	X	X	X	X
2	Dr. Pramuan Leophairatana	X	X	X				X	X	X	X	X	X
3	Mr. Prayad Liewphairatana	X	X	X				X	X	X	X	X	X
4	Mrs. Orapin Leophairatana	X	X	X	X	X	X	X	X	X	X	X	X
5	Miss Pattrapran Leopairut	X	X	X				X	X	X		X	
6	Mr. Pakkapol Leopairut	X	X	X				X	X	X	X	X	X
7	Mr. Pakorn Leopairut	X	X	X				X	X	X	X	X	X
8	Ms. Nitawan Leophairatana	X	X	X			X	X	X	X	X	X	X
9	Ms. Malinee Leopairut	X	X	X				X	X	X	X	X	X
10	Mr. Manu Leopairote	X	X	X	X	X	X	X	X	X	X	X	
11	Mr. Abhijai Chandrasen	X	X	X	X	X	X	X	X	X	X	X	
12	Mr. Thiraphong Vikitset	X	X	X	X	X		X	X	X	X	X	X
13	Mr. Khantachai Vichakkhana	X	X	X			X	X	X	X	X	X	X
14	Mr. Wanchai Manosooti	X	X	X	X				X		X	X	
15	Dr. Porakrit Leophairatana	X	X	X				X	X	X	X	X	X

## 7.2.3 Functions and Responsibilities of the Board of Directors

## Authority of the Board of Directors

To supervise the business of the Company, in addition to any other actions to comply with the laws, objectives, regulations, and resolutions of the shareholders' meeting of the Company, the Board of Directors has assigned the following matters to be the authority and responsibility of the Board of Directors to consider and approve.

1. To carry out activities prudently and in compliance with related governing laws, the objectives of the Company, and the Articles of Association, in order to protect the Company's interests and for the benefit of shareholders.
2. To consider policies, visions, plans, and important strategies regarding the direction and policies of the Company, including business ethics, and to efficiently supervise the implementation of the specified work plans.
3. To monitor the operational results of the Company and any other key progress criteria.
4. To determine interim dividends to shareholders.
5. To ensure that the accounting system and financial reports are accurate, transparency, timely, and are prepared in compliance with generally accepted accounting principles.
6. To monitor the implementation of internal control and internal and external audit systems effectively; and ensure appropriate risk management.
7. To arrange good corporate governance, including developing a risk management system, taking care of fair interests for all groups of shareholders, and supervising appropriate communications with the Company's stakeholders and the public.
8. To supervise and solve conflicts of interest and connected transactions that might happen to be in compliance with related rules and regulations.
9. To consider and nominate qualified persons to perform the duties of directors.
10. To consider the necessity and appropriateness to determine the remuneration to the Company's directors

### The Company's Authorized Directors

"Mr. Prachai Leophairatana, Dr. Pramuan Leophairatana, Mrs. Orapin Leophairatana, Mr. Prayad Liewphairatana, Miss Pattrapan Leopairut, Mr. Pakorn Leopairut, Mr. Pakkapol Leopairut, Ms. Nitawan Leophairatana and Dr. Porakrit Leophairatana, any two of these nine directors may sign jointly and affix the Company's seal".

### Independence of the Board of Directors

The Board of Directors consists of 15 directors, 5 of whom are independent directors, representing one-third of the total number of directors of the Company in accordance with the Notification of the Capital Market Supervisory Board No. TorChor.39/2559 Re: Application and Approval of Offer for Sale of Newly Issued Shares. However, the Chairman of the Board is not an independent director under the Principles of Good Corporate Governance set by the Stock Exchange of Thailand, stating that the Chairman is not an independent director, the Board of Directors should consist of independent directors more than half of the total number of directors.

However, the Company views that the structure of the Board of Directors is transparent and capable of protecting the interests of shareholders and the Company because there are 5 independent directors. All independent directors and members of the Audit Committee are outsiders with knowledge, competence, and experience that are beneficial to the Company's business operations as well as being neutral and without conflicts of interest with major shareholders.

In addition, as the Company is listed on the Stock Exchange of Thailand, it must comply with the regulations of the Office of the Securities and Exchange Commission, the Capital Market Supervisory Board, and the Board of Governors of the Stock Exchange of Thailand, such as the rules for connected transactions, the rules for acquisition or disposition of assets, etc. The aforementioned rules and regulations stipulate that significant matters must be approved by the shareholders' meeting and the shareholders must be notified of the Audit Committee's opinions which are different from those of the Board of Directors, whereby the Audit Committee acts as a representative of minority shareholders. Thus, the fact that the shareholders acknowledge the opinions of the Audit Committee will allow them to receive appropriate information in order to make a decision and vote on that matter.

All directors have a duty to comply with relevant laws, including fiduciary duty according to the Securities Act, the Public Company Act, and other policies of the Company, including the Corporate Governance Policy and the Code of Conduct, which requires that the directors and those involved in the Company's business operations are required to comply with relevant laws and policies for the utmost benefit of the Company's shareholders.

In this regard, the Board of Directors' actions must be approved by the shareholders' meeting.

1. Entering into connected transactions or acquisition or disposition of the Group's significant assets or any other action as announced by the law and the Capital Markets Committee;
2. Sale or transfer of all or part of the Company's business to another person;
3. Amendments to the Memorandum of Association or Articles of Association of the Company;
4. Increase or decrease the Company's registered capital;
5. Dissolution of corporations or mergers with other companies; and
6. Issuance of the Company's debentures

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

To ensure the authority in terms of policymaking and management of the Company is clearly separate, the Company requires the Chairman of the Board of Directors, the Chairman of the Executive Board, and the President to be different persons, with the Chairman of the Board of Directors roles and responsibilities as follows:-

1. Call the Board of Directors' Meeting and act as the Chairman of the Board of Directors' meeting and the Shareholders' Meeting, as well as play a role in setting the agenda with the President.
2. Play a role in controlling meetings effectively in accordance with the rules and regulations of the Company, support and allow directors to express their opinions independently.

3. Support and encourage the Board of Directors to perform duties to the best of their ability in accordance with the scope of authority, duties, and responsibilities under the Principles of Good-Corporate Governance.
4. Monitor and follow up on the administration of the Board of Directors and other sub-committees to achieve the intended objectives.
5. Be the decisive voter in the event that the Board of Directors' meeting holds a vote and votes on both sides are equal (Details are provided on the Company website <https://www.tpipolene.co.th/th/aboutus/org-tpi/board-roles-th>)

#### 7.2.4 Nomination and appointment of directors and sub-directors and Presidents

##### 1) Nomination of the directors of the Company

As for nomination of directors of the Company, the Company considers based on their knowledge, competence, and experience related to the business, or considers the major shareholders of the Company who have experience in the business that will be beneficial to the Company. However, the appointment of new directors must be approved by the Board of Directors' meeting and/or the shareholders' meeting (as the case may be). The shareholders' meeting shall be elected the directors according to the following guidelines and procedures:

- (1) To assume that one shareholder has the same vote as 1 share per 1 vote.
- (2) Each shareholder may cast all available votes according to (1) elect a single person or multiple persons as directors. In the event of an election of several individuals as directors, votes cannot be divided into anyone more or less.
- (3) The person receiving the highest number of votes respectively will be elected as a director as much as the number of directors who will have or will be elected at that time. In the event that the person who is elected in the next order has the same votes and exceeds the number of directors who should have or will be elected at that time, the Chairman of the meeting will be the decisive voter.

At every annual ordinary meeting of shareholders, the directors shall be removed from their positions for one-third of the number of directors at the time. If the number of directors cannot be straightened into three parts, the number issued by the closest number to one-thirds, considering the longest-in-position director is the one who leaves the position. Thus, departing directors may be re-elected by the shareholders' meeting to become new directors.

In the event that the director's position is vacated for reasons other than the term of the issue under the term, the Board of Directors shall select a qualified person who does not have a prohibited nature under the law on public limited companies and the law on Securities and Exchange to be a replacement director at the next board meeting unless the term of the director is less than 2 months. The person who becomes the director only serves as much as the remaining term of the director he replaces. However, the resolutions of the Board, as mentioned above, must consist of at least three-fourths of the remaining number of directors.

##### 2) Nomination of independent directors

The Company has a policy of nominating independent directors in accordance with the Announcement of the Capital Market Supervisory Board No. 39/2016. Re: Permission and Authorization for IPO issuance, dated September 30, 2016, (including amended) as follows:

1. Hold shares not greater than 1% of the voting shares in the Company, its affiliates, associated companies, or juristic persons that may impose conflicts of interest.
2. Have no management participation in the Company and are not employees or regularly paid consultants, or persons, who have control over the Company or its associated companies, affiliates, or associated companies or subsidiaries of the same order as major shareholders, or controlling persons of the Company, unless it has been removed from such characteristics at least two years prior to the date of appointment as an Audit Committee member. Such prohibited characteristics do not include cases where independent directors was officials or advisors of government offices that are major shareholders or controlling persons of the Company.

3. Have no close relatives, or persons related in a way by legal registration in a manner that is a parent, spouse, siblings, and children, as well as spouses of children of other directors, the management, major shareholders, controlling persons, or persons who will be proposed as the directors, the management or controlling persons of the Company or its subsidiaries.
4. Have no business relationship with the Company, its affiliates, or associated companies, major shareholders, or controlling persons in a manner that may impede the use of their independent judgment, including not being or has been an implicit shareholder or controlling person of a person with a business relationship with a company, a major company, a subsidiary unless it has been removed from such characteristics at least two years prior to the date of filing an application for permission to the SEC.

Such business relationships include commercial transactions that are normally conducted for business operations as well as renting or leasing a property, assets or services transaction, or providing or receiving financial assistance by receiving or lending guarantees, provision of assets as collateral for liabilities, as well as other similar circumstances, which results in the Company or its parties having to pay debts to the other party, from 3% of net tangible asset of the Company or Baht 20 million or more, whichever is lower. The calculation of such debt obligations is based on the value of connected transactions pursuant to the Notification of the Capital Market Supervisory Board on Rules for Connected Transactions mutatis mutandis. However, such debt obligations include those incurred during the one year prior to the date of the business relationship with the same person.

5. Not being or used to be auditors of the Company, parent company, its subsidiaries, associates, major shareholders or controlling persons and are not implicit shareholders, supervisors, or partners of the audit office, which the auditor of the Company, parent company, its subsidiaries, associates, major shareholders or controlling persons unless it has been removed from such characteristics at least two years prior to the date of filing an application for permission to the SEC.
6. Not being or used to be professional service providers, including providing services as legal advisors or financial advisors, which receive service fees in excess of Baht two million per annum from the Company, parent company, its subsidiaries, associates, major shareholders, or controlling persons and are not implicit shareholders unless it has been removed from such characteristics at least two years prior to the date of filing an application for permission to the SEC.
7. Not being directors appointed to represent by the Directors of the Company, major shareholders, or shareholders who are related to major shareholders.
8. Not to operate a business of the same condition and be a competition that is materially to the business of the Company or its subsidiaries, or not to be a partner that is materially in the partnership or as a director who is involved in the management, employees, consultants who receive regular salaries or hold more than 1% of the total voting shares of other companies, which operate in the same condition and are a competition that is material with the Company's business or its subsidiaries.
9. Have no other characteristics that prevent them from giving an independent opinion on the Company's operations.

### **3) General Guidelines for the Appointment of Directors on the Company's Sub-committees**

The Board of Directors may appoint one or more committees to support the Board of Directors operations. Such committees shall be responsible for reviewing matters of particular importance. The Board of Directors shall approve the appointment of sub-committee members, issuance of sub-committee charters to determine the relevant regulations, the composition of the sub-committee, duties, and responsibilities, as well as other matters related to such sub-committees, as deemed appropriate by the Board of Directors. Each year, the Board of Directors will review the charter of each sub-committee.

### **4) General Criteria for Appointment of President and Executives and Remuneration**

The Management Committee selects and appoints high-ranking executives, with members of the Management Committee preliminarily screening candidates who are fully qualified, suitable, knowledgeable, competent, skilled, and experienced that are beneficial to the Company's business operations, before proposing to the Board of Directors for consideration and approval; determines the organizational structure

and policies related to the management of the Company; considers and follows up the replacement management plan and manpower plans; and determines criteria for remuneration and criteria for evaluation of executive performance.

### 7.3 Information about sub-committees

The Sub-Committees consist of the following:

#### 7.3.1 Audit Committee

As of December 31, 2022, the Audit Committee consists of 3 members as follows:

Name	Position
1. Mr. Manu Leopaibrote	Chairman of the Audit Committee
2. Dr. Thiraphong Vikitset	Member of the Audit Committee
3. Dr. Abhijai Chandrasen	Member of the Audit Committee

Ms. Weeranuch Khimkhum has been appointed as a secretary to the Audit Committee.

Dr. Thiraphong Vikitset has sufficient accounting and finance knowledge and experience to review the reliability of the Company's financial statements. Dr. Thirapong Wikitsait holds a bachelor's degree of Science in Chemical Engineering and a Ph.D. in Economics from West Virginia University.

#### Functions and Responsibilities of the Audit Committee

The Audit Committee is responsible for reviewing the Company's financial reports, adequacy of the internal control system, risk management systems, compliance with laws, relevant rules and regulations; and preparing reports or giving opinions to the Board of Directors for approval or for proposal to the shareholders' meeting, as the case may be, as follows:

- Review and ensure the Company's financial reporting is accurate and adequate.
- Review and ensure the Company's Internal Control and Internal Audit are appropriate and effective, and consider the independence of the internal audit department, as well as approve the appointment, transfer, dismissal of the head of the internal audit unit and/or the hiring of an internal audit company or any other unit responsible for internal auditing.
- Review and ensure the Company's compliance with the law on securities and stock exchange, regulations of the Stock Exchange of Thailand, and laws related to the business of the Company.
- Consider, select, and nominate an independent person to be the Company's auditor and propose such person's remuneration to the Board of Directors for approval at the shareholders' meeting, including attending a meeting with the auditor without the presence of the management at least once a year.
- Review connected transactions or transactions that may have conflicts of interest in accordance with the law, notifications of the Capital Market Supervisory Board, and the regulations of the Stock Exchange of Thailand to ensure that the transactions are reasonable and for the utmost benefit of the Company.
- Prepare a report of the Audit Committee to be disclosed in the Company's annual report. Such report must be signed by the Chairman of the Audit Committee and must contain at least the following details:
  - Opinions on the accuracy, completeness, and credibility of the Company's financial reports.
  - Opinions on the sufficiency of the Company's internal control system.
  - Opinions on the compliance with the law on securities and exchange SET's requirements or laws related to the Company's business operations
  - Opinions on the suitability of an auditor
  - Opinions on transactions that may have conflicts of interest.
  - Number of the Audit Committee's meetings and the attendance of each member of the Audit Committee
  - Opinions or overall remarks received by the Audit Committee from performing their duties in accordance with the Charter
  - Other items that shareholders and general investors should be aware of within the scope of duties and responsibilities assigned by the Board of Directors



7. In performing duties of the Audit Committee, if found or suspected of any of the following transactions or actions which may have a significant impact on the Company's financial position and performance, the Audit Committee shall report to the Board of Directors for improvements within the period that the Audit Committee deems appropriate.

- (1) Transactions that cause conflicts of interest
- (2) Fraud or abnormality or material defect in the internal control system
- (3) Violation of securities and exchange laws, regulations of the Stock Exchange of Thailand, or laws related to the Company's business.

If the Board of Directors or executives fail to make improvements within the aforementioned period, any member of the Audit Committee may report the transactions or actions to the SEC or the SET.

8. Perform any other actions as assigned by the Board of Directors with the approval of the Audit Committee.
9. Review the regulations and performance of the previous year at least once a year.

### 7.3.2 Management Committee

As of December 31, 2022, the Company's Management Committee consists of 9 members as follows:

Name	Position
1. Mr. Prachai Leophairatana	Chairman of the Management Committee
2. Dr. Pramuan Leophairatana	Vice Chairman of the Management Committee
3. Mrs. Orapin Leophairatana	Vice Chairman of the Management Committee
4. Mr. Prayad Liewphairatana	Member of the Management Committee
5. Miss Pattrapan Leopairut	Member of the Management Committee
6. Mr. Pakorn Leopairut	Member of the Management Committee
7. Mr. Pakkapol Leopairut	Member of the Management Committee
8. Ms. Nitawan Leophairatana	Member of the Management Committee
9. Dr. Porakrit Leophairatana	Member of the Management Committee

#### Functions and Responsibilities of the Management Committee

Management Committee is appointed by the Board of Directors or the shareholders' meeting to perform the following functions:

1. Govern and formulate the Company's operational strategy of business, goals and operational plans, financial goals, and budgets, taking into account appropriate business factors to present and seek approval to the Board of Directors in case the circumstances change, the Board of Directors shall review the use of approved budgets to suit the situation, as well as implement business strategies in accordance with the policies of the Board of Directors.
2. Monitor the performance of departments in accordance with the Company's policy, business strategy, goals and operational plans, financial goals, and budgets approved by the Board of Directors to be effective in favor of business conditions and provide advice, advice, and management to top executives.
3. Consider selecting and appointing top executives, the Board of Directors will be the preliminary consideration of the nomination of qualified persons who have knowledge, skills, and experience that are beneficial to the Company's operations before proposing to the Board of Directors for consideration and approval; determines the organizational structure and policies related to the management of the Company; considers and follows up the replacement management plan and manpower plans; and determines criteria for remuneration and criteria for evaluation of executive performance.
4. Appoint and remove employees, and assign rewards to employees.
5. Consider and provide feedback or opinions to the Board of Directors regarding any projects, proposals, or transactions related to the Company's business operations, as well as to consider fundraising

options when necessary and exceeding the setting limits and/or to applicable laws and regulations or in the Articles of Association of the Company to be approved by the shareholders' meeting and/or the Board of Directors.

6. Conduct business related to the general administration of the Company, including any authority and responsibilities as assigned or in accordance with the policies assigned by the Board of Directors.
7. Appoint and/or assign to member of the Management Committee or any person or persons to act within the jurisdiction of the Management Committee deemed appropriate by the Board of Directors, as well as the Table of Authority specified by the Board of Directors, where the Management Committee may withdraw or amend such powers within the scope of the Management Committee.

### 7.3.3 Nomination Committee

As of December 31, 2022, the Nomination Committee consists of 15 members as follows:

Name	Position
1. Mr. Prachai Leophairatana	Chairman
2. Dr. Pramuan Leophairatana	Vice Chairman
3. Mrs. Orapin Leophairatana	Vice Chairman
4. Mr. Prayad Liewphairatana	Director
5. Miss Pattrapan Leopairut	Director
6. Mr. Pakorn Leopairut	Director
7. Mr. Pakkapol Leopairut	Director
8. Ms. Nitawan Leophairatana	Director
9. Ms. Malinee Leopairut	Director
10. Dr. Porakrit Leophairatana	Director
11. Mr. Manu Leopairote	Independent Director; Chairman of the Audit Committee
12. Mr. Thiraphong Vikitset	Independent Director; Member of the Audit Committee
13. Mr. Abhijai Chandrasen	Independent Director; Member of the Audit Committee
14. Mr. Khantachai Vichakkhana	Independent Director
15. Mr. Wanchai Manosooti	Independent Director

#### Functions and Responsibilities of the Nomination Committee

1. Determine methods and criteria for nominating company directors to ensure transparency.
2. Select persons who deserve to be nominated as new directors when there is a vacancy (from resignation or a full term) to propose to the Board of Directors or the shareholders' meeting to proceed with the appointment, taking into account the composition of the Committee, knowledge, competence, and experience that is beneficial to the Company according to the composition of the Thai Institute of Directors Association (IOD) and has no conflict of interest with the Company. The qualifications of directors who will be nominated must be in accordance with the Company's business strategy.
3. Consider the nomination of directors to act as a specific director based on the composition of the Board of Specific Directors, qualification, knowledge, and competence of directors deemed appropriate to perform the duties of the specific directors and presented to the Board of Directors for the consideration and appointment.
4. The Nomination Committee should attend meetings at least once a year.
5. The Company Secretary performs the duties of the secretary of the Nomination Committee.

### 7.3.4 Remuneration Committee

As of December 31, 2022, the Remuneration Committee consists of 15 members as follows:

Name	Position
1. Mr. Prachai Leophairatana	Chairman
2. Dr. Pramuan Leophairatana	Vice Chairman
3. Mrs. Orapin Leophairatana	Vice Chairman
4. Mr. Prayad Liewphairatana	Director
5. Miss Pattapan Leopairut	Director
6. Mr. Pakorn Leopairut	Director
7. Mr. Pakkapol Leopairut	Director
8. Ms. Nitawan Leophairatana	Director
9. Ms. Malinee Leopairut	Director
10. Dr. Porakrit Leophairatana	Director
11. Mr. Manu Leopairote	Independent Director; Chairman of the Audit Committee
12. Mr. Thiraphong Vikitset	Independent Director; Member of the Audit Committee
13. Mr. Abhijai Chandrasen	Independent Director; Member of the Audit Committee
14. Mr. Khantachai Vichakkhana	Independent Director
15. Mr. Wanchai Manosooti	Independent Director

#### Duties and Responsibilities of the Remuneration Committee

1. Determine criteria or methods for determining remuneration as well as consider proposing fair and reasonable remuneration for directors and specific directors to the Board of Directors' Meeting and the Shareholders' Meeting for approval.
2. Consider and propose guidelines for appraisal and remuneration of the President and executives for approval.
3. Acknowledge and suggest on improving organizational restructuring and working levels. Including evaluation and consideration of remuneration for executives.
4. Responsible for their roles and the Board of Directors is responsible for the Company's operations to all groups of stakeholders
5. Disclose the performance report of the Remuneration Committee in the annual report.
6. The Remuneration Committee should attend meetings at least once a year.
7. The Company Secretary performs the duties of the secretary of the Remuneration Committee.

### 7.3.5 Corporate Governance Committee

As of December 31, 2022, the Corporate Governance Committee consists of 15 members as follows:

Name	Position
1. Mr. Prachai Leophairatana	Chairman
2. Dr. Pramuan Leophairatana	Vice Chairman
3. Mrs. Orapin Leophairatana	Vice Chairman
4. Mr. Prayad Liewphairatana	Director
5. Miss Pattrapan Leopairut	Director
6. Mr. Pakorn Leopairut	Director
7. Mr. Pakkapol Leopairut	Director
8. Ms. Nitawan Leophairatana	Director
9. Ms. Malinee Leopairut	Director
10. Dr. Porakrit Leophairatana	Director
11. Mr. Manu Leopairote	Independent Director; Chairman of the Audit Committee
12. Mr. Thiraphong Vikitset	Independent Director; Member of the Audit Committee
13. Mr. Abhijai Chandrasen	Independent Director; Member of the Audit Committee
14. Mr. Khantachai Vichakkhana	Independent Director
15. Mr. Wanchai Manosooti	Independent Director

#### Authority, duties, and responsibilities

1. Determine the objectives and core goals of the business for good governance and sustainable business growth.
2. Provide opinions and suggestions; review the Company's Good Corporate Governance Policy, Code of Conduct, Sustainable Development Policy, Anti-Fraud and Corruption Policy, including any other policies and guidelines related to corporate governance that will support the Company's operations on corporate governance for sustainable development; and take care of all stakeholders, society, community, environment and any other policies or guidelines that will support the Company's operations according to good governance to suit the Company's business and subsidiaries.
3. Supervise the management to implement policies and guidelines to continually develop the Company by promoting innovation and responsible business practices. Such guidelines must be in line with and suitable for the Company's business, the recommendations of regulatory agencies, or relevant and comparable to international standards.
4. Follow up and review guidelines and systems within the organization to be in line with the Good Corporate Governance Policies, the Code of Conduct, and good practices as defined and ensure that there are tangible results in practice.
5. Follow up and direct in case the operations of the management and employees have issues regarding non-compliance with the established policies and guidelines.
6. Follow up and evaluate the performance of the Board of Directors and the management including subsidiaries according to the Good Corporate Governance Policy, the Code of Conduct, and the Sustainable Development Policy of the Company and its subsidiaries, and process the annual corporate governance assessment to present to the Board of Directors of the following year, as well as present necessary opinions and recommendations.

7. Report the performance of the organization, encourage participation, and encourage communication with directors, executives, and employees at all levels, and all stakeholders, including shareholders, customers, partners, society, and environment in order to adequately and continuously realize and understand the Good Corporate Governance, the Code of Conduct, the Anti-Fraud and Corruption Policy, and related practices.
8. Seek professional opinions from individuals or external organizations to provide advice or independent advice on good corporate governance to the Corporate Governance Committee and related parties, including hiring a third party on a temporary basis, to ensure that the Corporate Governance Committee performs its duties in order to achieve its objectives within the specified period and such employment will be beneficial to the Company.
9. Report the performance of duties to the Board of Directors and/or the shareholders' meeting.
10. Assess the performance of the Corporate Governance Committee annually and report the results to the Board of Directors.
11. Perform any other duties or actions as assigned by the Board of Directors and perform any acts as required by laws or regulations of government agencies.

### 7.3.6 Risk Management Committee

As of December 31, 2022, the Risk Management Committee consists of 11 members as follows:

Name	Position	Meeting attendance
1. Mr. Prachai Leophairatana	Chairman	1/1
2. Dr. Pramuan Leophairatana	Director	1/1
3. Mr. Pakkapol Leopairut	Director	1/1
4. Dr. Porakrit Leophairatana	Director	1/1
5. Mr. Prasert Ittimakin	Director	1/1
6. Miss Chularat Danwattanachai	Director	1/1
7. Mr. Worawit Lertbusarakam	Director	1/1
8. Mr. Kamjorn Pairojsak	Director	1/1
9. Mr. Nitipong Sucharitapong	Director	1/1
10. Miss Kusuma Chantharothorn	Director	1/1
11. Mrs. Somapan Kaewsuwan	Secretary	1/1

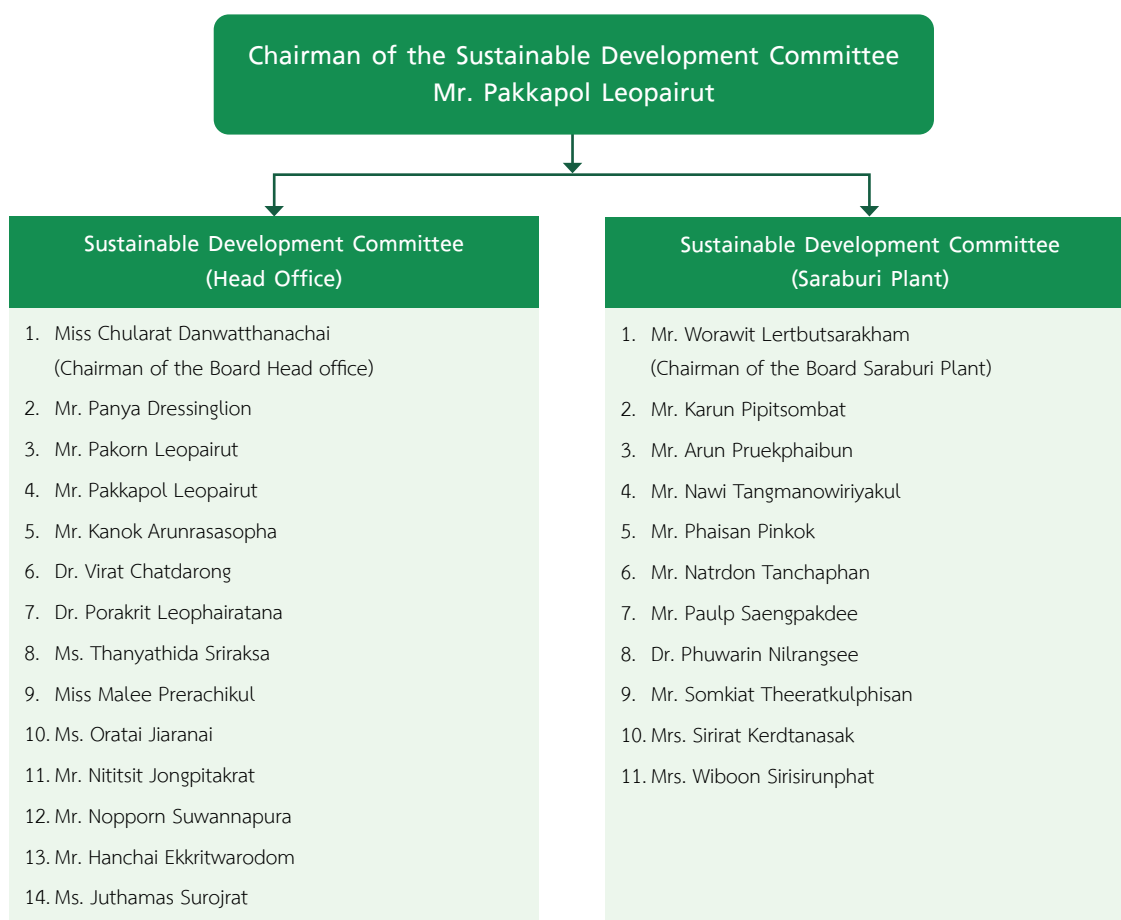
#### Authority, duties, and responsibilities

1. Review and propose policies and risk management framework to the Board of Directors for approval.
2. Review and approve the risk appetite and present it to the Board of Directors for acknowledgment.
3. Supervise the development and implementation of an ongoing risk management policy and framework for the Group to have an effective risk management system throughout the organization and continuous compliance.
4. Review the risk management report to monitor material risks and take action to ensure that the organization conducts adequate and appropriate risk management.
5. Coordinate with the Audit Committee on significant risks and have the internal audit department as reviewer to ensure that the Company has an internal control system suitable for risk management, including the appropriate implementation of the risk management system and compliance throughout the organization.

6. Regularly report to the Board of Directors on major risks and risk management.
7. Provide advice and consultation to the Sub Risk-Management Committee (SRM) and/or other departments and/or working groups related to risk management, and consider appropriate methods to correct information related to the development of risk management systems.
8. Consider the appointment of sub-committees and/or additional or replacement personnel in the Sub Risk-Management Committee (SRM) and/or department and/or working groups related to risk management as appropriate as well as defining roles and responsibilities for the benefit of achieving the objectives.
9. Conduct any other operations related to risk management assigned by the Board of Directors.

### 7.3.7 Sustainable Development Committee

As of December 31, 2022, the Sustainable Development Committee consists of:



#### Sustainable Development Committee

No	Name	Position	Meeting attendance
1	Mr. Pakkapol Leopairut	Chairman of the Sustainability Committee	1/1
2	Sustainable Development Committee (Head office)	List of members by structure	1/1
3	Sustainable Development Committee (Saraburi Plant)	List of members by structure	1/1

**Authority, duties, and responsibilities of the Sustainable Development Committee**

1. Determine policies, strategies, operational frameworks, strategic approaches, and consider and select issues that promote sustainable development of the organization, including setting sustainable development goals in line with business operations in economic, social, and environmental aspects to the Chief Executive Officer for approval.
2. Supervise, review, monitor the progress of the implementation, and evaluate compliance with the Sustainable Development Policy.
3. Encourage them to lead to practice and create participation in the implementation of various projects under the framework of sustainable development with relevant agencies both inside and outside the organization.
4. Consult, promote, and support the appropriate resources and personnel to ensure that the sustainability strategy is implemented throughout the organization and aligned in the same direction.
5. The Chairman of the Committee has the power to appoint sub-committees or working groups to be responsible for each aspect of sustainable development operations to cover and correspond to the organization's key issues.
6. Report on the performance of sustainability reports to senior management.

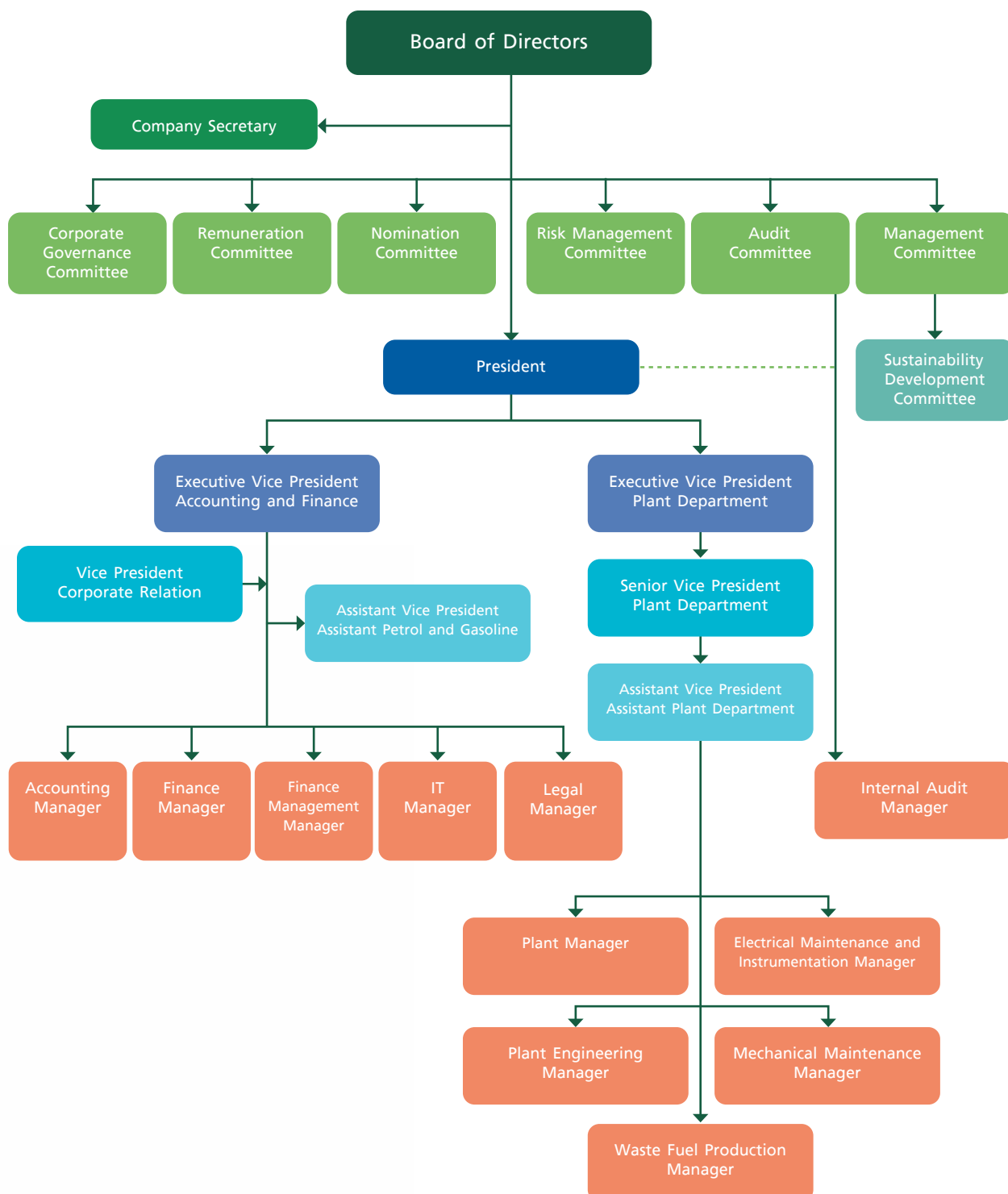
See the list of the Sustainable Development Committee and their responsibilities on the Company website at <http://www.tpipolenepower.co.th/index.php/th/th-aboutus/boardrd-mgt/esg-board>.





## 7.4 Information about Executives

The management structure as of December 31, 2022



### 7.4.1 The Management

As of 31 December 2022, the Management team is comprised of as follows:

Name	Position
1. Mr. Pakorn Leopairut	President
2. Mr. Pakkapol Leopairut	Executive Vice President - Accounting and Finance
3. Dr. Porakrit Leophairatana	Executive Vice President - Production
4. Mr. Worawit Lerdbussarakam	Senior Vice President - Production
5. Mrs. Sirirat Lerthirunrat	Assistant Vice President - Petrol and Gas
6. Mr. Somkiat Teeratakulpisal	Assistant Vice President - Production
7. Miss Karuna Permsiripan	Manager - Accounting
8. Miss Weerawan Larpchaiwut	Manager - Finance

#### Functions and Responsibilities of the President

The President has duties as assigned by the Board of Directors as follows:

1. Manage the Company's business in accordance with the Company's Articles of Association and as assigned by the Board of Directors and execute plans approved by the Board of Directors with prudence to protect the best interests of the Company and its shareholders.
2. Monitor and manage daily operational results of each department to ensure these are carried out effectively and efficiently.
3. Assign, nominate, remove, and punish employees and staff of the Company to comply with Company discipline.
4. Report work progress to be in line with work plans and budgets as approved by the Board of Directors.
5. Have the power to issue orders, regulations, announcements, and records to ensure compliance with the Company's policies and interests and maintain work discipline within the organization.
6. Have the power to delegate the authorities and/or assign another person to perform a specific task instead by delegating such subsidies and/or assignments to be subject to the scope of power of attorney and/or in accordance with the regulations, the terms, as well as the Table of Authority specified by the Board of Directors, or the orders set by the Board of Directors and/or the Company.
7. The Company designated the Board of Directors to authorize the approval and amendment of the plan, the annual budget, investment plan, one-time investment expenses, as well as the Company's selling and administrative expense budget. The Chief Executive Officer and/or President and/or Senior Executive Vice President has the authority to approve investments from approved investment budgets, requesting expenses, determining or changing marketing plans and annual marketing budgets in accordance with an approved budget without limits. The Chief Executive Officer and/or President and/or Senior Executive Vice President has the authority to approve advertisement, promotion, and marketing activities, both in accordance with the plan and not within the plan, being within the limits approved by the Board of Directors.

In addition, the Board of Directors authorized the management of the Company to the Chief Executive Officer and the President with the following principles and authority as follows:

1. To be authorized to manage the Company's business in accordance with the objectives, regulations, policies, regulations, requirements, orders, as well as resolutions of the Board of Directors meeting and/or the resolutions of the shareholders' meeting of the Company in all respects.
2. To be authorized to command, contact, order, and execute as well as enter into juristic acts, agreements, orders, notices, or letters necessary and reasonable in order to accomplish the above actions.

The use of the powers of the aforementioned CEO and President cannot be done if the Chief Executive Officer and President have a stake or may have any conflict of interest with the Company.

#### Succession for the Management

The Company has a policy and has continued to develop top executives in order to have qualified corporate executives replace senior executives by setting out a Succession Plan for preparing personnel to be prepared for higher positions. Criteria and procedures for selecting personnel to be responsible for important management positions in the Company shall be appropriate and transparent to ensure that the Company has qualified executives with skills, experience, and professional competence through the Nomination Committee and the Remuneration Committee.

In addition, there has been a succession plan according to the employee level with the objective of making the organization ready in terms of manpower, along recruitment and development plan for personnel with the potential at the department manager level and above to plan for the replacement and succession of retired employees. In addition, it also conducts a talent management or job position that is the target of the competitor market to reduce the loss of personnel with knowledge, ability, and experience, and maintain employees with the ability and potential to be ready for opportunities to develop and promote to higher positions.

Business relationships or professional service relationships between independent directors and the Company, or the parent company, or its affiliates, or subsidiary companies, or associated companies, or juristic persons within the Company, that may impose conflicts of interest in an amount exceeding the restricted amount under the notification of the SEC regarding permission and approval of new shares issuance, as well as the resolution and opinion of the Board of Directors approval for the transaction concerning such a business relation or professional service.

- None -

#### 7.4.2 Remuneration Policy for Directors and Executives

Remuneration of executives at all levels is in accordance with the performance under the consideration of the Board of Directors as the Remuneration Committee. The Chairman, President, and top executives shall consider work processes within the organization and employees and cover both annual performance and assessment of competency and leadership that will ensure that it can lead the organization to achieve the goals of the Company's strategy in the long term. Each executive position has a performance indicator that corresponds to their role. Each year, the Board of Directors will consider the salary adjustment of the Managing Director and the President will consider the salary adjustment of top executives according to their performance and in accordance with the Company's criteria.

#### 7.4.3 Remuneration for executives of the Company

Remuneration for 6 executives in the form of salary and bonus in 2022 is in the total amount of 23,770,015 baht compared to the total amount of remuneration for 6 executives in the amount of 21,909,935 baht in 2021. However, such remuneration does not include the Accounting Manager.

### 7.5 Information About Employees

#### 7.5.1 Number of employees

As of December 31, 2022, and 2021, the Company has a total of 1,143 employees and 1,142 employees, respectively, with details as follows:

TPI Polene Power Public Company Limited	Number of employees as in December 31, 2022	Number of employees as in December 31, 2021
Head Office	98	98
Saraburi Province	1,045	1,044
<b>Total</b>	<b>1,143</b>	<b>1,142</b>

Number of employees as of December 31, 2022 classified by major departments as follows:

Department	Number of employees (2022)			Number of employees (2021)		
	Head Office	Plant	Total	Head Office	Plant	Total
President Office	7	-	7	8	-	8
Corporate Relation Department	1	-	1	-	-	-
HR and General Affairs Department	1	-	1	1	-	1
Oil and Gas Department	70	-	70	70	-	70
Internal Audit Department	6	-	6	6	-	6
Legal Department	1	-	1	1	-	1
Accounting Department	5	-	5	5	-	5
Financial Department	3	-	3	3	-	3
Information Technology Department	1	-	1	1	-	1
Financial Mangement	3	-	3	3	-	3
Saraburi Plant	-	1,045	1,045	-	1,044	1,044
<b>Total</b>	<b>98</b>	<b>1,045</b>	<b>1,143</b>	<b>98</b>	<b>1,044</b>	<b>1,142</b>

### 7.5.2 Remuneration of Employee

Employee Compensation (excluding the President and top executives) as follows:

Annual remuneration	2022	2021
Salary and bonus	590,606,543.61	544,768,363.46
Other compensation <sup>1</sup>	41,877,564.21	37,242,648.95
<b>รวม</b>	<b>632,484,017.82</b>	<b>582,011,012.41</b>

Notes: <sup>1</sup>Other remuneration includes welfare benefits such as meals, medical expenses, and contributions to the provident fund.

### 7.5.3 Provident Fund

The Company contributes 3.0% of each employee's salary to the Provident Fund, and employees are required to contribute at least 3.0% of their salary. In May 2016, the Company started to contribute money to the Provident Fund and for the year ended December 31, 2022, the Company recognized expenses related to the Provident Fund in the amount of 9,957,670 baht.

### 7.5.4 Human resource management in line with business strategies

The Company is aware of the changes and business competition, including the challenges of various industries in the future. It strives to develop and increase the competitiveness of the organization in various fields, including human resource management, as follows:

- In terms of employment, manpower is planned to be in line with future business missions.
- Implementation of upskill and reskill, as well as instilling a mindset about learning, creativity, focusing on customer-centric, and adaptation to keep up with the advanced digital and technology, including knowledge necessary for new business operations in the future.

- Improving recruitment and selection guidelines to increase personnel with knowledge, experience, and a variety of talents from outside (Mid-career) to join and drive the mission of the Company at present and in the future.

#### 7.5.4 Human resource development policy

The Company gives importance to the training and development of employees to increase their knowledge, skills, and experience, including promoting ethics and honesty in working continually. The Company established development courses to be consistent with employees at all levels. Employees who start working will have a mentor to take care of, give advice on the job training, and organize training courses according to job positions. Development training courses to support career development for employees at all levels, including new and transformative technology knowledge courses to enable employees to effectively accomplish their assignments, build pride in their work, and support employee growth. In 2021-2022, due to the COVID-19 pandemic, in order for employees to develop continuously, the Company has adopted a virtual classroom for teaching and learning training model, which is similar to classroom training, in which employees remain effectively engaged in teaching and learning with instructors.

In 2022, the Company determined a training plan for employees to develop both soft skills and hard skills, both in the form of internal and external training, totaling 151 courses as follows:

**Table: Training Courses for Employee Skill, Knowledge, and Competence Development in 2022**

Course type *	Number of courses	Objectives
1. Management and Leadership	41	To enhance leadership skills, such as driving people within the organization to achieve their objectives.
2. Occupational health and safety and environment	29	To organize safety operations to reduce the risk of illness, injury or death and take care of the quality of life of personnel within the organization.
3. Technical	76	To focus on improving employees' skills and efficiency through professional learning to encourage employees to show their full potential.
4. Technology and Engineering	2	To adapt the organization to keep pace with the digital age, knowledge of technology, innovation and engineering is required.
5. Support work, delivery and retirement preparation	3	To prepare for employees who are about to retire and smoothly task delivery.

**Notes:** \*The aforementioned courses include both hard skill courses, which refer to specific skills necessary for a profession; and soft skill courses, which refer to competency skills that enable employee to work and communicate with others effectively.

#### Average training hours of employees

Number of training hours *	2020	2021	2022
Employees with a target of 20 hours/person/year (hours)	44.89	28.04	24.71
Training expenses (Baht)	368,011.90	1,411,851.06	276,671.63

## 7.6 Other key information

### 7.6.1 The list of persons assigned to perform the Company's important tasks is as follows:

#### Company Secretary

The Company has appointed Miss Weeranuch Khimkhum as the Company Secretary since September 22, 2016, at the Board of Directors Meeting No. 6/2016 on September 22, 2016, with duties and responsibilities as specified in the Securities Act. Details of duties and responsibilities of the Company Secretary are as follows:

1. Prepare and keep documents of the Company, including the register of directors, notices of the Board of Directors' meeting, minutes of the Board of Directors' meeting, notices of the shareholders' meeting, minutes of the shareholders' meeting, and annual reports.
2. Keep track of conflict of interest reports, as reported by the directors or the management.
3. Conduct regarding the Board of Directors' meeting and the shareholders' meeting
4. Advice on the related rules and regulations that the Board of Directors and the management should be aware of.
5. Supervise and coordinate the Company's compliance with the legal regulations and resolutions of the Board of Directors' Meeting and the shareholders' meeting, as well as the Good Corporate Governance Policy and the Code of Conduct in full and complete.
6. Take other actions as announced by the Capital Market Supervisory Board.

#### Supervision of the Accounting Work

The Company assigned Miss Karuna Permsiripan, Accounting Manager to be responsible directly for supervising the Company's accounting work, with an autobiography, in Attachment 1.

#### The Company's Internal Audit Supervisor

The Company has assigned Mr. Nitipong Sucharitaphong, Internal Audit Manager, as the Internal Audit Supervisor of the Company, with an autobiography in Attachment 3.

#### Corporate Compliance Supervisor

The person assigned to the responsibility is the Corporate Compliance Supervisor. Initially, the Company assigns Head of each department to be responsible for the Company's position.

- Company Secretary - Responsible for compliance with relevant laws and regulations of the Company Stock Exchange and the Securities and Exchange Commission, as well as related laws.
- Legal Department - Legal Officer - Responsible for compliance with relevant laws and regulations regarding the Company's business operations
- Factory Division - Plant Manager - Responsible for legal compliance in aspects of management within the Company's plants
- Environment Section - Responsible for environmental management within the Company's plants and their surroundings, including within the Company's projects, and compliance with the law of Occupational Safety, Health and Environment Act, as well as Factory Act, etc.
- Risk Management Department - Responsible for the risk management of the Company's business, including assessing the risks in various areas that must be carried out according to various laws.

### 7.6.2 Head of Investor Relations

#### Contact Person

Mr. Thanate Singmethakul : Finance Management Department Manager

Phone: 02-213-1039 Ext. 12985

### 7.6.3 Auditor's remuneration and other compensation

1. The Company paid out Audit Fee to
  - (1) The auditor for the fiscal year 2022 in the amount of - 0- baht
  - (2) The audit firm where the auditor works for, persons or business related to the auditor and the audit firm that the auditor works for in the fiscal year 2022 in the amount of 2,400,000 baht
2. Non-audit fee

The Company paid a fee to KPMG Phoomchai Audit Company Limited to review the report on the exercise of the rights and benefits of the corporate income tax exemption of the BOI promotional certificates in 2022 in the amount of 180,000 baht.





## 8. Report on Important Performance of Corporate Governance

### 8.1 Summary of the Board of Directors' Performance in 2022

In 2022, the Board of Directors reviewed and established the Group's policy, direction, business strategy, an investment, including the Group's vision, mission, and business goals.

The Board of Directors evaluates the Company's performance both financially and non-financially, assessing it from stakeholders (e.g. customer satisfaction, employee satisfaction, etc.), internal processes in the organization, and learning and growth of organizations and employees.

#### 8.1.1 Nomination, Development, and Training of Directors

##### 1) Criteria for selection of the independent directors

The Company has a policy of nominating independent directors in accordance with the Announcement of the Capital Market Supervisory Board No. TorGhor. 39/2016. Re: Permission and Authorization for The IPO reissued, dated September 30, 2016 (including amended) as follows:-

1. Hold shares not greater than 1% of the voting shares in the Company, its affiliates, associated companies, or juristic persons that may impose conflicts of interest.
2. Have no management participation in the Company, its affiliates, and are not employees or regularly paid consultants, or persons, who have control over the Company or its associated companies, affiliates, or associated companies or subsidiaries of the same order as major shareholders, or controlling persons of the Company, unless it has been removed from such characteristics at least two years prior to the date of appointment as an Audit Committee member. Such prohibited characteristics do not include cases where independent directors have been officials or advisors of government offices that are major shareholders or controlling persons of the Company.
3. Have no closer relatives, or persons related in a way by legal registration in a manner that is a parent, spouse, siblings, and children, as well as spouses of children of other directors, the management, major shareholders, controlling persons, or persons who will be proposed as the directors, the management or controlling persons of the Company or its subsidiaries.
4. Have no business relationship with the Company, its affiliates, or associated companies, major shareholders, or controlling persons in a manner that may impede the use of their independent judgment, including not being or has been an implicit shareholder or controlling person of a person with a business relationship with a company, a major company, a subsidiary unless it has been removed from such characteristics at least two years prior to the date of filing an application for permission to the SEC.

Such business relationships include commercial transactions that are normally conducted for business operations as well as renting or leasing a property, assets or services transaction, or providing or receiving financial assistance by receiving or lending guarantees, provision of assets as collateral for liabilities, as well as other similar circumstances, which results in the Company or its parties having to pay debts to the other party, from 3% of net tangible asset of the Company or Baht 20 million or more, whichever is lower. The calculation of such debt obligations is based on the value of connected transactions pursuant to the Notification of the Capital Market Supervisory Board on Rules for Connected Transactions mutatis mutandis. However, such debt obligations include those incurred during the one year prior to the date of the business relationship with the same person.

5. Not being or used to be auditors of the Company, parent company, its subsidiaries, associates, major shareholders or controlling persons and are not implicit shareholders, supervisors, or partners of the audit office, which the auditor of the Company, parent company, its subsidiaries, associates, major shareholders or controlling persons unless it has been removed from such characteristics at least two years prior to the date of filing an application for permission to the SEC.

6. Not being or used to be professional service providers, including providing services as legal advisors or financial advisors, which receive service fees in excess of Baht two million per annum from the Company, parent company, its subsidiaries, associates, major shareholders, or controlling persons and are not implicit shareholders unless it has been removed from such characteristics at least two years prior to the date of filing an application for permission to the SEC.
7. Not being directors appointed to represent by the Directors of the Company, major shareholders, or shareholders who are related to major shareholders.
8. Not to operate a business of the same condition and be a competition that is materially to the business of the Company or its subsidiaries, or not to be a partner that is materially in the partnership or as a director who is involved in the management, employees, consultants who receive regular salaries or hold more than 1% of the total voting shares of other companies, which operate in the same condition and are a competition that is material with the Company's business or its subsidiaries.
9. Have no other characteristics that prevent them from giving an independent opinion on the Company's operations.

**2) Criteria for the nomination of directors and top executives**

As for nomination of directors of the Company, the Company considers based on their knowledge, competence, and experience related to the business, or considers the major shareholders of the Company who have experience in the business that will be beneficial to the Company. However, the appointment of new directors must be approved by the Board of Directors' meeting and/or the shareholders' meeting (as the case may be). The shareholders' meeting shall be elected the directors according to the following guidelines and procedures:

1. To assume that one shareholder has the same vote as 1 share per 1 vote.
2. Each shareholder may cast all available votes according to (1) elect a single person or multiple persons as directors. In the event of an election of several individuals as directors, votes cannot be divided into anyone more or less.
3. The person receiving the highest number of votes respectively will be elected as a director as much as the number of directors who will have or will be elected at that time. In the event that the person who is elected in the next order has the same votes and exceeds the number of directors who should have or will be elected at that time, the Chairman of the meeting will be the decisive voter.

At every annual ordinary meeting of shareholders, the directors shall be removed from their positions for one-third of the number of directors at the time. If the number of directors cannot be straightened into three parts, the number issued by the closest number to one-thirds, considering the longest-in-position director is the one who leaves the position. Thus, departing directors may be re-elected by the shareholders' meeting to become new directors.

In the event that the director's position is vacated for reasons other than the term of the issue under the term, the Board of Directors shall select a qualified person who does not have a prohibited nature under the law on public limited companies and the law on Securities and Exchange to be a replacement director at the next board meeting unless the term of the director is less than 2 months. The person who becomes the director only serves as much as the remaining term of the director he replaces. However, the resolutions of the board, as mentioned above, must consist of at least three-fourths of the remaining number of directors.

**3) Criteria and nomination of CEO and President to replace vacancies. The Nominating Committee considers the criteria as follows:**

1. Be the directors of the Company according to the Articles of Association.
2. Have the knowledge and competence to operate a business with skills, experience, and professional qualifications in the fields which are extremely necessary and be the most beneficial to the Company's business
3. Have experience in related business. 4. Possess a quality of high leadership.

5. Be recognized by relevant business organizations.
6. Be approved by the Board of Directors.
7. Consider conflicts of interest.

#### 4) Director development and training

The Board of Directors and top executives place importance on attending regular training and seminar courses related to the development of knowledge and competency in performing director duties. All directors have attended training courses with the Thai Institute of Directors Association (IOD) as well as other leading organizations and institutes and participated in various seminars on related topics.

At present, there are directors who have participated in the training courses related to the duties of directors of the IOD as follows:

Directors Certification Program (DCP) or Directors Accreditation Program (DAP)

The Company always arranges for directors to attend training courses organized by the Thai Institute of Directors Association (IOD) to enhance their knowledge of directorship.

In 2021-2022, the directors participating in both internal and external training courses are as follows:

##### 1. Directors participating in training courses outside the Company

No.	Name	Course	Organized by	Date
1	Mr. Prachai Leophairatana Mrs. Orapin Leophairatana Mr. Pakorn Leopairut	Sustainability reporting process according to GRI Standards	Thaipat Institute	September 17, 2021
		Sustainability Reporting	Thaipat Institute	October 15, 2021
2	Mr. Manu Leopairote Dr. Abhijai Chandrasen	Roles and Responsibilities of the Audit Committee in Good Corporate Governance	Securities and Exchange Commission ("SEC")	November 29, 2021
3	Mr. Pakorn Leopairut	Digital Marketing Analytics for Growth	Ministry of Digital Economy and Society (MDES) and Thai Digital Technology User Group Association (DUGA)	November 11-12, 2022
		Executive Breakfast Forum 2022 Ep.12 Balancing Risk, Trust and Opportunity in an Uncertain World	Ministry of Digital Economy and Society (MDES) and Thai Digital Technology User Group Association (DUGA)	June 7, 2022
		Get to know Architects for Executives, Generation 44	Architect Council	November 5, 2022 - April 29, 2023
4	Mr. Pakkapol Leopairut	Director Certification Program (DCP)	Thai Institute of Directors Association (IOD)	August 8 - September 6, 2022

## 2. Directors participating training courses inside the Company

No.	Name	Course	Organized by	Date
1	Mr. Pakorn Leopairut	Driving organizations with ESG data and introducing ESG systems	Thaipat Institute	September 29, 2022
	Mr. Pakkapol Leopairut			
	Dr. Porakrit Leophairatana	Study, review and identify sustainability issues		October 4, 2022
		Prioritizing Sustainability Issues		October 6, 2022

In addition, the Company always informs directors of information related to good corporate governance practices to increase knowledge and understanding.

However, information on the training of the directors from the Thai Institute of Directors Association (IOD) is as per details appeared in Attachment 1 on “Details about the Directors, the Management, controlling persons, the person who directly responsible for the supervision of the accounting work and the Company Secretary”.

### Directors Orientation

The Company recognizes the importance of the duties of new directors, thus providing the introduction of guidelines for the overall implementation of the Company, structure of subsidiaries, associates, and related business companies to have an understanding of the shareholding structure between them. In addition, it provides the important and necessary information to perform the duties of the directors, such as in-house structure, Articles of Association, Code of Conduct of the Board of Directors, Manual of Listed company, Good Corporate Governance Policy, related governing laws, Financial Statements, Notes to the financial statements, including holding meetings with the Chairman of the Board of Directors, Board of Directors, and Sub- Committees of the Company to be informed about the Company’s business operations.

For directors who have taken new positions in the Board of Directors, orientation has been held so that new directors can receive the Company’s business policy, as well as related information such as management structure, shareholders, performance, as well as law, rules, and handover of directors’ manuals, which are useful for performing duties as a director. Director’s Manual / Information for Directors consists of the following:-

#### Director’s Manual:

1. Public Limited Companies Act
2. Securities and Exchange Act
3. Company Registration
4. Company Certificate
5. Company Memorandum of Association
6. Company Articles of Association
7. Code of Conduct
8. Guide to Directors of Listed Companies

#### Information for Directors:

1. Presentation to recommend the Company’s business operations.
2. List of Boards of Directors, Specific Committees and Management Structure Chart
3. Principles of Good Corporate Governance for Listed Companies Connected transactions of listed companies
4. Connected transactions of listed companies
5. Information Advice for Registered Executives
6. Company Profile

7. Annual Report

8. Financial Statements

See more <http://www.tpipolenepower.co.th/index.php/en/en-aboutus/directors/directors-orientation-board-orientation-th>

### 8.1.2 Meeting attendance and payment of individual remuneration for the Board of Directors and the Audit Committee

#### (1) Attendance of the Board of Directors and the Audit Committee of the Company

The Company has set a formal pre-meeting date annually in accordance with Principles of Good Corporate Governance so that directors can plan to allocate time to attend meetings regularly, and additional extraordinary meetings might be held to consider urgent matters of importance. In each meeting, the Company shall send the invitation to the meeting and the supporting documents to the Board of Directors not less than 7 days prior to a meeting, except in case of urgent circumstances, such as extraordinary board meetings, to provide directors with sufficient time to study the information prior to the meeting. The directors may make further relevant inquiries through the Company Secretary for further coordination.

The Company has provided a preliminary schedule on the date and time of Board meeting for the year 2023 \* as detailed below:

No.	Date of Meeting	Time	Notes
1	Thursday 26 January 2023	14.00-16.00	
2	Thursday 23 February 2023	14.00-16.00	
3	Thursday 30 March 2023	14.00-16.00	
4	Thursday 20 April 2023	14.00-16.00	
5	Thursday 25 May 2023	14.00-16.00	
6	Thursday 29 June 2023	14.00-16.00	
7	Thursday 27 July 2023	14.00-16.00	
8	Thursday 31 August 2023	14.00-16.00	
9	Thursday 28 September 2023	14.00-16.00	
10	Thursday 26 October 2023	14.00-16.00	
11	Thursday 30 November 2023	14.00-16.00	
12	Thursday 28 December 2023	14.00-16.00	

**Notes:** \* For such preliminary schedules, changes are subject to appropriate as shown on the Company website  
<http://www.tpipolenepower.co.th/index.php/th/th-aboutus/time-table-th>

In 2022, the Board of Directors and the Sub-committee convened meetings a total of 12 times with attendance as detailed below:

Name	Board of Directors and Committees Meeting 2022				
	The Board of Directors 12 Times	The Audit Committee 5 Times	The Nomination Committee 1 Time	The Remuneration Committee 1 Time	The Corporate Governance Committee 1 Time
1. Mr. Prachai Leophairatana Chairman	12/12	-	1/1	1/1	1/1
2. Dr.Pramuan Leophairatana Vice Chairman	11/12	-	1/1	1/1	1/1
3. Mrs.Orapin Leophairatana Vice Chairman	12/12	-	1/1	1/1	1/1
4. Mr.Prayad Liewphairatana Director	11/12	-	1/1	1/1	1/1
5. Miss Pattrapan Leopairut Director	10/12	-	1/1	1/1	1/1
6. Mr.Pakorn Leopairut Director	12/12	-	1/1	1/1	1/1
7. Mr. Pakkapol Leopairut Director	12/12	-	1/1	1/1	1/1
8. Mrs.Nitawan Leophairatana Director	11/12	-	1/1	1/1	1/1
9. Miss Malinee Leopairut Director	10/12	-	1/1	1/1	1/1
10. Dr. Porakrit Leophairatana Director	11/12	-	1/1	1/1	1/1
11. Mr. Manu Leopairote Independent Director and Chairman of the Audit Committee	11/12	5/5	1/1	1/1	1/1
12. Dr. Thiraphong Vikitset Independent Director and Audit Committee	12/12	5/5	1/1	1/1	1/1
13. Dr. Abhijai Chandrase Independent Director and Audit Committee	11/12	5/5	1/1	1/1	1/1
14. Mr. Khantachai Vichakkhana Independent Director	12/12	-	1/1	1/1	1/1
15. Mr. Wanchai Manosooti Independent Director	12/12	-	1/1	1/1	1/1

## (2) Remuneration for the Board of Directors

## 1) Remuneration for Company Directors

The Company paid remuneration and bonuses to 15 directors in 2022 in the amount of 26,785,440 baht, compared to the remuneration and bonuses of 15 directors in the amount of 22,748,400 baht in 2021. The details of remuneration and bonuses in 2022 are as follows:

Unit: Baht

No.	Name	Position	Meeting allowances	Bonuses	Total
1	Mr. Prachai Leophairatana	Chairman	1,550,736	234,960	1,785,696
2	Dr. Pramuan Leophairatana	Vice Chairman	1,550,736	234,960	1,785,696
3	Mrs. Orapin Leophairatana	Vice Chairman	1,550,736	234,960	1,785,696
4	Mr. Prayad Liewphairatana	Director	1,550,736	234,960	1,785,696
5	Miss Pattrapan Leopairut	Director	1,550,736	234,960	1,785,696
6	Mr. Pakorn Leopairut	Director	1,550,736	234,960	1,785,696
7	Mr. Pakkapol Leopairut	Director	1,550,736	234,960	1,785,696
8	Ms. Nitawan Leophairatana	Director	1,550,736	234,960	1,785,696
9	Ms. Malinee Leopairut	Director	1,550,736	234,960	1,785,696
10	Dr. Porakrit Leophairatana	Director	1,550,736	234,960	1,785,696
11	Mr. Manu Leopairote	Independent Director and Chairman of the Audit Committee	1,550,736	234,960	1,785,696
12	Mr. Thiraphong Vikitset	Independent Director and Audit Committee	1,550,736	234,960	1,785,696
13	Mr. Abhijai Chandrasen	Independent Director and Audit Committee	1,550,736	234,960	1,785,696
14	Mr. Khantachai Vichakkhana	Independent Director	1,550,736	234,960	1,785,696
15	Mr. Wanchai Manosooti	Independent Director	1,550,736	234,960	1,785,696
	<b>รวม</b>		<b>23,261,040</b>	<b>3,524,400</b>	<b>26,785,440</b>

## 2) Other remuneration

The Company provides personal cars to the executives.

## 8.1.3 Supervision of subsidiaries and associates

The Company has an investment policy in subsidiaries and/or associates with policies in line with the Group's vision and growth plan, which will enable the Group to increase its performance or profitability in order to achieve its goals of becoming a leading entrepreneur in the business and to support the Company's core business operations, including convenience and mobility, efficiency in operations and increased competitiveness based on factors such as legal provisions, financial structure, taxation, and risk management, etc.

However, the Company has a policy of managing TPI Polene Group by requiring the subsidiaries to conduct business in accordance with the Company's policies in order to have systematic management and supervision in the same direction. As for the management of associates and other subsidiaries, the Company sent representatives to join the Executive Committee to make decisions about policies and operational plans based on the Principle of Good Corporate Governance, and ethical business operations to ensure efficient, transparent, fair operations and achieving the goals set forth.



The Company has a policy of supervising the operations of its subsidiaries and associates as follows:

1. The Company sends a person on its behalf to be a director in each subsidiary and/or associate in accordance with the shareholding in each company. However, sending representatives of the Company as directors in each subsidiary and/or associates must be considered and approved by the Board of Directors' Meeting, taking into account the suitability of each company.
2. The Board of Directors and the executives of each subsidiary and/or associates have a significant scope of authority and responsibilities in accordance with applicable laws, such as disclosure of information about the financial position and performance, connected transactions of subsidiaries and/or associates, as well as the acquisition or disposition of significant assets to the Company, by applying the relevant notifications of the Capital Market Supervisory Board and the notifications of the Board of Directors mutatis mutandis, including disclosing and submitting information on their interests and persons relating to the Board of Directors to the relationships and transactions with subsidiaries and/or associates in a manner that may cause conflicts of interest and avoid transactions that may cause conflicts of interest.
3. The Company formulates the necessary plans and actions to ensure that its subsidiary and/or associates disclose information about their operating performance and financial position and that the Company takes the necessary actions and monitor its subsidiary and/or associates with adequate and appropriate internal control systems and control systems to conduct the business.

In addition, the Company closely monitors the performance and operations of such subsidiaries and/or associates and presents the results of the analysis, including comments or recommendations, to the Board of Directors and the Board of Directors of those subsidiaries or associates for consideration, policy determination or improvement, to encourage the business of its subsidiaries and/or associates to develop and grow continuously.

#### 8.1.4 Monitoring Compliance with Corporate Governance Policy and Practices

The Company attaches importance to good corporate governance by establishing relevant policies and practices in the Company's Corporate Governance Policy and the Code of Conduct while encouraging tangible actions to ensure confidence in all stakeholders.

In the previous year, the Company monitored to ensure compliance with its good corporate governance covering the following matters:

- 1) Employee care and non-discrimination;
- 2) Anti-unfair competitiveness;
- 3) Environmental care, hygiene, and safety in the organization; and
- 4) Information Security

The results of the follow-up showed that the Company completely implemented the guidelines for each issue. In addition, the Company followed up to achieve compliance with good corporate governance in 4 additional issues as follows:

##### (1) Protection of Conflict of Interest

The Board has a clear policy to execute transactions, which have potential conflicts of interest in a manner that is in the best interests of the Company and its shareholders. In case of transactions between the Company and anyone, with which a possible conflict of interest might occur, the Company will act in accordance with the rules and regulations imposed by the SEC and the SET on Disclosure and Actions of Listed Companies in Connected Transactions. Directors and executives who have interests in transactions with the Company may not participate in the decision-making of the transactions.

Disclosure of transactions that may have conflicts of interest or connected transactions shall be in accordance with the rules set by the Capital Market Supervisory Board, the SEC, and the SET and shall be disclosed in the Company's Annual Registration Statement/Annual Report (Form 56-1 One Report) or other reports as the case may be, as well as in accordance with generally accepted accounting standards.

## (2) Use of Internal Information to Seek Benefits

### 1) Monitoring of internal information usage

The Company maintains the use of internal information in accordance with the laws and in accordance with the Principles of Good Corporate Governance. It is set out in writing in the Code of Conduct of the Board of Directors, the executives, and employees, which will be given to the directors, the management, and employees when start working on the first day in the work force. The key policies can be summarized as follows:

1. The Company has designated the directors, the executives, and employees to sign the acknowledgement of the relevant notices of the SEC to designate directors and the executives to be responsible for reporting changes in securities holdings to the SEC under Section 59 of the Securities and Exchange Act B.E. 2535 (1992) within three working days from the date of the change of securities holdings and shall notify the Company Secretary to provide a record of the change and summary of the number of securities of directors and the executives individually to present to the Board of Directors at the following meeting. In addition, penalties have been imposed if they have violated or not met such requirements.
2. The Company has a requirement not to use financial statements or other insider information that affects the price of the Company's securities to disclose to third parties or non-affiliated parties and not trade securities for a month before financial statements or other information affecting the price of securities of companies/group companies in public. The Company must not trade securities until after 24 hours since all such information has been disclosed in public. Failure to act in accordance with such requirements constitutes disciplinary action against the Company. If any director, executive, or, employee who has learned of important internal information commits a disciplinary offense, such person shall be punished with a warning, payment cuts, and unpaid suspensions, until dismissal.

However, the guidelines above have been resolved and approved by the Board of Directors.

In recent years, it was not found that directors and executives traded securities during the period specified by the Company's term of refraining from trading. In addition, the Company has started to use electronic systems to increase reporting efficiency to its directors, executives, and employees.

The Company prioritizes achieving equality and fairness for all shareholders. Internal information or material information regarding changes in the price of unsealed securities is considered to be internal information used in the business operations and is classified information of the Company, which, if disclosed, will affect the Company, especially affecting the value of the shares of the Company that is traded on the SET. Therefore, the Management and employees at all levels of the Company must keep the internal information confidential. Thus, guidelines and practices are established as follows:

1. The Company's employees must maintain and keep customers' information and commercial information confidential, which must be maintained in respect of their responsibilities unless required by law to disclose for litigation purposes or the Board of Directors approves the disclosure.
2. Disclosure of information that may affect the Company must be undergone by the person who has the decision to act on such matters unless assigned by the disclosure authority.
3. Internal information is information on business operations and management of the confidential business. If disclosed in public, it will affect the Company.
4. Employees and related persons must not disclose information that has not been disclosed in public and do not trade securities of the Company or the companies they are involved in when they know information that has not been disclosed in public.
5. Important documents and confidential information must be maintained in specific ways defined at each level and each type or category of data must be carefully stored, and easy to use. After the period of time, the data or documents or stored in the electronic system, the employees involved must ensure that the destruction is made in an appropriate way, valid for each type of information or document. Some documents must be preserved as required by legal regulations imposed and should be studied on a case-by-case basis.

The Company has policies and procedures to ensure that its directors and executives do not provide the Company's internal information that has not been made public to exploit themselves, including securities trading as follows:

1. The Company educates the directors, and the executives, including executive positions in accounting or finance or equivalent, regarding the duties that must be prepared and submitted to their securities holding reports of their offspring under the SEC under Section 59 and penalties under Section 275 of the Securities Act, including reporting the acquisition or distribution of their own securities, spouses and their offsprings to the SEC under Section 246 and penalty imposed under Section 298 of the Securities Act.
2. The Company requires the Directors, the management, including executive positions in accounting or finance or equivalent, to prepare and submit reports of the holding of their securities, of married couples and their offsprings to the Corporate Secretary before sending them to the SEC, the reports of which shall be prepared and delivered within 30 days from the date of appointment to the position of director and/or executive, or report the change in securities holdings within three business days from the date of the purchase, sale or transfer of such securities.
3. The Board of Directors and employees in particular business units of the related information (including spouses and offsprings of such persons) are prohibited to trade the Company's securities at least one month prior to the disclosure of quarterly and annual financial statements and within 24 hours after the disclosure of such financial statements.

In addition, in the event of the Board of Directors and employees in the particular business units concerned with the information (including spouses and offsprings of such person) are aware of undisclosed information that may affect the Company's securities prices, such persons must not trade the Company's securities until after 24 hours since all such information has been disclosed in public.

4. The Company imposes disciplinary penalties if there is a breach of internal information to exploit themselves, disciplinary action starts with a written warning, wages cut, suspend unpaid work, or dismissal. The punishment will be determined by the intent of the offense and the seriousness of the offense.

**Company shares held by the Directors and the Management (including their spouses and offspring) as of January 4, 2023.**

Name	Shareholding as at 30 December 2021 (shares)	Shareholding as at 4 January 2023 (shares)	Change (increase/decrease during year 2022) (shares)
1. Mr. Prachai Leophairatana	6,019,906	6,019,906	-
2. Dr. Pramuan Leophairatana	4,993,408	4,993,408	-
3. Mrs. Orapin Leophairatana *	*	*	*
4. Mr. Prayad Liewphairatana	5,352,708	5,352,708	-
5. Miss Pattapan Leopairut	3,853,192	3,853,192	-
6. Mr. Pakorn Leopairut	5,325,591	5,325,591	-
7. Mr. Pakkapol Leopairut	1,870,399	1,870,399	-
8. Ms. Nitawan Leophairatana	250,571	250,571	-
9. Ms. Malinee Leopairut	50,265	50,265	-
10. Mr. Manu Leopairote	-	-	-
11. Mr. Thiraphong Vikitset	179	179	-
12. Mr. Abhijai Chandrasen	-	-	-
13. Mr. Khantachai Vichakkhana	171	171	-
14. Mr. Wanchai Manosooti	1,000,000	500,000	( 500,000)
15. Dr. Porakrit Leophairatana	537,314	537,314	-

Name	Shareholding as at 30 December 2021 (shares)	Shareholding as at 4 January 2023 (shares)	Change (increase/decrease during year 2022) (shares)
16. Mr. Worawit Lerdbussarakam	750,000	750,000	-
17. Mrs. Sirirat Lerthirunrat	-	-	-
18. Mr. Somkiat Teeratakulpisal	-	-	-
19. Miss Karuna Permsiripan	-	-	-
20. Miss Weerawan Larpchaiwut	-	-	-

Notes: \* Included in shareholding of Mr. Prachai Leophairatana to comply with the provisions contained in the Securities and Exchange Act, article 258

### (3) Anti-Fraud and Corruption Policy

The Company is committed to pursuing its business operations, with an emphasis on transparency with ethics, and responsibility to its shareholders, customers, employees, society, and other stakeholders. The Company has a policy requiring that the directors, the executives, and all levels of employees are prohibited from operating or accepting, soliciting, demanding, or accepting assets or other benefits to other persons in business dealings with the Company, whether directly or indirectly, as a motive for them to do or refrain from doing any act to acquire or keep benefits that are unsuitable to the business to perform in compliance with the Principles of Good Corporate Governance, the Code of Conduct and/or related to the terms and regulations or any legal issues to create sustainable value to the organization at all times.

#### Objective

1. All employees must not induce to act or refrain from acting that may lead to malfeasance and corruption, and not get involved in corruption, whether directly or indirectly.
2. To support all employees' roles and responsibilities to take part in the activities of the Anti-Fraud and Corruption Policy.
3. To be confidence among stakeholders in conducting business together with honesty

#### Scope of Anti-Fraud and Corruption Policy

Stakeholders of the Company who are involved in the Anti-Fraud and Corruption Policy are classified into 2 major groups as follows:

1. Internal: Director, Management Team, and all levels of staff/employees
2. External: Customer or suppliers, contractors, sub-contractors, business partners, creditors, governmental authorities, and private officers.

#### Definition

Corruption means any type of bribery; an offering, agreement to give, giving, promising to give, soliciting, asking for or receiving of money, assets, or other inappropriate benefits from government officers, government sectors, private sectors, or responsible persons either in direct or indirect action so that such persons could proceed or disregard his/her function in order to acquire, retain the business, recommend a specific company to the entity, or achieve any improper benefits in business transactions. Exceptions shall be applied in the case of laws, regulations, statements, standards, customs, or business traditions that are enabled to do so.

#### Roles and Responsibilities

**The Board of Directors** is responsible for determining the policy, monitoring, and forming an effective system supporting the Anti-Fraud and Corruption act in order to affirm that the Management Team is intensively concerned with, emphasizes, and cultivates an Anti-Fraud and Corruption mindset as the Company's culture.

**The Presidents and the Management Committee** are responsible for establishing a system to promote and support Anti-Fraud and Corruption Policy to be communicated to employees and related parties. This also includes reconsideration of systems or regulations in order to best adjust to business changes, regulations, standards, and laws.

**The Audit Committee** is responsible for the revision of financial and accounting reports, internal controls, internal audit functions, and risk management so that such operations are concise, appropriate, effective, and conform to global standards.

The Internal Audit Director is responsible for auditing, assessing, and evaluating whether business transactions are accurate and comply with guidelines, approval authorities, standards, laws, and policies in such monitored departments in order to assure that the Company's internal controls are sufficient and suitable for potential risk in corruption. This shall be directly reported to the Audit Committee.

#### **Anti-Fraud and Corruption Guidelines**

1. Employees must not be negligent in any corruption conditions involved directly with the Company and must notify such acts to supervisors or the responsible person provided in particular channels, including cooperating with any fact-finding investigation.
2. Those who commit corruption and those involved in it will be subject to disciplinary action in accordance with the Company's rules and may be subject to legal penalties.
3. The Company shall be fair and provide safeguards for staff members who report corruption cases relating to Anti-Fraud and Corruption.
4. The Company understands the importance of dissemination, knowledge and seminar regarding the Anti-Fraud and Corruption Policy to employee constantly.
5. The Internal Audit Department of the Company is responsible for reviewing policies and guidelines in this regard to ensure that the control system is appropriate and adequate to the risk of corruption that may occur and reporting to the Audit Committee.

#### **Practical Measures**

##### **Anti-Fraud and Corruption (Business dealings with partners and third parties)**

Employees must comply with the following Anti-Fraud and Corruption Policy in all business dealings with customers, vendors, or other business-related third parties (hereinafter collectively referred to as "Business-Related Third Parties")

1. Employees must comply with laws, regulations, business customs, and business etiquette when dealing with business-related third parties.
2. Employees must not accept or solicit money, vouchers, checks, shares, gifts, or any other bribes, gratuities, or incentives of value from business-related third parties, directly or indirectly.
3. Employees may accept non-cash gifts or anything of value from business-related third parties, subject to the prior approval of their direct supervisor. However, accepting such gifts must be in accordance with rules, business practices, or business etiquette and must not influence the employee's business decisions.
4. Employees must not take advantage of their position within the Company to obtain or solicit business-related third parties or related persons of such third parties, including not providing any services not related to the Company's business.
5. When employees introduce a person to the Company, such action must not be contrary to the interests or recruitment procedures of the Company, nor must it be made for unlawful personal gain.
6. Employees who are supervisors and subordinates in the same department must not have a relationship as a spouse or parent/child.
7. Employees must not bribe officials or government officials by offering money, vouchers, checks, shares, gifts, or any other bribes, gratuities, or incentives of any value.
8. Employees who violate the provisions of the preceding paragraph shall be punished in accordance with the relevant regulations of the Company and may be prosecuted according to the law.
9. Employees must obtain approval from their supervisor before offering a gift (such as Company products) or giving a dinner of welcome to business-related third parties with customs or business etiquette, local laws, and applicable regulations. If an employee does not obtain prior approval from his/her supervisor due to an urgent matter, the employee must still obtain approval from his/her supervisor after giving a gift or a dinner of welcome to business-related third parties.
10. Employees must not take any advantage of their position in the Company to engage in unlawful relations, sexual harassment, any form of discrimination (including discrimination based on race, sex, disability, or religion), theft, coercion, or other unlawful conduct.
11. If employees have questions regarding anti-fraud and corruption, they must seek opinions from their supervisors to avoid controversy.

#### (4) Whistleblowing

##### Complaints or recommendations

##### 1. Complaints or recommendations

- 1.1 A complaint if encountering any acts that are considered corruption, either directly or indirectly.
- 1.2 Any act that is considered corruption and/or has a direct effect on the internal controls of the Company, to cooperate in the fact-finding investigation stipulated by the Company's regulations.
- 1.3 Any act that has a direct impact on the Company's reputation and benefits.
- 1.4 Any misconduct that goes against the law, morals, or business ethics.

##### 2. Whistleblowing or complaint channels

All employees are obliged to report to the following persons and/or agencies when they see fraud or corruption related to the Company's activities that violate this policy by using one of the channels.

##### 3. Internal feedback mechanism (internal informant)

- (1) Head of Audit Head of Human Resources or Head of Legal Affairs
- (2) Feedback box
- (3) Electronic mail (E-mail: [orapin@tpipolenepower.co.th](mailto:orapin@tpipolenepower.co.th))

##### 4. External feedback mechanism (external informant)

- (1) Letter : Mrs. Orapin Leophairatana  
Vice Chairman  
TPI Polene Power Public Company Limited  
26/56 Chan tad Mai Road, Thungmahamek, Sathorn, Bangkok 10120
- (2) Electronic mailbox (E-mail: [orapin@tpipolenepower.co.th](mailto:orapin@tpipolenepower.co.th))
- (3) Letter: Audit Committee  
TPI Polene Power Public Company Limited  
26/56 Chan tad Mai Road, Thungmahamek, Sathorn, Bangkok 10120
- (4) Tel. 02-285-5090 or 02-213-1039 – Internal Audit Department

##### Identity Protection and Confidentiality

##### 1. Identity Protection

As whistleblowers and informants give information in good faith which brings great benefits to both the Company and employees as a whole, such persons, when done in good faith despite causing any difficulties, shall be protected and guaranteed that it will not be a cause or regarded as a cause for termination of employment, punishment, or any action that may have an adverse effect on such employees.

The Company has the policy to be fair to stakeholders equally according to the Company's regulations by providing protection to whistleblowers and confidentiality and taking action to protect whistleblowers.

##### 2. Names and Confidentiality Protected

Employees or external whistleblowers may choose to remain anonymous when reporting violations of other employees. However, employees are encouraged to identify themselves when reporting to facilitate contact and investigation. When such employees or external whistleblowers make a report, the receiving authority shall take appropriate safeguards and preventive measures to enable an effective investigation and to protect such employees or external whistleblowers from harassment or misconduct, as well as unfair treatment.

##### Fact-Finding Process and Penalties

1. Having received the grievance, the Management Representatives, whose members consist of the Compliance Unit and the Audit Committee, will be responsible for conducting an investigation.
2. During the fact-finding process, the Management Representatives and the Audit Committee might ask the Management Representatives to keep them informed of the progress of the further investigation.
3. In case tips or grievances are found to contain material evidence, the person committing corruption or violating or failing to comply with the Anti-Fraud and Corruption measures shall be granted an opportunity to acknowledge the charges and shall have the right to defend themselves by providing

additional information or evidence showing that they are not involved in the alleged corruption act.

4. In case the person who committed corruption or violated or failed to comply with the Anti-Fraud and Corruption measures is proven guilty, the Company will take action in accordance with the established procedures to investigate and levy disciplinary punishment on employees at fault relating to corruption matters. If the act of corruption is illegal, the violator may face legal penalties. However, for disciplinary action according to the Company's regulations, the decision of the Board of Directors (executives) shall be final.

#### **Dissemination of Anti-Fraud and Corruption Policy**

The Company will take the following actions to make everyone in the organization aware of the Anti-Fraud and Corruption Policy.

1. The Company organizes training and announces the Anti-Fraud and Corruption Policy to employees for general acknowledgment.
2. The Company disseminates the Anti-Fraud and Corruption Policy through the Company's communication channels such as electronic mail, the Company website, annual reports, etc.
3. The Company regularly reviews the Anti-Fraud and Corruption Policy.

#### **Monitoring Compliance with the Anti-Fraud and Corruption Policy**

The Company has set goals as follows.

- Employees are required to undergo training courses on Anti-Fraud and Corruption periodically every year.
- Business partners are provided with the organization's Anti-Fraud and Corruption Policy every year.

The Company has the policy to prohibit its directors, executives, and employees at all levels from accepting or being involved in corruption in any form, whether directly or indirectly, by requiring its personnel to comply with the Anti-Fraud and Corruption Policy which is consistent with the Principles of Good Corporate Governance, the Code of Conduct, as well as regulations, requirements, and relevant laws.

The Company has defined the scope of stakeholders involved in the Anti-Fraud and Corruption Policy into 2 groups as follows: 1) within the organization, consisting of directors, executives, and employees of the Company at all levels; and 2) outside the organization, consisting of customers or suppliers of goods or service, contractors, sub-contractors, business partners, creditors, government agencies, private agencies, along with specifying the main roles and responsibilities of the committees and agencies involved in Anti-Fraud and Corruption operations as follows:

In addition, the Company has set guidelines for Anti-Fraud and Corruption as a framework for employees at all levels with the expectation that they will be the eyes and ears of not neglecting or ignoring when witnessing actions that fall within the scope of corruption. The Company aims to provide fairness and protection measures for whistleblowers or those who cooperate in reporting corruption and to raise awareness among employees. The Company, therefore, regularly disseminates, communicates, and trains to provide knowledge about the Anti-Fraud and Corruption Policy to employees, including expanding the scope of the Anti-Fraud and Corruption Policy to business partners of the Company through campaigns to encourage its stakeholders to understand the behavior of performing their duties or to refrain from conduct that is considered corrupt.

Board of Directors	Chairman of the Management and Management Committee	Audit Committee	Internal Audit Supervisor
<ul style="list-style-type: none"> <li>Set a policy and supervise to have a system that supports effective anti - corruption.</li> </ul>	<ul style="list-style-type: none"> <li>Set the system to promote and support the Anti-Fraud and Corruption policy to communicate to employees and relevant parties.</li> <li>Review the operations and policies in accordance with situations that have changed, such as business conditions, regulations, regulations and requirements of various laws</li> </ul>	<ul style="list-style-type: none"> <li>Review financial and accounting systems Internal control system Internal audit systems and risk management systems to be strict, suitable, up-to-date and effective</li> </ul>	<ul style="list-style-type: none"> <li>Check and ensure that the work is correct in accordance with the policy of the operational practice, operations and laws, regulations of the supervision agencies</li> <li>Report to the Audit Committee</li> </ul>



In 2022, the Company's operating results can be summarized as follows:

1. Require all departments, especially those dealing with external parties, to assess risks linked to fraud and/or corruption, with 16 units that were evaluated for risks linked to fraud accounting for 100%.
2. 2.54% of total of 1,143 employees underwent the Anti-Fraud and Corruption training courses and 100% of the employees acknowledged the Anti- Fraud and Corruption Policy
3. 90.38% of the total 613 suppliers were aware of the organization's Anti- Fraud and Corruption Policy.
4. There were no lawsuits in which the organization has been sued for fraud and there were no corruption incidents with suppliers, or cooperation partners, including corruption incidents that occur within the organization.

More details can be found on the Company website: <http://www.tpipolenepower.co.th/index.php/th/th-aboutus/Anti-Fraud and Corruption>

#### **Data Security Performance**

The Company recognizes that personal data is important so that the personal data of customers, suppliers of employees, and/or visitors or all concerned to the business of TPI Polene Power Group is collected, disclosed securely, and used for the purposes agreed by the data subject and in accordance with the Personal Data Protection Act B.E. 2562, under the establishment of a privacy policy.

As for Customer Information, the Company recognizes the importance of protecting the personal data of customers with the aim of providing products and services to meet the needs of customers in the most efficient way.

In 2022, the Company has not received any complaints of personal data breaches. More details of the Privacy Policy can be found on the Company website: <http://www.tpipolenepower.co.th/index.php/th/th-aboutus/pdpa>

**The IT Security Policy Committee has disclosed the results of monitoring the implementation.**

#### **Responding to Cyber Threats**

The Company is aware of the impact on information systems from cyber threats. Currently, malicious people or hackers use methods and tools to cause damage to information systems or data theft in several ways which may cause widespread impact and damage to the Company, its suppliers, and agencies that have contact with the Company in terms of trade information, important information about the Company and related parties, as well as the Company's reputation.

#### **Operational Objectives**

Since cyber threats have a great impact on the operation and credibility of the Company and the Company sees the importance of improving and developing cyber security protection systems, the Company deems it appropriate to regularly review the cyber threat protection system as well as develop and improve the cyber protection system to keep up with the cyber threats that have continuously developed methods and severity of threats to information systems.

#### **Current Operational Plan**

The Company has taken measures to prevent and monitor cyber threats in several areas as follows:

1. Communication systems and networks outside the Company:
 

Install a firewall to separate the scope of the network system outside and inside the Company from each other to prevent attacks from malicious people or hackers on the information systems of the Company and its affiliates.
2. Host computer and client computer :
  1. Close vulnerabilities in the operating system of the server and client computers that may affect cyber threats (Cyber Security Patching for Computer Operating System).
  2. Install Endpoint Security to prevent computer viruses and malicious programs.
3. Connection to the Company's information system from a branch office of the Company or an outside agency

It is required to use a Virtual Private Network or VPN to connect to the Company's work system for security in sending/receiving data between branch offices or external agencies to the Company's information system.

4. Knowledge Base :

1. The information management team regularly conducts cybersecurity studies.
2. Basic Cyber Security Awareness Training is a guideline for employees to work and use information systems to be safe from cyber threats.

5. Review of information systems by external auditors:

Receive annual information system reviews from external auditors in accordance with standards and frameworks or standards for reviewing information systems such as ITIL, and ISO27001, and make improvements and fix the flaws found from the reviews to ensure that the information system is safe.

#### Future Action Plan

As the Company is aware of cyber security where malicious people or hackers have developed several methods and technologies, it needs to develop and improve the cyber threat protection system to keep up with the cyber threats that occur all the time. The Company has therefore discussed with cyber defense experts with additional action plans as follows:

1. Conduct a cyber-security review of the Company by conducting a Cyber Security Assessment to find cyber vulnerabilities and find methods to improve and develop additional cyber protection systems.
2. Prepare work plans and ask for budgets to improve the cyber defense system from top executives and the Board of Directors.
3. Implement a knowledge base system on cyber threats and prevention guidelines for use in disseminating knowledge to users of information systems of the Company and its affiliates.
4. Procure or hire a Cyber Security Operation Team for 24-hour surveillance and establish a Cyber Security Operation Center (CSOC) to be a cyber-threat surveillance unit.

#### Operational goals

To increase confidence in the operations of the Company and its affiliates to suppliers and related agencies with the following goals:

1. Prevent or mitigate the damage caused by cyber threats by taking preventive and vigilant actions to minimize the likelihood of their occurrence (cyber threats cannot be prevented 100%).
2. Create cyber security awareness among employees at all levels to promote knowledge and keep up with types of cyber threats in order to reduce the risk of cyber threats in operations under the Company's information systems and daily life of employees.

## 8.2 Report on the performance of the Audit Committee in 2022

### 8.2.1. Attendance of individual audit committees

In 2022, the Audit Committee conducted a total of 5 meetings with the following details of the meeting:

Name	Position	Number of Meeting Attendance
1. Mr. Manu Leopairote	Chairman of the Audit Committee	5/5
2. Dr. Thiraphong Vikitset	Member of the Audit Committee	5/5
3. Dr. Abhijai Chandrasen	Member of the Audit Committee	5/5

### 8.2.2 Performance of the Audit Committee in 2022

As per details contained in the Audit Committee report.

# Audit Committee's Report for 2022

Dear Shareholders,

The Audit Committee of TPI Polene Power Public Company Limited for the year 2022 appointed 3 independent directors, consists of Mr. Manu Leopaiprote as the Chairman of the Audit Committee, Dr. Thiraphong Vikiset and Dr. Abhijai Chandrasen are members of the Audit Committee, all 3 of whom are qualified and experienced in finance, accounting, law, economics, and management, as well as experience in performing duties independently within the scope of authority and responsibility of the Audit Committee specified by the regulatory agency, with Ms. Weeranuch Khimkhum as the secretary of the Audit Committee.

In 2022, the Audit Committee held a total of 5 meetings to review, consider, and evaluate the internal control system, review financial statements and disclose information to investors, review compliance with relevant legal requirements, review risk management, review connected transactions or conflicts of interest, and consider, select, nominate, and determine the auditor's remuneration. The performance of duties can be summarized as follows:

**1. To review and evaluate internal control systems.**

The Company operates its business based on morality, ethics, transparency, and sustainable business operations and gives importance to the economy, environment, society, and good corporate governance according to the concept and philosophy of the Board of Directors and top executives. The Company has set policies and established operational guidelines that recognize the appropriate internal control system and adopted Four Iddhippada to success and commitment to creating balanced happiness with a better quality of life. Sustainably according to the 4 Brahma Vihara principles, including the 4 Noble Truths, which lead to the End of Suffering according to the teachings of the Lord Buddha, and applied TPI Polene Power's Code of Conduct as guidelines for the performance of executives and employees, taking into account the benefits and fairness to all relevant stakeholders, from government agencies, shareholders, suppliers, contract parties. Employees are developed and promote learning in a way that contributes to the long-term sustainable development of the Company. According to the review of the Audit Committee in the past year, the Company had an effective internal control system, efficient and effective operations under the internal control system that is sufficient and appropriate, which prevented damage that may occur within a reasonable period of time, reduce operational risks, help financial statements and reports of the Company to be accurate, reliable, as well as protect company assets and shareholders' investments, and The Chairman of the Audit Committee has approved the audit plan for the year 2023, with the internal audit unit performing the audit in accordance with the said plan.

**2. To review the disclosure of all relevant information for investors.**

Financial statements are financial reports that show the performance and financial position of an entity that must be disclosed to stakeholders. The Audit Committee reviewed significant items in the Company's consolidated financial statements, both the quarterly financial statements and the financial statements for the fiscal year 2022, as well as having a meeting with the auditor of the Company to independently exchange opinions on the financial statements without the management on issues that are material to the financial statements and revealing information in the notes to the financial statements, it was found that the Company's financial reports were prepared in accordance with generally accepted accounting standards, with sufficient information disclosed in the notes to the financial statements and within an appropriate timeframe according to the requirements of the law and financial reporting standards set by the Federation of Accounting Professions, which are beneficial to the decision of investors and all stakeholders.

**3. To review and ensure that the Company performs in compliance with all regulations and related governing laws.**

The Audit Committee has reviewed compliance with rules, orders, and regulations of the law and of regulatory agencies related to the business of the Company. The Company has a system to prevent the use of internal information in securities trading, prohibitions, and penalties are imposed in the Employee Regulations, with a penalty of termination of employment; to supervise the executives to prepare a report on the holding of the Company's securities in accordance with legal requirements. In addition, it also places importance on the legal duty to disclose the Company's information in financial reports, related transactions, and other reports to be accurate, complete, reliable, and timely.

**4. To review Risk Management**

The Company has set up the Risk Management Committee chaired by the Chief Executive Officer and committees from related departments responsible for considering structure, policies, risk management framework, risk management plan, risk review and monitoring, managing risk with the Risk Management Department responsible for preparing risk management reports, implementing and supporting risk management throughout the organization. The Company has given importance to environmental risks from greenhouse gas emissions that affect climate change, risks that may arise from economic crime and modern technology (IT SECURITY), consumer behavior risks from rapidly changing communication technologies, and risks caused by the COVID-19 pandemic. The Company, along with the Risk Management Committee and all departments in the organization, keeps observing the changing environment and considers significant risks that may affect the Company's operations with measures to respond to risks at an acceptable level from weekly management meetings and set them in the annual work plan.

**5. To review fraud detection or corruption**

The Audit Committee has emphasized that the Company operates in accordance with good corporate governance, providing a complaint-handling system, including providing channels for employees, shareholders, and those involved to be able to directly contact the Audit Committee to notify information to the Internal Audit Committee regarding complaints, illegal acts or non-compliance with the Code of Conduct, or inquiries about financial reports or internal control systems conveniently via email, website, mail, and the complaint box, as well as having measures to protect the informant from disclosing and keeping it confidential. The Audit Committee has reviewed the risk assessment, the likelihood of fraud, and the impact to determine guidelines to prevent fraud that may occur in work systems and reviewing measures and investigation regulations to be up-to-date and consistent with business conditions.

**6. To review connected transactions or conflicts of interest**

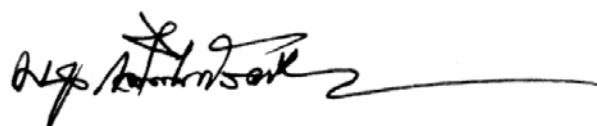
The Company has prepared the Code of Conduct for company directors, executives, and employees at all levels to acknowledge and strengthen it as a corporate culture that values operations that do not contradict with stakes and conflicts of interest with the Company. The organization will get the most benefit from transparent and verifiable business operations. The Audit Committee has reviewed connected transactions and transactions that may have conflicts of interest from the relevant directors' reports and found that the transactions were reasonable, did not cause the Company to lose benefits and were properly disclosed to regulators in a timely manner.

**7. Consideration, selection, nomination, and determination of the auditor's remuneration for the year 2023**

The Audit Committee has considered the independence, performance, and experience of the person who proposes to be the Company's auditor, and the appropriateness of the remuneration as well as considering the rotation of auditors. It proposed to the Board of Directors for approval from the shareholders' meeting in considering the appointment of Ms. Thanyalak. Keadkeaw holding Registration No. 8179, or Mr. Ekkasit Chuthamsathit holding Registration No. 4195, or Mr. Natthaphong Tantichattanont holding Registration No. 8829 of KPMG Phoomchai Audit Company Limited to be the Company's auditor for the year 2023.

The Audit Committee has considered that in the past year, the Board of Directors and the executives give importance to management according to the principles of sustainable business operations with good corporate governance, business ethics, and commitment to perform duties in order to achieve the organization's goals in a professional manner. The Company has developed a product quality system according to international standards, complies with the requirements of relevant laws, contributes to society and cares for the environment, prepares financial reports to meet generally accepted accounting standards, and discloses sufficient information. Also, transactions that may have conflicts of interest are managed properly without damage to the business with an adequate internal control system and good corporate governance system. No misstatement has been found.

On behalf of the Audit Committee



(Mr. Manu Leopairote)  
Chairman of the Audit Committee

### 8.3 Summary of performance of other subcommittees

1. Report of the Executive Committee which is included together with the report of the Board of Directors signed with the Chairman and Chief Executive Officer
2. Audit Committee Report 2022 signed by the Chairman of the Audit Committee
3. Reports of other sub-committees of the Company for the year 2022 consisting of
  - 3.1 Report of the Nomination and Remuneration Committee
  - 3.2 Report of the Corporate Governance Committee
  - 3.3 Report of the Risk Management Committee
  - 3.4 Report of the Sustainable Development Committee
4. At the Board of Directors Meeting No. 12/2022 on December 29, 2022, the Board of Directors signed and acknowledged the reports of the sub-committees of the Company for the year 2022 as follows:



## Report of the Nomination and Remuneration Committee

In 2022, the Nomination and Remuneration Committee held one meeting which 100% of the directors attended. The Nomination and Remuneration Committee of TPI Polene Power Public Company Limited consists of experts in several fields, with Mr. Prachai Leophairatana as the Chairman of the Nomination and Remuneration Committee and the entire Board of Directors performed their duties together as the Nomination and Remuneration Committee, with Ms. Weeranuch Khimkhum, Company Secretary, as the secretary of the Nomination and Remuneration Committee.

In 2022, the Nomination and Remuneration Committee performed its duties within the scope of responsibilities specified in the Nomination and Remuneration Committee Charter as approved by the Board of Directors, with one meeting where the results of the meeting were reported to the Board of Directors. Consideration of important matters can be summarized as follows:

1. Consider nominating new directors to replace those who retire by rotation, taking into account knowledge, competence, experience, transparent work history, morality, responsibility, leadership, and professionalism, as well as the Board Diversity, and establishing the Board Skills Matrix to determine the qualifications of directors to be recruited by considering necessary skills, suitable qualifications and consistent with the composition and structure of the directors according to the strategic business of the Company. In addition, the Principles of Good Corporate Governance are applied in nominating new directors and providing an orientation for new directors who have been appointed, including encouraging directors to constantly develop their knowledge.
2. Consider the annual budget and determine the remuneration of the Board of Directors according to the assessment criteria and the Company's performance, including taking into account the suitability of the duties, duties, responsibilities assigned, linked to the performance of the Company and its performance by comparable to companies in the same industry and of similar size.
3. Review the Nomination and Remuneration Committee Charter to be in line with the Principles of Good Corporate Governance (CG Code).

The Nomination and Remuneration Committee has performed its duties independently in accordance with the Principles of Good Corporate Governance to ensure transparency in the recruitment and remuneration process and build confidence among shareholders and stakeholders in all sectors.



(Mr. Prachai Leophairatana)  
Chairman of the Nomination  
and Remuneration Committee

## Report of the Corporate Governance Committee

In 2022, the Corporate Governance Committee held one meeting in which 100% of the directors attended and provide useful opinions to the management in developing good corporate governance of TPI Polene Power Group. The summary of the performance of the Corporate Governance Committee in 2022 is as follows:

1. Promote the performance of the Board of Directors in accordance with the good corporate governance and business ethics of TPI Polene Power Group by educating the directors about the prevention of insider information usage and the prevention of conflicts of interest. In 2022, the Corporate Governance Committee has completed all operations without significant conflicts, including encouraging directors to attend meetings and seminars on various matters that would be beneficial to the performance of their duties such as the Value of Audit course, accounting tips that the Audit Committee should not miss, and the Director Certificate Program organized by the Thai Institute of Directors Association (IOD).
2. Promote awareness and compliance with the Principles of Good Corporate Governance and the Code of Conduct of TPI Polene Power to its executives and employees in all operating areas by organizing training sessions for executives and employees at all levels about the prevention of internal information usage, prevention of conflicts of interest, Anti-Fraud and Corruption, including promoting the creation of the Company's Code of Conduct for executives and employees at all levels to raise awareness and have guidelines for good practice. It also arranged for executives and employees at all levels to take the test of the Company's Code of Conduct to measure their understanding. In addition, it has promoted the establishment of processes and mechanisms for management in case of grievances, whistleblowing in case of violations of ethics and business ethics, and corruption in order to strengthen the corporate culture in line with the Code of Conduct of TPI Polene Power Group for sustainable growth.
3. Review the scope of duties of the Corporate Governance Committee, the Audit Committee, the Nomination Committee, and the Remuneration Committee to be in line with the Principles of Good Corporate Governance for Listed Companies 2017 (CG Code) of the Office of the Securities and Exchange Commission.
4. Approve a tax policy to ensure that the Company conducts its business with an appropriate tax structure and is consistent with its transactions and operates with transparency, adheres to laws and regulations, and complies with laws regarding transfer pricing to be transparent, and in accordance with the Arm's length principle.
5. Promote information disclosure and transparency, prepare annual information disclosure form/annual report (Report 56-1 One report), including quarterly disclosure of company performance, which is material, complete, sufficient, reliable, and timely through the channels such as the system of the Stock Exchange of Thailand and the website of TPI Polene Power, including participating in the Opportunity Day with the Stock Exchange of Thailand on a quarterly basis.
6. Promote quarterly disclosure of sustainability performance covering three dimensions (Environmental, Social, and Corporate Governance) to investors through the 56-1 One report and Sustainability Report and on the website of TPI Polene Power.

With the success of TPI Polene Power Group's continued emphasis on good corporate governance, it resulted in the Thai Institute of Directors Association (IOD) notifying the Company of the 2022 CG Score at a very good level (4 stars from a total score of 80%), an increase from the good level (or 3 stars from a total score of 73%) in 2021.

Corporate Governance Committee intended to perform duties with full capacity according to the business direction and goals of the organization, for the business to grow sustainably, fairly create maximum benefits for shareholders and all groups of stakeholders, for the sustainable growth together.



(Mr. Prachai Leophairatana)  
Chairman of the Corporate  
Governance Committee



## Report of the Risk Management Committee

In 2022, the Risk Management Committee held one meeting in which 100% of the directors attended and provide useful opinions to the management in developing the risk management of TPI Polene Power Group. Summary of the performance of the Risk Management Committee in 2022 can be summarized as follows:

1. Supervise risk management in all aspects to ensure that risk management is in line with the plan as follows:
  - 1.1 A Feasibility Study must be prepared to be used as a tool for screening new investments prior to consideration of investment and business expansion.
  - 1.2 Financial projections must be prepared in advance to be able to manage net cash flow and assess financial liquidity for both short-term and long-term financial planning.
  - 1.3 MIS information system must be applied as a tool to manage production, raw materials, sales, transportation, inventory levels, accounts receivable, EBITDA, profit/loss, cash and investment status, etc.
  - 1.4 TPI Polene Group established the Net Zero Greenhouse Gas Emission Policy by 2043 to be in line with the Thailand Greenhouse Gas Management Organization's Policy (Thailand announced that it would achieve its goal of carbon neutrality by 2050 and net zero emissions by 2065).

The Company established Net Zero Greenhouse Gas Emission Policy by using waste fuel to replace coal in power plants up to 100% by 2025, which causes clear and tangible business practices. This can reduce the business risk from the volatility of coal prices compared to the relatively stable cost of waste as well as reduce the risk from climate change problems that internationally prioritize greenhouse gas reduction goals, which may result in the regulation of greenhouse gas emissions in the future. This may cause costs in doing business for companies that are unable to adapt to such risks.

- 1.5 To reduce the risk of a shortage of key production factors to prevent business interruption by entering into both short-term and long-term agreements for coal and waste materials without monopoly practice.
- 1.6 Manage foreign currencies using the Natural Hedging principle
- 1.7 To use technology and innovation to develop products to increase value. It can also save energy costs as well as improve the production of waste fuels.
- 1.8 Emphasis on continuous research and product development such as the development of waste fuel production.
- 1.9 Emphasis on cyber security with a team responsible for conducting system tests, and practicing plans to be able to prevent threats to cyber security and stability.
- 1.10 To strictly comply with relevant rules and regulations.
2. In the long run, the Company continues to seek investment opportunities in businesses with high margins and growth rates, focusing on cost management, using waste fuels to replace coal, and increasing production efficiency.
3. To consider reviewing risk management information, which consists of an organizational risk management framework that has been accepted as a guideline for promoting risk management and is a practice that is internationally accepted by categorizing risks into 6 aspects as follows:
  - 3.1 Strategic risk is arising from the failure to operate according to the planned business plan in accordance with internal and external factors, therefore, the risk management of the business plan must be managed, such as (1) Risk management of waste fuel energy to replace coal to reduce production costs, which requires management of the amount and cost of waste procurement, including moisture properties of waste; (2) Investment in projects that are environmentally friendly; and (3) Investment in projects and businesses with high growth potential in the future.

Such projects require a feasibility study and a sensitivity analysis of important factors before investing, as well as monitoring the investment progress in order not to face the risk of return on investment that may not meet the target, the risk of project implementation is delayed according to the plan, and the investment cost higher than the budget.

- 3.2 Operational risk is caused by internal operational processes or external factors that affect revenue and operating costs, such as cost control, raw material procurement to be sufficient and within the budget limit, agreements to buy both short- term and long-term waste to be sufficient for business operations, without causing operational interruptions, etc.
- 3.3 Financial risk is the prudent use of financial policies within a set budget in order to obtain appropriate returns, and sufficient cash flow to operate the business, to ensure good risk management and internal control system, appropriate to the changing environment in order to reduce financial risks such as the risk from exchange rate volatility, interest rates, liquidity adequacy, revolving credit limits, long-term credit, and issuance of debentures managed in line with the changing trends in the exchange rate market, money and capital markets, etc.
- 3.4 Compliance risk is failure to comply with rules, regulations, relevant regulations or existing rules that are inappropriate, obsolete, obstructing operations, and may result in punishment according to the law. The Company must establish a team that strictly controls and conducts in compliance with the rules and regulation, government policies, including corruption and operate business in compliance with the rules and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand, etc.
- 3.5 Environmental risks is the risk of emissions from the production process affecting the environment. Therefore, there must be management to ensure that the production process of the Company does not cause dust pollution, chemical residues and waste water, which affect the environment of the community, etc.
- 3.6 Social risk is in human resource management, safety, occupational health, and the working environment, including violations of human rights, etc. The Company must establish a policy to enhance knowledge and skills, including giving appropriate compensation to employees, respecting human rights with regard to benefits and equality, provide a safe operation manual according to industry standards. In addition, it establishes complaint channels, as well as a welfare committee to supervise the safety and health of employees, etc.

Risk management is conducted across the organization through risk analysis and response to risk within acceptable levels.

- 4. To promote a culture of risk management by establishing policies from the management and organizing training course of Risk Management, to provide knowledge and understanding to employees on risk management, which will organize training every year at least 2 times a year for employees at all levels to create knowledge and understanding, participation, and systematic risk management.

Risk Management Committee performs its duties independently in supervise the risk management of TPI Polene Power Group with prudence and full competence in order to ensure efficient risk management, achieve the objectives and goals of the organization for the utmost benefit of TPI Polene, shareholders, and all groups of stakeholders fairly and sustainably in the long term.



(Mr. Prachai Leophairatana)  
Chairman of the Risk Management  
Committee

## Report of the Sustainable Development Committee

In 2022, the Sustainable Development Committee held one meeting in which 100% of the directors attended and gave useful opinions to the management in the sustainability development of TPI Polene Power Group, covering the implementation of the conceptual framework of sustainable development in 3 dimensions: Environmental Dimension, Social Dimension, and Governance Dimension (ESG), by monitoring progress and driving tangible and effective operations according to the sustainable development strategy, including elevating sustainability development to be at the forefront in the same industry. The summary of the Report of the Sustainable Development Committee is as follows:

### 1. Environmental Dimension:

- 1.1 Aim to a low carbon society by setting a goal of Net Zero Green House Gas Emission in TPI Polene Group by 2043 (or the year 2586) in accordance with the policy of the Greenhouse Gas Management Organization (from the waste to be used as an alternative fuel in the cement production process of the Company and in the power generation process of TPI Polene Power Public Company Limited), where Thailand has announced that it will achieve its goal of carbon neutrality by 2050 and achieve net greenhouse gas emissions by 2065.

In 2022, a total of approximately 2.73 million tons of waste can be used as fuel instead of coal. TG7 power plants have been able to use 100% waste fuel instead of coal since December 2022. TG8 power plants have gradually replaced coal fuel by about 10% in 2022. This is considered a cement and power generation business while eliminating solid waste and reducing carbon dioxide emissions to reduce global warming at the same time.

On May 24, 2022, the Company received a Carbon Credit certification for a total of 717,931 tons of carbon dioxide equivalent from the Thailand Greenhouse Gas Management Organization.

- 1.2 The Company used waste fuel produced from waste at the amount of 2.73 million tons as alternative fuel of coal which is able to reduce greenhouse gas emission by approximately 6.34 million ton carbon dioxide equivalent.
  - 1.3 The power plants set a target for Station Service Used not exceeding 12% of the amount of energy produced and set energy management guidelines according to ISO50001 standards.
  - 1.4 The Company established a waste management policy using the 3R Principle under the concept of zero waste by not releasing waste water, used oil, chemicals, and waste to the ground. In addition, the Company's Bio-Circular-Green (BCG) strategy is to use raw material resources cost-effectively such as using leftover raw materials from one plant to be the raw materials of another plant.
  - 1.5 The Company has a water management policy for maximum efficiency without draining water outside the plants and also controls the quality of wastewater to be valuable according to the wastewater standards according to the regulations of the Department of Industrial Works.
  - 1.6 Reduce impacts from operations along the value chain; for example, the transportation of municipal waste to the plants must meet the transportation standards without causing pollution.
  - 1.7 In 2022, the Company handled about 14,986 tons of COVID-19-infected waste and approximately 3,950 tons of non-hazardous industrial waste by using it as fuel in the production process.
- ### 2. Social Dimension:
- Conduct business responsibly, giving importance to all groups of stakeholders in a balanced manner based on the principle of cooperation, as well as improving channels and conveying the opinions of the stakeholders forward to the responsible departments, which can be summarized as follows:
- 2.1 Aim to generate good returns for shareholders by paying dividends and maintaining good performance.
  - 2.2 Consider human rights principles, respect personal data, protect labor rights, and encourage youth in education.
  - 2.3 Establish safety, and occupational health and create a good working environment.
  - 2.4 Manage and develop the potential and skills of personnel continuously by setting a target number of training hours per person per year.

- 2.5 In 2022, the Company assessed the overall level of work satisfaction and engagement at 81.24 percent. The Company has used the survey results of employees to develop activities to build good relationships with employees.
- 2.6 Provide equal opportunities for employment without discrimination, covering disabled and other disadvantaged groups. In 2022, the Company had a total of 48 employees and employed 3 elderly employees.
- 2.7 Prioritize customer satisfaction with the Company's products and services.
- 2.8 Prioritize IT Security.
- 2.9 Promote environmentally friendly procurement to reduce the risk of doing business with suppliers.
- 2.10 The Company has created value and improved the quality of life for communities in all areas where the plants are located, such as granting scholarships to well-educated children and the project of waste separation in exchange for electricity for community development.
- 2.11 The Company supports numerous public projects and activities for communities, educational institutions, temples, hospitals, and public agencies, by donating health products. X-ray vehicles and mobile health check-up machines were also delivered to Songkhla Nakin Hospital and Nano Super Special Armor paints were donated to the King Bhumibol Stream Art Project. The total value of the donation was approximately 48.55 million baht.
3. **Governance Dimension:** The Company adheres to the principles of accuracy and compliance with relevant laws and regulations under the business ethics, an operating framework based on good corporate governance, transparent disclosure of information and performance, all-round risk management, and flexibility in management to cope with the challenges of business competition, which can be summarized as follows.
  - 3.1 Promote the performance of the Board of Directors, executives, and employees in line with good corporate governance and business ethics in all areas of operation.
  - 3.2 Set guidelines for social enterprise operations, focus on responding to the needs and improving the quality of life for communities in all areas where the Company's business operations are located, including social network communities nationwide.
  - 3.3 Respond to the needs of all stakeholders in a balanced manner for sustainable growth.

With the success of the Company bringing sustainable values to continuously drive business operations, resulting in the year 2022, the Company received awards and certifications from recognized organizations for promoting development for sustainability, which can be summarized as follows:

1. On July 1, 2022, the Company was selected as one of the ESG100 securities companies with outstanding performance in environmental, social, and good governance (ESG) dimensions in the resource group from the assessment of listed securities in 2022 by Thaipat Institute.
2. On August 19, Thaipat Institute granted 2022 ESG Credit project approval for the Company's green investment projects, namely the Boiler Improvement Project of a 70 MW Mixed Fuel Power Plant (TG7) and Waste Fuel Capacity Expansion Project (Factory 3) for 6,000,000 credits.
3. On October 10, 2022, the Company was selected to be in the Sustainable Stock of THSI (Thailand Sustainability Investment) 2022 from the Stock Exchange of Thailand.
4. On October 27, 2022, the Company received the Corporate Governance Report of Thai Listed Companies: CGR for the year 2022 with a Very Good score from the Thai Institute of Directors (IOD).
5. On December 17, 2022, the Company received the Best Brand and Leader in Asia 2022-2023 from the India-Thai Chamber of Commerce.
6. On December 21, 2022, the Company received Sustainability Disclosure Award for the disclosure of sustainable information for the year 2022 by Thaipat Institute.

In addition, The Company prepared a sustainability report in 2022 based on the GRI reporting standards (Global Reporting Initiative) by providing sustainability issues of materiality in all 3 aspects (ESG) as follows:

ESG	20 Significant Issues (TPIPP)
1. Economic Dimension	<ol style="list-style-type: none"> <li>1. Economic performance</li> <li>2. Indirect economic impacts</li> <li>3. Technology, innovation and services</li> <li>4. Research and development</li> <li>5. Risk and crisis management</li> <li>6. Availability and reliability</li> <li>7. System Efficiency</li> <li>8. Anti-corruption</li> </ol>
2. Environmental Dimension	<ol style="list-style-type: none"> <li>1. Emissions</li> <li>2. Energy</li> <li>3. Water and effluents</li> <li>4. Waste</li> <li>5. Materials</li> </ol>
3. Social Dimension	<ol style="list-style-type: none"> <li>1. Occupational health and safety</li> <li>2. Training and education</li> <li>3. Employment</li> <li>4. Labor management and labor relations</li> <li>5. Customer satisfaction</li> <li>6. Information Security</li> <li>7. Local communities</li> </ol>

The Sustainable Development Committee has consistently intended to elevate the Company to be the Sustainable Organization that will benefit all economy, society, and environment, continuously further to the future.



(Mr. Pakkapol Leopairut)  
Chairman of the Sustainable Development  
Committee

## 8.4 Summary of the Performance Evaluation of Directors and Chief Executive Officer (CEO)/Chairman of the Management Committee (2022)

TPI Polene Power Public Company Limited provides a self-assessment of the Board of Directors, subcommittee and Chief Executive Officer (CEO)/Chairman of the Management Committee of the Company at least once a year in order to comply with the Principles of Good Corporate Governance by taking into account the elements that determine the Company's sustainability performance as part of the indicators to evaluate the performance of the Board of Directors, directors and executives and using the evaluation results for improving the performance of the Board of Directors and Chief Executive Officer (CEO)/Chairman of the Management Committee by the performance appraisal form, which consists of:

1. Performance appraisal form for the entire Board of Directors (assessment of the whole board)
2. Performance appraisal form for each committee
3. Performance appraisal form for the Board of Directors individually (for the Board/Sub-committees)
4. Performance appraisal form for Chief Executive Officer (CEO)/Chairman of the Management Committee

Assessment criteria calculated as a percentage of full scores for each topic are as follows:

More than 90% score = Excellent

Over 80% Score = Very Good

Over 70% Score = Good

More than 60% score = Fair

Below 60% score = Need improvement

### 1. Performance appraisal form for the entire Board of Directors (the whole Board)

This form consists of 6 topics: structure and qualifications, roles and responsibilities, meetings, the performance of duties of directors, relationship with the management, self-development of directors, and development of executives. **The average evaluation score is 94.5% (Excellent).**

### 2. Performance appraisal form for each committee

This form consists of 3 topics: structure and qualifications of directors, meetings of sub-committees, roles, duties, and responsibilities of sub-committees.

☐ Audit Committee: **average score of 95% (Excellent)**

☐ Nomination and Remuneration Committee: **average score of 90% (VeryGood)**

### 3. Performance appraisal form for the Board of Directors individually (for the Board/Sub-committees)

This form consists of 3 topics: structure and qualifications of Board/Sub- committees; meetings of Board/Sub-committees; roles, duties, and responsibilities of Board/Sub-committees. **The average evaluation score is 94% (Excellent).**

**4. Performance appraisal form for Chief Executive Officer (CEO)/Chairman of the Management Committee**

This is an assessment taking into account the elements that the Company's Sustainability Performance as part of the Chief Executive Officer (CEO)/Chairman of the Management Committee Performance Assessment Indicators. These include financial performance (e.g. revenue, company sales, Economic Value Add(EVA), other financial performance) and environmental, social, and/or governance (ESG) performance such as satisfaction of employees/business partners/communities, especially the purpose to reduce the amount of greenhouse gas emissions, reduce the use of Company's resources for cost and environmental benefits), all of which are part of the performance indicators of Chief Executive Officer (CEO or equivalent) that consists of 10 topics as follows:

1. Leadership
2. Strategic formulation
3. Strategy implementation
4. Planning and financial performance
5. Relationship with the Board of Directors
6. External Relation
7. Management and personnel relations
8. Succession
9. Knowledge of products and services
10. Personal Characteristics

**The average evaluation score is 95% (Excellent).**



## 9. Internal Control and Connected Transactions

### 9.1 Internal Control

At the Board of Directors' meeting no. 1/2566, held on 26 January 2023, attended by 3 Audit Committee members, the Board considered and evaluated the sufficiency of the internal control systems of the Company by investigating the management and other relevant departments, and considering an assessment report which was prepared by the management and reviewed by the Audit Committee. These were 5 aspects of internal control systems as follows:

#### 1. Control Environment

The Company has provided a good internal control environment. Both in the organizational structure, policies, and operational guidelines that recognize adequate internal control systems and personnel management methods, as well as setting strategies and business goals that are appropriate, clear, reasonable, and measurable. The Company requires its departments to set the goals or operational plans annually based on the benefits and fairness to all relevant stakeholders in the manner of conducting business sustainably on the basis of honesty, morality, ethics, responsibility for the environment, society, and good governance by setting up the TPI Polene Power Code of Conduct and an employee manual with the 4 Powers of Success and the determination to balance happiness with a sustainable better quality of life according to the 4 Brahma Viharn, including the 4 Noble Truths that lead to the cessation of suffering according to the Doctrine of the Buddha, as a guide to the performance of executives and employees as follows:

1. dddhipada 4: The Principles of Iddhipada 4: Path of accomplishment in work, which consists of the following:
  - 1.1 Chanda (ASPIRATION): Satisfied with the work we're performing
  - 1.2 Viriya (EFFORTS) - Diligently on the work
  - 1.3 Citta (CONCENTRATION) - Focus on and take responsibility for the work done
  - 1.4 Vimansa (ANALYSIS) - Contemplate and use wisdom to monitor works
2. Four Sublimes States of Mind is the dharma of the Great Brahma and Brahma-viharas is the key principle dhamma for everyone. It is a principle of heart that will allow us to live a virtuous and purified life, as the following principles:
  - 2.1 Metta (MERCY): Love, desire for others to be happy.
  - 2.2 Karuna (KINDNESS): Desire to get others out of their sufferings
  - 2.3 Mudita (SYMPATHETIC JOY): Pleasure that comes from delighting in other people's well-being
  - 2.4 Upekkha (EQUANIMITY): Even-mindedness and serenity, treating everyone impartially
3. Four Noble Truths consist of the following:
  - 3.1 Dukkha : Suffering
  - 3.2 Samudaya: The Cause or Origin of Suffering
  - 3.3 Nirodha : The Cessation or Extinction of Suffering
  - 3.4 Marga: The Path leading to the Cessation or Extinction of Suffering

#### 2. Risk Management

The Company has risk management and conveys the Risk Management Policy to its executives and employees at all levels and departments to acknowledge and comply with in order to reduce business risks and operational risks, including risks that may cause fraud, to be at the level acceptable to the organization on a regular basis with the appropriate financial risk management. The Company has established the Risk Management Committee to be responsible for considering the policy structure, the risk management framework, the risk management plan, review of risks, and monitoring risk management with the Risk Management Department as a supporter for enterprise-wide risk management by considering and analyzing internal and external risk factors of the Company and determining risk mitigation measures by taking into account the cost of risk management that is worth the most benefit to the Company. In the past year, the Company has given importance to environmental risks from greenhouse gas emissions that affect climate change, risk of the COVID-19 pandemic affecting the performance of employees in the organization, risk of consumer behavior from rapidly changing communication technology, and risk that may arise from economic crimes and modern technology (IT SECURITY), etc.

### 3. Control Activities

The Company has clearly defined operational procedures and operational controls for all levels of departments in the organization, including the management in order to achieve the organization's objectives. The authority and level of transaction approval are clearly defined in writing with a clear segregation of duties that may facilitate corruption by separating the authority of recording accounting transactions and information and the duties of safeguarding assets.

In addition, policies, and procedures for connected transactions or transactions that may have conflicts of interest of the Company with major shareholders, directors, executives, or persons related to such persons have been set forth in accordance with relevant regulations, which is done without a stakeholder in the transaction, with the best interest of the Company in mind and all relevant stakeholders.

### 4. Information and Communication

The Company has provided important information systems that are accurate, reliable, and up-to-date for use in the working administration of the management through an efficient internal communication system.

In scheduling meetings of the Board of Directors, the Company has provided sufficient information systems and sent them to the Board of Directors at least 7 days in advance, including detailed reports of the minutes of the Board of Directors meetings with sufficient details for shareholders or related persons to examine. Accounting information shall be categorized and retained for at least 5 years according to the law on accounting and has never been notified by the auditor that there was a flaw in such matter.

### 5. Monitoring Activities

The Company has a system for monitoring and evaluating the internal control by personnel with sufficient knowledge, including comparing the performance of the management with the set business goals on a monthly basis with the Company's management weekly meeting to take corrective actions if the performance is different from the business goals. The results of operations are reported quarterly at the Board of Directors' meeting.

#### Audit Office

The Company has an internal audit department to enable internal processes to manage risks, internal controls, and compliance to achieve the organization's operational objectives. The internal audit department prepares an annual internal audit plan in accordance with business strategy directions and significant risks that affect business operations. Audit results are reported to the management and the Audit Committee for consideration. The results of the implementation recommended by internal auditor are monitored regularly. However, in the operation of the Internal Audit Department, there is no limitation in expressing opinions.

#### The Company's Internal Audit Supervisor

The Company has assigned Mr. Nitipong Sucharitaphong, Internal Audit Manager, to be the head of Internal Audit Department of the Company, as he has knowledge and understanding of the Company's business, along with skills and experience in internal auditing for the Company's operations. Details about the Company's Internal Audit Supervisor appear in Attachment 3 "Details about the Internal Audit Supervisor".

## 9.2 Connected Transactions

Disclosure of information about connected transactions, and other transactions that may have conflicts of interest, is in compliance with the rules and regulations imposed by the SET and the SEC.

The Audit Committee has performed its duties and responsibilities to review connected transactions. The procedures used in approved connected transactions have always been subject to the normal terms and conditions of general business to rely on commodity trading and base on applicable market prices mechanism, in order to prevent conflicts of interest.

As of December 31, 2022, the Company and its subsidiaries had connected transactions with related parties, which may have conflicts of interest. The Directors and/or Management have considered the rationality of the connected transactions, and all were undertaken for the maximum benefit of the Company and were subject to the normal terms and conditions of business applying policy of applicable market prices as consideration mechanism in compliance with the rules and regulations imposed by the SET and the SEC. Details of the connected transactions appear in the notes to financial statements for the year 2022.

The details of connected transactions between the Company and persons who may have conflicts of interest for the fiscal year ended December 31, 2021, and for the fiscal year ended December 31, 2022, are as follows:

### 9.2.1 Connected transactions between the Company and persons who may have conflicts

#### (1) TPI Polene Public Company Limited (“TPI Polene Plc.”)

TPI Polene Plc. is the Company’s major shareholder holding 70.24% of the Company’s paid-up capital. In addition, the Company and TPI Polene Plc. have 7 joint directors: Mr. Prachai Leophairatana, Mr. Pramuan Leophairatana, Mrs. Orapin Leophairatana, Mr. Prayad Liewphairatana, Miss Malinee Leopairut, Mr. Pakorn Leopairut and Mr. Khantachai Vichakkhana (as of December 31, 2022).

Transaction	Transaction size (million baht)		Necessity and reasonableness	The Audit Committee considered that the transaction was reasonable due to the reasons and necessity as follows:
	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022		
Revenue from sales of electricity	1,638.8	1,568.2	The Company sells the generated electricity to TPI Polene Plc. for use in the business of TPI Polene Plc.. The Company charges electricity from TPI Polene Plc. Limited according to the amount of electricity actually sold to TPI Polene Plc. each month at the rate of baht per kilowatt-hour equal to the average electricity rate that TPI Polene purchases electricity from PEA each month (such prices do not include VAT). Since April 1, 2018, the electricity tariff type 4, large business, is applied, only according to the period announced by the PEA and the electricity charge according to the Automatic Tariff Adjustment Mechanism formula (Ft)	The transaction is a normal business transaction of the Company. Electricity rate charged by the Company to TPI Polene Plc. is reasonable and beneficial to the Company.
Revenue from sales of petrol and natural gas (NGV)	23.1	25.2	The sale of petrol and natural gas (NGV) to TPI Polene Plc. is a normal business transaction of the Company. The Company sells petrol and natural gas (NGV) from petrol and natural gas (NGV) stations for TPI Polene Plc. for its vehicles. The selling price is the retail price in front of stations sold to other customers, both related and unrelated to the Company.	The transaction is a normal business transaction of the Company. The rates for petrol and natural gas (NGV) charged are market prices and the same prices that the Company sells to other customers, both related and unrelated to the Company. Therefore, the transaction is reasonable and beneficial to the Company.
Revenue from steam sales of steam	34.0	34.5	Steam sales to TPI Polene Plc. arises as the Company has steam generated from its power generation process. Therefore, the Company sold the steam generated from the said electricity generation to TPI Polene Plc. for use in TPI Polene Aerated Brick Plants, at a price of 650 baht per ton, which is calculated from the estimated steam costs incurred plus 10% of such costs.	The transaction is a normal business transaction of the Company which is the most efficient use of the Company’s existing machinery. However, even though the steam price in 2015 was calculated based on the steam cost estimate, the Company did not incur any disadvantage, it was deemed appropriate to adjust the steam price. The Company will charge the steam cost based on the estimated steam costs incurred plus 10% of the said cost in order to better reflect the Company’s opportunity cost.

Transaction	Transaction size (million baht)		Necessity and reasonableness	The Audit Committee considered that the transaction was reasonable due to the reasons and necessity as follows:
	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022		
Revenue from Labor cost	34.4	31.5	List of labor services to TPI Polene Plc. was created as TPI Polene Plc. has an electricity generating unit for use in the tile plants of TPI Polene Plc.. However, as there were not enough highly qualified personnel to operate for such power generating units, the Company was hired to supply workers for the power generating unit. In 2015, the Company charged labor wages according to salary costs, welfare and all related expenses of personnel supplied to work in the power generating unit. In 2016, the Company entered into a contract with TPI Polene Plc., which determines labor wages according to the cost of salary and welfare and all related expenses of personnel supplied to work in such power generating unit, plus 10% of such costs.	The transaction is reasonable and beneficial to the Company.
Expenses to purchase waste heat	20.7	10.0	In the cement production process of TPI Polene Plc., there is a large amount of waste heat from the cement production process and the Company efficiently uses the waste heat as a fuel for power generation. The Company entered into agreements to purchase such waste heat from TPI Polene Plc., with a price of 0.12 baht per kilowatt-hour.	The transaction is a normal business transaction of the Company as it uses the energy as one of the main fuels for generating electricity. The transaction resulted in the Company having lower cost of electricity generation compared to the cost of electricity generation from other fuels. The transaction is considered reasonable and beneficial to the Company.
Expenses to purchases coal	2,315.8	2,746.5	The Company purchases coal from TPI Polene Plc. according to the purchase and service agreements to be used as fuel, the price of coal is the cost price that TPI Polene Plc. purchased from coal traders, including transportation costs plus 10% and adjusted according to the actual heating value of coal received on April 1, 2019 plus 2% and on December 1, 2022 plus 0.5% percent.	The transaction is a normal business transaction of the Company and occur as necessary for the Company's business operations. Such price is the cost price that TPI Polene Plc. buys from coal traders, including transportation costs plus 0.5% and adjusted according to the actual heating value of coal received. The transaction is considered reasonable and beneficial to the Company.
Expenses to purchase- purchas ing raw water	313.5	266.5	The Company purchases raw water from TPI Polene Plc. for use in the production of electricity in power plants according to the purchase and service agreements, reference price of Local Health Insurance Fund without trade discount (starting on February 1, 2020)	The transaction is normal business transaction of the Company and occur as necessary for business operations. If the Company had to invest in a water production system, it would require a large investment and not worth the investment. The transaction is considered reasonable and beneficial to the Company.
Expenses from the purchase of cut rubber	0.00	0.0	The Company purchased cut rubber from TPI Polene Plc. to be used in the production of electricity in power plants according to the sales and service agreements that the Company made with TPI Polene Plc. in 2016, the price was charged at cost plus 10%.	The transaction is a normal business transaction of the Company and occurs as necessary to operate the business. The purchase price is reasonable and beneficial to the Company.

Transaction	Transaction size (million baht)		Necessity and reasonableness	The Audit Committee considered that the transaction was reasonable due to the reasons and necessity as follows:
	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022		
Expenses for rental of land	0.0	0.0	<p>The Company has power plants, waste fuel production facilities, and petrol and natural gas (NGV) service stations located on TPI Polene Plc.'s land. It entered into land lease agreements for operating a waste fuel production establishment and a gas and natural gas (NGV) service stations. The land lease agreement can be divided by type of business as follows:</p> <ul style="list-style-type: none"> <li>• The Company's waste heat power plants are located in the same area as the cement plant of TPI Polene Plc. for the convenience of receiving waste heat to be used as fuel. In addition, waste fuel power plants and coal-fired power plants are located nearby convenience of fuel transportation. The Company has land lease agreements for the power plants covering an area of 47-0-52.5 rai, a total of 3 agreements of 30-50 years (the agreements expire during 2042-2062), with the total land rental rate of 5.6 million baht per year, which is at the same rate or not higher than the price that TPI Polene Plc. leases to others, both related and unrelated parties.</li> <li>• The waste fuel production facility is located in the same area as the power plants for the convenience of fuel transportation. The Company has a land lease agreement for a waste fuel factory covering an area of 1-1-11.51 rai, a 30-year contract term (expired in 2046), with a total land lease rate of 0.2 million baht per year, which is at the same rate or not higher than the price that TPI Plc. Polene leases to others, both related and unrelated parties.</li> <li>• Four petrol and natural gas (NGV) stations located in Saraburi Province for general customers. All 4 areas are located along Mittraphap Road, which is the country's main road, with traffic of various vehicles, which are the target customers of the stations. The Company has land lease agreements for four petrol and natural gas (NGV) stations, covering an area of 32- 3-1 rai, with a 3-year agreement term ending in June 2025, with a total land rental rate of 0.8 million baht per year, which is at the same rate or not higher than the price that TPI Polene Plc. leases to others, both related and unrelated parties. In 2020, the Company had to comply with TFRS 16 Lease Agreements instead of TAS 17 Lease Agreements, resulting in the nature of the expenses related to the lease agreement being changed. The Company recognizes depreciation on right- of-use assets and interest on lease liabilities.</li> </ul>	<p>The transactions are transactions relating to assets or services and supporting normal business operations of the Company and occur as necessary for the Company's business operations. The lease price is at the same rate as TPI Polene Plc. leasing to others. The transaction is considered reasonable and beneficial to the Company.</p>
Advance payment	0.0	0.0		
Depreciation and interest expenses	26.4	33.1		
Deferred interest	286.8	248.3		
Lease liabilities	740.9	671.4		

Transaction	Transaction size (million baht)		Necessity and reasonableness	The Audit Committee considered that the transaction was reasonable due to the reasons and necessity as follows:
	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022		
Expenses for service fee under Framework Agreement	132.0	132.0	The Company entered into a purchase and service agreement with TPI Polene Plc.. TPI Polene Plc. provides common services to the Company both at the head office and the plants in Saraburi Province. The services include purchasing, administrative, accounting, finance, security, public relations, law, engineering, information technology, compensation and others with a service fee of 11.00 million baht per month, which is calculated from the cost of service plus 10% of such cost.	The transaction is a normal business supporting transaction of the Company. The service fee is calculated from the cost of service plus a rate of 10%. If the Company does not receive such service from TPI Polene Plc., the Company will have to hire a lot of personnel and have to invest more in information technology systems, which is not worth the investment. The transaction is considered reasonable and beneficial to the Company.
Expenses for material sample analysis and industrial waste disposal service fees	60.5	43.6	The Company entered into a material analysis service agreement and an industrial waste disposal service agreement with TPI Polene Plc.. Material sampling service fee includes material sampling fee 100 baht/sample, material sampling preparation fee of 300 baht/sample, material sampling analysis fee by material type ranging from 300-10,400 baht/sample, and industrial waste disposal rates 1,000-5,000 baht/ton of industrial waste disposal service price, depending on waste type and chloride type.	The transaction is a normal business support transaction of the Company. Material sample analysis service rates are quoted from the Center for Clean Energy and Environment Innovation Expertise, Office of Science and Technology Research and Service, Chulalongkorn University Environment Research Institute. The transaction is considered reasonable and beneficial to the Company.

**(2) TPI Polene Bio-Organic Company Limited (“TPI Polene Bio-Organic”)**

TPI Polene Bio-Organic is held by TPI Polene Plc. 99.99% of the paid-up capital. In addition, the Company and TPI Polene Bio-Organics has 8 common directors, namely Mr. Prachai Leophairatana, Mr. Pramuan Leophairatana, Mr. Prayad Liewphairatana, Mrs. Orapin Leophairatana, Miss Pattarapan Leopairut, Mr. Pakorn Leopairut, Mr. Pakkapol Leopairut, and Mrs. Nitawan Leophairatana (as of December 31, 2022).



Transaction	Transaction size (million baht)		Necessity and reasonableness	The Audit Committee considered that the transaction was reasonable due to the reasons and necessity as follows:
	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022		
Revenue from sales of petrol and natural gas (NGV)	0.0	0.0	The sale of petrol and natural gas (NGV) to TPI Polene Bio-Organic is a normal business transaction of the Company. The Company sells petrol and natural gas (NGV) from petrol and natural gas (NGV) stations for TPI Polene Bio-Organic for its vehicles. The selling price is the retail price in front of stations sold to other customers, both related and unrelated to the Company.	The transaction is a normal business transaction of the Company. The rates for petrol and natural gas (NGV) charged are market prices and the same prices that the Company sells to other customers, both related and unrelated to the Company. Therefore, the transaction is reasonable and beneficial to the Company.
Expenses from the purchase of other goods and services	3.2	2.2	The Company purchased other products and services from TPI Polene Bio-Organic for use in the general business of the Company, divided into main items as follows:  1. Purchases of products that the Company sells at convenience stores located in the Company's petrol and natural gas (NGV) stations, such as wood vinegar, biofertilizers, and dishwashing liquids, with the same price that TPI Polene Bio-Organic sells to other related and unrelated customers.  2. Purchases of spare parts, consumables, and other raw materials that TPI Polene Bio-Organic exists for use in the business operations of the company. These items are priced at cost price plus 10%.	The transaction is a normal business support transaction of the Company. The purchase price is the same price that TPI Polene Bio Organic sells to other customers, both related and unrelated to the Company. Therefore, the transaction is reasonable and beneficial to the Company.

### (3) TPI Concrete Company Limited (“TPI Concrete”)

TPI Concrete is held by TPI Polene Plc. 99.99% of the paid-up capital. In addition, the Company and TPI Concrete have 4 common directors, namely Mr. Prachai Leophairatana, Mr. Pramuan Leophairatana, Mr. Prayad Liewphairatana and Mrs. Orapin Leophairatana (as of December 31, 2022).

Transaction	Transaction size (million baht)		Necessity and reasonableness	The Audit Committee considered that the transaction was reasonable due to the reasons and necessity as follows:
	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022		
Revenue from petrol and natural gas (NGV)	0.7	0.9	The sale of petrol and natural gas (NGV) to TPI Concrete is a normal business transaction of the Company. The Company sells petrol and natural gas (NGV) from petrol and natural gas (NGV) stations for TPI Concrete for its vehicles. The selling price is the retail price in front of stations sold to other customers, both related and unrelated to the Company.	The transaction is a normal business transaction of the Company. The rates for petrol and natural gas (NGV) charged are market prices and the same prices that the Company sells to other customers, both related and unrelated to the Company. Therefore, the transaction is reasonable and beneficial to the Company.



**(4) TPI All Seasons Company Limited (“TPI All Seasons”)**

TPI All Seasons is held by TPI Polene Plc. 99.99% of the paid-up capital. In addition, the Company and TPI All Seasons have 6 common directors, namely Mr. Prachai Leophairatana, Mr. Pramuan Leophairatana, Mr. Prayad Liewphairatana, Mrs. Orapin Leophairatana, Mr. Pakorn Leopairut and Mrs. Nitawan Leophairatana (as of December 31, 2022).

Transaction	Transaction size (million baht)		Necessity and reasonableness	The Audit Committee considered that the transaction was reasonable due to the reasons and necessity as follows:
	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022		
Revenue from petrol and natural gas (NGV)	0.3	0.4	The sale of petrol and natural gas (NGV) to TPI All Seasons is a normal business transaction of the Company. The Company sells petrol and natural gas (NGV) from petrol and natural gas (NGV) stations for TPI All Seasons for its vehicles. The selling price is the retail price in front of stations sold to other customers, both related and unrelated to the Company.	The transaction is a normal business transaction of the Company. The rates for petrol and natural gas (NGV) charged are market prices and the same prices that the Company sells to other customers, both related and unrelated to the Company. Therefore, the transaction is reasonable and beneficial to the Company.

**(5) Thai Nitrate Company Limited (“Thai Nitrate”)**

Thai Nitrate is held by TPI Polene Plc. 99.99% of the paid-up capital. In addition, the Company and Thai Nitrate have 6 common directors, namely Mr. Prachai Leophairatana, Mr. Pramuan Leophairatana, Mr. Prayad Liewphairatana, Mrs. Orapin Leophairatana, Mr. Pakorn Leopairut and Mr. Pakkapol Leopairut (as of December 31, 2022).

Transaction	Transaction size (million baht)		Necessity and reasonableness	The Audit Committee considered that the transaction was reasonable due to the reasons and necessity as follows:
	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022		
Revenue from sales of petrol and natural gas (NGV)	0.0	0.0	The sale of petrol and natural gas (NGV) to Thai Nitrate is a normal business transaction of the Company. The Company sells petrol and natural gas (NGV) from petrol and natural gas (NGV) stations for Thai Nitrate for its vehicles. The selling price is the retail price in front of stations sold to other customers, both related and unrelated to the Company.	The transaction is a normal business transaction of the Company. The rates for petrol and natural gas (NGV) charged are market prices and the same prices that the Company sells to other customers, both related and unrelated to the Company. Therefore, the transaction is reasonable and beneficial to the Company.

**(6) BUI Life Insurance Public Company Limited (“BUI Life Insurance”)**

BUI Life Insurance is held by TPI Polene Plc. 25.00%, by BUI Life Insurance 9.60% and by Leophairatana Group 15.18% of the paid-up capital. In addition, the Company and BUI Life Insurance have 3 common directors, namely Mr. Pramuan Leophairatana, Mr. Prayad Liewphairatana and Miss Malinee Leopairut (as of December 31, 2022).

Transaction	Transaction size (million baht)		Necessity and reasonableness	The Audit Committee considered that the transaction was reasonable due to the reasons and necessity as follows:
	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022		
Revenue from petrol and natural gas (NGV)	0.0	0.0	The sale of petrol and natural gas (NGV) to BUI Life Insurance is a normal business transaction of the Company. The Company sells petrol and natural gas (NGV) from petrol and natural gas (NGV) stations for BUI Life Insurance for its vehicles. The selling price is the retail price in front of stations sold to other customers, both related and unrelated to the Company.	The transaction is a normal business transaction of the Company. The rates for petrol and natural gas (NGV) charged are market prices and the same prices that the Company sells to other customers, both related and unrelated to the Company. Therefore, the transaction is reasonable and beneficial to the Company.
Expenses from the purchase of life insurance	3.2	1.7	The Company purchases a life insurance policy as a welfare for its employees. The Company has made a tender before purchasing a life insurance policy and the insurance premium rate of BUI Life Insurance is the best rate and the same rate that BUI Life Insurance charges other related and unrelated customers.	The transaction is a normal business support transaction of the Company. Life insurance premiums are auctioned rates and are comparable to rates charged by BUI Life Insurance from other customers. The transaction is reasonable and beneficial to the Company.
Advance payments for life insurance premiums	0.7	0.7		

**(7) Bangkok Union Insurance Public Company Limited (“Bangkok Union Insurance”)**

Bangkok Union Insurance is held by Leophairatana Enterprises 13.84%, by Pornchai Enterprises 15.40%, by BUI Life Insurance 9.19%, by Thanapornchai Enterprises 5.33%, and by Leophairatana Group 14.57% of the paid-up capital. In addition, the Company and Bangkok Union Insurance have 3 common directors, namely Mr. Prachai Leophairatana, Miss Malinee Leopairut, and Mr. Manu Leopairote (as of December 31, 2022).

Transaction	Transaction size (million baht)		Necessity and reasonableness	The Audit Committee considered that the transaction was reasonable due to the reasons and necessity as follows:
	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022		
Revenue from sales of petrol and natural gas (NGV)	0.1	0.2	The sale of petrol and natural gas (NGV) to Bangkok Union Insurance is a normal business transaction of the Company. The Company sells petrol and natural gas (NGV) from petrol and natural gas (NGV) stations for Bangkok Union Insurance for its vehicles. The selling price is the retail price in front of stations sold to other customers, both related and unrelated to the Company.	The transaction is a normal business transaction of the Company. The rates for petrol and natural gas (NGV) charged are market prices and the same prices that the Company sells to other customers, both related and unrelated to the Company. Therefore, the transaction is reasonable and beneficial to the Company.

Transaction	Transaction size (million baht)		Necessity and reasonableness	The Audit Committee considered that the transaction was reasonable due to the reasons and necessity as follows:
	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022		
Expenses from the purchase of life insurance	88.6	119.0	The Company purchases property all risks insurance, construction insurance, third party liability insurance, and legal liability insurance according to the law on controlled business operations, type 3, under the law on petrol control, relating to the operation of controlled natural gas (NGV) businesses. The Company negotiated premium rates before purchasing policies and renewing policies. The insurance premium rate of Bangkok Union Insurance is the same rate that Bangkok Union Insurance charges other related and unrelated customers.	The transaction is a normal business support transaction of the Company. Insurance premiums are auctioned rates and are comparable to rates charged by Bangkok Union Insurance from other customers. The transaction is reasonable and beneficial to the Company.
Advance payments for life insurance premiums	49.0	83.5		

**(8) United Grains Industry Company Limited (“Unified Grains Industry”)**

United Grains Industry is held by Leophairatana Enterprises 52.63% , by TPI Polene Plc. 19.00%, and by Leophairatana Group 15.71% of the paid-up capital. In addition, the Company and United Grains Industry have 9 common directors, namely Mr. Prachai Leophairatana, Mr. Pramuan Leophairatana, Mr. Prayad Liewphairatana, Mrs. Orapin Leophairatana, Miss Malinee Leopairut, Miss Pattarapan Leopairut, Mr. Pakorn Leopairut, Mr. Pakkapol Leopairut and Mrs. Nitawan Leophairatana (as of December 31, 2022).

Transaction	Transaction size (million baht)		Necessity and reasonableness	The Audit Committee considered that the transaction was reasonable due to the reasons and necessity as follows:
	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022		
Revenue from sales of petrol and natural gas (NGV)	0.0	0.0	The sale of petrol and natural gas (NGV) to United Grains Industry is a normal business transaction of the Company. The Company sells petrol and natural gas (NGV) from petrol and natural gas (NGV) stations for United Grains Industry for its vehicles. The selling price is the retail price in front of stations sold to other customers, both related and unrelated to the Company.	The transaction is a normal business transaction of the Company. The rates for petrol and natural gas (NGV) charged are market prices and the same prices that the Company sells to other customers, both related and unrelated to the Company. Therefore, the transaction is reasonable and beneficial to the Company.
Expenses for land rental	0.0	0.0	The Company has power plants, waste fuel production facilities, and petrol and natural gas (NGV) service stations located on United Grains Industry's land. It entered into land lease agreements for operating a waste fuel production establishment and a gas and natural gas (NGV) service stations. The land lease agreement can be divided by type of business as follows:	The transactions are transactions relating to assets or services and supporting normal business operations of the Company and occur as necessary for the Company's business operations. The lease price is at the same rate as United Grains Industry leasing to others. The transaction is considered reasonable and beneficial to the Company.
Advance payment	0.0	0.0		
Depreciation and interest expenses	9.8	8.5		

Transaction	Transaction size (million baht)		Necessity and reasonableness	The Audit Committee considered that the transaction was reasonable due to the reasons and necessity as follows:
	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022		
Deferred interest	91.7	49.8	<ul style="list-style-type: none"> <li>The waste fuel production facility is located in the same area as the power plants for the convenience of fuel transportation. The Company has a land lease agreement covering an area of 46-1- 67.18 rai, a 30-year agreement term (expired in 2046), with a total land lease rate of 5.6 million baht per year, which is at the same rate or not higher than the price that United Grains Industry leases to others, both related and unrelated parties.</li> <li>Petrol and natural gas stations (NGV) Chaeng Sanit branch is located in Chaeramae District, Ubon Ratchathani Province, providing services to general customers in the area. The Company has land lease agreements for petrol and natural gas (NGV) stations with a total area of 2-3-44.5 rai, a 3-year agreement term, expiring in June 2025 with a total land lease rate of 1.6 million baht per year, which is at the same rate or not higher than the price that United Grains Industry leases to others, both related and unrelated parties. In 2020, the Company had to comply with TFRS 16 Lease Agreements instead of TAS 17 Lease Agreements, resulting in the nature of the expenses related to the lease agreement being changed. The Company recognizes depreciation on right-of-use assets and interest on lease liabilities.</li> </ul>	
Lease liabilities	245.4	149.9		

#### (9) Pornchai Enterprises Company Limited

Pornchai Enterprises Company Limited is 75.12% held by Leophairatana Enterprises Co. Ltd., 0.65% held by TPI Polene Plc. and 0.33% by Leophairatana group. In addition, the Company and Pornchai Enterprises Company Limited have five common directors including: Mr. Prachai Leophairatana, Dr. Pramuan Leophairatana, Mr. Prayad Liewphairatana, Mrs. Orapin Leophairatana and Miss Malinee Leophairut as of December 31, 2022.

Transaction	Transaction size (million baht)		Necessity and reasonableness	The Audit Committee considered that the transaction was reasonable due to the reasons and necessity as follows:
	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022		
Revenue from sales of petrol and natural gas (NGV)	0.0	0.0	The sale of petrol and natural gas (NGV) to United Grains Industry is a normal business transaction of the Company. The Company sells petrol and natural gas (NGV) from petrol and natural gas (NGV) stations for United Grains Industry for its vehicles. The selling price is the retail price in front of stations sold to other customers, both related and unrelated to the Company.	The transaction is a normal business transaction of the Company. The rates for petrol and natural gas (NGV) charged are market prices and the same prices that the Company sells to other customers, both related and unrelated to the Company. Therefore, the transaction is reasonable and beneficial to the Company.
Expenses for office rental	0.6	0.2	The company rented the 8th floor of the TPI Tower building for use as a 186-square-meter office space. The lease term is three years. The contract expires in May 2022 with the rental rate of Baht 160.0 per square meter per month and the service fee is baht 240.0 per square meter per month which is at the same level or not higher than the rental rate Pornchai Enterprises offered to others, both related and non-related.	Classified as an ordinary course of business and is necessary for business operations of the Company. The rental price is set at a rate that is not higher than the general market price compared to similar properties and is in the vicinity and at the same rate Pornchai Enterprises offered to others. This transaction is therefore reasonable and beneficial to the Company.
ค่ามัดจำ	2.3	3.5		
ค่าเสื่อมราคาและ ดอกเบี้ยจ่าย	1.9	5.8		
ดอกเบี้ยรอตัดจ่าย	1.2	1.1		
หนี้สินตามสัญญาเช่า	8.5	9.5		

**(10) Thanapornchai Enterprise Company Limited (“Thanapornchai Enterprises”)**

Thanapornchai Enterprises is held by Leophairatana Enterprises 25.13%, by Pornchai Enterprises 9.81% and by Leophairatana Group 21.49% of the paid-up capital. In addition, the Company and Thanapornchai Enterprises has 9 common directors, namely Mr. Prachai Leophairatana, Mr. Pramuan Leophairatana, Mr. Prayad Liewphairatana, Mrs. Orapin Leophairatana, Miss Malinee Leopairut, Miss Pattarapan Leopairut, Mr. Pakorn Leopairut, Mr. Pakkapol Leopairut, and Mrs. Nitawan Leophairatana (as of December 31, 2022).

Transaction	Transaction size (million baht)		Necessity and reasonableness	The Audit Committee considered that the transaction was reasonable due to the reasons and necessity as follows:
	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022		
Expenses from leasing	0.0	0.0	The Company leases land to operate 2 petrol and natural gas (NGV) stations, namely Pu Chao Saming Phrai branch in Samut Prakan Province and Phayuha Khiri Branch in Nakhon Sawan Province to provide services to general customers, both areas are located along the road, with traffic of vehicles, which are the target customers of the service stations. The Company has land lease agreements for petrol and natural gas (NGV) 2 locations, total area of 4-2-11 rai, 3-year agreement term, expiration in June 2025 with total land lease rate of 1.3 million baht per year, which is at the same rate that Thanapornchai Enterprise sells to others, both related and unrelated parties. In 2020, the Company had to comply with TFRS 16 Lease Agreements instead of TAS 17 Lease Agreements, resulting in the nature of the expenses related to the lease agreement being changed. The Company recognizes depreciation on right-of-use assets and interest on lease liabilities.	The transactions are transactions and supporting normal business operations of the company and occur as necessary for the Company's business operations. The lease price is at the same rate as Thanapornchai Enterprise leasing to other. The transactions is considered reasonable and beneficial to the Company
Depreciation and interest expenses	0.9	1.3		
Deferred interest	0.3	0.2		
Lease liabilities	4.6	3.3		

**(11) Saraburi Ginning Mill Company Limited (“Saraburi Ginning Mill”)**

Saraburi Ginning Mill is held by Leophairatana Group 23.13% and by Leophairatana Enterprises 5.75% of the paid-up capital. In addition, the Company and Saraburi Ginning Mill have 6 common directors, namely Mr. Prachai Leophairatana, Mrs. Orapin Leophairatana, Miss Pattarapan Leopairut, Mr. Pakorn Leopairut, Mr. Pakkapol Leopairut, and Mrs. Nitawan Leophairatana (as of December 31, 2022).

Transaction	Transaction size (million baht)		Necessity and reasonableness	The Audit Committee considered that the transaction was reasonable due to the reasons and necessity as follows:
	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022		
Expenses from leasing	0.0	0.0	The Company leases land to operate 3 petrol and natural gas (NGV) stations, namely Pak Khaosan Branch in Saraburi Province to provide services to general customers. Both of these areas are located along the road with traffic of vehicles, which are the target customers of the stations. The Company has land lease agreements for petrol and natural gas (NGV) service stations, covering an area of 2-2-11.75 rai, with 3-year agreement term, expiration in June 2025 with the total rate of to 1.3 million baht per year, which is at the same level that Saraburi Ginning Mill leases to others, both related and unrelated parties. In 2020, the Company had to comply with TFRS 16 Lease Agreements instead of TAS 17 Lease Agreements, resulting in the nature of the expenses related to the lease agreement being changed. The Company recognizes depreciation on right-of-use assets and interest on lease liabilities.	The transactions are transactions and supporting normal business operations of the Company and occur as necessary for the Company's business operations. The lease price is at the same rate as Saraburi Ginning Mill leasing to others. The transaction is considered reasonable and beneficial to the Company.
Depreciation and interest expenses	0.9	1.3		
Deferred interest	0.3	0.2		
Lease liabilities	4.6	3.3		

**(12) Leophairatana Enterprises Company Limited (“Leophairatana Enterprises”)**

Leophairatana Enterprises is held by Leophairatana Group 88.40%, by Pornchai Enterprises 6.25%, by TPI Holding 2.19% and by TPI EOEG 0.94% of the paid-up capital. In addition, the Company and Leophairatana Enterprises have 5 common directors, namely Mr. Prachai Leophairatana, Mr. Pramuan Leophairatana, Mr. Prayad Liewphairatana, Mrs. Orapin Leophairatana, and Miss Malinee Leopairut (as of December 31, 2022).

Transaction	Transaction size (million baht)		Necessity and reasonableness	The Audit Committee considered that the transaction was reasonable due to the reasons and necessity as follows:
	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022		
Expenses from leasing	0.0	0.0	The Company leases land to operate 3 petrol and natural gas (NGV) stations, namely On Nut branch, Sud Banthat branch, and Soi Klang Branch in Bangkok to provide services to general customers. Both of these areas are located along the road with traffic of vehicles, which are the target customers of the stations. The Company has land lease agreements for 3 petrol and natural gas (NGV) service stations, covering an area of 7-0-42 rai, with 3-year agreement term, expiration in June 2025 with the total rate of to 4.0 million baht per year, which is at the same level that Leophairatana Enterprise leases to others, both related and unrelated parties. In 2020, the Company had to comply with TFRS 16 Lease Agreements instead of TAS 17 Lease Agreements, resulting in the nature of the expenses related to the lease agreement being changed. The Company recognizes depreciation on right-of-use assets and interest on lease liabilities.	The transactions are transactions and supporting normal business operations of the Company and occur as necessary for the Company's business operations. The lease price is at the same rate as Leophairatana Enterprise leasing to others. The transaction is considered reasonable and beneficial to the Company.
Depreciation and interest expenses	2.7	4.0		
Deferred interest	0.9	0.5		
Lease liabilities	13.9	9.9		

### (13) TPI Healthcare Company Limited

TPI Healthcare is held by TPI Polene 99.99% of the paid-up capital. In addition, the Company and TPI Healthcare have 3 common directors, namely Mrs. Orapin Leophairatana, Miss Pattarapan Leopairut, and Mr. Pakorn Leopairut (as of December 31, 2022).

Transaction	Transaction size (million baht)		Necessity and reasonableness	The Audit Committee considered that the transaction was reasonable due to the reasons and necessity as follows:
	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022		
Expenses from purchasing goods	13.7	5.0	The Company has purchased products from TPI Healthcare to promote sales at its petrol and gas stations, such as beverages. The purchase prices are the same as those TPI Healthcare sells to other related and unrelated customers.	The transactions are transactions and supporting normal business operations of the Company and occur as necessary for the Company's business operations. The lease price is at the same rate as TPI Healthcare leasing to others. The transaction is considered reasonable and beneficial to the Company.

The details of the connected transactions for the year are disclosed in the annual report of the Company through the company website ([www.tpipolenepower.co.th](http://www.tpipolenepower.co.th)).

### Measures and Procedures to Approve Connected Transactions

The Board of Directors Meeting No. 1/2023 held on January 26, 2023, approved the policy of entering into connected transactions of the Company which determines measures for connected transactions as follows:

Transactions that may have conflicts of interest between the Company and its major shareholders are subject to the rules and regulations of the Capital Market Supervisory Board and the Securities and Exchange Commission. The Company will closely monitor and manage the occurred transactions, by using the market price mechanism as a reference. Directors who have interests related to such benefits will not participate in making decisions regarding the related transactions.



The Board of Directors has established procedures for approving transactions that may have conflicts of interest under the framework of good ethics through the review of the Audit Committee, by taking into account the interests of the Company and its shareholders mainly and ensuring compliance with the rules and regulations of the Capital Market Supervisory Board, the Securities and Exchange Commission and the Stock Exchange of Thailand. The Company will disclose types and values of transactions that might be conflicts of interest accurately and completely. For any transactions that are considered to have potential conflicts of interest, market prices mechanism will be used as a rule to consider those transactions.

#### **Connected Transactions Policy**

To ensure that the Company's related transactions are carried out correctly and transparently, with adequate disclosure of information on such matters. The Company, therefore, has set a policy for entering into connected transactions as follows:

1. The Company expects that there will be related transactions with major shareholders and other related companies in the future since it is a normal business transaction and there is no transfer of benefits to related companies or persons. The Company adheres to the rules and regulations of the Stock Exchange of Thailand and related agencies and mainly considers the validity of conditions and fair prices.
2. In the event that there are connected transactions in the future, the Company shall comply with Securities and Exchange Act B.E. 2535 (including amendments), regulations, notifications, orders or requirements of the Capital Market Supervisory Board, the Securities and Exchange Commission, and the Stock Exchange of Thailand. In addition, it shall be in accordance with generally accepted accounting principles of Thailand regarding the disclosure of information about related persons or activities set by the Federation of Accounting Professions and Certified Public Accountant of Thailand and the Company's regulations.
3. In the case of a normal transaction and a recurring transaction in the future, the Company has set the rules and guidelines for practice in accordance with the nature of general trade with reference to prices with appropriate and fair, reasonable, and verifiable conditions. It shall also comply with the principle of trade agreements with general trading conditions, including proposing to the Company's Board of Directors for consideration and approval in accordance with the principles of trade agreements with general trading conditions of the Company and guidelines for such practice.
4. In addition, if there are connected transactions or changes in terms and conditions regarding connected transactions with major shareholders, directors, executives or related persons of the Company, directors with conflicts of interest shall not attend the Board of Directors' meeting on any agenda related to the consideration of entering into such connected transactions.

#### **Potential Connected Transactions in the Future**

The Company expects to continue its business transactions with the major shareholders and parties who may have conflicts with the Company in the future, which are normal course of its business, which includes:

1. Sales of electricity to TPI Polene Plc.
  2. Sales of petrol and natural gas (NGV) of the service stations to companies in TPI Polene Group and people who may have conflicts with the Company.
  3. Lease of land and office buildings from companies in TPI Polene Group and those who may have conflicts with the Company.
  4. Purchasing/selling goods and services with TPI Polene Plc. are as follows
    - Purchasing and receiving services from TPI Polene Plc., such as purchasing of heat energy, raw water, electricity, coal, spare parts, and supporting services both in the head office and Saraburi factory, etc.
    - Selling goods and providing services to TPI Polene Plc., such as selling steam and labor services for maintenance of machinery and equipment related to power plants, etc.
  5. Purchasing/selling products and various services with companies in TPI Polene Group such as selling fuel, organic matter, spare parts, and other raw materials
  6. Insurance and life insurance with companies in TPI Polene Group that may have conflicts with the Company
- For connected transactions, the Company shall act in accordance with the Securities and Exchange Act B.E. 2535 (including the amendment), rules, announcement, orders, or regulations of the Capital Marketing Committee. Securities and Exchange Commission and the Stock Exchange of Thailand, including the Company's relevant policies and announcements, including business ethics, transaction policies, and notification regarding the principles of entering transactions of the Company and directors, executives, or related persons, which are trade transactions under general trade conditions.

# Financial statements

# 03

Financial statements for the year ended 31 December 2022

## Independent Auditor's Report

### To the Shareholders of TPI Polene Power Public Company Limited

#### *Opinion*

I have audited the consolidated and separate financial statements of TPI Polene Power Public Company Limited and its subsidiaries (the “Group”) and of TPI Polene Power 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.

Based on my consideration and professional judgement, I have determined that there are no key audit matters to communicate in my report.

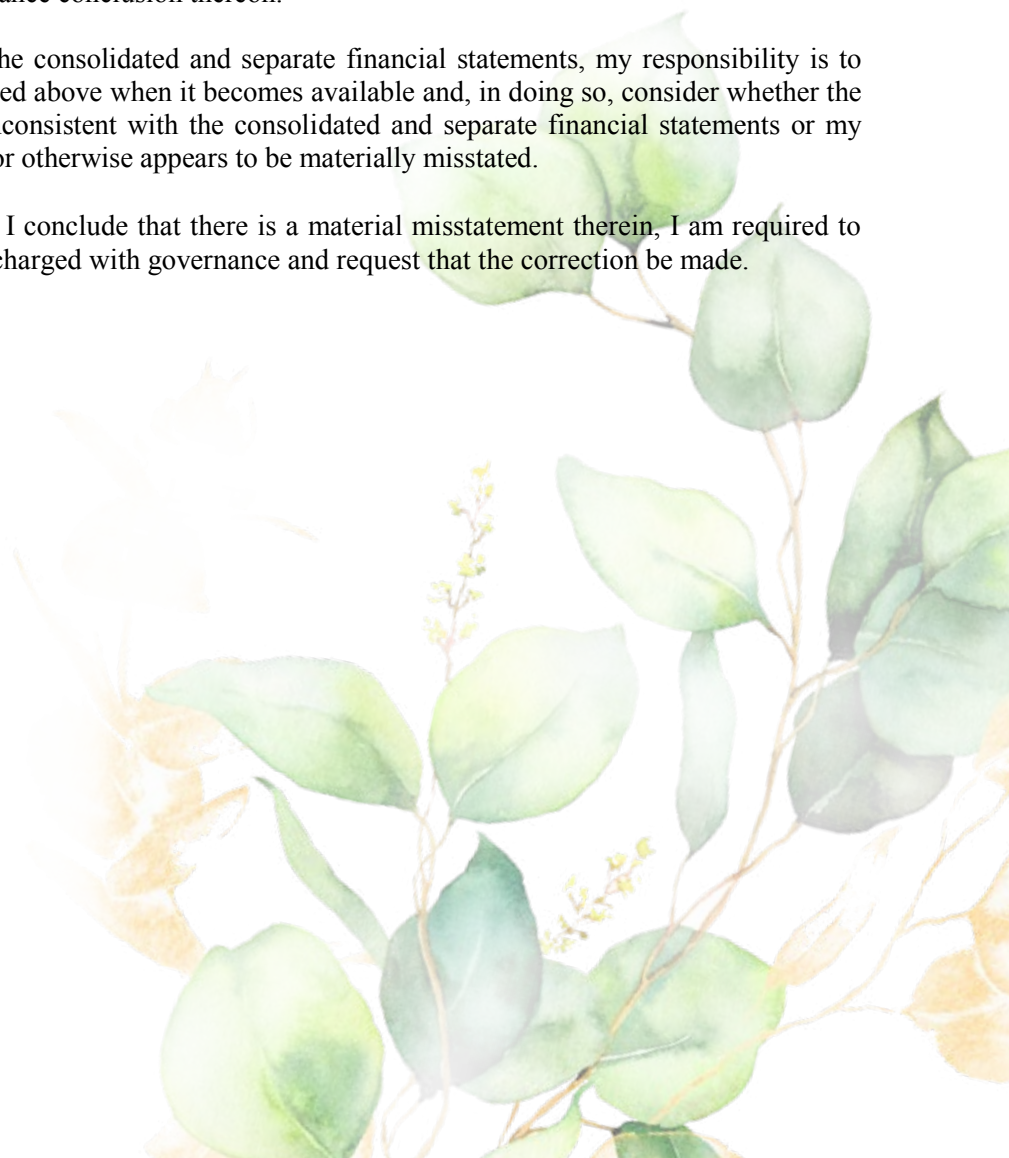
*Other Information*

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.



(Bunyarit Thanormcharoen)  
Certified Public Accountant  
Registration No. 7900

KPMG Phoomchai Audit Ltd.  
Bangkok  
10 February 2023



**TPI Polene Power Public Company Limited and its Subsidiaries****Statement of financial position**

		<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		31 December	31 December	31 December	31 December
<b>Assets</b>	<i>Note</i>	2022	2021	2022	2021
<i>(in thousand Baht)</i>					
<b>Current assets</b>					
Cash and cash equivalents	5	2,002,864	929,343	1,860,263	785,733
Trade accounts receivable	4, 6	1,574,312	2,561,002	1,574,312	2,561,002
Other receivables		230,159	229,658	228,601	228,091
Short-term loan to related party	4	-	230,624	-	230,624
Receivables and advances to related parties	4	91,655	56,281	91,655	56,281
Inventories	7	1,930,758	1,590,800	1,930,758	1,590,800
Other current financial assets	29, 35	1,133,812	3,495,237	953,799	3,493,237
Other current assets		37,954	12,316	37,729	12,065
<b>Total current assets</b>		<b>7,001,514</b>	<b>9,105,261</b>	<b>6,677,117</b>	<b>8,957,833</b>
<b>Non-current assets</b>					
Other non-current financial assets	29, 35	486,173	670,890	486,173	490,443
Investments in subsidiaries	9	-	-	330,398	331,820
Investment in joint venture	9	249,894	-	249,894	-
Property, plant and equipment	10	41,652,496	37,808,799	41,648,122	37,804,425
Right-of-use assets	11	518,324	620,585	518,324	620,585
Advances for machine and equipment		529,616	131,814	529,616	131,814
Deferred tax assets	25	82,244	94,013	82,244	94,013
Other non-current assets		59,112	53,988	59,112	53,988
<b>Total non-current assets</b>		<b>43,577,859</b>	<b>39,380,089</b>	<b>43,903,883</b>	<b>39,527,088</b>
<b>Total assets</b>		<b>50,579,373</b>	<b>48,485,350</b>	<b>50,581,000</b>	<b>48,484,921</b>

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

## TPI Polene Power Public Company Limited and its Subsidiaries

### Statement of financial position

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		31 December	31 December	31 December	31 December
Liabilities and equity		2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
<b>Current liabilities</b>					
Trade accounts payable	4, 13, 29	743,174	430,396	743,174	430,396
Other payables	14	998,422	306,882	998,275	306,673
Payables and advances from related parties	4	178,196	47,604	178,196	47,570
Current portion of lease liabilities	11, 12, 29	25,290	20,241	25,290	20,241
Current portion of debentures	12, 29	3,000,000	4,000,000	3,000,000	4,000,000
Interest payable		72,686	66,130	72,698	66,130
Income tax payable		230	43,958	-	43,795
Other current liabilities	15	97,057	143,250	97,053	143,231
<b>Total current liabilities</b>		<b>5,115,055</b>	<b>5,058,461</b>	<b>5,114,686</b>	<b>5,058,036</b>
<b>Non-current liabilities</b>					
Lease liabilities	11, 12, 29	536,668	630,204	536,668	630,204
Debentures	12, 29	13,216,600	11,523,600	13,218,600	11,523,600
Non-current provisions for employee benefits	16	146,622	151,657	146,622	151,657
Decommissioning costs	4	-	269,607	-	269,607
<b>Total non-current liabilities</b>		<b>13,899,890</b>	<b>12,575,068</b>	<b>13,901,890</b>	<b>12,575,068</b>
<b>Total liabilities</b>		<b>19,014,945</b>	<b>17,633,529</b>	<b>19,016,576</b>	<b>17,633,104</b>

**TPI Polene Power Public Company Limited and its Subsidiaries****Statement of financial position**

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		31 December	31 December	31 December	31 December
<b>Liabilities and equity</b>		2022	2021	2022	2021
<i>(in thousand Baht)</i>					
<b>Equity</b>					
Share capital:					
Authorised share capital					
<i>(8,400 million ordinary shares, par value at Baht 1 per share)</i>		8,400,000	8,400,000	8,400,000	8,400,000
Issued and paid share capital					
<i>(8,400 million ordinary shares, par value at Baht 1 per share)</i>		8,400,000	8,400,000	8,400,000	8,400,000
Shares premium:					
Shares premium on ordinary shares		14,580,886	14,580,886	14,580,886	14,580,886
Retained earnings					
Appropriated					
Legal reserve	17	840,000	840,000	840,000	840,000
Unappropriated		7,743,538	7,030,754	7,743,538	7,030,754
Other component of equity		-	177	-	177
<b>Equity attribute to owners of the Company</b>		<b>31,564,424</b>	<b>30,851,817</b>	<b>31,564,424</b>	<b>30,851,817</b>
Non-controlling interests		4	4	-	-
<b>Total equity</b>		<b>31,564,428</b>	<b>30,851,821</b>	<b>31,564,424</b>	<b>30,851,817</b>
<b>Total liabilities and equity</b>		<b>50,579,373</b>	<b>48,485,350</b>	<b>50,581,000</b>	<b>48,484,921</b>

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

## TPI Polene Power Public Company Limited and its Subsidiaries

## Statement of comprehensive income

		Consolidated financial statements		Separate financial statements	
		Year ended		Year ended	
		31 December		31 December	
	Note	2022	2021	2022	2021
		(in thousand Baht)			
<b>Revenue</b>					
Revenue from sale of power and goods	18, 26	6,588,032	6,104,727	6,588,032	6,104,727
Revenue from adders	18, 26	3,611,942	4,969,105	3,611,942	4,969,105
		<b>10,199,974</b>	<b>11,073,832</b>	<b>10,199,974</b>	<b>11,073,832</b>
Cost of sales of power and goods	7	(7,184,501)	(6,186,729)	(7,184,501)	(6,186,729)
<b>Gross profit</b>		<b>3,015,473</b>	<b>4,887,103</b>	<b>3,015,473</b>	<b>4,887,103</b>
Net foreign exchange gain		6,729	-	6,729	-
Investment income		52,325	43,846	44,817	36,669
Other income	19	366,467	240,582	366,467	240,582
<b>Profit before expenses</b>		<b>3,440,994</b>	<b>5,171,531</b>	<b>3,433,486</b>	<b>5,164,354</b>
Distribution costs	20	(64,573)	(65,443)	(64,573)	(65,443)
Administrative expenses	21	(459,194)	(581,808)	(454,208)	(576,519)
Net foreign exchange loss		-	(15,030)	-	(15,030)
<b>Total expenses</b>		<b>(523,767)</b>	<b>(662,281)</b>	<b>(518,781)</b>	<b>(656,992)</b>
<b>Profit from operations</b>		<b>2,917,227</b>	<b>4,509,250</b>	<b>2,914,705</b>	<b>4,507,362</b>
Finance costs	24	(90,286)	(207,786)	(90,318)	(207,786)
Share of profit of subsidiaries accounted for using equity method	9	-	-	2,054	1,534
Share of loss of joint venture accounted for using equity method	9	(106)	-	(106)	-
<b>Profit before income tax expense</b>		<b>2,826,835</b>	<b>4,301,464</b>	<b>2,826,335</b>	<b>4,301,110</b>
Tax expense	25	(14,051)	(110,134)	(13,551)	(109,780)
<b>Profit for the year</b>		<b>2,812,784</b>	<b>4,191,330</b>	<b>2,812,784</b>	<b>4,191,330</b>

**TPI Polene Power Public Company Limited and its Subsidiaries****Statement of comprehensive income**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	Year ended		Year ended	
	31 December		31 December	
<i>Note</i>	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b>Other comprehensive income (expense)</b>				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translating foreign operations	(177)	353	-	-
Share of other comprehensive income (expense) of subsidiaries accounted for using equity method	-	-	(177)	353
<b>Total items that will be reclassified subsequently to profit or loss</b>	<b>(177)</b>	<b>353</b>	<b>(177)</b>	<b>353</b>
<b>Other comprehensive income (expense) for the year, net of tax</b>	<b>(177)</b>	<b>353</b>	<b>(177)</b>	<b>353</b>
<b>Total comprehensive income for the year</b>	<b>2,812,607</b>	<b>4,191,683</b>	<b>2,812,607</b>	<b>4,191,683</b>
<b>Profit attributable to:</b>				
Owners of the parent	2,812,784	4,191,330	2,812,784	4,191,330
Non-controlling interests	-	-	-	-
<b>Profit for the year</b>	<b>2,812,784</b>	<b>4,191,330</b>	<b>2,812,784</b>	<b>4,191,330</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	2,812,607	4,191,683	2,812,607	4,191,683
Non-controlling interests	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>2,812,607</b>	<b>4,191,683</b>	<b>2,812,607</b>	<b>4,191,683</b>
<b>Basic earnings per share (in Baht)</b>	<b>0.335</b>	<b>0.499</b>	<b>0.335</b>	<b>0.499</b>

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**TPI Polene Power Public Company Limited and its Subsidiaries**  
**Statement of changes in equity**

Year ended 31 December 2021									
Balance at 1 January 2021									
Transaction with owners, recorded directly in equity									
<i>Contributions by and distributions to owners</i>									
Dividends									
28	-	-	-	(2,268,000)	-	-	(2,268,000)	-	(2,268,000)
	-	-	-	(2,268,000)	-	-	(2,268,000)	-	(2,268,000)
Comprehensive income for the year									
	-	-	-	4,191,330	-	-	4,191,330	-	4,191,330
	-	-	-	-	353	-	353	-	353
	-	-	-	4,191,330	353	-	4,191,683	-	4,191,683
	8,400,000	14,580,886	840,000	7,030,754	177	-	30,851,817	4	30,851,821
Balance at 31 December 2021									

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

**TPI Polene Power Public Company Limited and its Subsidiaries**  
**Statement of changes in equity**

	Note	Consolidated financial statements							Non-controlling interests	Total equity
		Retained earnings		Other components of equity			Equity attributable to owners of the parent			
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Translation reserve				
								(in thousand Baht)		
Year ended 31 December 2022										
Balance at 1 January 2022		8,400,000	14,580,886	840,000	7,030,754	177	30,851,817	4	30,851,821	
Transaction with owners, recorded directly in equity										
Contributions by and distributions to owners										
Dividends	28	-	-	-	(2,100,000)	-	(2,100,000)	-	(2,100,000)	
Total transactions with owners, recorded directly in equity		-	-	-	(2,100,000)	-	(2,100,000)	-	(2,100,000)	
Comprehensive income for the year										
Profit		-	-	-	2,812,784	-	2,812,784	-	2,812,784	
Other comprehensive income (expense)		-	-	-	-	(177)	(177)	-	(177)	
Total comprehensive income (expense) for the year		-	-	-	2,812,784	(177)	2,812,607	-	2,812,607	
Balance at 31 December 2022		8,400,000	14,580,886	840,000	7,743,538	-	31,564,424	4	31,564,428	

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



**TPI Polene Power 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	Share of other comprehensive income of subsidiaries using equity method	Total equity
	Note						
(in thousand Baht)							
Year ended 31 December 2021							
Balance at 1 January 2021		8,400,000	14,580,886	840,000	5,107,424	(176)	28,928,134
Transaction with owners, recorded directly in equity							
Contributions by and distributions to owners							
Dividends	28	-	-	-	(2,268,000)	-	(2,268,000)
Total contributions by and distributions to owners							
		-	-	-	(2,268,000)	-	(2,268,000)
Comprehensive income for the year							
Profit		-	-	-	4,191,330	-	4,191,330
Other comprehensive income		-	-	-	-	353	353
Total comprehensive income for the year							
		-	-	-	4,191,330	353	4,191,683
Balance at 31 December 2021		8,400,000	14,580,886	840,000	7,030,754	177	30,851,817

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

**TPI Polene Power 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	Share of other comprehensive income of subsidiaries using equity method	Total equity
	Note						
(in thousand Baht)							
Year ended 31 December 2022							
Balance at 1 January 2022		8,400,000	14,580,886	840,000	7,030,754	177	30,851,817
Transaction with owners, recorded directly in equity							
Contributions by and distributions to owners							
Dividends	28	-	-	-	(2,100,000)	-	(2,100,000)
Total contributions by and distributions to owners		-	-	-	(2,100,000)	-	(2,100,000)
Comprehensive income for the year							
Profit		-	-	-	2,812,784	-	2,812,784
Other comprehensive income (expense)		-	-	-	-	(177)	(177)
Total comprehensive income (expense) for the year		-	-	-	2,812,784	(177)	2,812,607
Balance at 31 December 2022		8,400,000	14,580,886	840,000	7,743,538	-	31,564,424

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

## TPI Polene Power Public Company Limited and its Subsidiaries

### Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended		Year ended	
	31 December		31 December	
	2022	2021	2022	2021
	(in thousand Baht)			
<b>Cash flows from operating activities</b>				
Profit for the year	2,812,784	4,191,330	2,812,784	4,191,330
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Depreciation	996,835	917,058	996,835	917,058
Interest income	(48,332)	(28,212)	(40,826)	(21,035)
Finance costs	90,286	207,786	90,318	207,786
Reversal of loss on inventories devaluation	(14,554)	(5,961)	(14,554)	(5,961)
Gain on disposal of equipment	(38)	(37)	(38)	(37)
Reversal of cancellation of provision for decommissioning	(75,550)	-	(75,550)	-
Unrealised (gain) loss on foreign exchange	(16,216)	3,964	(16,216)	3,964
Gain on fair value adjustment	-	(11,095)	-	(11,095)
Gain from the dissolution of subsidiary	-	-	(206)	-
Share of profit of subsidiaries				
accounted for using equity method	-	-	(2,054)	(1,534)
Share of loss of joint venture				
accounted for using equity method	106	-	106	-
Tax expense	14,051	110,134	13,551	109,780
	<u>3,759,372</u>	<u>5,384,967</u>	<u>3,764,150</u>	<u>5,390,256</u>
<b>Changes in operating assets and liabilities</b>				
Trade accounts receivable	986,690	(135,316)	986,690	(135,316)
Other receivables	(646)	(80,811)	(647)	(80,811)
Receivables and advances to related parties	(35,374)	(16,142)	(35,374)	(16,142)
Inventories	(325,404)	(335,979)	(325,404)	(335,979)
Other current assets	(25,638)	(4,254)	(25,664)	(4,258)
Other non-current assets	(5,124)	(22,035)	(5,124)	(22,035)
Trade accounts payable	312,778	(2,120)	312,778	(2,120)
Other payables	707,745	(488,342)	707,807	(488,344)
Payables and advances from related parties	130,592	(18,623)	130,626	(18,627)
Other current liabilities	(46,193)	4,193	(46,178)	4,174
Provisions for employee benefits	(5,035)	(1,048)	(5,035)	(1,048)
Net cash generated from operations	<u>5,453,763</u>	<u>4,284,490</u>	<u>5,458,625</u>	<u>4,289,750</u>
Taxes paid	<u>(46,010)</u>	<u>(125,393)</u>	<u>(45,577)</u>	<u>(125,052)</u>
<b>Net cash from operating activities</b>	<u><b>5,407,753</b></u>	<u><b>4,159,097</b></u>	<u><b>5,413,048</b></u>	<u><b>4,164,698</b></u>

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

**TPI Polene Power 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		Year ended	
	31 December		31 December	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b><i>Cash flows from investing activities</i></b>				
Interest received	36,972	35,493	29,458	28,316
Acquisition of property, plant and equipment	(4,194,287)	(2,671,732)	(4,194,287)	(2,671,732)
Proceeds from sale of equipment	52	149	52	149
Advances payment for machine and equipment	(665,669)	(150,776)	(665,669)	(150,776)
(Increase) decrease in equity and debt instruments	2,558,271	(2,478,999)	2,555,837	(2,479,418)
Cash outflow on loan to related party	(700,000)	(2,138,960)	(700,000)	(2,138,960)
Proceeds from repayment of loans to related party	930,000	1,908,960	930,000	1,908,960
Proceeds from dissolution of subsidiary, net of cash received	-	-	3,505	-
Acquisition of interest in joint venture	(250,000)	-	(250,000)	-
<b>Net cash used in investing activities</b>	<b>(2,284,661)</b>	<b>(5,495,865)</b>	<b>(2,291,104)</b>	<b>(5,503,461)</b>
<b><i>Cash flows from financing activities</i></b>				
Repayment of short-term loans from financial institutions	-	(240,000)	-	(240,000)
Payment of lease liabilities	(44,191)	(16,821)	(44,191)	(16,821)
Finance costs paid	(598,214)	(523,649)	(598,234)	(523,649)
Proceeds from issuing debentures	4,693,000	7,523,600	4,695,000	7,523,600
Repayment of debentures	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
Dividends paid to owners of the Company	(2,100,000)	(2,268,000)	(2,100,000)	(2,268,000)
<b>Net cash from (used in) financing activities</b>	<b>(2,049,405)</b>	<b>475,130</b>	<b>(2,047,425)</b>	<b>475,130</b>

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

**TPI Polene Power 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		Year ended	
	31 December		31 December	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Net increase (decrease) in cash and cash equivalents,				
before effect of exchange rates changes	1,073,687	(861,638)	1,074,519	(863,633)
Effect of exchange rate changes	(166)	397	11	44
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,073,521</b>	<b>(861,241)</b>	<b>1,074,530</b>	<b>(863,589)</b>
Cash and cash equivalents at 1 January	929,343	1,790,584	785,733	1,649,322
<b>Cash and cash equivalents at 31 December</b>	<b>2,002,864</b>	<b>929,343</b>	<b>1,860,263</b>	<b>785,733</b>
<b><i>Non-cash transactions</i></b>				
Provision for decommissioning costs				
capitalised in assets	-	238,950	-	238,950
Other payables - plant and equipment	519,957	50,030	519,957	50,030
Advances for machine and equipment	529,616	131,814	529,616	131,814

TPI Polene Power Public Company Limited and its Subsidiaries

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

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TPI Polene Power 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 audit committee, as appointed by the Board of Directors of the Company on 10 February 2023.

## **1 General information**

TPI Polene Power Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 26/56, TPI Tower, Chan Tat Mai Road, Tungmahamek, Sathorn, Bangkok.

The Company was listed on the Stock Exchange of Thailand (“SET”) on 5 April 2017.

The ultimate parent company during the financial year was TPI Polene Public Company Limited, “parent company”, which is incorporated in Thailand and is the major shareholder and the parent of the Company and owned 70.24% of the Company’s issued and paid-up share capital.

The principal business of the Company are manufacturing and distributing electricity and refuse derived fuel (RDF), organics waste and distributing diesel and natural gas 12 stations. Details of the Company’s subsidiaries as at 31 December 2022 and 2021 are given in note 9.

## **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 each notes 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.

TPI Polene Power Public Company Limited and its Subsidiaries

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

### 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 joint venture.

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.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities, any related non-controlling interests and other components of equity of the subsidiary. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value

when control is lost. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

The Group recognised investments in joint venture 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 joint control ceases.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, when the group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset.

TPI Polene Power Public Company Limited and its Subsidiaries

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

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated on consolidation. Unrealised gains arising from transactions with joint venture 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.

#### *Business combinations*

The Group applies the acquisition method when the Group assess that the acquired set of activities and assets include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. The acquisition date is the date on which control is transferred to the Group, other than business combinations with entities under common control. Expenses in connection with a business combination are recognised as incurred.

The Group elect to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is an asset rather than a business acquisition when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

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

Consideration transferred includes assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, any contingent consideration, and equity interests issued by the Group. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

Any contingent consideration is measured at fair value at the date of acquisition, and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognised in profit or loss.

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

TPI Polene Power Public Company Limited and its Subsidiaries

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

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

**(b) *Investments in subsidiaries and joint venture***

Investments in subsidiaries and joint venture in the separate financial statements of the Company are accounted for using the equity method.

Interest in subsidiaries and joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the separate financial statements include the Company's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which control or joint control ceases.

*Disposal of investments in the separate financial statements*

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

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

**(c) *Foreign currencies***

Transactions in foreign currencies are translated to the respective functional currencies of each entity in the Group 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.

Foreign currency differences are generally recognised in profit or loss.

TPI Polene Power Public Company Limited and its Subsidiaries

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

### *Foreign operations*

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Thai Baht at the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve until disposal of the investment, except to the extent that the translation difference is allocated to non-controlling interests.

When a foreign operation is disposed of in its entirety or partially such that control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

## **(d) Financial instruments**

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

Debt securities issued by the Group are initially recognised when they are originated. Other financial assets and financial liabilities (except trade accounts receivables (see note 3(f))) 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 financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

TPI Polene Power Public Company Limited and its Subsidiaries

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

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method. 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.

Debt investments measured at FVOCI are subsequently measured at fair value. Interest income, calculated using the effective interest method, foreign exchange gains and losses and expected credit loss are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to 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.

TPI Polene Power Public Company Limited and its Subsidiaries

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

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) 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.

*(d.4) Interest*

Interest income and expense is recognised in profit or loss using the effective interest method. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

*(e) Cash and cash equivalents*

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments which have maturities of three months or less from the date of acquisition. Bank overdrafts that are repayable on demand are a component of cash and cash equivalents for the purpose of the statement of cash flows.

*(f) Trade accounts receivable*

A trade receivable is recognised when the Group has an unconditional right to receive consideration. A trade 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.



TPI Polene Power Public Company Limited and its Subsidiaries  
Notes to the financial statements for the year ended 31 December 2022

**(g) Inventories**

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

Cost is calculated as follows:

- 1) Finished goods: Diesel and natural gas are calculated using the first in first out principle.
- 2) Inventories other than those mentioned in 1) are calculated using the weighted average cost principle.

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

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

**(h) Property, plant and equipment**

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes capitalised borrowing costs, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Differences between the proceeds from disposal and the carrying amount of property, plant and equipment 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 when 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.

TPI Polene Power Public Company Limited and its Subsidiaries

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

### *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, assets under construction and major spare parts have not been issued.

The estimated useful lives are as follows:

Buildings and other constructions	20 and 30 years
Machinery	5 - 30 years
Tools and factory equipment	3 - 20 years
Furniture, fixtures and office equipment	3 - 10 years
Vehicles	10 years

### **(i) 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.

#### *As a lessee*

At commencement or on modification of a contract, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. For the leases of property, the Group has elected not to separate non-lease components and accounted for the lease and non-lease components wholly 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 amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term.

TPI Polene Power Public Company Limited and its Subsidiaries

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

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 lease modification, or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

*As a lessor*

At inception or on modification of a contract, the Group allocates the consideration in the contract to each component on the basis of their relative standalone selling prices.

At lease inception, the Group considers to classify a lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to lessees as a finance lease. A lease that does not meet this criteria is classified as an operating lease.

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

**(j) 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.

TPI Polene Power Public Company Limited and its Subsidiaries

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

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.

**(k) Employee benefits**

*Defined contribution plans*

Obligations for contributions to the Group's provident funds are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

*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.

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.

TPI Polene Power Public Company Limited and its Subsidiaries

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

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.

**(l) Provisions**

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

**(m) 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.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

TPI Polene Power Public Company Limited and its Subsidiaries

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

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

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.

**(n) Revenue from contracts with customers**

*Revenue recognition*

Revenue is recognised when a customer obtains control of the goods 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 or other sales taxes and is after deduction of any trade discounts and volume rebates.

*Sale of goods*

Revenue from sales of goods is recognised on the date on which the goods are delivered to the customers. For the sales that permit the customers to return the goods, the Group estimates the returns based on the historical return data, does not recognise revenue and cost of sale for the estimated products to be returned.

*Sale of electricity*

Income from the sale of electricity is recognised in profit or loss in accordance with delivery units supplied and price as stipulated in the contract. Incomes from the sale of electricity to Electricity Generating Authority of Thailand (“EGAT”) is entitled to receive ADDER for the period of 7 years from the commencement of commercial sales. Thereafter, subsequent to this initial period income from sale of electricity is recognised at normal rates.

**(o) 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.

TPI Polene Power Public Company Limited and its Subsidiaries

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

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 venture 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.

**(p) *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 period.

**(q) *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 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.

**(r) *Segment information***

Segment results that are reported to the Group's the chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly insert unallocated items, e.g. corporate assets.



TPI Polene Power Public Company Limited and its Subsidiaries

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

#### 4 Related parties

Relationships with parent, ultimate parent, subsidiaries and joint venture are described in notes 1 and 9. Other related parties which the Group had significant transactions with during the year were as follows:

<b>Name of entities</b>	<b>Country of incorporation</b>	<b>Nature of relationships</b>
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company.
TPI Polene Public Co., Ltd.	Thailand	Sister company
Pornchai Enterprise Co., Ltd.	Thailand	Some common directors
Bangkok Union Insurance Public Co., Ltd.	Thailand	Some common directors
Hong Yiah Seng Real Estates and Investment Co., Ltd.	Thailand	Some common directors
Saraburi Ginning Mill Co., Ltd.	Thailand	Some common directors
Leophairatana Enterprise Co., Ltd.	Thailand	Some common directors
Rayong Forest Co., Ltd.	Thailand	Some common directors
TPI Holding Co., Ltd.	Thailand	Some common directors

TPI Polene Power Public Company Limited and its Subsidiaries

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

<b>Significant transactions with related parties</b> <b>Year ended 31 December</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b>Parent company</b>				
Sale of goods and electricity power	1,963,366	1,806,724	1,963,366	1,806,724
Purchase of goods and services fee	3,136,637	2,741,743	3,136,637	2,741,743
Other income	5,213	4,450	5,213	4,450
Shared service expense - cost of sale	93,779	93,779	93,779	93,779
Shared service expense - administrative expense	38,221	38,221	38,221	38,221
Interest income	2,920	1,922	2,920	1,922
Interest expense	14,969	15,518	14,969	15,518
Dividend paid	1,475,000	1,593,000	1,475,000	1,593,000
<b>Subsidiaries</b>				
Issued debenture	-	-	2,000	-
Interest expense	-	-	32	-
<b>Joint venture</b>				
Acquisition of investment	250,000	-	250,000	-
<b>Other related parties</b>				
Sale of goods	2,413	1,169	2,413	1,169
Purchase of goods	13,309	27,728	13,309	27,728
Issued debenture	310,400	210,400	310,400	210,400
Other income	1,246	64	1,246	64
Maintenance service expense	495	-	495	-
Dividend paid	343	370	343	370
Selling expense	5,288	4,868	5,288	4,868
Insurance premium	120,787	91,815	120,787	91,815
Administrative expenses	246	589	246	589
Interest income	2,851	1,955	2,851	1,955
Interest expense	14,509	16,175	14,509	16,175
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term employee benefits <i>(including director's remuneration)</i>	55,176	52,337	55,176	52,337
<b>Total key management personnel compensation</b>	<b>55,176</b>	<b>52,337</b>	<b>55,176</b>	<b>52,337</b>

TPI Polene Power Public Company Limited and its Subsidiaries

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

<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>				
<b>Parent company</b>	262,060	994,489	262,060	994,489
<b>Other related parties</b>				
TPI Polene Bio Organics Co., Ltd.	3	3	3	3
TPI Concrete Co., Ltd.	1,127	55	1,127	55
TPI All Seasons Co., Ltd.	23	23	23	23
Thai Nitrate Co., Ltd.	1	1	1	1
Bangkok Union Insurance Public Co., Ltd.	33	13	33	13
BUI Life Insurance Public Co., Ltd.	-	7	-	7
<b>Total</b>	<b>263,247</b>	<b>994,591</b>	<b>263,247</b>	<b>994,591</b>
<i>Less allowance for expected credit loss</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Net</b>	<b>263,247</b>	<b>994,591</b>	<b>263,247</b>	<b>994,591</b>



TPI Polene Power Public Company Limited and its Subsidiaries

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

	<b>Interest rate</b>		<b>Separate financial statements</b>			
	Year ended 31 December 2021	2022 (% per annum)	1 January 2022	Increase (in thousand Baht)	Decrease	31 December 2022
<b>Short-term loans to related party</b>						
<b>Parent company</b>	1.65, 1.50	1.45	-	700,000	(700,000)	-
<b>Other related parties</b>						
Thai Nitrate Co., Ltd.	1.65	1.65	230,000	-	(230,000)	-
			<b>230,000</b>	<b>700,000</b>	<b>(930,000)</b>	-
Accrued interest			624	5,77	(6,395)	-
<b>Total</b>			<b>230,624</b>	<b>705,77</b>	<b>(936,395)</b>	-
Less allowance for expected credit loss			-			-
<b>Net</b>			<b>230,624</b>			-

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021 (in thousand Baht)	2022	2021
<b>Balances with related parties At 31 December</b>				
<b>Receivables and advance to related parties</b>				
<b>Parent company</b>	7,255	4,230	7,255	4,230
<b>Joint venture</b>				
E&T Renewable Energy Co., Ltd.	148	-	148	-
<b>Other related parties</b>				
TPI Polene Bio Organics Co., Ltd.	40	31	40	31
BUI Life Insurance Public Co., Ltd.	715	723	715	723
Bangkok Union Insurance Public Co., Ltd.	83,497	49,029	83,497	49,029
Pornchai Enterprise Co., Ltd.	-	2,268	-	2,268
<b>Total</b>	<b>91,655</b>	<b>56,281</b>	<b>91,655</b>	<b>56,281</b>
Less allowance for expected credit loss	-	-	-	-
<b>Net</b>	<b>91,655</b>	<b>56,281</b>	<b>91,655</b>	<b>56,281</b>

TPI Polene Power Public Company Limited and its Subsidiaries

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

<b><i>Expected credit losses</i></b> <b><i>Year ended 31 December</i></b>	<b>Consolidated</b> <b>financial statements</b>		<b>Separate</b> <b>financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Trade accounts receivable	-	-	-	-
Short-term loans to related party	-	-	-	-
Receivables and advance to related parties	-	-	-	-
<b><i>Balances with related parties</i></b> <b><i>At 31 December</i></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><i>Trade accounts payable</i></b>				
<b>Parent company</b>	406,099	151,820	406,099	151,820
<b>Other related parties</b>				
TPI Polene Bio Organics Co., Ltd.	187	266	187	266
TPI Healthcare Co., Ltd.	2,005	745	2,005	745
TPI Bio Pharmaceuticals Co., Ltd.	9	33	9	33
<b>Total</b>	<b>408,300</b>	<b>152,864</b>	<b>408,300</b>	<b>152,864</b>

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

<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>Payables and advance from related parties</b>				
<b>Parent company</b>	176,228	45,844	176,228	45,810
<b>Other related parties</b>				
TPI Polene Bio Organics Co., Ltd.	41	36	41	36
TPI Concrete Co., Ltd.	546	415	546	415
TPI All Seasons Co., Ltd.	3	-	3	-
Pornchai Enterprise Co., Ltd.	1,377	382	1,377	382
Bangkok Union Insurance Public Co., Ltd.	-	6	-	6
TPI Healthcare Co., Ltd.	1	921	1	921
<b>Total</b>	<b>178,196</b>	<b>47,604</b>	<b>178,196</b>	<b>47,570</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>Current portion of lease liabilities</b>				
<b>Parent company</b>	5,198	4,319	5,198	4,319
<b>Other related parties</b>				
United Grain Industry Co., Ltd.	3,485	2,220	3,485	2,220
Pornchai Enterprise Co., Ltd.	4,785	2,766	4,785	2,766
Hong Yiah Seng Real Estates and Investment Co., Ltd.	1,219	1,173	1,219	1,173
Saraburi Ginning Mill Co., Ltd.	1,219	1,173	1,219	1,173
Leophairatana Enterprise Co., Ltd.	3,658	3,518	3,658	3,518
<b>Total</b>	<b>19,564</b>	<b>15,169</b>	<b>19,564</b>	<b>15,169</b>

TPI Polene Power Public Company Limited and its Subsidiaries

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

<b>Balances with related parties At 31 December</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b>Lease liabilities</b>				
<b>Parent company</b>	417,853	449,776	417,853	449,776
<b>Other related parties</b>				
United Grain Industry Co., Ltd.	96,562	151,442	96,562	151,442
Pornchai Enterprise Co., Ltd.	3,641	4,511	3,641	4,511
Hong Yiah Seng Real Estates and Investment Co., Ltd.	1,920	3,139	1,920	3,139
Saraburi Ginning Mill Co., Ltd.	1,920	3,139	1,920	3,139
Leophairatana Enterprise Co., Ltd.	5,761	9,418	5,761	9,418
<b>Total</b>	<b>527,657</b>	<b>621,425</b>	<b>527,657</b>	<b>621,425</b>

**Significant agreements with related parties**

- (a) The Company entered into office building services agreement with related party for 3 years. The detail was as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b>Non-cancellable operating lease commitments</b>				
Within one year	8,466	5,119	8,466	5,119
After one year but within five years	3,834	6,195	3,834	6,195
<b>Total</b>	<b>12,300</b>	<b>11,314</b>	<b>12,300</b>	<b>11,314</b>

- (b) Several land rental agreements specified that the Company has to decommission the assets from rental area at the end of contract, causing the Company to set up the decommissioning costs as at 31 December 2021 in amount of Baht 270 million. Subsequently, on 30 September 2022, both parties agreed to cancel the terms of the delivery of the leased assets and decommission of the agreements.



TPI Polene Power Public Company Limited and its Subsidiaries

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

- (c) The Company entered into an electricity supply contract with parent company. The parent company will provide the waste heat to the Company that will be used in the manufacturing process for electricity. The Company shall supply the electricity solely to the parent company based on certain percentage as specified in the agreement. The agreement shall remain in full force and effect so long as, unless it is terminated by mutual agreement in writing of both parties.
- (d) On 1 April 2016, the Company entered into sale & purchase and service agreement with the parent company. The parent company will provide services related to infrastructure, human resources, purchase and sale of goods and resources and other services whereby the Company agree to pay fee as specified in agreement. The initial period of the contract is for 3 years which commenced on 1 April 2016 and shall continue for consecutive period of three years, unless earlier terminated by either party.

## 5 Cash and cash equivalents

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Cash on hand	401	550	401	550
Cash at banks - current accounts	59,268	29,399	58,999	25,692
Cash at banks - savings accounts	1,943,195	897,853	1,800,863	757,950
Cash at banks - savings accounts (Private Funds)	-	1,541	-	1,541
<b>Total</b>	<b>2,002,864</b>	<b>929,343</b>	<b>1,860,263</b>	<b>785,733</b>



TPI Polene Power Public Company Limited and its Subsidiaries

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

**6 Trade account receivables**

<i>At 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b><i>Trade account receivables - related parties</i></b>				
Within credit terms	263,234	57,099	263,234	57,099
Overdue:				
1 - 30 days	13	186,103	13	186,103
31 - 60 days	-	37,041	-	37,041
61 - 90 days	-	128,339	-	128,339
More than 90 days	-	586,009	-	586,009
<b>Total</b>	<b>263,247</b>	<b>994,591</b>	<b>263,247</b>	<b>994,591</b>
Less allowance for expected credit loss	-	-	-	-
<b>Net</b>	<b>263,247</b>	<b>994,591</b>	<b>263,247</b>	<b>994,591</b>
<b><i>Trade account receivables - other parties</i></b>				
Within credit terms	1,310,412	1,565,865	1,310,412	1,565,865
Overdue:				
1 - 30 days	644	546	644	546
31 - 60 days	9	-	9	-
<b>Total</b>	<b>1,311,065</b>	<b>1,566,411</b>	<b>1,311,065</b>	<b>1,566,411</b>
Less allowance for expected credit loss	-	-	-	-
<b>Net</b>	<b>1,311,065</b>	<b>1,566,411</b>	<b>1,311,065</b>	<b>1,566,411</b>
<b>Net total</b>	<b>1,574,312</b>	<b>2,561,002</b>	<b>1,574,312</b>	<b>2,561,002</b>

TPI Polene Power Public Company Limited and its Subsidiaries

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

**7 Inventories**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Finished goods	24,344	23,641	24,344	23,641
Work in process	779,826	585,823	779,826	585,823
Raw materials, package and chemical	164,141	176,045	164,141	176,045
Spare parts and supplies	961,050	814,358	961,050	814,358
Goods in transit	1,397	5,487	1,397	5,487
	<u>1,930,758</u>	<u>1,605,354</u>	<u>1,930,758</u>	<u>1,605,354</u>
Less allowance for declining in value	-	(14,554)	-	(14,554)
<b>Net</b>	<b><u>1,930,758</u></b>	<b><u>1,590,800</u></b>	<b><u>1,930,758</u></b>	<b><u>1,590,800</u></b>
Inventories recognised as an expense in 'cost of sales of goods':				
- Cost	7,199,055	6,192,690	7,199,055	6,192,690
- Reversal of write-down	(14,554)	(5,961)	(14,554)	(5,961)
<b>Net total</b>	<b><u>7,184,501</u></b>	<b><u>6,186,729</u></b>	<b><u>7,184,501</u></b>	<b><u>6,186,729</u></b>

TPI Polene Power Public Company Limited and its Subsidiaries

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

**8 Marketable financial assets**

<b>Marketable equity and debt securities</b>	<b>Consolidated and Separate financial statements</b>			
	At 1 January	Increase (decrease) (in thousand Baht)	Fair value adjustment	At 31 December
<b>2022</b>				
<b>Current financial assets</b>				
Debt securities measured at				
- FVTPL	2,045,797	(2,045,797)	-	-
<b>Total</b>	<b>2,045,797</b>	<b>(2,045,797)</b>	<b>-</b>	<b>-</b>
<b>2021</b>				
<b>Current financial assets</b>				
Debt securities measured at				
- FVTPL	1,296,382	738,320	11,095	2,045,797
<b>Total</b>	<b>1,296,382</b>	<b>738,320</b>	<b>11,095</b>	<b>2,045,797</b>

TPI Polene Power Public Company Limited and its Subsidiaries

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

## 9 Investments in subsidiaries and joint venture

### Investments in subsidiaries

	Separate financial statements	
	2022	2021
	(in thousand Baht)	
<b><i>Subsidiaries</i></b>		
<b>At 1 January</b>	<b>331,820</b>	<b>329,933</b>
Derecognition of investment in subsidiary	(3,299)	-
Share of net profit of subsidiaries	2,054	1,534
Share of other comprehensive income (expense) of subsidiary	(177)	353
<b>At 31 December</b>	<b>330,398</b>	<b>331,820</b>

TPI Polene Power investment Co., Ltd. in Cambodia (“TPIPPI”) has registered for dissolution. TPIPPI has closed the bank account and transferred money to the parent company in Thailand in January 2022. Therefore, the parent company recognised profit from the investment.

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

Investments in subsidiaries as at 31 December 2022 and 2021, dividend income from those investments for the years then ended, were as follows:

Separate financial statements										Dividend	
Type of business	Ownership interest		Paid-up capital		Cost		At equity method		Income for the year 2022	Income for the year 2021	
	2022	2021	2022	2021	2022	2021	2022	2021			
(in thousand Baht)											
<b>Subsidiaries</b>											
TPPI Polene Power Investment Co., Ltd.	-	100.00	-	3,957	-	3,957	-	3,476	-	-	
TPPI Biomass Power Co., Ltd. (Formerly: TPPI Polene Power (On Nut) Co., Ltd.)	99.99	99.99	187,500	187,500	187,500	187,500	191,603	190,166	-	-	
TPPI Polene Power (International) Co., Ltd.	99.99	99.99	100,000	100,000	105,988	105,988	107,744	107,179	-	-	
TPPI Deep Sea Port Co., Ltd.	99.99	99.99	25,000	25,000	24,999	24,999	25,005	24,999	-	-	
TPPI Distribution Center Co., Ltd. (Formerly: TPPI Olefins Co., Ltd.)	99.99	99.99	1,000	1,000	2,959	2,959	3,200	3,122	-	-	
Operates business about collecting, storing, and distributing products to consumers (dormant)											

TPI Polene Power Public Company Limited and its Subsidiaries

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

	Type of business	Ownership interest (%)		Paid-up capital		Cost		At equity method		Dividend	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
		(in thousand Baht)									
TPI Smart City Co., Ltd. (Formerly: TPI Polene Power (Songkhla) Co., Ltd.)	Operates all types of communities and industrial estates (dormant)	99.97	99.97	1,000	1,000	1,000	1,000	949	960	-	-
TPI Solar Power Co., Ltd.	Generate electricity from solar energy (dormant)	99.97	99.97	1,000	1,000	1,000	1,000	948	959	-	-
TPI Wind Power Co., Ltd.	Generate electricity from wind energy (dormant)	99.97	99.97	1,000	1,000	1,000	1,000	949	959	-	-
<b>Total</b>				<b>324,446</b>	<b>328,403</b>	<b>330,398</b>	<b>331,820</b>				

None of the Company's subsidiaries are publicly listed and consequently do not have published price quotations.

\*TPI Polene Power Investment Co., Ltd. has transferred the money to the parent company, therefore the parent company recognised profit from investment.



TPI Polene Power Public Company Limited and its Subsidiaries

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

**Investment in joint venture**

	<b>Consolidated and Separate financial statements</b>	
	<b>2022</b>	<b>2021</b>
	<i>(in thousand Baht)</i>	
<b><i>Joint venture</i></b>		
<b>At 1 January</b>	-	-
Acquisition	250,000	-
Share of loss of joint venture accounted for using equity method	(106)	-
<b>At 31 December</b>	<b>249,894</b>	<b>-</b>

On 1 October 2022, the Company entered into a memorandum of understanding with Electricity Generating Public Co., Ltd. (“EGCO”) are incorporated in Thailand, in order to invest in E&T Renewable Energy Co., Ltd., a new joint venture established in Thailand. The purpose of the joint venture are manufacturing and distributing electricity. The Company and EGCO equally invested 49.99% in the joint venture and paid an initial authorised share capital in 25% of the authorised share capital of Baht 500 million.

TPI Polene Power Public Company Limited and its Subsidiaries

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

Investment in joint venture as at 31 December 2022 and 2021, dividend income from those investments for the years then ended, were as follows:

Consolidated and Separate financial statements									
Type of business	Ownership interest		Paid-up capital		Cost		At equity method		Dividend income for the year
	2022	2021	2022	2021	2022	2021	2022	2021	
	(%)						(in thousand Baht)		

TPI Polene Power 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	Plants	Machinery	Tools and factory equipment	Furniture, fixtures and office equipment <i>(in thousand Baht)</i>	Vehicles	Major spare parts	Assets under construction and installation	Decommissioning assets	Total
<i>Cost</i>										
At 1 January 2021	9,545,228	1,584,640	24,290,109	242,849	53,099	584	200,510	3,729,753	239,423	39,886,195
Additions	1,486,369	-	20,445	16,539	4,029	61	-	1,556,117	-	3,083,560
Transfers	-	23,681	3,013,168	-	2,420	-	(144,852)	(2,894,417)	-	-
Disposal	-	-	-	(10)	(1,038)	-	-	-	(473)	(1,521)
At 31 December 2021 and 1 January 2022	11,031,597	1,608,321	27,323,722	259,378	59,510	645	55,658	2,391,453	238,950	42,968,234
Additions	725,627	10	49,387	20,326	5,644	247	4,278	4,192,460	-	4,997,979
Transfers	290	8,374	335,171	-	181	-	-	(344,016)	-	-
Disposal	-	-	-	(69)	(313)	-	-	-	(238,950)	(239,332)
At 31 December 2022	11,757,514	1,616,705	27,708,280	279,635	64,022	892	59,936	6,239,897	-	47,726,881

TPI Polene Power 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	Plants	Machinery	Tools and factory equipment	Furniture, fixtures and office equipment <i>(in thousand Baht)</i>	Vehicles	Major spare parts	Assets under construction and installation	Decommissioning assets	Total
<b>Depreciation</b>										
At 1 January 2021	-	146,643	3,957,468	121,954	27,467	116	-	-	26,935	4,280,583
Depreciation charge for the year	-	53,565	799,527	13,881	4,721	60	-	-	8,034	879,788
Disposals	-	-	-	(10)	(926)	-	-	-	-	(936)
<b>At 31 December 2021 and 1 January 2022</b>	-	<b>200,208</b>	<b>4,756,995</b>	<b>135,825</b>	<b>31,262</b>	<b>176</b>	-	-	<b>34,969</b>	<b>5,159,435</b>
Depreciation charge for the year	-	54,191	874,528	15,915	5,576	77	-	-	6,009	956,296
Disposals	-	-	-	(55)	(313)	-	-	-	(40,978)	(41,346)
<b>At 31 December 2022</b>	-	<b>254,399</b>	<b>5,631,523</b>	<b>151,685</b>	<b>36,525</b>	<b>253</b>	-	-	-	<b>6,074,385</b>
<b>Net book value</b>										
At 31 December 2021	11,031,597	1,408,113	22,566,727	123,553	27,248	469	55,658	2,391,453	203,981	37,808,799
At 31 December 2022	11,757,514	1,362,306	22,076,757	127,950	27,497	639	59,936	6,239,897	-	41,652,496

TPI Polene Power Public Company Limited and its Subsidiaries

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

Separate financial statements										
	Land	Plants	Machinery	Tools and factory equipment	Furniture, fixtures and office equipment	Vehicles <i>(in thousand Baht)</i>	Major spare parts	Assets under construction and installation	Decommissioning assets	Total
<i>Cost</i>										
At 1 January 2021	9,545,228	1,584,640	24,290,109	242,849	53,099	584	200,510	3,725,379	239,423	39,881,821
Additions	1,486,369	-	20,445	16,539	4,029	61	-	1,556,117	-	3,083,560
Transfers	-	23,681	3,013,168	-	2,420	-	(144,852)	(2,894,417)	-	-
Disposals	-	-	-	(10)	(1,038)	-	-	-	(473)	(1,521)
At 31 December 2021 and 1 January 2022	11,031,597	1,608,321	27,323,722	259,378	58,510	645	55,658	2,387,079	238,950	42,963,860
Additions	725,627	10	49,387	20,326	5,644	247	4,278	4,192,460	-	4,997,979
Transfers	290	8,374	335,171	-	181	-	-	(344,016)	-	-
Disposals	-	-	-	(69)	(313)	-	-	-	(238,950)	(239,332)
At 31 December 2022	11,757,514	1,616,705	27,708,280	279,635	64,022	892	59,936	6,235,523	-	47,722,507

TPI Polene Power Public Company Limited and its Subsidiaries

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

Separate financial statements										
	Land	Plants	Machinery	Tools and factory equipment	Furniture, fixtures and office equipment	Vehicles <i>(in thousand Baht)</i>	Major spare parts	Assets under construction and installation	Decommissioning assets	Total
<b>Depreciation</b>										
At 1 January 2021	-	146,643	3,957,468	121,954	27,467	116	-	-	26,935	4,280,583
Depreciation charge for the year	-	53,565	799,527	13,881	4,721	60	-	-	8,034	879,788
Disposals	-	-	-	(10)	(926)	-	-	-	-	(936)
<b>At 31 December 2021 and 1 January 2022</b>	-	<b>200,208</b>	<b>4,756,995</b>	<b>135,825</b>	<b>31,262</b>	<b>176</b>	-	-	<b>34,969</b>	<b>5,159,435</b>
Depreciation charge for the year	-	54,191	874,528	15,915	5,576	77	-	-	6,009	956,296
Disposals	-	-	-	(55)	(313)	-	-	-	(40,978)	(41,346)
<b>At 31 December 2022</b>	-	<b>254,399</b>	<b>5,631,523</b>	<b>151,685</b>	<b>36,525</b>	<b>253</b>	-	-	-	<b>6,074,385</b>
<b>Net book value</b>										
At 31 December 2021	11,031,597	1,408,113	22,566,727	123,553	27,248	469	55,658	2,387,079	203,981	37,804,425
At 31 December 2022	11,757,514	1,362,306	22,076,757	127,950	27,497	639	59,936	6,235,523	-	41,648,122

TPI Polene Power Public Company Limited and its Subsidiaries

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

The original cost of the Company's fully depreciated plant and equipment that was still in use as at 31 December 2022 amounted to Baht 953 million (2021: Baht 947 million).

Capitalised borrowing costs relating to the acquisition of the land and the construction of the new factory of the Group and the Company as at 31 December 2022 are amounted to Baht 536 million and Baht 536 million, respectively (2021: Baht 334 million and Baht 334 million, respectively), with a capitalisation in the consolidated and separate financial statements of 3% - 4.1% (2021: 2% - 3.9%).

## 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	496,627	600,170	496,627	600,170
Buildings	7,672	7,019	7,672	7,019
Vehicles	14,025	13,396	14,025	13,396
<b>Total</b>	<b>518,324</b>	<b>620,585</b>	<b>518,324</b>	<b>620,585</b>

In 2022, additions to the right-of-use assets of the Group and the Company were Baht 11.88 million and Baht 11.88 million, respectively (2021: Baht 7.23 million and Baht 7.23 million, respectively).

The Group leases a number of land, buildings and vehicles for 2 - 30 years, with extension options at the end of lease term. The rental is payable monthly as specified in the contract.

### *Extension options*

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

TPI Polene Power Public Company Limited and its Subsidiaries

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

<b><i>Year ended 31 December</i></b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b><i>Amounts recognised in profit or loss</i></b>				
Depreciation of right-of-use assets:				
- Land	29,996	30,463	29,996	30,463
- Buildings	4,542	1,928	4,542	1,928
- Vehicles	6,001	4,879	6,001	4,879
Interest on lease liabilities	20,553	25,508	20,553	25,508
Expenses relating to short-term leases	2,303	3,113	2,303	3,113

In 2022, total cash outflow for leases of the Group and the Company were Baht 47.20 million and Baht 47.20 million, respectively (2021: Baht 42.35 million and Baht 42.35 million, respectively).



TPI Polene Power Public Company Limited and its Subsidiaries

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

**12 Interest-bearing liabilities**

	<b>Consolidated financial statements</b>					
	Secured	2022 Unsecured	Total (in thousand Baht)	Secured	2021 Unsecured	Total
<b><i>Current</i></b>						
Current portion of lease liabilities	-	25,290	25,290	-	20,241	20,241
Current portion of debentures	-	3,000,000	3,000,000	-	4,000,000	4,000,000
<b><i>Non-Current</i></b>						
Lease liabilities	-	536,668	536,668	-	630,204	630,204
Debentures	-	13,216,600	13,216,600	-	11,523,600	11,523,600
<b>Total interest-bearing liabilities</b>	<b>-</b>	<b>16,778,558</b>	<b>16,778,558</b>	<b>-</b>	<b>16,174,045</b>	<b>16,174,045</b>

TPI Polene Power Public Company Limited and its Subsidiaries

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

	Separate financial statements					
	Secured	2022 Unsecured	Total (in thousand Baht)	Secured	2021 Unsecured	Total
<b>Current</b>						
Current portion of lease liabilities	-	25,290	25,290	-	20,241	20,241
Current portion of debentures	-	3,000,000	3,000,000	-	4,000,000	4,000,000
<b>Non-Current</b>						
Lease liabilities	-	536,668	536,668	-	630,204	630,204
Debentures	-	13,218,600	13,218,600	-	11,523,600	11,523,600
<b>Total interest-bearing liabilities</b>	<b>-</b>	<b>16,780,558</b>	<b>16,780,558</b>	<b>-</b>	<b>16,174,045</b>	<b>16,174,045</b>

The periods to maturity of interest-bearing liabilities as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(in thousand Baht)			
Within 1 year	3,025,290	4,020,241	3,025,290	4,020,241
1 - 5 years	13,281,570	11,586,283	13,283,570	11,586,283
After 5 years	471,698	567,521	471,698	567,521
<b>Total</b>	<b>16,778,558</b>	<b>16,174,045</b>	<b>16,780,558</b>	<b>16,174,045</b>

As at 31 December 2022 and 2021, the Group and the Company have no unutilised credit facilities.

TPI Polene Power Public Company Limited and its Subsidiaries

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

**Debentures**

As at 31 December 2022, the Group and the Company had the unsecured, unsubordinated debentures in registered form with debentures holders' representative, payable quarterly totalling Baht 16,217 million and Baht 16,219 million, respectively (2021: Baht 15,524 million and Baht 15,524 million, respectively) as follows:

Issued Date	Consolidated financial statements							Interest Rate (% p.a.)	Term
	The period to maturity within one year			The period to maturity over one year			Total		
	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021			
	(in thousand Baht)								
9 August 2019	-	4,000,000	-	-	-	4,000,000	3.50	3 years 3 months	
19 August 2020	-	-	4,000,000	4,000,000	4,000,000	4,000,000	3.90	3 years 11 months	
10 June 2021	3,000,000	-	-	3,000,000	3,000,000	3,000,000	3.00	2 years 6 months	
12 November 2021	-	-	4,523,600	4,523,600	4,523,600	4,523,600	3.55	4 years 3 months	
11 August 2022	-	-	4,693,000	-	4,693,000	-	4.10	5 years	
<b>Total</b>	<b>3,000,000</b>	<b>4,000,000</b>	<b>13,216,600</b>	<b>11,523,600</b>	<b>16,216,600</b>	<b>15,523,600</b>			

TPI Polene Power Public Company Limited and its Subsidiaries

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

Issued Date	Separate financial statements						
	The period to maturity within one year		The period to maturity over one year		Total		Term
	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021	
	(in thousand Baht)						
9 August 2019	-	4,000,000	-	-	-	4,000,000	3 years 3 months
19 August 2020	-	-	4,000,000	4,000,000	4,000,000	4,000,000	3 years 11 months
10 June 2021	3,000,000	-	-	3,000,000	3,000,000	3,000,000	2 years 6 months
12 November 2021	-	-	4,523,600	4,523,600	4,523,600	4,523,600	4 years 3 months
11 August 2022	-	-	4,695,000	-	4,695,000	-	5 years
<b>Total</b>	<b>3,000,000</b>	<b>4,000,000</b>	<b>13,218,600</b>	<b>11,523,600</b>	<b>16,218,600</b>	<b>15,523,600</b>	

TPI Polene Power Public Company Limited and its Subsidiaries

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

**13 Trade accounts payable**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
Related parties	4	408,300	152,864	408,300	152,864
Other parties		334,874	277,532	334,874	277,532
<b>Total</b>		<b>743,174</b>	<b>430,396</b>	<b>743,174</b>	<b>430,396</b>

**14 Other payables**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
Retention payable		418,296	116,468	418,296	116,468
Other payables - Machine		204,412	34,722	204,412	34,722
Accrued expenses		279,513	104,939	279,366	104,794
Deposit from sales and guarantee		4,674	3,789	4,674	3,789
Others		91,527	46,964	91,527	46,900
<b>Total</b>		<b>998,422</b>	<b>306,882</b>	<b>998,275</b>	<b>306,673</b>

**15 Other current liabilities**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
Payable to Revenue Department		-	30,615	-	30,615
Suspend output tax		85,149	101,896	85,149	101,896
Others		11,908	10,739	11,904	10,720
<b>Total</b>		<b>97,057</b>	<b>143,250</b>	<b>97,053</b>	<b>143,231</b>

TPI Polene Power Public Company Limited and its Subsidiaries

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

**16 Non-current provisions for employee benefits**

<i>At 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Post-employment benefits				
Defined benefit plan	<b>146,622</b>	<b>151,657</b>	<b>146,622</b>	<b>151,657</b>

***Defined benefit plan***

The Group and the Company operate defined benefit plans based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

<i>Present value of the defined benefit obligations</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
At 1 January	151,657	152,705	151,657	152,705
<b><i>Recognised in profit or loss</i></b>				
Current service cost and interest on obligation	-	-	-	-
<b><i>Recognised in other comprehensive income:</i></b>				
Actuarial loss	-	-	-	-
<b>Other</b>				
Benefit paid	(5,035)	(1,048)	(5,035)	(1,048)
<b>At 31 December</b>	<b>146,622</b>	<b>151,657</b>	<b>146,622</b>	<b>151,657</b>

TPI Polene Power Public Company Limited and its Subsidiaries

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

<b><i>Principal actuarial assumptions</i></b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
				(%)
Discount rate	3.61	2.88	3.61	2.88
Future salary growth	3.50	2.35	3.50	2.35

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2022, the weighted-average duration of the defined benefit obligation was 24 years (2021: 25 years).

#### *Sensitivity analysis*

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

<b><i>Effect to the defined benefit obligation At 31 December</i></b>	<b>Consolidated and separate financial statements</b>			
	1% increase in assumption		1% decrease in assumption	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Discount rate	(13,744)	(9,574)	16,352	11,176
Future salary growth	14,058	9,011	(12,039)	(7,794)

TPI Polene Power Public Company Limited and its Subsidiaries

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

## **17 Legal reserve**

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

## **18 Segment information and disaggregation of revenue**

Management determined that the Group has two reportable segments which are the Group’s strategic divisions for different products and services, and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group’s reportable segments.

- Energy & Utilities
- Petrol and gas stations

Each segment's performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group’s CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm’s length basis.



TPI Polene Power Public Company Limited and its Subsidiaries

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

**(a) Reportable segment results**

	Consolidated financial statement					
	Revenue from external customers		Inter-segment revenue		Total segment revenue	
	2022	2021	2022	2021	2022	2021
<b>Year ended 31 December</b>						
Energy & Utilities	9,618,401	10,557,354	-	-	9,618,401	10,557,354
Petrol and gas stations	581,573	516,478	-	-	581,573	516,478
<b>Total</b>	<b>10,199,974</b>	<b>11,073,832</b>	<b>-</b>	<b>-</b>	<b>10,199,974</b>	<b>11,073,832</b>
Finance costs					(90,286)	(207,786)
Depreciation					(996,835)	(917,058)
<b>Profit before income tax expense for the year</b>					<b>2,826,835</b>	<b>4,301,464</b>

The Group was incorporated domestic. There are no material revenues derived from, or assets located in, foreign countries, and timing of revenue recognition of the Group is at a point in time.

TPI Polene Power Public Company Limited and its Subsidiaries

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

<i>Year ended 31 December</i>	<b>Consolidated financial statements</b>	
	<b>Reportable segment</b>	
	<b>profit (loss) before tax</b>	
	2022	2021
	<i>(in thousand Baht)</i>	
Energy & Utilities	2,812,574	4,334,902
Petrol and gas stations	14,261	(33,435)
<b>Total</b>	<b>2,826,835</b>	<b>4,301,467</b>
Elimination of inter-segment (profit) loss	-	(3)
<b>Profit (loss) before income tax expense for the year</b>	<b>2,826,835</b>	<b>4,301,464</b>

**(b) Reportable segment financial position**

	<b>Segment assets</b>	
	2022	2021
	<i>(in thousand Baht)</i>	
Energy & Utilities	46,493,705	42,956,956
Petrol and gas stations	77,590	74,742
	<b>46,571,295</b>	<b>43,031,698</b>
Unallocated assets	4,008,078	5,453,652
<b>Total assets</b>	<b>50,579,373</b>	<b>48,485,350</b>

**(c) Geographical segments**

The Group is managed and operates principally in Thailand. There are no material revenues derived from, or assets located in, foreign countries.

**(d) Major customer**

Revenues from 2 customers of the Group's represents approximately Baht 9,644 million (2021: Baht 10,580 million) of the Group's total revenues.

TPI Polene Power Public Company Limited and its Subsidiaries

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

**19 Other income**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Revenue from machine rental	216,756	183,155	216,756	183,155
Waste disposal service income	58,823	14,997	58,823	14,997
Others	90,888	42,430	90,888	42,430
<b>Total</b>	<b>366,467</b>	<b>240,582</b>	<b>366,467</b>	<b>240,582</b>

**20 Distribution costs**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Personnel expenses	29,737	29,059	29,737	29,059
Utilities expenses	9,107	7,857	9,107	7,857
Rental	1,300	1,425	1,300	1,425
Depreciation	9,161	9,210	9,161	9,210
Others	15,268	17,892	15,268	17,892
<b>Total</b>	<b>64,573</b>	<b>65,443</b>	<b>64,573</b>	<b>65,443</b>

TPI Polene Power Public Company Limited and its Subsidiaries

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

**21 Administrative expenses**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Personnel expenses	95,068	81,485	95,068	81,485
Shared service expenses	51,852	46,579	51,724	46,451
Professional fees	13,926	25,823	9,090	20,674
Registration fees	44,144	33,423	44,137	33,418
Depreciation	37,997	4,286	37,997	4,286
Insurance expenses	9,831	659	9,831	659
Donation	48,556	143,465	48,553	143,465
Others	157,820	246,088	157,808	246,081
<b>Total</b>	<b>459,194</b>	<b>581,808</b>	<b>454,208</b>	<b>576,519</b>

**22 Employee benefit expenses**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b>Management</b>				
Wages and salaries	28,038	27,666	28,038	27,666
Others	27,138	24,671	27,138	24,671
	<b>55,176</b>	<b>52,337</b>	<b>55,176</b>	<b>52,337</b>
<b>Employee</b>				
Wages and salaries	589,986	542,709	589,986	542,709
Others	48,188	43,018	48,188	43,018
	<b>638,174</b>	<b>585,727</b>	<b>638,174</b>	<b>585,727</b>
<b>Total</b>	<b>693,350</b>	<b>638,064</b>	<b>693,350</b>	<b>638,064</b>

TPI Polene Power Public Company Limited and its Subsidiaries

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

*Defined contribution plans*

The defined contribution plans comprise provident funds established by the Company for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging 3% of their basic salaries and by the Company at rates ranging 3% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

**23 Expenses by nature**

The statements of comprehensive income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b><i>Included in cost of sales of goods:</i></b>				
Changes in inventories of finished goods and work in progress	194,706	111,263	194,706	111,263
Raw materials and consumables used	4,741,224	3,964,705	4,741,224	3,964,705
Employee benefit expenses	568,545	527,520	568,545	527,520
Depreciation	949,677	903,562	949,677	903,562
<b><i>Included in distribution costs:</i></b>				
Employee benefit expenses	29,737	29,059	29,737	29,059
Depreciation	9,161	9,210	9,161	9,210
<b><i>Included in administrative expenses:</i></b>				
Employee benefit expenses	95,068	81,485	95,068	81,485
Depreciation	37,997	4,286	37,997	4,286

TPI Polene Power Public Company Limited and its Subsidiaries

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

**24 Finance costs**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
<b>Interest expense:</b>					
Short-term loans from financial institutions		-	375	-	375
Debentures		601,643	510,442	601,675	510,442
Lease	11	20,553	25,508	20,553	25,508
<b>Total interest expense</b>		<b>622,196</b>	<b>536,325</b>	<b>622,228</b>	<b>536,325</b>
Other		3,914	5,145	3,914	5,145
		<b>626,110</b>	<b>541,470</b>	<b>626,142</b>	<b>541,470</b>
<i>Less amounts included in the cost of qualifying assets:</i>					
- Construction contracts work in progress	10	(535,824)	(333,684)	(535,824)	(333,684)
<b>Net</b>		<b>90,286</b>	<b>207,786</b>	<b>90,318</b>	<b>207,786</b>

**25 Income tax**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
<b>Income tax recognised in profit or loss</b>					
<b>Current tax expense</b>					
Current year		500	115,964	-	115,610
Adjustment for prior years		1,782	5,921	1,782	5,921
		<b>2,282</b>	<b>121,885</b>	<b>1,782</b>	<b>121,531</b>
<b>Deferred tax expense</b>					
Movements in temporary differences		11,769	(11,751)	11,769	(11,751)
<b>Total income tax expense</b>		<b>14,051</b>	<b>110,134</b>	<b>13,551</b>	<b>109,780</b>

TPI Polene Power Public Company Limited and its Subsidiaries

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

**Reconciliation of effective tax rate**

	Rate (%)	<b>Consolidated financial statements</b>	
		2022 (in thousand Baht)	2021 (in thousand Baht)
Profit before income tax expense		2,826,835	4,301,464
Income tax using the Thai corporation tax rate	20	565,367	860,293
Double allowance and deduction		(42,365)	(22,297)
Profit was derived from promoted activities		(541,197)	(744,126)
Expenses not deductible for tax purposes		3,121	10,343
Current year losses for which no deferred tax asset was recognised		27,343	-
Under provided in prior years		1,782	5,921
<b>Total</b>	<b>0.5</b>	<b>14,051</b>	<b>110,134</b>

**Reconciliation of effective tax rate**

	Rate (%)	<b>Separate financial statements</b>	
		2022 (in thousand Baht)	2021 (in thousand Baht)
Profit before income tax expense		2,826,335	4,301,110
Income tax using the Thai corporation tax rate	20	565,267	860,222
Double allowance and deduction		(42,365)	(22,297)
Profit was derived from promoted activities		(541,197)	(744,126)
Expenses not deductible for tax purposes		2,721	10,060
Current year losses for which no deferred tax asset was recognised		27,343	-
Under provided in prior years		1,782	5,921
<b>Total</b>	<b>0.5</b>	<b>13,551</b>	<b>109,780</b>

TPI Polene Power Public Company Limited and its Subsidiaries

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

<b>Deferred tax assets and liabilities</b> <b>At 31 December</b>	<b>Consolidated and Separate financial statements</b>			
	<b>Assets</b>		<b>Liabilities</b>	
	2022	2021	2022	2021
		<i>(in thousand Baht)</i>		
Total	82,244	94,033	-	(20)
Set off of tax	-	(20)	-	20
<b>Net deferred tax assets</b>	<b>82,244</b>	<b>94,013</b>	<b>-</b>	<b>-</b>

Movements in deferred tax balances are as follows:

	Consolidated and Separate financial statements			
		(Charged) / Credited to		
	At 1 January 2022	Profit or loss	Other comprehensive income	At 31 December 2022
		(in thousand Baht)		
<i>Deferred tax assets</i>				
Property, plant and equipment	47,940	2,499	-	50,439
Inventories	2,911	(2,911)	-	-
Provisions for employee benefits	24,085	(1,007)	-	23,078
Provisions for decommissioning costs	13,125	(13,125)	-	-
Lease liabilities	5,972	2,755	-	8,727
<b>Total</b>	<b>94,033</b>	<b>(11,789)</b>	<b>-</b>	<b>82,244</b>
<i>Deferred tax liabilities</i>				
Revaluation on fair value of financial assets	(20)	20	-	-
<b>Total</b>	<b>(20)</b>	<b>20</b>	<b>-</b>	<b>-</b>
<b>Net</b>	<b>94,013</b>	<b>(11,769)</b>	<b>-</b>	<b>82,244</b>



TPI Polene Power Public Company Limited and its Subsidiaries

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

	<b>Consolidated and Separate financial statements</b>		
	<b>(Charged) / Credited to</b>		
	<b>At 1 January 2021</b>	<b>Profit or loss Other comprehensive income</b>	<b>At 31 December 2021</b>
		<i>(in thousand Baht)</i>	
<b><i>Deferred tax assets</i></b>			
Property, plant and equipment	46,656	1,284	47,940
Inventories	4,103	(1,192)	2,911
Provisions for employee benefits	24,294	(209)	24,085
Provisions for decommissioning costs	5,387	7,738	13,125
Lease liabilities	1,882	4,090	5,972
<b>Total</b>	<b>82,322</b>	<b>11,711</b>	<b>94,033</b>
<b><i>Deferred tax liabilities</i></b>			
Revaluation on fair value of financial assets	(60)	40	(20)
<b>Total</b>	<b>(60)</b>	<b>40</b>	<b>(20)</b>
<b>Net</b>	<b>82,262</b>	<b>11,751</b>	<b>94,013</b>

Deferred tax assets arising from unused tax losses that has not been recognised in the consolidated and separate financial statements as at 31 December 2022 amounting to Baht 27 million and Baht 27 million, respectively.

The tax losses expire in 2027. The deductible temporary differences do not expire under current tax legislation. The Group has not recognised these items as deferred tax assets.

TPI Polene Power Public Company Limited and its Subsidiaries

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

## 26 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, the Company has been granted privileges by the Board of Investment relating to natural gas stations, power plants and fuel production from garbage and waste. The privileges granted include:

- (a) exemption from payment of import duty on machinery and equipment approved by the Board;
- (b) exemption from payment of corporate income tax for certain operations for a period of 8 years from the dates on which the income is first derived from such operations;
- (c) a 50% reduction in the normal income tax rate on the net profit derived from certain operations for a period of 5 years, commencing from the expiry date in (b) above;
- (d) a deduction of twice the actual transportation, electrical and water supply expenses for a period of 10 years from the respective revenues and a 25% reduction of the capital expenditure for the installation or the construction of the facilities in addition to the normal depreciation; and
- (e) losses occur during the period could be carried forward 5 years commencing from the expiry date of the privileges to deducted from the profit that occur after the period of exemption of cooperate income tax.

As a promoted company, the Company must comply with certain terms and conditions prescribed in the promotional certificates.

Summary of revenue from promoted and non-promoted businesses:

	Consolidated and Separate financial statements					
	2022			2021		
	Promoted businesses	Non-promoted businesses	Total	Promoted businesses	Non-promoted businesses	Total
	<i>(in thousand Baht)</i>					
Domestic sales	9,185,600	1,014,374	10,199,974	9,439,078	1,634,754	11,073,832
<b>Total</b>	<b>9,185,600</b>	<b>1,014,374</b>	<b>10,199,974</b>	<b>9,439,078</b>	<b>1,634,754</b>	<b>11,073,832</b>

TPI Polene Power Public Company Limited and its Subsidiaries

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

**27 Basic earnings per share**

The calculations of basic earnings per share for the years ended 31 December 2022 and 2021 were based on the profit for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht / thousand shares)</i>			
<b>Profit attributable to ordinary shareholders of the Company (basic)</b>	<b><u>2,812,784</u></b>	<b><u>4,191,330</u></b>	<b><u>2,812,784</u></b>	<b><u>4,191,330</u></b>
<b>Weighted average number of ordinary shares outstanding (basic) at 31 December</b>	<b><u>8,400,000</u></b>	<b><u>8,400,000</u></b>	<b><u>8,400,000</u></b>	<b><u>8,400,000</u></b>
<b>Earnings per share (basic) <i>(in Baht)</i></b>	<b><u>0.335</u></b>	<b><u>0.499</u></b>	<b><u>0.335</u></b>	<b><u>0.499</u></b>

TPI Polene Power Public Company Limited and its Subsidiaries

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

## 28 Dividends

At the annual general meeting of the shareholders of the Company held on 21 April 2021, the shareholders approved the appropriation of 2020 annual dividend at Baht 0.27 per share for the 8,400 million common shares, amounting to Baht 2,268 million. After a deduction of the interim dividends of Baht 0.12 per share which were paid to the Company's shareholders in 2020, the remaining dividends of Baht 0.15 per share, totalling Baht 1,260 million. The dividend was paid to the Shareholders on 7 May 2021.

At the Board of Director's meeting of the Company held on 27 August 2021, the Board of Director's meeting passed a resolution to declare the interim dividend payment from retained earnings as of 30 June 2021, in amount of Baht 0.12 per share for the Baht 8,400 million common shares, amounting to Baht 1,008 million. The dividend was paid to the shareholders on 22 September 2021.

At the annual general meeting of the shareholders of the Company held on 19 April 2022, the shareholders approved the appropriation of 2021 annual dividend at Baht 0.25 per share for the 8,400 million common shares, amounting to Baht 2,100 million. After a deduction of the interim dividends of Baht 0.12 per share which were paid to the Company's shareholders in 2021, the remaining dividends of Baht 0.13 per share, totalling Baht 1,092 million. The dividend was paid to the shareholders on 12 May 2022.

At the Board of Director's meeting of the Company held on 26 August 2022, the Board of Director's meeting passed a resolution to declare the interim dividend payment from retained earnings as of 30 June 2022, in amount of Baht 0.12 per share for the Baht 8,400 million common shares, amounting to Baht 1,008 million. The dividend was paid to the shareholders on 23 September 2022.

## 29 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, but 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.

TPI Polene Power Public Company Limited and its Subsidiaries

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

	Note	Carrying amount		Consolidated financial statements				Fair value	
		Financial instruments measured at FVTPL	Financial instruments measured at amortised cost	Total	Level 1 (in thousand Baht)	Level 2	Level 3	Total	
<b>At 31 December 2022</b>									
<b>Financial assets</b>									
<b>Other current financial assets</b>									
Investment in debt securities	8	-	185,030	185,030	-	185,088	-	185,088	
<b>Other non-current financial assets</b>									
Investment in debt securities		-	486,173	486,173	-	439,598	-	439,598	
<b>Total financial assets</b>		-	<b>671,203</b>	<b>671,203</b>					
<b>Financial liabilities</b>									
Debentures	12	-	16,216,600	16,216,600	-	16,177,195	-	16,177,195	
<b>Total financial liabilities</b>		-	<b>16,216,600</b>	<b>16,216,600</b>					

TPI Polene Power Public Company Limited and its Subsidiaries

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

	Note	Carrying amount		Consolidated financial statements				Fair value	
		Financial instruments measured at FVTPL	Financial instruments measured at amortised cost	Total	Level 1 (in thousand Baht)	Level 2	Level 3	Total	
<b>At 31 December</b>									
<b>2021</b>									
<b>Financial assets</b>									
<b>Other current financial assets</b>									
Investment in debt securities (Private funds)	8	43,292	-	43,292	-	43,292	-	43,292	
Investment in debt securities	8, 35	2,002,505	2,000	2,004,505	2,002,505	2,029	-	2,004,534	
<b>Other non-current financial assets</b>									
Investment in debt securities	35	-	670,890	670,890	-	656,182	-	656,182	
<b>Total financial assets</b>		<b>2,045,797</b>	<b>672,890</b>	<b>2,718,687</b>					
<b>Financial liabilities</b>									
Debentures	12	-	15,523,600	15,523,600	-	15,602,098	-	15,602,098	
<b>Total financial liabilities</b>		<b>-</b>	<b>15,523,600</b>	<b>15,523,600</b>					

TPI Polene Power Public Company Limited and its Subsidiaries

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

		Note	Carrying amount		Separate financial statements				Fair value
			Financial instruments measured at FVTPL	Financial instruments measured at amortised cost	Total	Level 1 (in thousand Baht)	Level 2	Level 3	
<b>At 31 December 2022</b>									
<b>Financial assets</b>									
<b>Other current financial assets</b>		8	-	5,017	5,017	-	5,045	-	5,045
Investment in debt securities									
<b>Other non-current financial assets</b>			-	486,173	486,173	-	439,598	-	439,598
Investment in debt securities									
<b>Total financial assets</b>			-	<b>491,190</b>	<b>491,190</b>				
<b>Financial liabilities</b>		12	-	16,218,600	16,218,600	-	16,179,195	-	16,179,195
Debentures									
<b>Total financial liabilities</b>			-	<b>16,218,600</b>	<b>16,218,600</b>				

TPI Polene Power Public Company Limited and its Subsidiaries

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

	Note	Carrying amount		Separate financial statements				Fair value
		Financial instruments measured at FVTPL	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	
<b>At 31 December</b>					<i>(in thousand Baht)</i>			Total
<b>2021</b>								
<b>Financial assets</b>								
<b>Other current financial assets</b>								
Investment in debt securities (Private funds)	8	43,292	-	43,292	-	43,292	-	43,292
Investment in debt securities	8, 35	2,002,505	-	2,002,505	2,002,505	-	-	2,002,505
<b>Other non-current financial assets</b>								
Investment in debt securities	35	-	490,443	490,443	-	474,181	-	474,181
<b>Total financial assets</b>		<b>2,045,797</b>	<b>490,443</b>	<b>2,536,240</b>				
<b>Financial liabilities</b>								
Debentures	12	-	15,523,600	15,523,600	-	15,602,098	-	15,602,098
<b>Total financial liabilities</b>		<b>-</b>	<b>15,523,600</b>	<b>15,523,600</b>				



TPI Polene Power 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
Corporate debt securities	Thai Bond Market Association Government Bond Yield Curve as of the reporting date.
Corporate debt securities (Private funds)	<i>Market comparison/discounted cash flow:</i> The fair value is estimated considering (i) current or recent quoted prices for identical securities in markets that are not active and (ii) a net present value calculated using discount rates derived from quoted prices of securities with similar maturity and credit rating that are traded in active markets, adjusted by an illiquidity factor.
Debenture	A valuation technique incorporating observable market data which is adjusted with counterparty credit risk (excluding own credit risk) and other risks to reflect true economic value.

TPI Polene Power Public Company Limited and its Subsidiaries

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

**(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 analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

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.

*(b.1.1) Trade accounts receivables*

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in note 18(d).

TPI Polene Power Public Company Limited and its Subsidiaries

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

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's commercial terms and conditions are offered. The Group's review includes financial statements, industry information and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the risk management committee.

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of 30 days. 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 groupings of various customer segments with similar credit risks 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.

Information relevant to trade accounts receivables disclosed in note 6.

**(b.1.2) Investment in debt securities**

The Group considers that all debt investments measured at amortised cost have low credit risk. Then the credit loss allowance assessed during the year was therefore limited to 12 months expected losses or 'low credit risk'. Marketable bonds are considered to be an investment grade credit rating published by external credit rating agencies. The credit risk of other instruments are considered to be low when the risk of default is low and the issuer has a strong capacity to meet its contractual cash flow obligations.

**(b.1.3) Cash and cash equivalent**

The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions which the Group considers to have low credit risk.

***(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.

TPI Polene Power Public Company Limited and its Subsidiaries

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

The following table shows the remaining contractual maturities of financial liabilities at the reporting date.

Consolidated financial statements					
At 31 December	Carrying amount	Contractual cash flows			Total
		1 year or less	More than 1 year but less than 5 years	More than 5 years	
			(in thousand Baht)		
2022					
Non-derivative financial liabilities					
Trade payables	743,174	741,216	1,953	5	743,174
Lease liabilities	561,958	48,179	143,493	673,379	865,051
Debentures	16,216,600	3,000,000	13,216,600	-	16,216,600
Total	17,521,732	3,789,395	13,362,046	673,384	17,824,825
2021					
Non-derivative financial liabilities					
Trade payables	430,396	427,269	3,127	-	430,396
Lease liabilities	650,445	45,293	153,863	833,358	1,032,514
Debentures	15,523,600	4,000,000	11,523,600	-	15,523,600
Total	16,604,441	4,472,562	11,680,590	833,358	16,986,510

TPI Polene Power Public Company Limited and its Subsidiaries

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

<i>At 31 December</i>	Carrying amount	<b>Separate financial statements</b> Contractual cash flows			Total
		1 year or less	More than 1 year but less than 5 years <i>(in thousand Baht)</i>	More than 5 years	
<b>2022</b>					
<b><i>Non-derivative financial liabilities</i></b>					
Trade payables	743,174	741,216	1,953	5	743,174
Lease liabilities	561,958	48,179	143,493	673,379	865,051
Debentures	16,218,600	3,000,000	13,218,600	-	16,218,600
<b>Total</b>	<b>17,523,732</b>	<b>3,789,395</b>	<b>13,364,046</b>	<b>673,384</b>	<b>17,826,825</b>
<b>2021</b>					
<b><i>Non-derivative financial liabilities</i></b>					
Trade payables	430,396	427,269	3,127	-	430,396
Lease liabilities	650,445	45,293	153,863	833,358	1,032,514
Debentures	15,523,600	4,000,000	11,523,600	-	15,523,600
<b>Total</b>	<b>16,604,441</b>	<b>4,472,562</b>	<b>11,680,590</b>	<b>833,358</b>	<b>16,986,510</b>

*(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.

TPI Polene Power Public Company Limited and its Subsidiaries

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

**(b.3.1) Foreign currency risk**

The Group is exposed to foreign currency risk relating to purchases of spare parts, supplies, machines and equipment.

<b>Exposure to foreign currency At 31 December</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b>United States Dollars</b>				
Cash and cash equivalents	-	3,600	-	90
Other payables	(484,552)	(41,400)	(484,552)	(41,400)
	<u>(484,552)</u>	<u>(37,800)</u>	<u>(484,552)</u>	<u>(41,310)</u>
<b>EURO</b>				
Cash and cash equivalents	7	7	7	7
Other payables	(33,370)	(8,630)	(33,370)	(8,630)
	<u>(33,363)</u>	<u>(8,623)</u>	<u>(33,363)</u>	<u>(8,623)</u>
<b>Others</b>				
Cash and cash equivalents	332	336	332	336
Other payables	(2,035)	-	(2,035)	-
	<u>(1,703)</u>	<u>336</u>	<u>(1,703)</u>	<u>336</u>
<b>Net exposure</b>	<u>(519,618)</u>	<u>(46,087)</u>	<u>(519,618)</u>	<u>(49,597)</u>

**(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 are mainly fixed. The Group is primarily exposed to interest rate risk from its borrowings (see note 12). The Group mitigates this risk by ensuring that the majority of its debt securities and borrowings are at fixed interest rates.

TPI Polene Power Public Company Limited and its Subsidiaries

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

### 30 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board regularly monitors the return on capital, by evaluating result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

### 31 Commitments with non-related parties

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b><i>Capital commitments</i></b>				
Agreements for construction, machine and equipment	<u>7,624,521</u>	<u>3,190,500</u>	<u>7,583,117</u>	<u>3,149,096</u>
<b><i>Other commitments</i></b>				
Short-term lease commitments	400	500	400	500
Unused letters of credit	-	57,131	-	57,131
Bank guarantees	<u>818,413</u>	<u>117,283</u>	<u>818,413</u>	<u>117,283</u>
<b>Total</b>	<u><b>818,813</b></u>	<u><b>174,914</b></u>	<u><b>818,813</b></u>	<u><b>174,914</b></u>

#### ***Power Purchase Agreement***

The Company entered into Power Purchase Agreements, which uses garbage as fuel and waste heat from the cement production process as a fuel supplement, in term of "Non-firm" with Electricity Generating Authority of Thailand ("EGAT") for the period of 5 years since start trading month. The contracts can be extended for a period of 5 years subject to the provision of written notice to the counterparty not less than 30 days before the contracts expired. Regarding to the agreements, the Company obtained adder from base tariff of electricity for period of 7 years since start trading date. The Company has to comply with conditions as specified in the Power Purchase Agreements. At present, the Company has agreements with Electricity Generating Authority of Thailand as follows:

TPI Polene Power Public Company Limited and its Subsidiaries

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

<b>Power Purchase Agreement</b>	<b>Contracted Capacity</b>	<b>Start trading date</b>
1 <sup>st</sup> agreement (7 November 2014 - 31 December 2019) 1 <sup>st</sup> agreement (extended) (1 January 2020 - 31 December 2024)	18 Megawatt	16 January 2015
2 <sup>nd</sup> agreement (13 November 2013 - 31 July 2020) 2 <sup>nd</sup> agreement (extended) (1 August 2020 - 31 July 2025)	55 Megawatt	6 August 2015
3 <sup>rd</sup> agreement (17 August 2017 - 31 March 2023)	90 Megawatt	5 April 2018

## 32 Litigation

On 16 December 2019, individuals in total of 222 people sued Energy Regulatory Commission (ERC) et al to the Central Administrative Court which the Company was listed as the 5<sup>th</sup> Defendant. The Plaintiffs requested that the approval of Environmental and Health Impact Assessment (EHIA) report for the project of 150 megawatts thermal power plant, the license to operate electricity generating business and the construction approval of the Company be revoked. The Plaintiffs also requested that the Court take evidence out of Court and issued an interim measure and ordering that the electricity generating system be temporarily stopped until the final decision is reached.

On 25 December 2019, the Court inquired both Parties in considering the request for interim measure and rendered its decision on 28 January 2020 denied the request for interim measure due to the lack of reason to believe that the license to operate electricity generating business of the Company is unlawful.

Subsequently, On 31 January 2020, the Court ordered to accept the complaint and request the Company to file the answers within the time limit. The lawyer submitted the answer to the Court on 1

July 2020. On 7 December 2020, the Court sent the objection to the answer of the 5<sup>th</sup> Defendant (the Company) and requested the Company to submit additional answer to the Court within the prescribed period.

The Company submitted the additional answer to the Court on 12 March 2021, the case is under the Court consideration.



TPI Polene Power Public Company Limited and its Subsidiaries

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

The Company's legal consultant considered the complaint and its appendixes and hereby opines that the Company lawfully received the license to operate the electricity generating business and the construction approval from the competent authorities. The complaint of the Plaintiffs is untrue. As the case is in the preparation for answer, the Company has causes to relieve itself of any liability generated from the complaint depending on the Central Administrative Court Decision. Moreover, the Company has pressed charges against the 222 Plaintiffs to the Muak Lek police station, Saraburi, for taking the false information to charge the person in the Court. The case is under the investigation of the police.

### 33 Other

- 1) The Company purchased plots of land in Chana district, Songkhla province, to develop the Security, Prosperity, Sustainability Triangle Model City 4 project, in Chana district, Songkhla Province, as the Future Industrial City, according to the Thai Government Policy to develop and administer the southern border provinces for peace and security of the country with the cabinet approval following the motion from Southern Border Provinces Administrative Center (SBPAC) requesting the government to include Chana district, Songkhla province, specifically to be a part of southern special economic zone under Southern Border Provinces Administration Act, B.E. 2553, and the Company to propose investment plan worth Baht 396,000 million to extend prosperity to the provinces by creating employment for the people and economic benefits to such area. On May 7, 2019, the cabinet approved the development of such projects and assigned the SBPAC and other relevant authorities to proceed with the project without delay.

On March 6, 2020, the SBPAC sent a letter to the Company informing the Company that the SBPAC has proposed such issues to the Southern Corridor Strategy Development Committee (the "SCSDC") meeting no.1/2562 on October 31, 2019, in which the SCSDC approved the proposal, and thereafter on January 21, 2020 the cabinet has acknowledged and approved the SCSDC resolution. The SBPAC also coordinated with the relevant authorities involved with the private sector investment plan, i.e., the Department of Public Works and Town & Country Planning, Ministry of Interior, and Songkhla Provincial Administration Organization, to consider the change of the city plan color for the project benefits of usage, to comply with the urgent investment plan as proposed by the private sector and to have the Ministry of Energy to consider and support the production of electricity from new power plant to cope with the industrial development under the Country Power Development Plan (PDP), to be revised according to the cabinet approval allowing the private sector i.e. TPIPP, to invest and sell 3,700 MW of electricity to government enterprise (EGAT) in this Model Futuristic Advanced Industrial City, which has received approval to change the city plan color in Chana District Songkla with the proper approval from authority (Office of the energy regulatory commission) including the proposed condition for the private sector to conduct feasibility study on the Environmental Impact Assessment : EIA) and/or the Environmental and Health Impact Assessment : EHIA), as the case may be, so that the project developments could run in parallel from the year 2021 onwards.

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

The SBPAC has made “Strategic Environment Assessment (SEA)” according to Nation Economic Development Board (the “NEDB”) which is an analytical and particularly process to support the formulation of development policies, plans and programs. The goal of which is to balance and optimize economic social and environment considerations based on the principles of sustainable development. The SCSDC, whereby the Prime Minister is the Chairman, and the Deputy Prime

Minister, Gen Pravit Wongsuwan, as the authorized person to act on behalf of the Prime Minister to implement the SEA plan, approved the project of TPIPP, and the Cabinet resolved to acknowledge the resolution deemed as the Cabinet’s approval of the project in accordance with the plan and policy of the Security, Prosperity, Sustainability Triangle Model City 4 project of the SBPAC. In addition, the SCSDC has resolved to expedite the Department of Public Works to change the City Plan color from green zone to purple zone, and that the Ministry of Energy, Energy Regulatory Commission (“ERC”), and state-owned enterprises to complete the PPA as soon as possible and it is the Company's responsibility to complete the Environmental Impact Assessment (“EIA”) and Environmental and Health Impact Assessment (“EHIA”).

In case of mass coordination, public and civil society in 3 sub-districts of Chana District, Songkhla Province, the Company was requested to coordinate and work closely with the working group as established by the SBPAC, under the proposals of local residents to support working process of the private sector through public sector to reinforce unity of the task force to be beneficial for the economic development and the quality of local people genuinely to be in line with the objectives of the project in Chana District, Songkhla Province, as an exclusive perfect fully-integrated economic zone, which is an important mechanism to drive the development of the entire fully-integrated economy of the lower southern region, which can link to the southern border provinces and other regions of Thailand and neighboring countries, as well as to link economic development to other countries around the world. This will make the southern border provinces to be safer and be a vital part to support the solution to the unrest in the southern border provinces and to accommodate the future economic and social development, similar to other regions of Thailand in the long run. The SBPAC also requested that the Company to carry on with all related issues to strictly comply with the relevant legal issues, cabinet resolution, rules and government agencies’ processes.

On January 25, 2021, Songkhla Provincial Administration Organization announced the Company as the winner of the bidding for jointly private procurement in the construction and management of solid waste disposal system, Songkhla Provincial Administration Organization by Tender Method. The winner of the bidding will receive tipping fee from waste disposal of Baht 400 per ton (adjustable upward by 10% in every 3 year) and receive revenue from electricity sales derived from waste disposal under a power purchase agreement of 7.92 MW for the period of 20 years, at the rate of Baht 5.78 per unit for the first 8 years and Baht 5.08 per unit for the next consecutive 12 years respectively.

Subsequently, on September 29, 2021, the Company signed the contract for private investment in construction and waste management with Songkhla Provincial Administrative Organization.

TPI Polene Power Public Company Limited and its Subsidiaries

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

- 2) The Company is a power company that produces electricity by turning community municipal solid waste to energy, which is clean and green energy. The Company has participated in the Thailand Voluntary Emission Reduction Program, according to Thai standards, which is a waste management project (“T-VER”), with the Thailand Greenhouse Gas Management Organization (“TGO”).

At the end of year 2021, the Company registered with the TGO to apply for the reduction of greenhouse gases, which subsequently TGO has certified the reduction of greenhouse gases (carbon credit) for the Company’s project of 82,056 tons of carbon dioxide equivalent, and after sale of 34,690 tons of carbon dioxide equivalent, the Company has the balance of 47,366 tons of carbon dioxide equivalent.

Subsequently, on 24 May 2022, TGO has certified the reduction of greenhouse gases (carbon credit) for the Company’s project for the period from 1 May 2017 to 31 December 2020, increased

by 717,931 tons of carbon dioxide equivalent. As a result, the Company has the balance of 765,297 tons of carbon dioxide equivalent.

In 2022, the Company used approximately 2.73 million tons of all types of waste as fuel in the Company’s power plants and Cement Plants of TPI Polene Public Company Limited, which can reduce greenhouse gas emissions or carbon reductions by approximately 6.34 million tons of carbon dioxide equivalent. The Company is currently applying to TGO for approval for the reduction of greenhouse gases (carbon credit) for these new projects.

### 34 Subsequent Event

- 1) On 18 January 2023, the Company issued the unsecured, unsubordinated debentures in registered form with debenture holders’ representatives in the total amount of Baht 6,000 million, which was comprised of Tranche 1, with the maturity term of 3 years 6 months together with a fixed interest rate at 4.15% per annum, payable quarterly, in the amount of Baht 3,000 million and Tranche 2, with the maturity term of 5 years together with a fixed interest rate at 4.60% per annum, payable quarterly, in the amount of Baht 3,000 million.
- 2) At the Board of Director’s meeting of the Company held on 26 January 2023, the Board of Director’s meeting passed a resolution to declare the interim dividend payment from retained earnings as of 30 September 2022, in amount of Baht 0.09 per share for the Baht 8,400 million common shares, amounting to Baht 756 million and the dividend payment is scheduled on 23 February 2023.

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

**35 Adjustment of accounts**

Other current financial assets disclosed in the statement of financial position as at 31 December 2021 have been adjusted to conform with the remaining period and the objective of the Company's business model.

<b>Consolidated financial statements</b>			
<b>31 December 2021</b>			
	Before adjustment	Adjustment (in thousand Baht)	After adjustment
<b><i>Statement of financial position</i></b>			
Other current financial assets	3,980,578	(485,341)	3,495,237
Other non-current financial assets	185,549	485,341	670,890
		<u>-</u>	
<b>Separate financial statements</b>			
<b>31 December 2021</b>			
	Before adjustment	Adjustment (in thousand Baht)	After adjustment
<b><i>Statement of financial position</i></b>			
Other current financial assets	3,978,578	(485,341)	3,493,237
Other non-current financial assets	5,102	485,341	490,443
		<u>-</u>	

## Attachment 1

Details about directors, executives, controller of the company, those who are assigned to the maximum responsibility in accounting and finances departments, those who are assigned directly to control accounting, and company secretary.

### Information of Directors, Executives and Company Secretary as of 31 December 2022

NAME / POSITION	AEG (year)	EDUCATIONAL BACKGROUND/ TRAINING	FAMILY RELATION AMONG DIRECTORS & EXECUTIVES	% SHARE HOLDING (1)	WORK EXPERIENCE		
					DURATION	POSITION	COMPANY/BUSINESS
1. Mr. Prachai Leophairatana Position - Chairman of the Board, Chairman of the Management Committee	78	1. Honorary Doctorate in Industrial Engineering, Rajamangala University of Technology Krugthep (Berkeley) U.S.A. 2. M.S. (EE) University of California (Berkeley) U.S.A. 3. B.E. (EE) (1st Class Hons.) University of Canterbury, New Zealand 4. Directors Accreditation Program (DAP) (Class 35/2005), Thai Institute of Directors (IOD)	0.000	- Miss Malinee Leophairatana (Elder sister) - Dr. Pramuan Leophairatana (Younger brother) - Mr. Prayad Liewphairatana (Younger brother)	1991 - Present Jan2016 - Present 2001 - Present Apr2012 - Present Oct2012 - Present Oct2012 - Present Oct2012 - Present 2000 - 2006 1978 - 2006 1992 -2000 1969 - 1997	- Chairman - Chairman of the Management Committee - Chief Executive Officer - Directors - Executive Director - Executive Director - Executive Director - Executive Director - Board Executive Director - Chief Executive Officer - Senator - Chairman	- TPI Polene Power Plc. - TPI Polene Power Plc. - TPI Polene Plc. - Bangkok Union Insurance Plc. - TPI Deep Sea Port Co., Ltd. - TPI Polene Power (Songkhla) Co., Ltd. - TPI Wind Power Co., Ltd. - TPI Solar Power Co., Ltd. - Bangkok Union Insurance Plc. - Thai Petrochemical Industry Public Co., Ltd., and entities - Parliamentary Commission - Cathay Finance & Securities Plc.

NAME / POSITION	AEG (year)	EDUCATIONAL BACKGROUND/ TRAINING	FAMILY RELATION AMONG DIRECTORS & EXECUTIVES	% SHARE HOLDING (1)	WORK EXPERIENCE		
					DURATION	POSITION	COMPANY/BUSINESS
2. Dr. Pramuan Leophairatana	73	1. M.S., SC.D. 0.059 Massachusetts Institute of Technology at Cambridge, M.A., U.S.A. 2. B.S (Honors) in Chemical Engineering, University of California at Berkeley, U.S.A. 3. Directors Accreditation Program (DAP) (Class 29/2005), Thai Institute of Directors (IOD) 4. Diplomas, National Defense College, The National Defense Course Class 41 and The Joint State-Privat Sector Course Class 11	0.059	- Miss Malinee Leophairatana (Elder sister)  - Mr. Prachai Leophairatana (Elder brother)  - Mr. Prayad Liewphairatana (Younger brother)	Jan 2016 - Present	- Vice Chairman and Vice Chairman of the Management Committee	- TPI Polene Power Plc.
Position					1991 - Jan 2016	- Director	- TPI Polene Power Plc.
- Vice Chairman of the Board; Vice Chairman of the Management Committee					1973 - Present	- Executive Director	- Leophairatana Ltd Co., Enterprises
					1988 - Present	- Director	- Thai Plastic Product Co., Ltd.
					1989 - Present	- Director	- Thai Plastic Film Co., Ltd.
					1989 - Present	- Director	- United Grain Industry Co., Ltd.
					1991 - Present	- Executive Director	- TPI Concrete Co., Ltd.
					1997 - Present	- Chairman	- Bangkok Union Life Insurance Plc.
					2001 - Present	- Director /President	- TPI Polene Plc.
					2002 - Present	- Executive Director	- Polene Plastic Co., Ltd.
					2010 - Present Present	- Executive Director	- TPI Polene Bio Organics Co., Ltd.
					Jul 2014 - Present	- Executive Director	- TPI Polene Power Co., Ltd. (International)
					Aug 2016 - Present	- Executive Director	- Mondo Thai Co., Ltd.
					Aug 2019 - Present	- Executive Director	- Thai Nitrate Co., Ltd.
					Oct 2019 - Present	- Executive Director	- TPI Deep Sea Port Co., Ltd.
					Oct 2019 - Present Oct Present	- Executive Director	- TPI Smart City Co., Ltd.
					Oct 2019 - Jan 2015	- Executive Director	- TPI Wind Power Co., Ltd.
					1996 - Jul 2014	- Executive Director	- TPI Solar Power Co., Ltd.
					1990 - Aug 2012	- Executive Director	- Thai Nitrate Co., Ltd.
					1978 - 2006	- President	- Mondo Thai Co., Ltd.
					2022 - Present	- Director	- Thai Nitrate Co., Ltd.
							- Thai Petrochemical Industry Plc. E&T Renewable Energy Co., Ltd.

NAME / POSITION	AEG (year)	EDUCATIONAL BACKGROUND/ TRAINING	FAMILY RELATION AMONG DIRECTORS & EXECUTIVES	% SHARE HOLDING (1)	WORK EXPERIENCE		
					DURATION	POSITION	COMPANY/BUSINESS
3. Mr. Prayad Liewphairatana Position - Director, Member of the Management Committee	71	1. M.S. (CE) University of Michigan (ANN ARBOR) U.S.A. 2. Directors Accreditation Program (DAP) (Class 35/2005), Thai Institute of Directors (IOD)	0.064	- Miss Malinee Leophairatana (Elder sister)  - Mr. Prachai Leophairatana (Elder brother)  - Dr. narmar Panataritharer (Elder brother)	1991 - Present Jan 2016 - Present	- Executive Director - Member of the Management Committee	- TPPI Polene Power Plc. - TPPI Polene Power Plc.
					1973 - Present 1987 - Present 1981 - 2006 Present 1988 - Present 1989 - Present 1991 - Present 1996 - Present 1997 - Present 2002 - Present 2010 - Present Present  2 Aug 2016 - Present	- Executive Director - Director / President - Director - President - President - President - Executive Director - Executive Director - Executive Director - Executive Director - Executive Director - Director  - Executive Director	- Leophairatana Enterprises Co., Ltd. - TPPI Polene Plc. - International Plastic Trading Co., Ltd. - Thai Plastic Product Co., Ltd. - United Grain Industry Co., Ltd. - Thai Plastic film Co., Ltd. - TPPI Concrete Co., Ltd. - Mondo Thai Co., Ltd. - Bangkok Union Life Insurance Plc. - Polene Plastic Co., Ltd. - TPPI Polene Bio Organics Co., Ltd. - TPPI Polene Power Co., Ltd. (International) - Thai Nitrate Co., Ltd.

NAME / POSITION	AEG (year)	EDUCATIONAL BACKGROUND/ TRAINING	FAMILY RELATION AMONG DIRECTORS & EXECUTIVES	% SHARE HOLDING (1)	WORK EXPERIENCE		
					DURATION	POSITION	COMPANY/BUSINESS
4. Mrs. Orapin Leophairatana  Position - Vice Chairman of the Board; Vice Chairman of the Management Committee	75	1. Political Science (2nd Class Honors) Chulalongkorn University 2. Directors Accreditation Program (DAP) (Class 35/2005), Thai Institute of Directors (IOD)	0.072	- Mr. Prachai Leophairatana (Husband)	Jan 2016 - Present	- Vice Chairman and Vice Chairman of the Management Committee	- TPI Polene Power Plc.
					2007 - Jan 2016	- Director	- TPI Polene Power Plc.
					1998 - Present	- Executive Director	- TPI Concrete Co., Ltd.
					2002 - Present	- Executive Director	- Polene Plastic Co., Ltd.
					2005 - Present	- Director / Senior Executive Vice President	- TPI Polene Plc.
					2009 - Present	- Executive Director	- TPI All Seasons Co., Ltd.
					2010 - Present	- Executive Director	- United Grain Industry Co., Ltd.
					2010 - Present	- Executive Director	- Thai Petrochemical Industry Co., Ltd.
					2010 - Present	- Executive Director	- TPI Polene Bio Organics Co., Ltd.
					Jul 2014 - Present	- Executive Director	- Mondo Thai Co., Ltd.
					Oct 2019 - Present	- Executive Director	- TPI Deep Sea Port Co., Ltd.
					Oct 2019 - Present	- Executive Director	- TPI Smart City Co., Ltd.
					Oct 2019 - Present	- Executive Director	- TPI Wind Power Co., Ltd.
					Oct 2019 - Present	- Executive Director	- TPI Wind Power Co., Ltd.



NAME / POSITION	AEG (year)	EDUCATIONAL BACKGROUND/ TRAINING	FAMILY RELATION AMONG DIRECTORS & EXECUTIVES	% SHARE HOLDING (1)	WORK EXPERIENCE		
					DURATION	POSITION	COMPANY/BUSINESS
					Oct 2019 - Present	- Executive Director	- TP1 Solar Power Co., Ltd.
					Oct 2019 - Present	- Executive Director	- TP1 Polene Power Co., Ltd. (International)
					Oct 2012 - Jan 2015	- Executive Director	- Thai Nitrate Co., Ltd.
					2009 - Aug 2012	- Executive Director	- Thai Nitrate Co., Ltd.
					2001 - 2011	- Director	- Thai Listed Company Association
					1998 - 2003	- Senior Executive Vice President	- TP1 Polene Public Co., Ltd.
					Apr - Dec 1997	- Director	- Association of Finance Companies
					1995 - 1997	- Director	- Bangkok Stock Trading Center
					1995 - 1997	- Chairman	- Association of the Securities Brokerage
					1986 - 1997	- Managing Director	- Cathay Finance & Securities Plc.
					1977 - 1982	- Third Secretary	- Ministry of Foreign Affairs

NAME / POSITION	AEG (year)	EDUCATIONAL BACKGROUND/ TRAINING	FAMILY RELATION AMONG DIRECTORS & EXECUTIVES	% SHARE HOLDING (1)	WORK EXPERIENCE		
					DURATION	POSITION	COMPANY/BUSINESS
5. Miss Pattapan Leopairut  Position - Director, Member of the Management Committee	43	1. Assumption University (ABAC) (master's degree) 2. Bangkok University International College (BUIC) (bachelor's degree) 3. International School Bangkok (ISB) (High School) 4. Movement of Thai industrial investor toward India and Myanmar 5. Employee Fraud Prevention Detection 6. Excellence in Practice Quality Control 7. Investigation & Litigation, Business Process Transformation & Operation 8. Relationship Marketing & Customer 9. Relationship Management 10. Directors Accreditation Program (DAP) (Class 121/2016), Thai Institute of Directors (IOD) 11. Digital Marketing Analytics for Growth 2022	0.046	- Mr. Pakorn Leopairut (Younger brother)  - Mr. Pakkapol Leopairut (Younger brother)	2007 - Present Jan 2016 - Present  2009 - Present 2010 - Present 2014 - Present  Oct 2014 - Present 2006 - Present Oct 2019 - Present Oct 2019 - Present Oct 2019 - Present Oct 2019 - Present	- Director - Member of the Management Committee - Assistant Vice President - Executive Director - Executive Director  - Executive Director - Executive Director - Executive Director - Executive Director - Executive Director - Executive Director	- TPI Polene Power Plc. - TPI Polene Power Plc.  - TPI Polene Plc. - TPI Polene Bio Organics Co., Ltd. - TPI Polene Power Co., Ltd. (International) - TPI Commercial Co., Ltd. - Thai Petrochemical Industry Co., Ltd. - TPI Deep Sea Port Co., Ltd. - TPI Smart City Co., Ltd. - TPI Wind Power Co., Ltd. - TPI Solar Power Co., Ltd.

NAME / POSITION	AEG (year)	EDUCATIONAL BACKGROUND/ TRAINING	FAMILY RELATION AMONG DIRECTORS & EXECUTIVES	% SHARE HOLDING (1)	WORK EXPERIENCE		
					DURATION	POSITION	COMPANY/BUSINESS
6. Mr. Pakorn Leopairut  Position - Director; Member of the Management Committee and President	41	1. Master of Public and Private Management NIDA	0.063	- Miss Pattrapan Leopairut (Elder sister) - Mr. Pakkapol Leopairut (Younger brother)	2007 - Present	- Executive Director	- TPI Polene Power Plc.
		2. CEDI-BABSON ENTREPRENEURIAL LEADERSHIP PROGRAM No. 1/2556			Jan 2016 - Present	- Member of the Management Committee	- TPI Polene Power Plc.
		3. Young F.T.I Elite No. 1 The Federation of Thai Industries			Feb 2016 - Present	- President	- TPI Polene Power Plc.
		4. Executive Development Program No.10 Ministry of Finance			May 2019 - Present	- Executive Director	- TPI Polene Plc.
		FPO: Forum Economic Guru Seminar No. 3, Ministry of Finance			2008 - Present	- Assistant Vice President	- TPI Polene Plc.
		Energy Executive Program No. 1 The Federation of Thai Industries			2009 - Present	- Executive Director	- TPI All Seasons Co., Ltd.
		Directors Accreditation Program (DAP) (Class 122/2016), Thai Institute of Directors (IOD)			2010 - Present	- Executive Director	- TPI Polene Bio Organics Co., Ltd.
		Tisco Wealth Enhancement Program (WEP 4) No 4. 2016)			2010 - Present	- Executive Director	- TPI service Co., Ltd.
		The Young Executive Program in Energy Literacy for a Sustainable Future, YTEA) No.7/2019			2010 - Present	- Executive Director	- TPI Polene Power (International) Co., Ltd.
		Digital Marketing Analytics for Growth			2014 - Present	- Executive Director	- TPI Commercial Co., Ltd.
Executive Breakfast Forum 2022 Ep.12 Balancing Risk, Trust and Opportunity in an Uncertain World	Jul 2015 - Present	- Executive Director	- TPI Healthcare Co., Ltd				
Know the architect for Senior Executives, No.4	2011 - Present	- Executive Director	- Thai Petrochemical Industry Co., Ltd.				
	2007 - Present	- President	- Thai Nitrate Co., Ltd.				
	Oct 2019 - Present	- Executive Director	- TPI Deep Sea Port Co., Ltd.				
	Oct 2019 - Present	- Executive Director	- TPI Smart City Co., Ltd.				
	Oct 2019 - Present	- Executive Director	- TPI Wind Power Co., Ltd.				
	Oct 2019 - Present	- Executive Director	- TPI Solar Power Co., Ltd.				
	2007 - 2008	- Investment Analyst	- MFC Asset Management Plc.				
	2002 - 2007	- Supervisor	- Thai Petrochemical Industry Co., Ltd.				
	2016-Present	- Director	- Polene Silicon - Co.,Ltd				
	2016- Present	- Director	- TPI Distribution Center Co., Ltd.				

NAME / POSITION	AEG (year)	EDUCATIONAL BACKGROUND/ TRAINING	FAMILY RELATION AMONG DIRECTORS & EXECUTIVES	% SHARE HOLDING (1)	WORK EXPERIENCE		
					DURATION	POSITION	COMPANY/BUSINESS
7. Mr. Pakkapol Leopairut	39	1. Economic University of Southern California (master's degree Economic University of Kansas (bachelor's degree) 2. CEDI-BABSON ENTREPRENEURIAL LEADERSHIP PROGRAM No. 1/2012 3. CMO by Marketing Association of Thailand No.1/2012 4. Executive Development Program No. 10 (July 2014) 5. Directors Accreditation Program (DAP) (Class 122/2016), Thai Institute of Directors (IOD) 6. Advance Master of Management Program, AMM 7. Power Purchase Agreement for Small Power Producer - Replacement	0.022	- Mr. Pakorn Leopairut (Elder brother)  - Miss Pattapan Leopairut (Elder sister)	Feb 2016 - Present Jan 2016 - Present  Jul 2015 - Present 2008 - Jan 2016 2010 - Present 2010 - Present  2011 - Present 2014 - Present Jul 2015 - Present Jun 2016 - Present Oct 2019 - Present Oct 2019 - Present Oct 2019 - Present Oct 2019 - Present 2022 - Present	- Executive Vice President - Member of the Management Committee - Executive Director - Assistant Vice President - Executive Director - Executive Director  - Executive Director - Executive Director - Executive Director - Executive Director - Executive Director - Executive Director - Executive Director - Director	- TP1 Polene Power Plc. - TP1 Polene Power Plc.  - TP1 Polene Power Plc. - TP1 Polene Plc. - TP1 service Co., Ltd. - TP1 Polene Power (International) Co., Ltd. - TP1 Polene Bio Organics Co., Ltd. - TP1 Commercial Co., Ltd. - TP1 Healthcare Co., Ltd - TP1 Distribution Center Co., Ltd - TP1 Deep Sea Port Co., Ltd. - TP1 Smart City Co., Ltd. - TP1 Wind Power Co., Ltd. - TP1 Solar Power Co., Ltd - E&T Renewable Energy Co., Ltd.

NAME / POSITION	AEG (year)	EDUCATIONAL BACKGROUND/ TRAINING	FAMILY RELATION AMONG DIRECTORS & EXECUTIVES	% SHARE HOLDING (1)	WORK EXPERIENCE		
					DURATION	POSITION	COMPANY/BUSINESS
8. Ms. Nitawan Leophairatana  Position - Director; Member of the Management Committee	42	1. Juris Doctor Seattle University - School of Law, Graduated 2006 2. LL.M in Taxation New York University - School of Law, Graduated 2007 3. Licensed Attorney in New York State 4. M.P.A. Cornell University, Graduated 2003 5. B.A. Cornell University Major in Chemistry and Chemical Biology) Graduated 2002 6. Directors Accreditation Program (DAP) (Class 121/2016) Thai Institute of Directors (IOD)	0.003	- Dr. Pramuan Leophairatana (Father)  - Dr. Porakrit Leophairatana (Younger brother)	Jan 2016 - Present	- Member of the Management Committee	- TPI Polene Power Plc.
					Jul 2015 - Present	- Executive Director	- TPI Polene Power Plc.
					2012 - Feb 2016	- Assistant Vice President	- TPI Polene Power Plc.
					Mar 2016 - Present	- Assistant Vice President	- TPI Polene Plc.
					2009 - Present	- Executive Director	- TPI All Seasons Co., Ltd.
					2010 - Present	- Executive Director	- TPI Polene Bio Organics Co., Ltd.
					2010 - Present	- Executive Director	- TPI service Co., Ltd.
						- TPI Polene Power (International) Co., Ltd.	- TPI Polene Power
					2010 - Present	- Executive Director	(International) Co., Ltd.
					2014 - Present	- Executive Director	- TPI Commercial Co., Ltd.
					Jul 2015 - Present	- Executive Director	- TPI Healthcare Co., Ltd.
					Oct 2019 - Present	- Executive Director	- TPI Deep Sea Port Co., Ltd.
					Oct 2019 - Present	- Executive Director	- TPI Smart City Co., Ltd.
					Oct 2019 - Present	- Executive Director	- TPI Wind Power Co., Ltd.
					Oct 2019 - Present	- Executive Director	- TPI Solar Power Co., Ltd.
					2008 - 2012	- Assistant Vice President	- TPI Polene Public Co., Ltd.
					2007 - 2008	- Senior Associate	- Ernst and Young LLP, New York City, USA.
						- Executive Director	- United Grain Industry Co., Ltd.
						- Executive Director	- Thai Plastic Product Co., Ltd.
						- Executive Director	- Thai Plastic film Co., Ltd.
					Aug 2020 - Present	- Board Of Trustees	- International School Bangkok

NAME / POSITION	AEG (year)	EDUCATIONAL BACKGROUND/ TRAINING	FAMILY RELATION AMONG DIRECTORS & EXECUTIVES	% SHARE HOLDING (1)	WORK EXPERIENCE		
					DURATION	POSITION	COMPANY/BUSINESS
9. Ms. Maline Leopairut  Position - Director	80	1. Master in Actuarial Science, Georgia State University, U.S.A. 2. Bachelor of Commerce and Accounting, Major in Statistics (Second Honors), Chulalongkorn University 3. Certified as Actuary under Section 78/2 of The Non-Life Insurance Act B.E.2535 as Amended by Non-Life Insurance Act (No.2), B.E.2551 4. Directors Certification Program (DCP) (Class 22/2002), Thai Institute of Directors (IOD)	0.001	- Mr. Prachai Leophairatana (Younger brother)  - Dr. Pramuan Leophairatana (Younger brother)  - Mr. Prayad Liewphairatana (Younger brother)	Jan 2016 - Present 1973 - Present 2015 - Present 1997 - Present 1997 - Present 1973 - 2011 1987 - 1989	- Director - Director - Director - Director - Chief Executive Officer Managing Director - President	- TPI Polene Power Plc. - Leophairatana Enterprises Co., Ltd. - Thai Special Steel Industry Plc. - Bangkok life Insurance Plc. - Bangkok Union Insurance Plc. - Bangkok Union Insurance Plc. - Thai General Insurance Association

NAME / POSITION	AEG (year)	EDUCATIONAL BACKGROUND/ TRAINING	FAMILY RELATION AMONG DIRECTORS & EXECUTIVES	% SHARE HOLDING (1)	WORK EXPERIENCE		
					DURATION	POSITION	COMPANY/BUSINESS
10. Dr. Porakrit Leophairatana Position - Director	32	1. Ph.D. Chemical Engineering, Columbia University, Graduated 2017 2. M.Phil. Chemical Engineering, Columbia University, Graduated 2016 3. M.S. Chemical Engineering, Columbia University, Graduated 2015 4. B.S. Chemical and Biological Engineering, Tufts University, Graduated 2012 5. Directors Certification Program (DCP) (Class 168/2020), Thai Institute of Directors (IOD)	0.006	- Dr. Pramuan Leophairatana (Father) - Ms. Nitiawan Leophairatana (Elder sister)	Jan 2020 - Present Mar 2018 - Present May 2018 - Present Aug 2019 - Present Sep 2019 - Present Sep 2019 - Present Sep 2019 - Present May 2018 - Present May 2018 - Present May 2018 - Present Apr 2019 - Present 2022- Present Mar 2017 - May 2018 Oct 2017 - Mar 2019	- Executive Vice President - Assistant Vice President - Director - Director - Executive Director - Executive Director - Executive Director - Executive Director - Director - Director - Director - Director - Director - Director - CTO Co-Founder - Post-Doctoral Researcher	- TPI Polene Power Public Co., Ltd. - TPI Polene Plc. - TPI Biomass Power Co., Ltd. - TPI Polene Power (International) Co., Ltd. - TPI Smart CityCo., Ltd. - TPI Deep Sea Port Co., Ltd. - TPI Wind Power Co., Ltd. - TPI Solar Power Co., Ltd. - TPI All Seasons Co., Ltd. - TPI Healthcare Co., Ltd. - TPI Bio Pharmaceuticals Co., Ltd. - Bangkok life Insurance Plc. - E&T Renewable Co., Ltd. - TempRes Technologies LLC - Columbia University, New York

NAME / POSITION	AEG (year)	EDUCATIONAL BACKGROUND/ TRAINING	FAMILY RELATION AMONG DIRECTORS & EXECUTIVES	% SHARE HOLDING (1)	WORK EXPERIENCE		
					DURATION	POSITION	COMPANY/BUSINESS
11. Mr. Manu Leopairote  Position - Independent Director; Chairman of the Audit Committee	79	1. Honorary Doctorate in Business Administration, Thammasat University. 2. Master of Science in Economics, University of Kentucky, U.S.A. 3. Science in Economics (Honors), Thammasat University 4. Certificate, Industrial Development, "Nagoya, Japan" 5. National Defense College class 34 6. Role of Chairman Program (RCP) No.3/2001 Thai Institute of Directors (IOD) 7. Directors Certification Program (DCP) No.30/2003 Thai Institute of Directors (IOD) 8. Directors Accreditation Program (DAP- No.2003) Thai Institute of Directors (IOD)	-		Jan 2016 - Present	- Independent Director and Chairman of the Audit Committee	- TPI Polene Power Public Co., Ltd.
					2004 - Present	- Chairman and Chairman of the Audit Committee	- Polplex (Thailand) Plc.
					2004 - Present	- Chairman	- Khon Kaen Sugar Industry Plc.
					2004 - Present	- Chairman	- Bangkok Union Insurance Plc.
					2006 - Present	- Director and Member of the Audit Committee	- Siam Steel International Plc.
					2010 - Present	- Chairman	- Jubilee Enterprise Plc.
					2010 - Present	- Chairman	- ARIP Plc.
					2011 - Present	- Chairman	- T.M.C Industry Plc.
					2005 - 201	- Chairman	- Neighboring Countries Economic Development Cooperation Agency
					1999 - 2004	- Permanent Secretary	- (Public Organization); NEDA Ministry of Industry
						<b>Historical</b>	
						- Chairman	- PTT Plc.
						- Chairman	- PTT Exploration and Production Plc.
						- Chairman	- PTT Chemical Plc.
						- Chairman	- Thai Oil Plc.



NAME / POSITION	AEG (year)	EDUCATIONAL BACKGROUND/ TRAINING	FAMILY RELATION AMONG DIRECTORS & EXECUTIVES	% SHARE HOLDING (1)	WORK EXPERIENCE		
					DURATION	POSITION	COMPANY/BUSINESS
12. Mr. Abhijai Chandrasen  Position - Independent Director; Member of the Audit Committee	74	1. Ph.D. in Law (Honors), Paris University (Sorbonne) France. 2. Bachelor of Law (Second Honours), Chulalongkorn University 3. Thai Barrister at Law, Institute of Legal Education of the Thai Bar 4. Thai Institute of Directors (IOD) - Audit Committee Program (ACP) No.24/2008 - Role of the Compensation Committee (RCC) No. 2/2007 Developing Corporate Governance Policy, 2006 Finance for Non- Finance Director (FN – No.11/2004) Directors Accreditation Program (DAP- No.5/2003) TFRS 9 Financial Instruments: Overview and key challenges 2017 - Enhancing Audit Committee, Excellence through Internal Audit, (2017) - The Business in the abnormalities era (EY) (2017) Cyber Resilience Leadership (2017)	-		Jan 2016 - Present	- Independent Director and Member of the Audit Committee	- TPI Polene Power Public Co., Ltd.
					2000 - 2021	- Director and Legal Advisor	- Kasikornbank Public Co., Ltd.
					2021 - Present	- Honorary Advisor	- Kasikornbank Public Co., Ltd.
					2005 - Present	- Director	- Siam Motors Co., Ltd.
					1991 - Present	- Expert Committee	- The Property Management Committee, Chulalongkorn University
					2001 - Present	- Executive Director	- The Thai Red Cross Fund
					1995 - Present	- Director	- The Thai Red Cross Society
					2019 - Present	- Director	- The Chaipattana Foundation
					1998 - Present	- Director	- Suanluang RAMA IX Foundation
					2000 - 2013	- Advisor to the Management Committee	- Kasikornbank Public Co., Ltd.
					1994 - 2012	- Director	- Sammakorn Public Co., Ltd.
						- Chairman of Audit committee	- Lawyers' Council of Thailand (1997 - 2000)
						- Managing Director	- Narai Phand Co., Ltd (a joint venture with the public sector by the Ministry of Industry) (Jan 1987 - Jun 2000)
						- Legal Advisor	- Office of the Royal Development Projects Board
						- Legal Advisor	- Aeronautical Radio of Thailand Ltd. state enterprise in Thailand under the Ministry of Transport

NAME / POSITION	AEG (year)	EDUCATIONAL BACKGROUND/ TRAINING	FAMILY RELATION AMONG DIRECTORS & EXECUTIVES	% SHARE HOLDING (1)	WORK EXPERIENCE		
					DURATION	POSITION	COMPANY/BUSINESS
						<ul style="list-style-type: none"> <li>- Legal Advisor</li> <li>- Legal Advisor</li> <li>- Legal Advisor</li> <li>- Legal Advisor</li> <li>- Legal Advisor</li> </ul>	<ul style="list-style-type: none"> <li>- The Bangkok Dock Company (1957) Limited )state enterprise in Thailand under the Ministry of Defense.</li> <li>- Prince Mahidol Award Foundation</li> <li>- The Kidney Foundation of Thailand</li> <li>- H.R.H. Princess Maha Chakri Sirindhorn Charity Fund</li> <li>- Fund for Classical Music Promotion under the Patronage of HRH Princess Galyani Vadhana</li> </ul>

NAME / POSITION	AEG (year)	EDUCATIONAL BACKGROUND/ TRAINING	FAMILY RELATION AMONG DIRECTORS & EXECUTIVES	% SHARE HOLDING (1)	WORK EXPERIENCE		
					DURATION	POSITION	COMPANY/BUSINESS
13. Mr. Thiraphong Vikitset  Position - Independent Director; Member of the Audit Committee	76	1. Ph.D. (Economics) West Virginia University, U.S.A. 2. B.S. Ch.E. West Virginia University, U.S.A. Training Certificate Certificate of Professional Study on "Petroleum Management Program" awarded by Arthur D. Little Management Education Institute, Inc. 1982 3. Thai Institute of Directors (IOD) Director Accreditation Program Certificate, (DAP- 2003) Director Certificate Program, (DCP- 2004)	0.000		Jan 2016 - Present	- Independent Director and Member of the Audit Committee	- TPI Polene Power Public Co., Ltd.
					Present	- Professor of Economic Development	- National Institute of Development Administration (NIDA)
					1997 - Present	- Independent Director and Chairman of the Audit committee	- I.C.C. International Public Co., Ltd.
					1997 - Present	- Director	- Better Way (Thailand) Co., Ltd.
					2004 - 2014	- Member of the Subcommittee on Energy Conservation Assessment Subcommittee	- Subcommittee on Government Policy Follow-up About using Energy Oil in the Senate Manufacturing Industry
					1995 - 1998	- Director of Academic Council	- National Institute of Development Administration (NIDA)
					1986 - 1991	- Vice President for Academic Affairs	- National Institute of Development Administration (NIDA)
					1985 - 1986	- Dean of the Faculty of Economic Development	- National Institute of Development Administration (NIDA)
					1983 - 1985	- Deputy Dean, Faculty of Economic Development	- National Institute of Development Administration (NIDA)
					1981	- Associate Professor	- National Institute of Development Administration (NIDA)
					1976	- Assistant Professor, Faculty of Economic Development	- National Institute of Development Administration (NIDA)
					1974 - 1976	- Professor of Economics	- National Institute of Development Administration (NIDA)

NAME / POSITION	AEG (year)	EDUCATIONAL BACKGROUND/ TRAINING	FAMILY RELATION AMONG DIRECTORS & EXECUTIVES	% SHARE HOLDING (1)	WORK EXPERIENCE		
					DURATION	POSITION	COMPANY/BUSINESS
					2008	- Subcommittee for tracking oil consumption on Government Policy	
					2004	- Project Evaluation Subcommittee under Energy Conservation Plan	
					2002	- The committee considered the use of ethanol.	
					1989	- Member of Subcommittee on Energy Planning for the 7th Economic and Social Development Plan	
					1989	- Committee members in the working group tariff changes over time.	
					1989	- Committee on Electricity Development Working Group	
					1989	- Committee members in the working group, the purchase of electricity from small power producers.	
					1989	- Committee members in the working group tariff restructuring.	
					1989	- Committee members working in private sector participation in the electricity sector.	

NAME / POSITION	AEG (year)	EDUCATIONAL BACKGROUND/ TRAINING	FAMILY RELATION AMONG DIRECTORS & EXECUTIVES	% SHARE HOLDING (1)	WORK EXPERIENCE		
					DURATION	POSITION	COMPANY/BUSINESS
					1989	- The Committee members on the working group of Electricity in industry	
					1989	- The standard committee member of university education	
					1989	- Committee members working in the tariff adjustment	

NAME / POSITION	AEG (year)	EDUCATIONAL BACKGROUND/ TRAINING	FAMILY RELATION AMONG DIRECTORS & EXECUTIVES	% SHARE HOLDING (1)	WORK EXPERIENCE		
					DURATION	POSITION	COMPANY/BUSINESS
14. Mr. Khantachai Vichakkhana  Position - Independent Director	74	1. Master's in Political Science (Public Administration), Thammasat University 2. Bachelor of Laws, Thammasat University. 3. GuestSpeaker Training Program- Land Class 2: Department of Land (1979) 4. Division Director of Security within the Kingdom Program (ISOC): Royal Thai Army (1979) 5. Advance Land Management School Program Class 3: Department of Lands (1984) 6. Advance administration Program: Class 30, Institute of Administration Development, Department of Provincial Administration (1993) High Level Information Technology Executives (CIO) Seminar (2003) 7. Political Development in Democratic Governance for Executives Program Class 2, King Prajadhipok's Institute (2004)	0.000		Jan 2016 - Present June 2018 - Present  Aug 2014 - Present  8002 - 8008 1999 - 2000 1998 - 1999 1995 - 1998  1992 - 1995 1990 - 1992 1989 - 1990 1988 - 1989 1986 - 1988  1986	- Independent Director - Chairman and Independent Director - Independent Director and the Nomination, Remuneration and Corporate Governance Committee - Independent Director - Deputy Director General - Inspector - General - Director of Bureau Authority Land - Land Management Division - Department of Important book - Land Officer - Chonburi - Land Officer - Phuket - Land Officer - Nonthaburi and Bangyai District - Land Officer - Nakhornnayok - Land Officer Uttaradit	- TPI Polene Power Public Co., Ltd. - TPI Polene Public Co., Ltd. - L.P.N. Development Public Co., Ltd. - Tong Hua Holding Public Co., Ltd. - Lands of Department - Lands of Department - Lands of Department - Lands of Department - Lands of Department - Lands of Department - Lands of Department - Lands of Department - Lands of Department

NAME / POSITION	AEG (year)	EDUCATIONAL BACKGROUND/ TRAINING	FAMILY RELATION AMONG DIRECTORS & EXECUTIVES	% SHARE HOLDING (1)	WORK EXPERIENCE		
					DURATION	POSITION	COMPANY/BUSINESS
		9. Thai Institute of Directors (IOD) - Directors Accreditation Program (DAP-No.112/2014) - Role of Compensation Committee (RCC-No.19/2014) - Directors Certification Program (DCP- No.119/2015)			Extracurricular	- Assets Management Committee - Committee - Committee - Committee - Committee - Committee - Committee - Assets Management Committee - Committee	- Lands of Department - Thai Red Cross Council - Triamudomsuksa Alumni Foundation - Retired Government Officials' Pension - Association of Interior Foundation - Executive Public Administration Foundation (EPAF) - Hospital& Phrapiya school Foundation Srisavarindhira - Thai Red Cross Institute of Nursing - The Chaipattana Foundation - Environment for Better Life Foundation

NAME / POSITION	AEG (year)	EDUCATIONAL BACKGROUND/ TRAINING	FAMILY RELATION AMONG DIRECTORS & EXECUTIVES	% SHARE HOLDING (1)	WORK EXPERIENCE		
					DURATION	POSITION	COMPANY/BUSINESS
15. Mr. Wanchai Manosooti  Position - Independent Director	72	1. Master's in Business Administration from Chulalongkorn University. 2. Bachelor of Accounting, Chulalongkorn University. 3. Director's Certification Program (DCP) No. 18/2002 Thai Institute of Directors (IOD)	0.012		Mar 2016 - Present 2019 - Present  1999-2001 2002-2007	- Independent Director - Director  - Executive VP. - Managing Director	- TPI Polene Power Public Co., Ltd. - Sirindhorn National Medical Rehabilitation Institute - TISCO Bank Public Co., Ltd. - TISCO Securities Co., Ltd.
16. Mr. Worawit Lerdussarakam  Position - Senior Vice President- Production	57	1. Business Administration from Kasetsart University Bachelor of Engineering (Electrical engineering), Prince of Songkla University	0.009		Apr 2016 - Present  Feb 2016 - Apr 2016 Jan 1990 - Feb 2016	- Senior Vice President Production - Vice President - Production - President Vice Production	- TPI Polene Power Public Co., Ltd.  - TPI Polene Power Public Co., Ltd. - TPI Polene Power Public Co., Ltd.
17. Mrs. Sirirat Lerthirurat  Position - Assistant Vice President - Petrol and Gas	62	1. Bachelor of Management, Sukhothai Thammathirat University			July 2012 - Present	- Assistant Vice President - Petrol and Gas	- TPI Polene Power Public Co., Ltd.
18. Mr. Somkiat Teeratakulpisal  Position - Assistant Vice President - Production	55	1. Master of GSPA from National Institute of Development Administration (NIDA) Bachelor of Engineering, Prince of Songkla University			Jun 2014 - Present	- Assistant Vice President - Production	- PI Polene Power Public Co., Ltd.



NAME / POSITION	AEG (year)	EDUCATIONAL BACKGROUND/ TRAINING	FAMILY RELATION AMONG DIRECTORS & EXECUTIVES	% SHARE HOLDING (1)	WORK EXPERIENCE		
					DURATION	POSITION	COMPANY/BUSINESS
19. Miss Karuna Permsiripan Position - Manager Accounting	59	1. Bachelor of Commerce and Accountancy, Chulalongkorn University	-		Mar 2016 - Present	- Manager Accounting	- TPI Polene Power Public Co., Ltd.
20. Miss Weerawan Larpehaiwut Position - Manager Finance	58	1. Bachelor of Finance and Banking, Ramkhamhaeng University Master of Business Administration, Ramkhamhaeng University	-		Apr 2016 - Present Dec 2006 - Mar 2016	- Manager Finance - Assistant Manager Finance	- TPI Polene Power Public Co., Ltd. - TPI Polene Power Public Co., Ltd.
21. Miss Weeranut KimKom Position - Secretary	49	1. Bachelor of Law, Thammasat University 2. Lawyer License from Training Department of the Lawyer council. 3. Company Secretary Program (CSP) No.76/2017	-		Sep 2016 - Present Nov 2012 - Present	- Secretary - Supervisor	- TPI Polene Power Public Co., Ltd. - TPI Polene Power Public Co., Ltd.

Remark: (1) Percentage of shareholding date was as of 31 December 2022.



[illegible]

[illegible]

	Mr. Prachai Leophairatana	Mr. Pramuan Leophairatana	Mrs. Orapin Leophairatana	Mr. Prayad Liewphairatana	Miss Pattapan Leopairut	Mr. Pakorn Leopairut	Mr. Pakapol Leopairut	Mrs. Nitawan Leophairatana	Miss Malinee Leophairatana	Mr. Manu Leopairute	Dr. Porakrit Leophairatana	Dr. Thiraphong Vikitset	Dr. Abhjai Chandrasen	Mr. Kantachai Vichakkhana	Mr. Vanchai Manosuthi	Mr. Worawit Lerdbusarakam	Ms. Sirirat Lerthirunrat	Mr. Somkiet Teetrakulpisa	Miss Karuna Permstiripan	Miss Weerawan Larpchaiwut
Asia Pacific Potash Corporation Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SVOA PLC.	-	-	-	-	-	-	-	-	-	///	-	-	-	-	-	-	-	-	-	-
United Grain Co., Ltd.	X	///	-	///	-	-	///	-	///	-	-	-	-	-	-	-	-	-	-	-
TPI Biomass Energy Co., Ltd.	///	///	///	-	///	///	///	///	-	-	///	-	-	-	-	-	-	-	-	-
TPI Deep Sea Port Co., Ltd.	///	///	///	-	///	///	///	///	-	-	///	-	-	-	-	-	-	-	-	-
TPI Smart City Co., Ltd.	///	///	///	-	///	///	///	///	-	-	///	-	-	-	-	-	-	-	-	-
TPI Wind Power Co., Ltd.	///	///	///	-	///	///	///	///	-	-	///	-	-	-	-	-	-	-	-	-
TPI Solar Power Co., Ltd.	///	///	///	-	///	///	///	///	-	-	///	-	-	-	-	-	-	-	-	-
E&T Renewable Energy Co., Ltd.	-	///	-	-	-	-	///	-	-	-	///	-	-	-	-	-	-	-	-	-

**Note:** X = Chairman / = Director // = Executive Director /// = Audit Committee / V = Executive V = Member of Management Committee

## Attachment 2

### Directors of Subsidiaries

Directors in TPI Biomass Energy Company Limited as of 31 December 2022

Name	Position
1. Mr. Prachai Leophairatana	Director
2. Dr. Pramuan Leophairatana	Director
3. Mrs. Orapin Leophairatana	Director
4. Mr. Pakorn Leopairut	Director
5. Mr. Pakkapol Leopairut	Director
6. Dr. Porakrit Leophairatana	Director
7. Mr. Prateep Leopairut	Director

Directors of TPI Polene Power (International) Company Limited as of December 31, 2022

Name	Position
1. Mr. Prachai Leophairatana	Director
2. Mr. Prateep Leopairut	Director
3. Dr. Pramuan Leophairatana	Director
4. Mr. Prayad Liewphairatana	Director
5. Mrs. Orapin Leophairatana	Director
6. Miss Pattrapan Leopairut	Director
7. Mr. Pakorn Leopairut	Director
8. Mr. Pakkapol Leopairut	Director
9. Mrs. Achira Chatdarong	Director
10. Mrs. Nitawan Leophairatana	Director
11. Mrs. Pannee Liewphairatana	Director
12. Mr. Thanakorn Liewphairatana	Director
13. Dr. Porakrit Leophairatana	Director

## Directors of TPI Deep Sea Port Company Limited as of December 31, 2022

Name	Position
1. Mr. Prachai Leophairatana	Director
2. Dr. Pramuan Leophairatana	Director
3. Mrs. Orapin Leophairatana	Director
4. Mr. Pakorn Leopairut	Director
5. Mr. Pakkapol Leopairut	Director
6. Miss Pattrapan Leopairut	Director
7. Mrs. Achira Chatdarong	Director
8. Mrs. Nitawan Leophairatana	Director
9. Mrs. Pannee Liewphairatana	Director
10. Mr. Thanakorn Liewphiratana	Director
11. Dr. Porakrit Leophairatana	Director

## Directors of TPI Distribution Center Company Limited as of December 31, 2022

Name	Position
1. Mr. Prachai Leophairatana	Director
2. Mr. Prateep Leopairut	Director
3. Dr. Pramuan Leophairatana	Director
4. Mr. Prayad Liewphairatana	Director
5. Mrs. Orapin Leophairatana	Director
6. Miss Pattrapan Leopairut	Director
7. Mr. Pakorn Leopairut	Director
8. Mr. Pakkapol Leopairut	Director
9. Mr. Thanakorn Liewphiratana	Director
10. Mrs. Chutinan Liewphiratana	Director

## Directors of TPI Smart City Company Limited as of December 31, 2022

Name	Position
1. Mr. Prachai Leophairatana	Director
2. Dr. Pramuan Leophairatana	Director
3. Mr. Prateep Leopairut	Director
4. Mrs. Orapin Leophairatana	Director
5. Mr. Pakorn Leopairut	Director
6. Mr. Pakkapol Leopairut	Director
7. Miss Pattrapan Leopairut	Director
8. Mrs. Achira Chatdarong	Director
9. Mrs. Nitawan Leophairatana	Director
10. Mrs. Pannee Liewphairatana	Director
11. Mr. Thanakorn Liewphiratana	Director
12. Dr. Porakrit Leophairatana	

## Directors of TPI Wind Power Company Limited as of December 31, 2022

Name	Position
1. Mr. Prachai Leophairatana	Director
2. Dr. Pramuan Leophairatana	Director
3. Mrs. Orapin Leophairatana	Director
4. Mr. Pakorn Leopairut	Director
5. Mr. Pakkapol Leopairut	Director
6. Miss Pattrapan Leopairut	Director
7. Mrs. Achira Chatdarong	Director
8. Mrs. Nitawan Leophairatana	Director
9. Mrs. Pannee Liewphairatana	Director
10. Mr. Thanakorn Liewphiratana	Director
11. Dr. Porakrit Leophairatana	Director



## Directors of TPI Solar Company Limited as of December 31, 2022

Name	Position
1. Mr. Prachai Leophairatana	Director
2. Dr. Pramuan Leophairatana	Director
3. Mrs. Orapin Leophairatana	Director
4. Mr. Pakorn Leopairut	Director
5. Mr. Pakkapol Leopairut	Director
6. Miss Pattrapan Leopairut	Director
7. Mrs. Achira Chatdarong	Director
8. Mrs. Nitawan Leophairatana	Director
9. Mrs. Pannee Liewphairatana	Director
10. Mr. Thanakorn Liewphiratana	Director
11. Dr. Porakrit Leophairatana	Director

## Directors of E&amp;T Renewable Energy Company Limited as of December 31, 2022

Name	Position
1. Mr. Prachai Leophairatana	Director
2. Mr. Pakkapol Leopairut	Director
3. Dr. Porakrit Leophairatana	Director
4. Mr. Wichan Sripairoj	Director
5. Mr. Saksit Sutharekanon	Director
6. Mrs. Supannikar Apinivet	Director

## Attachment 3

### Information of Head of Internal Audit

Detail of Internal Audit Supervisor as at December 31, 2022

Name/Position	Educational qualifications/ Diploma/Certificate/	Work experience	
		Duration	Position/Company
Mr. Nitipong Sucharitapong / Internal Audit Manager	<ul style="list-style-type: none"> <li>Bachelor's degree in Ramkhamhaeng University</li> <li>Internal Audit Certificate to prepare to be an international inspector</li> <li>Faculty of Commerce and Accountancy Chulalongkorn University together with The Institute of Internal Auditors.</li> <li>Certificate of Project Development Project, Faculty of Commerce and Accountancy Thammasat University</li> <li>Taxing Auditoral license, Revenue Department, Ministry of Finance</li> </ul>	2016–present	Internal Audit Manager / TPI Polene Power Public Company Limited
		2007-2016	Internal Audit Manager / TPI Concrete Company Limited
		1997-2006	Internal Auditors / Petrochemical Thai Industry Public Company Limited)

### Courses Training for Internal Audit Manager

No	Courses Training	Period	Training Companies
1	Accounting standards, land, buildings and related equipment, including new law updates	12-13 February 2022	Training Co., Ltd. and Seminar Krit Somboon
2	Update taxation in the year 2021 and summarize the TFRS for NPAES in accordance with the recognition criteria.	26-27 March 2021	Account Training and Consulting Co., Ltd. (Thailand)
3	Land tax and buildings Real estate accounting for investment and new law update	21-22/03/2563	Training Co., Ltd. and Seminar Krit Somboon
4	Internal control And internal control assessment	29-30/05/2562	Protenion Training Co., Ltd.
5	Going Concern, financial tools and new law update	22-23/03/2562	Training Co., Ltd. and Seminar Krit Somboon
6	TRANSFORMING IA FOR THE DIGITAL AGE	6/08/2561	Internal Auditor Association of Thailand
7	The operation of the audit, according to the audit standards, as well as presenting financial statements and new law updates	20-21/01/2561	Training Co., Ltd. and Seminar Krit Somboon
8	Bright Spots : Lighting the way to a corruption free society	21/11/2560	IOD with CAC
9	The evidence of the audit from the financial statements and update the new law	18-19/3/2560	Training Co., Ltd. and Seminar Krit Somboon
10	ENTERPRISES RISK MANAGEMENT IN PRACTICE	11/10/2559	Risk Management Club and Internal Control Thai listed company association

No	Courses Training	Period	Training Companies
11	Consideration of corruption in financial statements and new law updates	19-20/3/2559	Training Co., Ltd. and Seminar Krit Somboon
12	Risk assessment in internal auditing	10/10/2558	TPIPL Training Department
13	Employee fraud prevention, detection, investigation & Litigation	12-13/3/2558	Omega WorldClass Institute
14	Examination standards Quality control Financial checks and new law updates	14-15/10/2557	Training Co., Ltd. and Seminar Krit Somboon
15	Going from good to great in it fraud prevention and information society	13/10/2557	Internal Auditor Association of Thailand

## Attachment 4

### Business Assets and Details on Asset Valuation

Assets used in the business operations and details of the appraisal of the assets as of December 31, 2022

Details of the assets used in the business operations and a list of the asset appraisal are presented in the Annual Report 2022 (Form 56-1 One Report), Section 1, Structure and Operation of the Group of Company, Section 4: Assets Used in Business Operation.

## Attachment 5

### Corporate Governance Policy and Code of Conduct

Corporate Governance Policy and Code of Conduct Disclosed information on the Company's website <http://www.tpipolenepower.co.th/index.php/th/th-aboutus/code-of-conduct-th>

## Attachment 6

### Report of the Audit Committee

Dear Shareholders,

The Audit Committee of TPI Polene Power Public Company Limited for the year 2022 appointed 3 independent directors, consists of Mr. Manu Leopaiprote as the Chairman of the Audit Committee, Dr. Thiraphong Vikitset and Dr. Abhijai Chandrasen are members of the Audit Committee, all 3 members are qualified and experienced in finance, accounting, law, economics, and management, as well as experience in performing duties independently within the scope of authority and responsibility of the Audit Committee specified by the regulatory agency, with Ms. Weeranuch Khimkhum as the secretary of the Audit Committee.

In 2022, the Audit Committee held a total of 5 meetings to review, consider, and evaluate the internal control system, review financial statements and disclose information to investors, review compliance with relevant legal requirements, review risk management, review connected transactions or conflicts of interest, and consider, select, nominate, and determine the auditor's remuneration. The performance of duties can be summarized as follows:

#### **1. To review and evaluate internal control systems.**

The Company operates its business based on morality, ethics, transparency, and sustainable business operations and pay attention on the economy, environment, society, and good corporate governance according to the concept and philosophy of the Board of Directors and top executives. The Company has set policies and established operational guidelines that recognize the appropriate internal control system and adopted Four Iddhippada to success and commitment to creating balanced happiness with a better quality of life sustainably according to the 4 Brahma Vihara principles, including the 4 Noble Truths, which lead to the End of Suffering according to the teachings of the Lord Buddha, and applied TPI Polene Power's Code of Conduct as guidelines for the performance of executives and employees, taking into account the benefits and fairness to all relevant stakeholders, from government agencies, shareholders, business parties, contractors. Employees are developed and promote learning in a way that contributes to the long-term sustainable development of the Company.

According to the review of the Audit Committee in the past year, the Company had an effective internal control system, efficient and effective operations under the internal control system that is sufficient and appropriate, which prevented damage that may occur within a reasonable period of time, reduce operational risks, help financial statements and reports of the Company to be accurate, reliable, as well as protect company assets and shareholders' investments. The Chairman of the Audit Committee has approved the audit plan for the year 2023, with the internal audit department performing the audit in accordance with the said plan.

#### **2. To review financial statements and the disclosure of information to investors.**

Financial statements are financial reports that show the performance and financial position of an entity that must be disclosed to stakeholders. The Audit Committee reviewed significant items in the Company's consolidated financial statements, both the quarterly financial statements and the financial statements for the fiscal year 2022, as well as having a meeting with the auditor of the Company to independently exchange opinions on the financial statements without the management on issues that are material to the financial statements and revealing information in the notes to the financial statements, it was found that the Company's financial reports were prepared in accordance with generally accepted accounting standards, with sufficient information disclosed in the notes to the financial statements and within an appropriate timeframe according to the requirements of the law and financial reporting standards set by the Federation of Accounting Professions, which are beneficial to the decision of investors and all stakeholders.

#### **3. To review and ensure that the Company performs in compliance with all regulations and related governing laws.**

The Audit Committee has reviewed compliance with rules, orders, and regulations of the law and of regulatory agencies related to the business of the Company. The Company has a system to prevent the use of internal information in securities trading, prohibitions, and penalties are imposed in the Employee Regulations, with a penalty of termination of employment; to supervise the executives to prepare a report on the holding of the Company's securities in accordance with legal requirements. In addition, it also places importance on the legal duty to disclose the Company's information in financial reports, related transactions, and other reports to be accurate, complete, reliable, and timely.

#### 4. To review Risk Management

The Company has established the Risk Management Committee chaired by the Chief Executive Officer and committees from related departments responsible for considering structure, policies, risk management framework, risk management plan, risk review and monitoring, managing risk. The Risk Management Department is responsible for preparing risk management reports, implementing and supporting risk management throughout the organization. The Company has given importance to environmental risks from greenhouse gas emissions that affect climate change, risks that may arise from economic crime and modern technology (IT SECURITY), consumer behavior risks from rapidly changing communication technologies, and risks caused by the COVID-19 pandemic, etc. The Company, along with the Risk Management Committee and all departments in the organization, keeps observing the changing environment and considers significant risks that may affect the Company's operations with measures to respond to risks at an acceptable level from weekly management meetings and set them in the annual work plan.

#### 5. To review fraud detection or corruption

The Audit Committee has emphasized that the Company operates business in accordance with good corporate governance, providing a complaint-handling system, including providing channels for employees, shareholders, and related persons to be able to directly contact the Audit Committee to notify information to the Internal Audit Committee regarding complaints, illegal acts or non-compliance with the Code of Conduct, or inquiries about financial reports or internal control systems conveniently via email, website, mail, and the complaint box, as well as having measures to protect the informant from disclosing and keeping it confidential. The Audit Committee has reviewed the risk assessment, the likelihood of fraud, and the impact to determine guidelines to prevent fraud that may occur in work systems and reviewing measures and investigation regulations to be up-to-date and consistent with business conditions.

#### 6. To review connected transactions or conflicts of interest

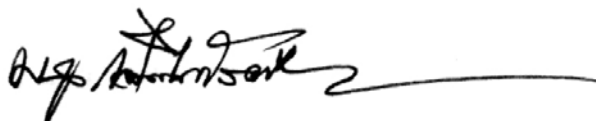
The Company has prepared the Code of Conduct for the Company's directors, executives, and employees at all levels to acknowledge and strengthen it as a corporate culture that values operations that do not contradict with stakes and conflicts of interest with the Company, so that the organization will get the most benefit from transparent and verifiable business operations. The Audit Committee has reviewed connected transactions and transactions that may have conflicts of interest from the relevant directors' reports and found that the transactions were reasonable, did not cause the Company to lose benefits and were properly disclosed to regulators in a timely manner.

#### 7. Consideration, selection, nomination, and determination of the auditor's remuneration for the year 2023

The Audit Committee has considered the independence, performance, and experience of the person who proposes to be the Company's auditor, and the appropriateness of the remuneration as well as considering the rotation of auditors. It proposed to the Board of Directors for approval and presented to be approved from the shareholders' meeting in considering the appointment of Ms. Thanyalux. Keadkaew holding Registration No. 8179, or Mr. Ekkasit Chuthamsathit holding Registration No. 4195, or Mr. Natthapongse Thantijathanond holding Registration No. 8829 of KPMG Phoomchai Audit Company Limited to be the Company's auditor for the year 2023.

The Audit Committee has considered that in the past year, the Board of Directors and the Company's executives place importance on management according to the principles of sustainable business operations with good corporate governance, business ethics, and commitment to perform duties in order to achieve the organization's goals in a professional manner. The Company has developed a product quality system according to international standards, complies with the requirements of relevant laws, contributes to society and cares for the environment, prepares financial reports to meet generally accepted accounting standards, and discloses sufficient information. Transactions that may have conflicts of interest are managed properly without damage to the business with an adequate internal control system and good corporate governance system. No misstatement has been found.

On behalf of the Audit Committee



(Mr. Manu Leopaibrote)  
Chairman of the Audit Committee

## Attachment 6

### Report of the Board of Directors Responsibilities for Financial Statements

The Board of Directors of the Company are aware of their duties and responsibilities to ensure that 2022 the financial reports of TPI Polene Power Public Company Limited are accurate, complete, transparent, and are prepared in compliance with generally accepted accounting principles and reflect the application of an appropriate and consistent accounting policy, as well as a reasonable consideration and prudence in the Company's financial statements for the benefit of shareholders and general investors to obtain correct, complete, and reasonable financial information and performance.

In this regard, the Board of Directors has entrusted the Independent Audit Committee to be responsible for the review of accounting policy and quality of financial reports, internal controls, internal audit, and risk management systems. Comments on these issues have been included in the Audit Committee Report, which thereby forms a part of this Annual Report.

The Board of Directors are of the opinion that the overall internal control systems of TPI Polene Power Public Company Limited have functioned satisfactorily and credibly to ensure that the financial statements of the Company present financial positions, operational performance and financial cash flow which are accurate and reliable in all material aspects.



(Mr. Prachai Leopairatana)  
Chairman







บริษัท ทีพีโอ โพลีน เพาเวอร์ จำกัด (มหาชน)  
TPI POLENE POWER Public Company Limited

26/56 ถนนจันทน์ตัดใหม่ แขวงทุ่งมหาเมฆ เขตสาทร กรุงเทพฯ 10120  
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ธุรกิจโรงไฟฟ้า  
Power Plants Business

