

# 2021

## Annual Report



From 56-1 One Report

Sakol Energy Public Company Limited



# Purpose

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We Make

the **Cleaner World**

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# Mission

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To provide affordable energy

# Vision

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Clean and sustainable energy for all



# Core Value

- FIGHT

We **Fight** for a better world

## FOR

Fight for One Result

- ONE

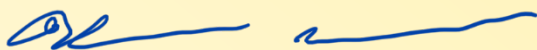
We are **One** for all and all for **One** goal

- RESULT

We work to pursue the best **Result**

## Message from the Chairman

We would like to confirm and provide assurance  
that we will operate the business under the  
principles of good corporate governance and good  
management for sustainability of the Company.



Prof. Emeritus Dr. Direk Lavansiri

Chairman / Independent Director



Dear shareholders,

The year 2021 was another year that the world had to face with the Covid-19 pandemic, which has been putting a lot of pressure on the economy for more than 2 years. There were some periods of economic recovery in the year 2021 from vaccination in developed countries, which were first to be vaccinated, while developing countries were being gradually vaccinated. However, in the year 2021, the Covid-19 had mutated causing periodic economic slowdown according to the Covid-19 response policy of each country. During the third quarter of 2021, the Delta variant outbreak in Thailand had caused many economic activities to be restricted under strict pandemic control measures for several months, which clearly caused the economic slowdown. However, local vaccination made great progress at the end of the year. More than 100 million doses of vaccines were given to the public by the middle of December 2021, causing gradual relaxation of control measures and resumption of economic activities. As a result, Thailand's GDP grew at a rate of 1.6% in the year 2021. For the year 2022, Thailand and the rest of the world will continue to face economic challenges from various factors, including rising inflation, the Covid-19 mutation, and conflicts among European countries with the risk of becoming a continental or global war.

In respect of the Company, there have been various factors with significant impact on business, economy, society, and lifestyle, causing volatility and rapid changes. It is important to prepare for changes and the Company has adjusted itself in terms of business and organization.

In respect of business in the year 2021, the Company remained committed to implementing its business plan in conjunction with the corporate vision of "Clean and Sustainable Energy for All", renewable power plant and other renewable energy projects. The Company has acquired shares and business of N15 Technology Co., Ltd., which operates waste disposal and conversion into fuel used in various industries in replace of the use of fossil fuel. Such business is considered in the trend of international social awareness. It is classified as one of the major mega trends in the growing sustainability category or sustainable growth in respect of the environment for which global warming or the greenhouse effect has caused a significant change that affects the lives of people around the world. Since people has become aware of this, there is a trend to reduce the use of fossil energy and increase the use of other types of renewable energy that are more environmentally friendly, creating the concept of 'circular bioeconomy' or 'green supply chain.' Therefore, the business of N15 Technology Co., Ltd. meets the needs of the society and will create an opportunity for business growth while changing human behavior in this time of era.

In terms of corporate development in the year 2021, the Company has successfully undertaken digitization and is moving towards its next goal of digital transformation. The goal is to successfully develop a digital

organization to be prepared and cope with various situations that may arise in the future so that the organization can continue its business in all situations.

On behalf of Sakol Energy Public Company Limited, I would like to express our gratitude to all shareholders, customers, trade partners and stakeholders for your support and great assistance with our works.

Finally, we would like to confirm and provide assurance that we will operate the business under the principles of good corporate governance and good management for sustainability of the Company. I would like to take this opportunity to thank the Board of Directors, the management team, all employees and personnel for their cooperation and high dedication to their duties and responsibilities, which has helped the Company to get through the economic and social crisis in the year 2021. With this cooperation, I believe that we will make the organization grow steadily and sustainably.

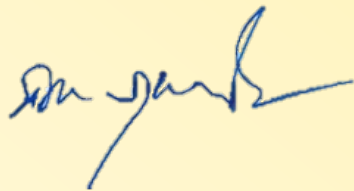


Prof. Emeritus Dr. Direk Lavansiri

Chairman / Independent Director

## Message from chairman of executive committee

In respect of business management, we commit to work with determination, clear goals, good governance and protecting the interests of all stakeholders. SKE has a business plan and always adjusts itself to keep up with present situations. We wish that you will see our intention to drive SKE towards stability and sustainability.



Mr. Chutchai Sumethchotimetha

Chairman of Executive Committee,  
Chief Executive Officer





Dear Shareholders,

First of all, I would like to thank all shareholders who have been following SKE. As of today, SKE has been on a journey of more than 4 full years from the date of being listed on the Stock Exchange of Thailand and the path has not been strewn with flowers. Thailand and the world have faced the Covid-19 pandemic for more than 2 years. The Company has constantly adapted in terms of the organization and the business. One of the Company's key events in the year 2021 was the acceptance of proposal to terminate the contract for NGV filling at Ban Na-Kaeng Khoi Station in Saraburi Province. The Board of Directors has thoroughly considered details and resolved to approve such proposal. The details of compensation received for the remaining term of the contract had been informed and disclosed to the Stock Exchange of Thailand and relevant persons. We faced changes in NGV business, which was our core business. It was a situation of which we have anticipated, assessed, and prepared for in advance. This can be seen from the Company's revenue structure which has been changed since the year 2020. Revenue from NGV business in the year 2020 accounted for 37.79% of total revenues, and revenue from NGV business in the year 2021 accounted for 25.54% of total revenues. The decline in revenue from NGV business was compensated by revenue from the biomass power plant in the year 2020 and 2021, which accounted for 47.82% and 56.41% respectively. Over the past 4 years, the Company faced many new challenges, including strategic planning for the core business which was in a downtrend (Sunset business). The Company's revenue from NGV business had decreased, but the Company was able to maintain the standards of management and a gross profit margin at a level of not less than 30% over the past five years. The power plant with an efficiency ratio in generation and distribution of electricity of more than 95% throughout the year 2021 has made a significant contribution to stability and sustainability of SKE during the most difficult and volatile economic and social situations around the world. Another important event in the year 2021 was the Company's investment in 99% shareholding in N15 Technology Co., Ltd. ("N15"). N15 conducts waste disposal and waste-to-fuel business. After the acquisition, N15 signed a sale and purchase contract of RDF (Refuse derive fuel) with SCI Eco Services Company Limited (including affiliated companies) in the approximated quantity of 130,000 tons per year for a term of 4 years and the term can be renewed for another 2 years each time. The total contract value is more than Baht 1,000 million. N15 will start recognizing revenue in the first quarter of 2023 and will result in the Company's growth according to the business plan to reach the revenue level of Baht 1 billion per year. The Company expects to generate additional profits until the profits reach the same level achieved before the listing of the Company's shares on the Stock Exchange of Thailand. We hope that these factors will build confidence and trust to all shareholders and will result in SKE's positions being attractive to investors.

Finally, on behalf of the Executive Committee, I would like to express gratitude to our customers, shareholders, business partners and patrons from all sectors who have always given cooperation to us. In respect of business management, we commit to work with determination, clear goals, good governance and protecting the interests of all stakeholders. SKE has a business plan and always adjusts itself to keep up with present situations. We wish that you will see our intention to drive SKE towards stability and sustainability.



Mr. Chutchai Sumethchotimetha  
Chairman of Executive Committee,  
Chief Executive Officer

# Board of Directors



1.

Prof. Emeritus Dr.Direk Lavansiri

Chairman / Independent Director

2.

Mr. Chutchai Sumethchotimetha

Director

3.

Mrs. Aree Sumethchotimetha

Director

4.

Mr. Jakkraphong Sumethchotimetha

Director

5.

Mr. Thanapon Sumetchotimaytha

Director

6.

Pol. Gen. Worapong Chewprecha

Independent Director

7.

Dr. Witoon Simachokedee

Independent Director

8.

Mrs. Rawittha Pongnuchit

Independent Director

9.

Asst Professor Dr. Attawoot Papangkorn

Independent Director



# Audit Committee



1.

Pol. Gen. Worapong Chewprecha

Chairman of the Audit Committee

2.

Dr. Witoon Simachokedee

Member of Audit Committee

3.

Mrs. Rawittha Pongnuchit

Member of Audit Committee

4.

Asst Professor Dr. Attawoot Papangkorn

Member of Audit Committee

# Executive committee



1.

Mr. Chutchai Sumethchotimetha

Chairman of Executive Committee,  
Chief Executive Officer

2.

Mrs. Aree Sumethchotimetha

Executive Director,  
Senior Executive Vice President

3.

Mr. Jakkraphong Sumethchotimetha

Executive Director, Managing  
Director, Company Secretary

4.

Mr. Thanapon Sumetchotimaytha

Executive Director,  
Chief Operating Officer

5.

Ms. Napaporn Satitthamporn

Executive Director,  
Chief Financial Officer

6.

Ms. Jittanit Tantrakool

Executive Director,  
Chief Strategy Officer

# Remuneration and Compensation Committee



1.

Mrs. Rawittha Pongnuchit

Chairman of Remuneration and  
Compensation Committee

2.

Asst Professor Dr. Attawoot Papangkorn

Member of Remuneration and  
Compensation Committee

3.

Mr. Piya Vittayavarotkit

Member of Remuneration and  
Compensation Committee



## Photograph collection of important activities in 2021



January 2021

“Transformation of agricultural waste in the community into plant pots project by Phrae Provincial Industrial Office and Maejo Royal Honorary (Chalermprakit) University, Phrae Campus”



## February 2021

- On 5 February 2021, the company joined the monthly meeting with Moo 3, Ban Mae Krating Community.



- On 26 March 2021, the environmental quality monitoring officer conducted a periodic inspection of quality of air, noise, and water around the factory.





## April 2021

- On 5 March 2021, SKE Town Hall No. 1 of the year 2021 was held.



- On 16 March 2021, the Office of the Energy Regulatory Commission (ERC) inspected the plant's operating

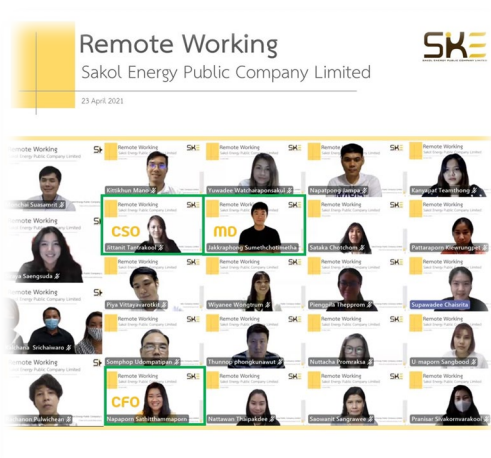


- Engagement survey (SKE Voice Out) was conducted during 22-26 March 2021.



April 2021

- On 8 April 2021, SKE announced a full remote working management system to prevent the spread of Covid-19.



- On 30 April 2021, the Company organized the 2021 Annual General Meeting of Shareholders via electronic means (E-AGM).





## May 2021

- On 5 May 2021, the power plant attended the meeting of the district-level Covid Prevention Committee at Rong Kwang District Auditorium



- On 22 May 2021, the power plant repaired roads and drainage inside the village



## June 2021

- On 8 June 2021, Mae Krating Power Company Limited inspected the acacia seedling plots, according to the promotion of cultivation of fast-growing plant project for the sustainability of raw materials of the power plant for the year 2021



## July 2021

- On 5 July 2021, the provincial Covid-19 Prevention Committee visited the power plant to advise on establishment and measures to monitor the spread of Covid-19 within the power plant.



- On 9 July 2021, SKE Group Mini Town Hall was held.





August 2021

- SKE Group Culture Month



- Mae Krating Power Company Limited provided rice, dry food, essential items for Covid-19 patients in the community who were quarantined at Phai Thon Sub-district and Ban Mae Krating Quarantine Centers.



- Mae Krating Power Company Limited supported drinking water and budget for the commercial blue flag tents to help the mobile commerce units selling discounted-price products in the community during the Covid-19 pandemic.



SKE took part in the 32rd annual giveaway event at Chao Por Khao Tok Shrine (Pae Kong) for the year 2021 and the sharing project to fight against the Covid-19



## September 2021

- On 4 September 2021, the company attended a monthly meeting with Mae Krating Village and promoted handling acacia seedlings for the promotion of cultivation of fast-growing plant project for the sustainability of raw materials of the power plant.



- Mae Krating Power Company Limited sponsored Phrae United Football Club and attended the press conference for the opening of 2021 season Thai Football League.





## October 2021

- Mae Krating Power Company Limited inspected the environmental quality, including working environment, air quality, lighting and noise in the workplace and reported to the Labor Welfare Office and the Phrae Provincial Environmental Office.



- Mae Krating Power Company Limited donated PPE equipment, face masks, and ATK test kits for the Phai Thon Sub-district Waiting Center to prevent the spread of Covid-19.



- Mae Krating Power Company Limited made financial donation to support junior farmers project to promote environmental awareness among children in the community and donated lunch money of Baht 50,000 for students at Ban Phai Thon School.



- Mae Krating Power Company Limited hosted Kathin offering for the year 2021 with local government agencies and Ban Mae Krating villagers at Ban Mae Krating Temple.



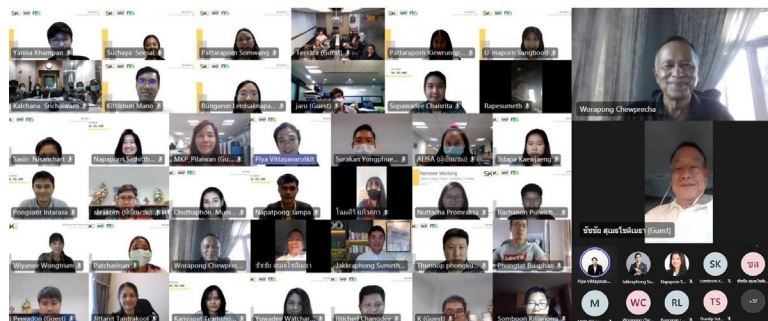


- Mae Krating Power Company Limited received an award on the Environmental Good Governance Project for the year 2020 (the award ceremony was postponed to the year 2021 due to the Covid-19 pandemic) from Phrae Provincial Industrial Office.



- On 16 December 2021, the 2nd Annual SKE Group Town Hall Meeting for the year 2021 was held.

## SKE Group Town Hall Meeting



- On 27 December 2021, merit making ceremony for the Company was held.



- SKE Group New Year Party 2022



Collection of unwanted garbage in the year 2021: by N15 Technology Co., Ltd.

The Company provided collection service to accept donations of unwanted waste in Bangkok and its vicinities. Donation places included Bangchak gas stations in Bangkok and its vicinity (certain branches), Techno Thani in Pathum Thani Province, Panyapiwat Institute of Management, East Park Parking Lot Rama 2 (near Nakornthon Hospital), Chaeng Watthana Government Complex, Wat Praram 9, EGAT Headquarter in Bang Krui, Nonthaburi Province, Aroma Group Chokchai 4, and Nakorn-Nonthaburi Municipality etc.





## Photos of collection activity



At Panyapiwat Institute of Management



At Bangchak Gas Station, Bangna Km.16



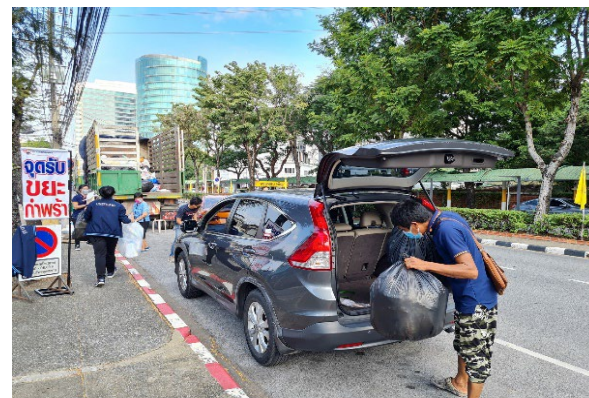
At Wat Praram 9



At Bangchak Gas Station, Phahon Yothin 22 Soi 73



At East Park Parking Lot Rama 2



EGAT Headquarter in Bang Krui, Nonthaburi



At Techno Thani, Khlong Ha, Pathum Thani



At Aroma Group Chokchai 4



At Bangchak Gas Station, Ratchaphruek 2



# Part 1

## Business Operations and Performance



## Structure and business operation of the group

### 1.1 Policy and business overview

Private Mother Station (PMS) provides NGV compression services for natural gas transportation vehicles of PTT Public Company Limited (“PTT”) to be transported to NGV stations outside gas pipelines or daughter stations, including making improvements to natural gas quality to meet the standards required by the laws. The customer is PTT. Private Mother Stations are located in Chiang Rak Noi Sub-district, Sam Khok District, Pathum Thani Province and in Tha Maprang Sub-district, Kaeng Khoi District, Saraburi Province. In February 2021, PTT notified that the demand for natural gas for vehicles from the Company’s Private Mother Station in Ban Na-Kaeng Khoi, Saraburi Province was equivalent to 0 tons per day from 1 March 2021 onwards. However, the Company’s duty to prepare gas for PTT at all times remain, and PTT continues to pay monthly investment remuneration (AP) to the Company at the rate as stipulated under the contract.

Mae Krating Power Company Limited (“MKP”) generates and supplies electricity from biomass with the installed capacity of 9.90 megawatts, using bark, wood chips, and agricultural residues such as corn husks as an alternative fuel. The power plant is located at 99 Moo 3, Ban Mae Krating, Phai Thon Sub-district, Rong Kwang District, Phrae Province, with an area of 38.92 Rai. MKP has a power purchase agreement from small power producer (for electricity generation from renewable energy) with the Provincial Electricity Authority with the maximum output of 8.00 megawatts. Currently, construction of the power plant and installation of machinery has been completed.

Mae Krating Biomass Power Plant started supplying electricity to the system on 8 August 2019. The power plant has been generating and supplying electricity to the Provincial Electricity Authority from then until present.

The company operates the business of sorting, separating, and processing general waste and non-hazardous industrial waste to produce mixed fuels, alternative fuels, and solid fuel. The factory is located at No. 700/754, 700/756 Moo 1, Amata City Chonburi Industrial Estate, Phan Thong Sub-district, Phan Thong District, Chonburi Province 20160.

N15 Technology Company Limited is a leading company that specializes in the management of waste and unused materials from both community and industrial sectors by applying effective management and technology. The operating process includes processing waste into fuel or waste incineration, taking into account the environment as most important. The Company is permitted to operate in an industrial estate according to the Industrial Estate Authority of Thailand Act B.E. 2522 (1979).

### 1.1.1 Vision, Values, Mission, Goals & Business Strategies

#### Vision

Clean and sustainable energy for all

#### Business goals

1. Continuously promote research and development of new energy businesses.
2. Invest in green business.
3. Be a part in building a society for sustainable development.

#### Business Strategy



BCG Model - New economic model for SKE Group's business. BCG is a new economic development model. It is a holistic economic development. It will develop a 3D economy at the same time, comprising 3 main economies, namely Bio Economy, Circular Economy and Green Economy. SKE Group's businesses comply with the BCG Model as follows:

1. Mae Krating Biomass Power Plant business (Bio Economy).

Mae Krating Biomass Power Plant buys agricultural waste to use as fuel for electricity generation. It adds value to agricultural waste while generating income for people in the community.

2. Non-hazardous waste management business, convert into alternative fuels (Refuse Derived Fuel: RDF) (Circular Economy).

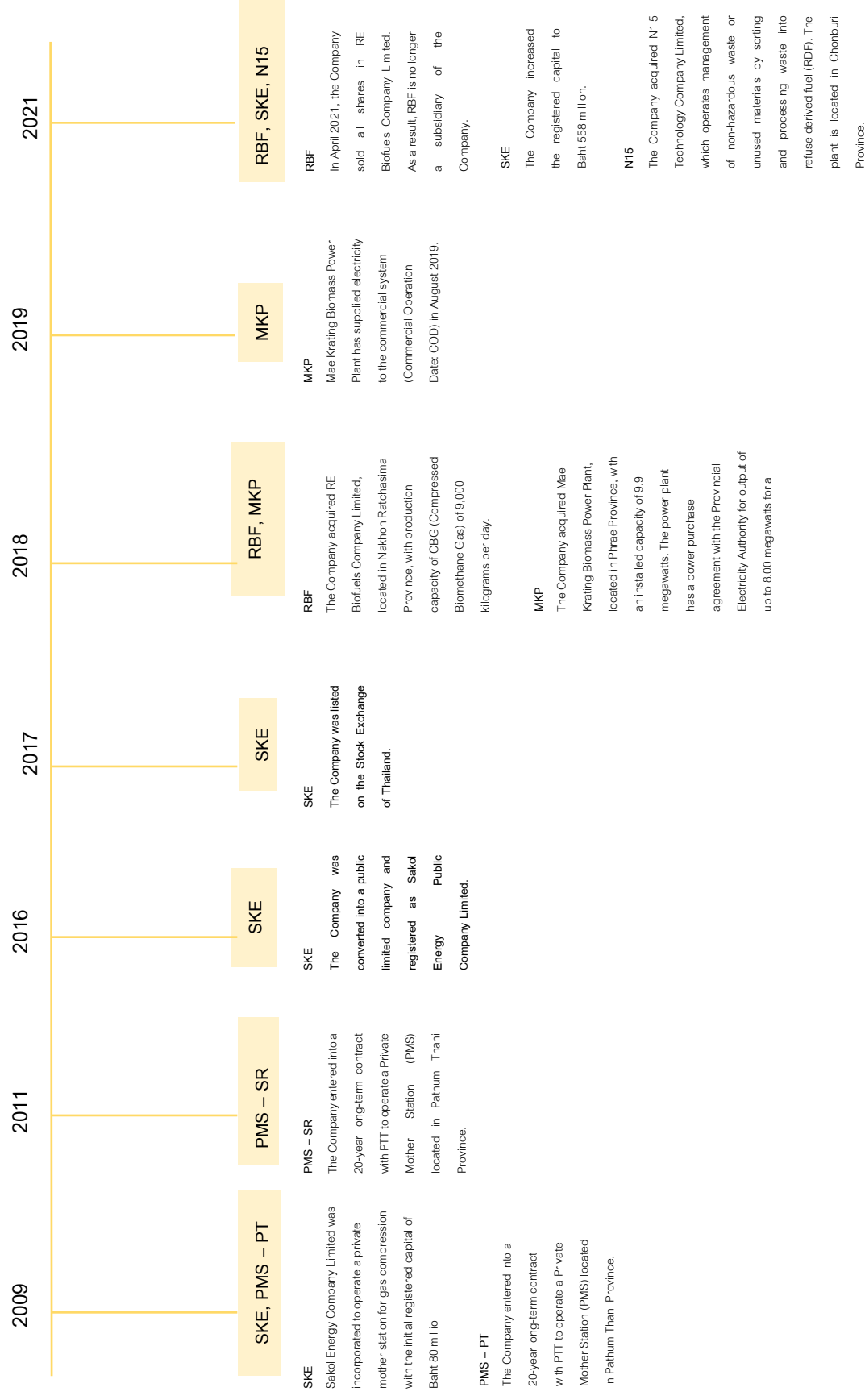
Recycle waste or non-hazardous waste material, separate, and convert into fuel. This is the best and most cost-effective use of resources as well as reducing the amount of waste (ZERO WASTE ).

3. Private main natural gas station business (Green Economy)

Private main natural gas station business NGV compressed natural gas service. NGV has a lower carbon content than other fuels and has gas properties that enable complete combustion, thus reducing the amount of carbon monoxide emissions into the environment.



## 1.1.2 Changes and development highlight



### 1.1.3 Use of proceeds from fund raising

The Company offered the newly issued ordinary shares to the existing shareholders in proportion to their respective shareholdings (Rights Offering) during 24 May 2021 to 31 May 2021 in the number of 186,000,000 shares at a price of Baht 0.80 per share. Subsequently, the Company received proceeds from sale of the newly issued ordinary shares in the total amount of Baht 148,800,000. After deducting expenses for such offering, the Company received net proceeds of approximately Baht 147,717,750.

In this regard, the Company has appropriately and completely used proceeds from such capital increase in accordance with purposes of use of proceeds. The details are as set out below.

Purpose of use of proceeds	Utilization plan (Baht)	Utilized proceeds as of 30 Dec 2021 (Baht)	Balance as of 30 Dec 2021 (Baht)
1. Investment in ordinary shares of N15 Technology Co., Ltd.	147,717,750	147,717,750	-
2. Working capital in the business or other necessary and appropriate investments	2,717,750	2,717,750	-
<b>Total</b>	<b>147,717,750</b>	<b>147,717,750</b>	<b>-</b>

### 1.1.4 Obligations provided by the Company under the registration statement for the offering of securities

The Company has no financial obligations for the offering of newly issued ordinary shares to the existing shareholders as specified in the registration statement and other related documents.

### 1.1.5 General information of the Company

Company name Sakol Energy Public Company Limited

Ticker symbol SKE

Registration no. 0107559000443

Registered capital 558.00 Million bath

Paid-up capital 558.00 Million bath

Par value per share 0.50 Bath

No. of paid-up shares 1,116,000,000 shares

#### Type of business

The Company operates energy business, having Private Mother Station (PMS) as its main business. Its subsidiaries operate a biomass power plant with an installed capacity of 9.9 megawatts and management of non-hazardous waste or unused materials by sorting and processing waste into an alternative fuel.

#### Head office (Pathum Thani Private Mother Station)

Address : 15 Moo 1, Chiang Rak Noi Sub-district, Samkhok District, Pathum Thani 12160

Telephone : 02-0263451

Fax : 02-0263451

#### Bangkok office

Address : 252/108(B),252/109(C) Muang Thai Phatra Complex, Tower B, Level 21 Ratchadaphisek Road, Huay Kwang Sub-district, Huay Kwang District, Bangkok 10310

Telephone : 02-0263451

Fax : 02-0263451

Company website : [www.sakolenergy.com](http://www.sakolenergy.com)

#### **Referral entities : Securities registrar**

Thailand Securities Depository Co., Ltd.

The Stock Exchange of Thailand Building, 93 Ratchadaphisek Road, Din Daeng Sub-district, Din Daeng District, Bangkok 10400

Telephone : 02-009-9990

Fax : 02-009-9991

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

Level 50 - 51, Empire Tower, 1 South Sathorn Road, Yannawa Sub-district, Sathorn District, Bangkok 10120

Telephone : 02-677-2000

Fax : 02-677-2222

## 1.2 Type of business

### 1.2.1 Revenue structure by type of business

At present, the main businesses of the Company and its subsidiaries include private mother station operator, biomass power plants, and waste or non-hazardous waste management by separating and converting waste into alternative fuels, the details of which are as set out below.

#### Revenue structure of the Company and its subsidiaries

Revenue of the Company and its subsidiaries for the year ending 31 December 2019 - 2021 can be classified as follows:

Product / Service	Operated by	% shareholding	2019		2020		2021	
			Million Baht	%	Million Baht	%	Million Baht	%
Revenue from rendering of services								
Natural gas compression and natural gas improvement services <sup>(1)</sup>	Sakol Energy Public Company Limited	-	238.57	51.14	207.66	34.66	110.41	22.02
Waste management	N15 Technology Company Limited	99.99	19.78	4.24	17.78	2.97	19.82	3.95
Total revenue from rendering of services			258.35	55.38	225.44	37.63	130.23	25.97
Revenue from sale of goods								
Production and distribution of electricity	Mae Krating Power Company Limited	80.00	108.39	23.23	286.52	47.82	282.86	56.41
Production and distribution of compressed bio-methane gas <sup>(2)</sup>	RE Biofuels Company Limited	75.95	10.40	2.23	17.20	2.87	1.00	0.20
Processing and distribution of waste fuel	N15 Technology Company Limited	99.99	51.57	11.05	46.54	7.77	49.53	9.88
Total revenue from sale of goods			170.36	36.52	350.26	58.46	333.39	66.48
Revenue from leases								
	Sakol Energy Public Company Limited		19.73	4.23	18.75	3.13	17.68	3.53
	N15 Technology Company Limited	99.99	0	0.00	0.25	0.04	0.19	0.04
Total revenue from leases			19.73	4.23	19	3.17	17.87	3.56
Other income								
Financial support from Department of Alternative Energy Development and Efficiency, Ministry of Energy	RE Biofuels Company Limited <sup>(2)</sup>	75.95	12.00	2.57	-	-	-	-
Gain from disposal of investment in subsidiary <sup>(2)</sup>	Sakol Energy Public Company Limited		-	-	-	-	13.36	2.66
Other income	Sakol Energy Public Company Limited		1.98	0.42	2.70	0.45	4.51	0.90
	Mae Krating Power Company Limited	80.00	0.69	0.15	0.54	0.09	0.47	0.09
	SK 15 Company Limited	99.99	0.29	0.06	0.04	0.01	0.00	-
	SKE Development Company Limited <sup>(3)</sup>	99.99	1.05	0.23	0.25	0.04	0.22	0.04
	N15 Technology Company Limited	99.99	1.06	0.23	0.93	0.16	1.41	0.28
	RE Biofuels Company Limited <sup>(2)</sup>	75.95	1.00	0.21	-	-	-	-
	Total		6.07	1.30	4.46	0.75	6.61	1.32
Total other income			18.07	3.86	4.46	0.75	19.97	3.98
Total revenue			466.51	100.00	599.16	100.00	501.46	100.00



- Remarks:
1. The two private mother stations are Private Mother Station (Chiang Rak Noi) in Pathum Thani Province and Private Mother Station (Ban Na-Kaeng Khoi) in Saraburi Province. The Board of Directors' Meeting held on 24 September 2021 resolved to approve termination of the natural gas compressor contract by the Private Mother Station (Ban Na-Kaeng Khoi) in Saraburi Province and related contracts between the Company and PTT Public Company Limited ("PTT"), which will expire on 14 October 2030 due to the volume of compressed natural gas for vehicles (NGV) of the Private Mother Station (Ban Na-Kaeng Khoi) in Saraburi Province continued to decline. In addition, the Company was notified that the demand for NGV at Ban Na - Kaeng Khoi station equal to 0 tons per day since 1 March 2021 and the Company confirmed acceptance of proposal to cancel the contract to compress natural gas by the Private Mother Gas Station (Ban Na-Kaeng Khoi) in Saraburi Province between the Company and PTT Public Company Limited. The confirmation of acceptance of proposal to cancel such contract and related contracts is still uncertain, pending PTT's consideration and compliance with the relevant rules.
  2. In March 2021, the Board of Directors approved the sale of all ordinary shares in RE Biofuels Company Limited, a subsidiary of the Company. Subsequently in April 2021, the Company entered into a share sale and purchase agreement of such subsidiary for the consideration of Baht 21.40 million. The share transfer process was completed on 8 April 2021. The Group had a profit from sales in the amount of Baht 13.36 million.
  3. Formerly known as Sakol Energy Biomass Power 15 Company Limited.

## 1.2.2 Information on services

### Nature of services and production process

Sakol Energy Public Company Limited (the “Company”) operates clean energy business which is environmentally friendly for sustainability of the nature. The Company operates in a variety of businesses for growth and generates income and good returns to the Company and its shareholders.

#### Private Mother Station (PMS) Business

Private Mother Station (PMS) business provides NGV compression service for NGV transportation vehicles of PTT Public Company Limited (“PTT”) to be transported to NGV service stations outside the gas pipeline or daughter stations total to improve the quality of natural gas in order to meet the standards prescribed by law before being used in other areas, with the customer is PTT

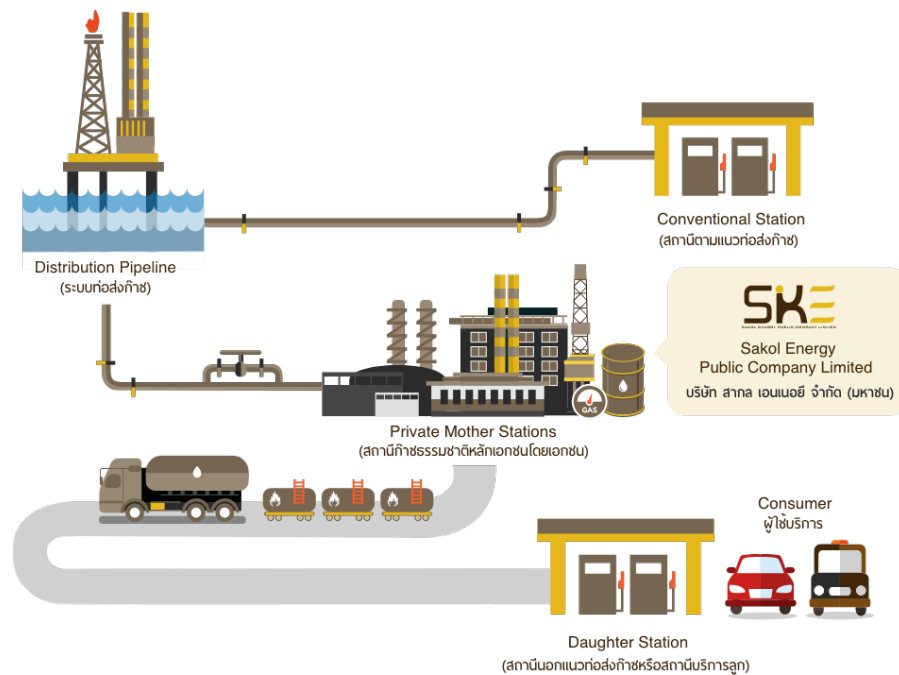
NGV compression service for NGV natural gas transportation vehicles of PTT Public Company Limited (“PTT”) to be transported to NGV service stations outside the gas pipeline or daughter stations total to improve the quality of natural gas in order to meet the standards prescribed by law before being used in other areas, with the customer is PTT

The Company's main private natural gas stations have 2 stations as follows:

1. Pathum Thani Province Private Mother Station Located in Chiang Rak Noi Sub-district, Sam Khok District, Pathum Thani Province, covers an area of 8 rai 3 ngan 64 square wa to support the demand for natural gas NGV in Bangkok and its surrounding provinces. It has a natural gas compression capacity of at least 200 tons per day and has a reserve capacity of 25% throughout the contract period. (including natural gas compression and reserve capacity 250 tons per day). The Company has entered into an additional contract with PTT, which can add 100 tons of natural gas per day. Total compress natural gas is up to 350 tons per day and can compress NGV natural gas to at least 10 NGV natural gas trucks at the same time, with a filling rate of not less than 12 tons per hour and can produce gas 24 hours a day, 365 days a year

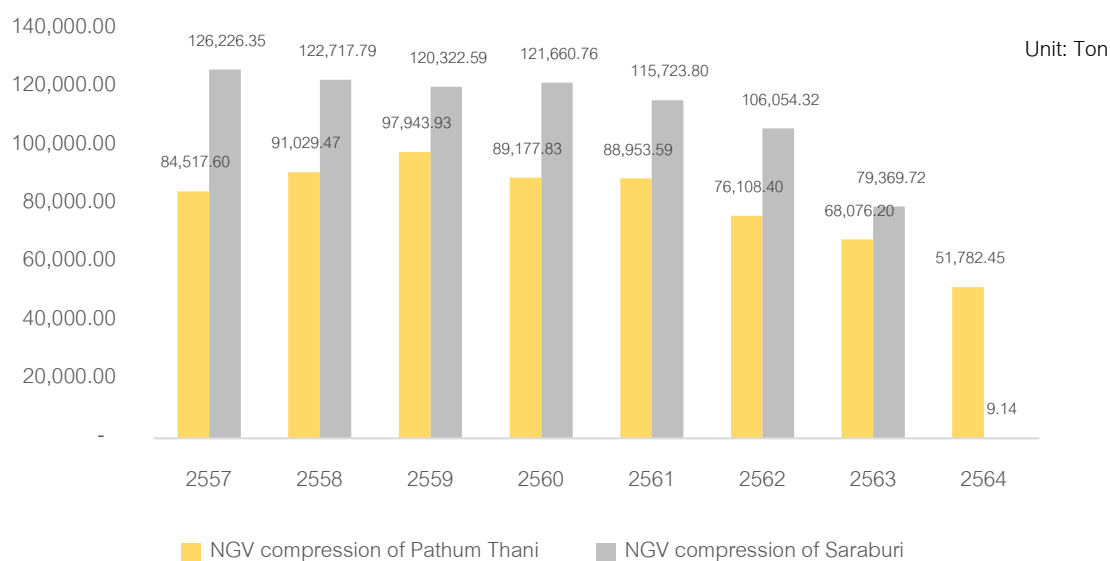
2. The Private Mother Station in Saraburi Province Located in Tha Maprang Sub-district, Kaeng Khoi District, Saraburi Province, covering an area of 18 rai, 2 ngan, 61 square wa to support the demand for natural gas NGV in the central and northeastern regions It has a natural gas compression capacity of not less than 320 tons per day and has a reserve capacity of 25% throughout the contract period. (including natural gas compression capacity up to 400 tons per day) and can compress NGV gas for at least 10 NGV natural gas trucks at the same time with a filling rate of not less than 12 tons per hour and can produce gas 24 hours a day, 365 days a year. The company has been notified of the amount of NGV gas demand at Saraburi Station equal to 0 tons per day since March 1, 2021 onwards.

Diagram showing an overview of business operations



- Remark :
1. **Private Mother Station** is a station located on the natural gas pipeline. It serves to increase the pressure and improve the quality of gas and to supply NGV natural gas to NGV natural gas trucks for transport to the daughter station.
  2. **Daughter Station** is a station located far from the natural gas pipeline by having to receive NGV natural gas from transport vehicles that come from the mother station and sold to service users.
  3. **Conventional Station** is a station located on the natural gas pipeline and is ready to improve the gas quality and sell it to users.

### Volume of natural gas NGV compression of Pathum Thani and Saraburi branches for the year 2014 – 2021



Source: Company

### Licenses for business operations

Company	License	Licensor	Licensing Date	Expiration Date
Sakol Energy Public Company Limited	- License to operate natural gas stations no. PorThor221005 (Form TorPor.Chor.2)	Department of Energy Business	21 January 2022	31 December 2022
	- License to operate business that is harmful to health (Form OrPor. 2)	Chiang Rak Noi Subdistrict Administrative Organization	24 August 2021	28 August 2022
	- License to operate business that is harmful to health (Form OrPor. 2)	Tha Maprang Subdistrict Administrative Organization	21 December 2021	31 December 2022

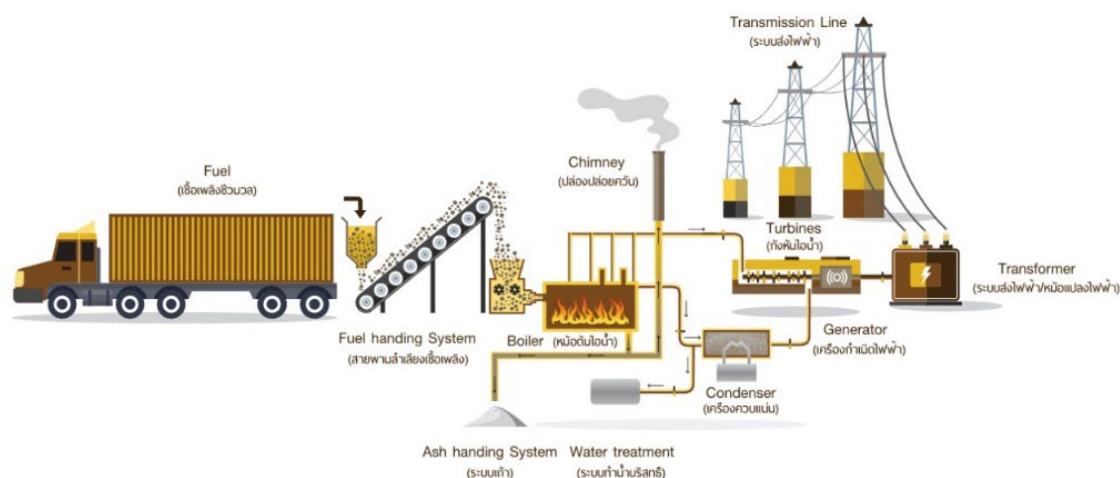


## Mae Krating Biomass Power Plant

Mae Krating Power Company Limited (“MKP”) generates and supplies electricity from biomass with the installed capacity of 9.90 megawatts, using bark, wood chips, and agricultural residues such as corn husks as an alternative fuel. The power plant is located at 99 Moo 3, Ban Mae Krating, Phai Thon Sub-district, Rong Kwang District, Phrae Province, with an area of 38.92 Rai. MKP has a power purchase agreement from small power producer (for electricity generation from renewable energy) with the Provincial Electricity Authority with the maximum output of 8.00 megawatts. Currently, construction of the power plant and installation of machinery has been completed.

Mae Krating Biomass Power Plant started supplying electricity to the system on 8 August 2019. The power plant has been generating and supplying electricity to the Provincial Electricity Authority from then until present.

Diagram showing an overview of business operations



## Licenses for business operations

The Company and its subsidiaries have applied for licenses and renew the applicable licenses according to the nature of the business in accordance with the relevant laws and regulations. In the past, there was no event causing the Company and its subsidiaries to be charged with any penalty that would consequently impede the Company and its subsidiaries' ability to renew the licenses. The details of important licenses in the business operations are as follows:

Company	License	Licensor	Issuance Date	Expiration Date
Mae Krating Power Co., Ltd.	- Factory license  No. (ERC) 02-29-2017 dated 2 August 2017 (Ror.Ngor.4)	Ministry of Industry	2 August 2017	1 January 2024
	- Request permission to use water from Mae Krathing creek No. PorRor 74901/280 dated 29 July 2016	Phai Thon Subdistrict Administrative Organization	29 July 2016	-
	- Permission for the Provincial Electricity Authority, Rong Kwang Branch, to install electric poles and cross over electric wires to expand the area along the village's public road No. PorRor 74901/163	Phai Thon Subdistrict Administrative Organization	26 June 2017	-
				10 years
	- Electricity generating license No. ERC 01-1(1)/62-866	Energy Regulatory Commission	5 July 2019	from the date of issuance of the license
	- Letter of permission to utilize or live within the National Reserved Forest	Office of Natural Resources and Environment, Phrae Province	23 April 2018	7 June 2028
	- Building construction, modification or demolition permit (Form Aor. 1)	Energy Regulatory Commission	8 March 2019	7 March 2020
	- Regulated energy production license (Form PorKor. 2) ERC (PorKor. 2)-249/2019	Energy Regulatory Commission	3 July 2019	2 July 2023
	- License to register as a boiler control and operation engineer, registration no. 5-108-030-694	Department of Industrial Works	23 July 2019	3 December 2023

## Restrictions on business operations

In addition to the power purchase agreement with the Provincial Electricity Authority, Mae Krating Power Plant “MKP” received the investment promotion certificate to generate electricity from biomass fuel type 7.1.1.2 generation of electricity from biomass fuel or electricity and steam from renewable energy:

### Benefits

1. Exemption from corporate income tax on net profits received from the promoted business for a period of 8 years from the date of the commencement of income from that business.
2. Received a reduction of corporate income tax on net profit received from investment at the rate of 50% of the normal rate for a period of 5 years from the expiration of the corporate income tax exemption period.
3. Exempted from inclusion of dividends from the promoted business in the calculation of corporate income tax throughout the period of corporate income tax exemption.

### Conditions

1. Registered capital must not be less than the specified amount.
2. The factory must be established in the designated area within 15 years from the date of opening of operation and cannot be relocated to another locality unless authorized by the Board.

Company	Investment Promotion Certificate	Approval date	Period of tax exemption 8 years	Minimum required registered capital
Mae Krating Power Co., Ltd.	No. 61-1317-1- 001-0	4 September 2018	8 August 2019 – 7 August 2027	Baht 184,750,000

## Non-hazardous waste or unused material management by sorting and production of waste fuel (RDF)

N15 Technology Company Limited (“N15 Technology”) operates the business of managing non-hazardous waste or unused materials by separating and producing it as waste fuel, RDF is located at Amata Nakorn Industrial Estate, Phan Thong Sub-district, Phan Thong District, Chonburi Province.

N15 Technology has two types of business operations:

1. Waste sorting and disposal business for customers both inside and outside of Amata City Chonburi Industrial Estate. and produce it as a waste fuel RDF.
2. RDF waste fuel distribution business, which procures fuel from landfills to produce RDF waste fuel and sells it to interested parties. The main customer groups are Cement plant and waste power plant.

### Key licenses for business operations

The Company and its subsidiaries have applied for licenses and renewed licenses for the relevant businesses in strict accordance with the relevant laws and regulations. In the past, the Company and its subsidiaries have never been penalized and were prevented from renewing their licenses. The details of key licenses for business operations are as follows:

Company	License	Licensor	Issuance Date	Expiration Date
N15 Technology Company Limited	- Letter of permission to operate in an industrial estate according to the Industrial Estate Authority of Thailand Act no. SorNor. AorTor. (ChorBor.) 124/2020 dated 23 June 2020 (Form GorNorOr.03/6)	Industrial Estate Authority of Thailand	20 June 2020	31 December 2024
	- Building construction, modification or demolition permit no. SorNor. OrNor.051/2015 (Form GorNorOr.02/2)	Industrial Estate Authority of Thailand	10 April 2015	9 April 2016
	- Building construction, modification or relocation	Industrial Estate Authority of Thailand	1 September 2021	-



Company	License	Licensor	Issuance Date	Expiration Date
	certificate no. 0301/2021 (Form GorNorOr.02/6)			
	- Notification on business operations in industrial estate no. SorNor.OrNor. 32/2017 (Form GorNorOr.03/2)	Industrial Estate Authority of Thailand	31 July 2017	-
	- License to operate business that is hazardous to health (Form OrPor. 2)	Phan Thong Subdistrict Administrative Organization, Nong Gakha	19 October 2021	11 October 2022
	- License to operate waste or solid waste collection / elimination as business or receiving benefits from service fees (Form SorMor. 2)	Phan Thong Subdistrict Administrative Organization, Nong Gakha	19 October 2021	11 October 2022

## Marketing and competition

### Private Mother Station

#### Target customer

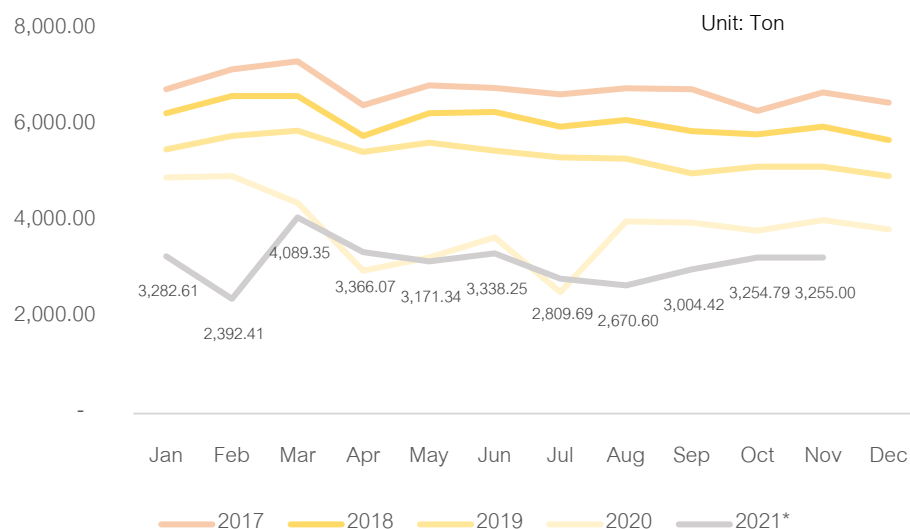
PTT Public Company Limited

#### Competition

At present, NGV usage has been decreasing since the year 2017. Overall, the industry will not grow, and PTT Public Company Limited has no policy to expand the NGV business. Due to the nature of PMS (Private Mother Station) business whereby private investments depend on policy of PTT Company Limited, there have been no new operators entering into the PMS business. With the nature of the PMS business, each operator fills natural gas for vehicles (NGV) in the quantity as prescribed in their respective contract. Therefore, competition in the NGV business is currently considered low.

### Industry outlook

Thailand's natural gas NGV consumption in 2017-2021\* (January - November)



Source: Energy Policy and Planning Office (EPPO), Ministry of Energy

The consumption of NGV natural gas in Thailand during the first 11 months of 2021 decreased by 19% as some NGV users switched back to oil because the retail price of oil in the country is not very high and from the pandemic of COVID-19, affecting the use of NGV natural gas in the transportation and tourism sectors from measures such as work from home, including reducing cross-provincial travel. As a result, the amount of NGV

natural gas consumption has decreased. However, the decreased usage amount has some impact on the Company. However, the Pathum Thani Private Mother Station still has a minimum gas filling contract of 200 tons per day.

#### Mae Krating Biomass Power Plant Target customer

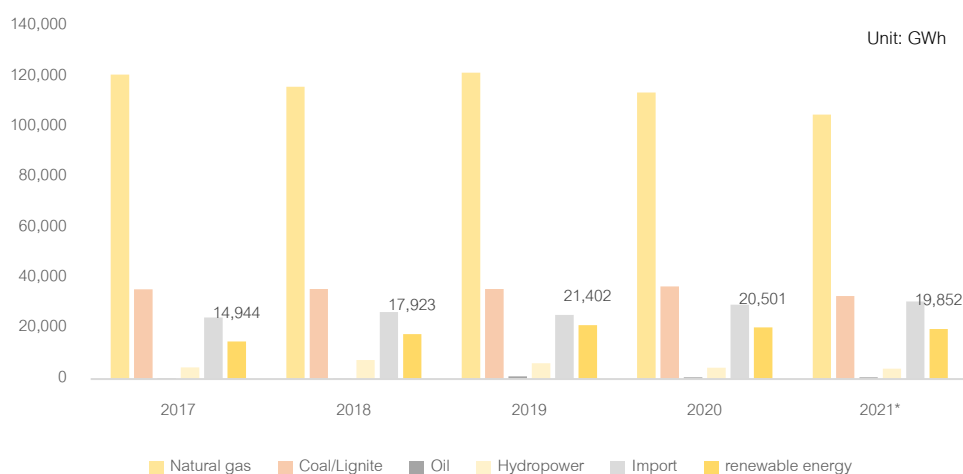
Provincial Electricity Authority (PEA)

#### Competition

At present, Thailand has a policy to promote the use of renewable energy, including various types of clean energy. Biomass power generation is one of the renewable energies promoted and supported by Thailand's policy and the world. This can be observed from the latest version of Thailand's Power Development Plan (PDP) 2018 Revision1, which includes a plan to develop a total of 16,243 megawatts of renewable energy, encouraging entry into the market by new players and other business operators who wish to change their business and view this policy as investment opportunities. There are also existing operators in the renewable energy industry who have experience, good knowledge and understanding of the renewable energy business and closely follow the policy. These factors have made the overall industry highly competitive.

#### Industrial Analysis

##### Volume of electricity generation from various fuels in Thailand 2017 - 2021\* (January - November)



Source: Energy Policy and Planning Office (EPPO), Ministry of Energy

In 2021\* (January-November), Thailand's electricity generation capacity will increase by 1.8%, with electricity generation from natural gas, coal/lignite. The amount of water and oil has decreased. Meanwhile,

electricity generation from renewable energy and imported electricity increased in line with Thailand's electricity consumption, which also rose by 1.8 percent, as a result of a 5.8 percent drop in electricity consumption in business sectors as a result of the coronavirus outbreak. -19 The 3rd wave and the industrial sector, the use of electricity increased, coupled with the expansion of product exports in line with the recovery of the world economy and demand from trading partners. The country does not have any impact or risk to the Mae Krating biomass power plant. because a power purchase agreement with PEA has been signed for a period of 20 years already

#### **Non-hazardous waste or unused material management by sorting and production of waste fuel (RDF)**

##### **Marketing**

Marketing strategies to achieve the objectives include:

1. Determine environmental and quality management policies and disclose them to stakeholders. parties) and communicate within the organization
2. Committed to producing quality products and protecting the environment as well as protecting against pollution. relating to activities or impacts caused by the organization
3. Supervise and support personnel and resources sufficiently necessary to contribute to an efficient and effective environmental and quality management system.
4. Integrate environmental management system requirements, quality management system Laws and other requirements related to external and internal issues

Including the needs and expectations of stakeholders as compliance obligations into business processes.

5. Commit to continual improvement of the environmental management system and quality management system to enhance environmental and quality performance.

##### Outcome

The required outcomes of the Quality Management System, the Requirements of the Environment Management System and the Quality Management System, are as follows:

##### Environmental

1. The amount of pollution to the environment must not exceed the threshold prescribed by law.
2. Consistently reduce the amount of energy consumption and wasteful resources.

##### Quality



1. Produce Refuse Derived Fuel. RDF to be of quality, in accordance with the requirements of customers and other related parties.

2. Deliver products in full according to the quantity and time specified by the customer.

**Target customer**

Factories that use waste fuel and cement plants

**Competition**

Waste disposal

At present, there are local operators in the industry due to many factors, resulting in a continuous increase of new operators over the past year. This has resulted in development in the process of industrial waste disposal in a variety of ways, such as landfill, conversion into fuel or conversion into energy (biogas or biomass) etc. There is a competition in presenting interesting methods to customers. However, there is a limitation which is an important consideration in choosing the service by customers is service fee, which consists of several costs. One of the major costs is transportation cost, which creates a limitation to the overall competition. Therefore, the Company assesses that the industry has moderate to high competition.

Refuse Derived Fuel (RDF)

Currently, there is an excess demand for refuse derived fuel (RDF). Demand for waste fuels is greater than capacity of producers. This leads to an entry into the industry by new operators who can build on or expand their business from waste disposal. However, most customers want fuel that is of good quality and meets the standards. There are few operators who will be able to meet such standards because such standards require readiness in many aspects such as readiness in terms of experience, technology, finance and investment, and knowledge and understanding of the industry etc. The Company, therefore, assesses that the industry has low to moderate competition.

## **Procurement of raw materials, distribution and distribution channels**

### **Private Mother Station (PMS) business**

#### **Raw material procurement**

The procurement of natural gas for use as raw material to improve the quality of NGV natural gas is procured by PTT. There are natural gas resources and natural gas supply is always sufficient to meet the demand. Therefore, there is no risk in natural gas procurement due to natural gas, which is a raw material received from PTT. Not yet according to the announcement of the Department of Energy Business, therefore, the Company has a duty to fill inert gas, which is Carbon dioxide (CO<sub>2</sub>) or nitrogen (N<sub>2</sub>) in an appropriate ratio, which has a sole distributor in the country, Linde Group (Thailand) Public Company Limited, for use in such processes with a period of time. Long term contracts are approximately 5-6 years and although the Company has inert gas supply from a single supplier, the Company has a list of inert gas distributors for comparison. Therefore, there is no risk in procuring inert gas as raw material.

#### **Distribution and distribution channels**

The Company undertakes to improve the quality of natural gas and NGV compression services for NGV natural gas transport trucks of companies that have contracted transportation with PTT to be transported to NGV service stations outside the gas pipeline.

### **Mae Krating Biomass Power Plant Business**

#### **Raw material procurement**

Power plants have the main raw materials for supplying biomass fuel, which are corn husks and rice husks. The purchase and sale of corn husk biomass fuels and wood chips have been entered into for use in electricity generation.

#### **Distribution and distribution channels**

Distribute electricity to the Provincial Electricity Authority (PEA) according to the terms of the Power Purchase Agreement.

### **Non-hazardous waste or unused material management by sorting and production of waste fuel (RDF)**

#### **Raw material procurement**

Industrial factories in Amata City Industrial Estate Chonburi and outside industrial estates and nearby areas (customers who use waste disposal services)

**Number of raw material suppliers / raw material purchase proportion**

In the event that raw materials (waste) need to be purchased to add to the production of products, all domestic purchases will be made. Currently, there are more than 5 distributors of non-hazardous raw materials (waste) that have been sorted, with sufficient raw materials to meet demand.

**Product acquisition**

Waste Fuel Products (RDFs) are obtained by taking sorted general waste. And industrial waste sent by users for disposal through the mechanical granulation process to produce waste fuel (RDF).

**Production and production capacity**

Waste Fuel Production Facility (RDF) N15 Technology Company Limited (Branch) is located at 700/754 ,700/756 Moo 1, Amata City Chonburi Industrial Estate, Panthong Subdistrict, Phan Thong District, Chonburi Province, with a total production capacity of approximately 150 tons. Per day or about 4,000 tons per month

**Distribution and distribution channels**

Deliver products to the customer's factory and the customer comes to buy at the factory.

## Assets used in the business

As of 31 December 2021 and 2020, details on the main fixed assets used in the business of the Company and subsidiaries are as appeared under the Company's consolidated statement of financial position.

### Fixed assets (Property, plant and equipment and use-of-right assets)

As of 31 December 2021 and 2020, the book value of fixed assets under the consolidated financial statements of the Company and its subsidiaries is as follows:

Item	Book Value (Thousand Baht)		Encumbrance
	31 Dec 2021	31 Dec 2020	
Land and land improvement	124,560	128,986	Land of the Company and its subsidiaries is used as collateral for long-term loans of the Company and its subsidiaries with financial institutions.
Buildings and structures	124,469	146,235	Buildings and structures of the Company and its subsidiaries are used as collateral for long-term loans of the Company and its subsidiaries with financial institutions.
Machinery and equipment	620,410	705,564	Machinery and equipment of the Company and its subsidiaries are used as collateral for long-term loans of the Company and its subsidiaries with financial institutions.
Electrical system	9,171	14,638	Partially encumbered
Tools	3,889	2,575	No encumbrance
Furnishing, installation and office equipment	10,012	12,725	No encumbrance
Vehicles	8,008	10,834	Partially encumbered according to financial lease agreements
Assets under construction	-	3,124	No encumbrance
<b>Total</b>	<b>900,519</b>	<b>1,024,681</b>	



The above list of significant fixed assets of the Company and its subsidiaries can be classified by type of asset with details as set out below.

- Land and land improvement

Company name	Book Value (Thousand Baht)		Ownership / Encumbrance	Encumbrance Value (Thousand Baht)
	31 Dec 2021	31 Dec 2020		
Company	78,634	78,634	<ul style="list-style-type: none"> <li>▪ Owned by the Company</li> <li>● All land is used as collateral for long-term loans from financial institutions</li> </ul>	78,634
MKP	16,627	18,111	<ul style="list-style-type: none"> <li>▪ Owned by MKP/ lease agreement</li> <li>● All land and land improvement are used as collateral for long-term loans from financial institutions</li> </ul>	10,268
N15	29,299	28,814	<ul style="list-style-type: none"> <li>▪ Owned by N15</li> <li>● All land and land improvement are used as collateral for long-term loans from financial institutions</li> </ul>	28,322
RBF	-	3,427	<ul style="list-style-type: none"> <li>▪ RBF is a lease agreement</li> <li>● Land and land improvement are used as collateral for long-term loans from financial institutions</li> </ul>	-
<b>Total</b>	<b>124,560</b>	<b>128,986</b>		

- Buildings and Structures

Company name	Book Value (Thousand Baht)		Ownership / Encumbrance	Encumbrance Value (Thousand Baht)
	31 Dec 2021	31 Dec 2020		
Company	16,533	18,748	<ul style="list-style-type: none"> <li>Owned by the Company for use as natural gas stations</li> <li>All buildings and structures are used as collateral for long-term loans from financial institutions</li> </ul>	3,892
MKP	79,284	84,249	<ul style="list-style-type: none"> <li>Owned by MKP for use as power plant</li> <li>All buildings and structures are used as collateral for long-term loans from financial institutions</li> </ul>	74,085
N15	28,652	30,804	<ul style="list-style-type: none"> <li>Owned by N15 for use as waste sorting and elimination plant and conversion into alternative fuels</li> <li>All buildings and structures are used as collateral for long-term loans from financial institutions</li> </ul>	27,990
RBF	-	12,435	<ul style="list-style-type: none"> <li>Owned by RBF for use as gas quality improvement station</li> <li>All buildings and structures are used as collateral for long-term loans from financial institutions</li> </ul>	-
<b>Total</b>	<b>124,469</b>	<b>146,235</b>		

- Machinery and equipment

Company name	Book Value (Thousand Baht)		Ownership / Encumbrance	Encumbrance Value (Thousand Baht)
	31 Dec 2021	31 Dec 2020		
Company	24,148	26,962	<ul style="list-style-type: none"> <li>● Owned by the Company for use in natural gas stations</li> <li>● Part of machinery and equipment are used as collateral for long-term loans from financial institutions</li> </ul>	-
MKP	553,302	586,043	<ul style="list-style-type: none"> <li>● Owned by MKP for use in power plant</li> <li>● All machinery and equipment are used as collateral for long-term loans from financial institutions</li> </ul>	553,302
N15	42,960	44,749	<ul style="list-style-type: none"> <li>● Owned by N15 for use in waste sorting and elimination plant and conversion into alternative fuels</li> <li>● Some items of machinery and equipment are subject to encumbrance according to financial lease agreements</li> </ul>	20,435
RBF	-	47,810	<ul style="list-style-type: none"> <li>● RBF is a lease agreement used in gas quality improvement station</li> <li>● Some items of machinery and equipment are subject to encumbrance according to financial lease agreements</li> </ul>	-
<b>Total</b>	<b>620,410</b>	<b>705,564</b>		

### Intangible assets

As of 31 December 2021 and 2020, the book value of intangible assets according to the consolidated financial statements of the Company and its subsidiaries is as follows:

Company name	Details	Book Value (Thousand Baht)	
		31 Dec 2021	31 Dec 2020
Company	Software and computer software license fees	3,551	5,177
MKP	Power purchase agreement	96,803	102,296
RBF	Software and computer software license fees	-	21
	Gas purchase agreement	-	952
	Goodwill	-	7,437
<b>Total</b>		<b>100,354</b>	<b>115,883</b>

MKP entered into a power purchase agreement for a very small power producer (for electricity generated from renewable energy) with the Provincial Electricity Authority on 23 June 2014 up to 8 megawatts in the form of feed-in tariff (FiT). A point of purchase of electricity is at an installation point in Phai Tone Sub-district, Rong Kwang District, Phrae Province. The contract term is for 20 years. The commercial operation date (COD) was on 8 August 2019 and the contract will expire on 7 August 2039.

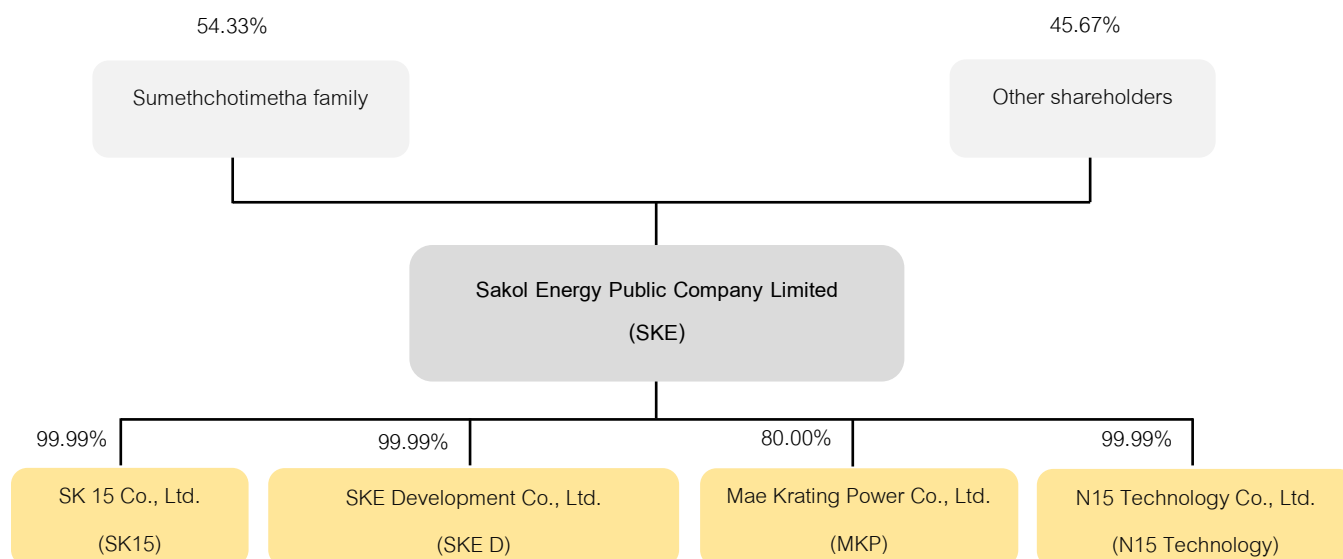
### Work that has not yet been delivered

None



### 1.3 Shareholding structure of the group

Shareholding structure of the group (as of 31 December 2021)



#### Remarks :

- Information on shareholders of SKE is as of the closing of share register book (XO) on 6 January 2022
- N15 Technology became the Company's subsidiary on 1 June 2021

#### Business operations of the Company and its subsidiaries

Company name	Type of business	Registered capital (Million Baht)	Paid-up capital (Million Baht)	Shareholding (%)
Sakol Energy Public Company Limited <u>Head office (Pathum Thani Private Mother Station)</u> Address : 15 Moo 1, Chiang Rak Noi Sub-district, Samkhok District, Pathum Thani 12160 Telephone : 02-0263451 Fax : 02-0263451 <u>Bangkok office</u> Address : 252/108(B),252/109(C) Muang Thai Phatra Complex, Tower B, Level 21 Ratchadaphisek Road, Huay Kwang Sub-district, Huay Kwang District, Bangkok 10310 Telephone : 02-0263451 Fax : 02-0263451 Website : <a href="http://www.sakolenergy.com">www.sakolenergy.com</a>	Private Mother Station (PMS) by providing NGV compression services to natural gas transportation vehicles of PTT Public Company Limited	Ordinary shares 558.00	558.00	-

Company name	Type of business	Registered capital (Million Baht)	Paid-up capital (Million Baht)	Shareholding (%)
SK 15 Co., Ltd. <u>Head office</u> Address : 15 Prasert-Manukitch Road, Sena Nikhom Sub-district, Chatuchak District, Bangkok 10900 Telephone : 02-0263451 Fax : 02-0263451	Property lease	Ordinary shares 140.00	140.00	99.99
SKE Development Co., Ltd. <u>Head office</u> Address : 15 Moo 1, Chiang Rak Noi Sub-district, Samkhok District, Pathum Thani 12160 Telephone : 02-0263451 Fax : 02-0263451	Pending land sale	Ordinary shares 62.00	62.00	99.99
Mae Krating Power Co., Ltd. <u>Head office</u> Address : 444 Olympia Thai Tower, Level 6, Ratchadapisek Road, Samsennok Sub-district, Huay Kwang District, Bangkok 10310 Telephone : 02-541-5245-7 Fax : 02-5415244 <u>Power plant</u> Address : 99 Moo 3, Phai Thon Sub-district, Rongkwang District, Phrae 54140	Electricity generation and distribution from biomass fuel	Ordinary shares 282.30	282.30	80.00
N15 Technology Co., Ltd. <u>Head office</u> Address : 444 Olympia Thai Tower, Level 6, Ratchadapisek Road, Samsennok Sub-district, Huay Kwang District, Bangkok 10310 Telephone : 02-541-5245-7 Fax : 02-5415244 <u>Plant</u> Address : 700/754,700/756 Moo 1, Phan Thong Sub- district, Phan Thong District, Chon Buri 20160 Telephone : 038-185153 Fax : 038-185156 Website : www.n15technology.com	Management of non-hazardous waste or unused materials by sorting and processing into an alternative fuel	Ordinary shares 40.00	40.00	99.99

#### Relationship with the business group of the major shareholder

None

## 1.4 Registered and paid-up capital

### 1.4.1 Registered and paid-up capital

The Company's registered and paid-up capital is Baht 558.00 million, divided into 1,116,000,000 ordinary shares at a par value of Baht 0.50 per share. The Company's shares are listed on the Stock Exchange of Thailand.

### 1.4.2 Other type of shares

None

### 1.4.3 Shares or convertible securities of the Company used as the underlying securities for the issuance of investment units of the mutual fund for foreign investors

None

## 1.5 Issuance of other securities

### 1.5.1 Convertible securities

None

### 1.5.2 Debt securities

None

## 1.6 Dividend policy of the Company and its subsidiaries

The Company and its subsidiaries have a policy to pay dividends at the rate of not less than 40.00% of net profit after tax from separate financial statements and after deduction of various type of reserves as required by the laws and as stipulated in Articles of Association of the Company and its subsidiaries. The Board of Directors will consider the dividend payment by taking into account interests of the shareholders as a primary consideration and the dividend payment must not significantly affect the normal business operations of the Company. However, such dividend payment is subject to changes, depending on operating results and financial position, liquidity, business expansion plans or any other necessity and suitability in the future and other factors related to the management of the Company as the Board of Directors and/or shareholders of the Company deem appropriate.

However, the Board of Directors may consider paying the Company's annual dividend. Such consideration must be approved by the shareholders' meeting, except for interim dividend payment of which the Board of Directors has the authority to approve the dividend payment from time to time when it deems that the Company has sufficient profit to do so and report the shareholders' meeting for acknowledgment in the next meeting.

### Past dividend payment (calculated from separate financial statements)

Year	2021	2020	2019
Earnings per share	0.49	3.76	5.41
Dividend per share	-	0.015	0.025
Dividend payout ratio (%)	-	39.92	46.18

## Risk Management

### 2.1 Risk Management Policy

The company is determined to run the business and grow sustainably along with effective risk management throughout the organization (Enterprise-Wide Risk Management) to optimize values for stakeholders of the organization (Stakeholders Value Optimization).

The company is committed to managing the balance between risks and rewards for its business and operations to receive the most cost-effective return. The administration of this policy is the responsibility of the Board of Directors. The Board of Directors has assigned the Risk Management Committee to ensure the success of the risk management. The Company has established the risk management policy as follows:

1. The Company encourages everyone to be aware of the risks and understand that risk management is a duty and responsibility of everyone, especially the risk owner.
2. The Company provides a governance structure and resources that are ready and proficient in risk management according to the corporate risk management framework of COSO-ERM.
3. The Company encourages awareness of risks as the organizational culture throughout the organization.
4. The Company has determined an acceptable level of risks (Risk Appetite) and a range of deviations from the acceptable level of risks (Risk Tolerance) in accordance with the business environments and strategy.
5. The Company regularly provides trainings to educate about risk management throughout the organization and related rules and regulations of laws.
6. The Company has prepared a risk management report and a risk management manual, which are regularly reviewed to ensure they remain appropriate.
6. The Company has established an internal audit policy on risk management activities and regularly monitors the risk management process.



## 2.2 Risk for the company's business operations factor

### 2.2.1 Risks to business operations of the Company or the group

#### Private mother station business by private sector

The risk of relying on a single large customer and long-term contract.

The Company operates private mother station business with one major customer, PTT, which is the country's only NGV distributor through a long-term service contract. There are contracts for natural gas compression and establishment of the Company's two private mother stations:

1. Private mother station in Pathum Thani province. The contract was signed on 17 March 2009 with a term of 20 years from the signing date and will expire in the year 2029.
2. Private mother station in Saraburi province. The contract was signed on 23 February 2011 with a term of 20 years from the date on which the contractor is notified of being awarded on 15 October 2010 and will expire in the year 2030.

At present, the Company has been notified that the demand for NGV from Saraburi Station is equivalent to 0 tons per day since 1 March 2021, but the Company still has a duty to always be ready for provision of gas compression service to PTT and PTT continues to pay monthly investment remuneration (AP) to the Company at the rate stipulated under the contract. The notification on the demand for NGV demand from Saraburi Station being 0 tons per day affects the Company's revenues. However, the Company has expanded its investment into other businesses resulting in earning replacement income from other businesses. The Company is, therefore, determined to expand the business to reduce risks and increase the Company's revenues.

#### Mae Krating Biomass Power Plant

The Company realizes the importance of efficient management so that the Company can operate continuously and stably under the change of internal and external factors by applying various administrative tools. The Company still faces significant risk factors that may negatively affect the Company, including other risk factors that affect its business operations as follows:

#### Internal Factor

Strength	Weakness
<ul style="list-style-type: none"><li>● Have personnel with expertise in specific operations, such as power plant supervisor and maintenance technician, with continuous development of knowledge.</li></ul>	<ul style="list-style-type: none"><li>● The company's personnel development is not fully effective yet due to heavy workload, resulting in less time for development.</li></ul>

- There are partners for biomass fuels as raw materials. Location is close to the sources of raw materials which saves transportation cost of raw materials.
- The power plant is located near the agricultural area. Therefore, there is a large quantity of agricultural waste.
- Executives believe in the concept of continuous improvement.
- Responsive to customers' needs.
- It is difficult to control quality and prices from partners.
- Warehouse management. Warehouse has limited space. Biomass fuel storage requires a large amount of space. If the biomass fuel quality is not good, such as high humidity, it will affect the power generation process.

#### External Factors

Strength	Weakness
<ul style="list-style-type: none"> <li>● Government support policy on setting up renewable energy power plants has helped increase demands for operation and maintenance of power plants.</li> <li>● Supplier is constantly improving with modern technology and innovations. As a result, the company's works have also been developed.</li> <li>● Creating jobs in the community by giving an opportunity for people in the community to work at the power plant (in different areas of operations).</li> </ul>	<ul style="list-style-type: none"> <li>● The increase in the number of competitors has created more competition on raw material prices, compensation/operating wages.</li> <li>● Customer (PEA) expects the working standards to meet various international standards.</li> <li>● Control of fuels by fuel senders, with more than 80 % of the fuel purchased from villagers in the community.</li> <li>● The society does not yet understand biomass power generation process. Therefore, there may be environmental complaints.</li> </ul>

#### **Non-hazardous waste or unused material management by sorting and production of waste fuel (RDF)**

N15 Technology manufactures and sells RDF to cement plants and waste power plants to be used as an alternative fuel. Every plant has its own shutdown period for equipment maintenance. There must be a shutdown period of accepting RDF from N15 Technology. Thus, N15 Technology's revenues may be reduced at certain times.

N15 Technology recognizes such risk and constantly contacts and secures sources for selling RDF to reduce business risks. In the past, even at certain times when customers had to close for machinery maintenance, N15 Technology still had a steady income from selling RDF to other sources.

## 2.2.2 Investment risk to securities holders

### Risk of influence from major shareholders on determination of management policy

Sumethchotimetha family is a major shareholder of the Company. As of 6 January 2022, the family holds 54.33%<sup>1/</sup> of the total paid-up capital of the Company in aggregate. In addition, Mr. Chutchai Sumethchotimetha holds the position of Chief Executive Officer and is an authorized director of the Company. Minor shareholders may be at risk from the group of major shareholders influencing the management policy in any direction and being able to control policies and administration of the Company. The group of major shareholders may also control resolution of shareholders' meeting which requires a majority vote, except for matters requiring three-fourths of the votes of the shareholders' meeting by the laws or the Company's Articles of Association. Therefore, other shareholders may not be able to collect sufficient votes to check and balance matters proposed by the major shareholders.

For transparency in management and check and balance, executives and directors of the Company has appointed the Audit Committee to inspect and balance any decision making and consider and approve various items before presenting to the shareholders' meeting in order not to cause conflicts of interest and to create transparency in the Company's operations. In addition, there are directors of the Company who are independent directors. Five out of nine directors, or more than half of the total members of the Board of Directors, are not representatives of the Sumethchotimetha family. Therefore, such directors may consider and scrutinize various proposals to be considered at the shareholders' meeting which is in line with the good practice guidelines of the Good Corporate Governance Principles of Listed Companies for the year 2017

Remark : <sup>1/</sup> Information as of the closing of share register book (XO) on 6 January 2022.

### Risk of not being able to meet expectation of investors on dividend payment

The Company's ability to pay dividends depends on several factors, such as investment budget and capital reserves to expand its loan repayment business and cash flow from operations etc. If various factors affect the ability to pay annual dividends and/or interim dividends, the Company may be at risk of paying dividends at a lower rate than expected by investors. However, the Company has a policy to pay dividends of not less than 40 percent of the net profit after deducting all types of reserves prescribed by the laws and the Company.

## 2.2.3 Risk of investment in foreign securities

None

## Driving business for sustainability

### 3.1 Sustainability Management Policies and Goals

Sakol Energy Public Company Limited realizes the importance of operating business for sustainable growth under Corporate Social Responsibilities by emphasizing on business operations with care for stakeholders, economy, society and environment with morality, ethical conducts, and ethics. The Company expects that operating the business under social responsibility will bring benefits to the public together with the growth of the Company. The Company has established a corporate social responsibility policy, which can be divided into 8 categories:

#### 1. Conducting business with fairness

The Company focuses on conducting business with honesty, fairness, and ethics, and is determined to compete in trade in accordance with trade ethics, laws, and fair-trade competition principles, including refusing any behavior that impedes fair competition, for example, seeking confidential information of trade competitors, requesting, receiving, and not giving any dishonest benefits in purchasing machinery etc. In addition, the Company respects the intellectual property rights of others. The Company has a policy for personnel to comply with the laws and requirements relating to intellectual property rights, such as use of copyrighted computer programs etc. The Company also has a campaign to promote and instill subconscious of its personnel at all levels to be socially responsible.

#### 2. Anti-corruption

The Company manages its business based on transparency, ethics, and adheres to the principles of corporate governance and comply with the laws relating to prevention and anti-corruption, details are shown in the Company's anti-corruption and bribery guidelines.

#### 3. Respect for human rights

The Company has a policy to support and respect protection of human rights by treating all stakeholders such as employees, community, and surrounding society with respect for human values. The Company considers equality and equal freedom and does neither violate fundamental rights nor discriminate in terms of race, nationality, religion, language, skin color, gender, age, education, physical condition or social status, including ensuring that the Company's business is not involved in human rights violations such as child labor and sexual harassment etc. In addition, the Company has promoted surveillance of compliance with human rights requirements by providing an opportunity in expressing opinions and channels for complaints for those suffered damages from violation of rights arising from the Company's business operations and take reasonable remedial actions. To effectively respect



human rights, the Company has created knowledge on human rights and instilled awareness among its personnel to comply with human rights principles.

#### **4. Fair treatment of labor**

The Company realizes the importance of human resource development and treats workers fairly. This is a factor that will add value to the business and enhance the Company's competitiveness and sustainable growth in the future. The Company has set policies and guidelines as follows:

1. The Company considers quality and efficiency of the Company's services. In addition to developing a quality service management system, the Company also pays attention to occupational health and safety management to provide customers with the highest quality and efficient service.
2. The Company adheres to fair marketing. It has a policy to provide customers with accurate information about the Company's services without distorting, vague or exaggerating advertisements to provide customers with accurate and sufficient information to make decisions.
3. The Company considers customer safety and is committed to provide customers with quality and safe services in accordance with international safety standards and regulations and as required by the laws. The Company develops and improves services on a regular basis to provide customers with confidence in quality, standards, and safety of the Company's services.
4. The Company provides a customer relationship system for communication with customers, including effective receipt of complaints regarding the quality of service over the phone in order to respond quickly to the needs of customers.
5. The Company will keep the customer's information confidential and will not misuse such information.
6. The Company arranges various activities to strengthen sustainable relationship between customers and the Company.

#### **5. Environmental care**

The Company is committed to developing products and services of the Company and its affiliates for satisfaction and utmost benefits to customers. The Company is committed to treating customers with responsibility and honesty, and takes care of customers as if they were members of the Company's family:

1. The Company considers quality and efficiency of the Company's services. In addition to developing a quality service management system, the Company also pays attention to

occupational health and safety management to provide customers with the highest quality and efficient service.

2. The Company adheres to fair marketing. It has a policy to provide customers with accurate information about the Company's services without distorting, vague or exaggerating advertisements to provide customers with accurate and sufficient information to make decisions.
3. The Company considers customer safety and is committed to provide customers with quality and safe services in accordance with international safety standards and regulations and as required by the laws. The Company develops and improves services on a regular basis to provide customers with confidence in quality, standards, and safety of the Company's services.
4. The Company provides a customer relationship system for communication with customers, including effective receipt of complaints regarding the quality of service over the phone in order to respond quickly to the needs of customers.
5. The Company will keep the customer's information confidential and will not misuse such information.
6. The Company arranges various activities to strengthen sustainable relationship between customers and the Company.

## **6. Environmental care**

The Company places importance on social and environmental responsibilities. The Company operates and controls production of products and services of the Company and its affiliates to be in strict compliance with the laws relating to environmental care. The guidelines are as follows.

1. The Company designs and develops production processes, machinery, and equipment to control pollution and/or reduce pollution, covering wastewater, dust, gas and other wastes.
2. The Company assigns the person responsible for the production process to control machinery and equipment. Such person shall monitor that the process does not cause environmental impacts beyond the determined standards and must control use of natural resources for maximum benefits.
3. The Company has a policy to reduce waste or garbage and provides cooperation on correct methods of waste or garbage disposal.
4. The Company assesses risks and impact of risks on environment, health, and safety prior to entering into any investment or joint venture. The Company operates under the concept of caring and preserving the environment.

5. The Company has guidelines for efficient and effective use of natural resources, materials or equipment.
6. The Company has measures to conserve natural resources such as 3R Policy (Reduce, Reuse/Recycle, Replenish).

#### **7. Contributions to community or society development**

The Company realizes its responsibilities to the community and the society. Therefore, the Company has the following policy in providing assistance and social development:

1. The Company has a policy to support and provide appropriate assistance to the society and the community, especially communities surrounding the Company's establishment.
2. The Company provides opportunities for communities and stakeholders to provide feedback on projects that may affect the community, including offering opinions or complaints relating to the Company's business operations.
3. The Company provides cooperation on implementation of standards or international agreements on various matters that help preventing or reducing environmental impacts.
4. The Company has a policy to provide educational support to youth by providing scholarship funds and learning tools for schools, and renovating, repairing, and painting school buildings.
5. The Company places importance on responding to events that affect the community, society, and environment due to speed and efficiency of the Company's operations.
6. The Company encourages its employees to have awareness and responsibility for the environment and society.

## 3.2 Managing the impact on stakeholders in the value chain

The Company understands that business operations must consist of stakeholders and must be aware of the expectations of stakeholders. Stakeholders are defined as follows:

Stakeholders	Requirements and Expectations	Impact if not possible
Customer	<ul style="list-style-type: none"> <li>Provide effective power generation services with good work standards.</li> <li>Service providers place importance on the requirements as requested by customers, and requirements that must be in the products, even if not specified by the customer.</li> <li>Respond and coordinate quickly and timely.</li> <li>Assist in troubleshooting problems arising from the operations or use of products and services.</li> <li>Respond to complaints and preventing recurrence of problems and constantly improve the quality of processes to make them more efficient.</li> </ul>	<ul style="list-style-type: none"> <li>Loss of income and business opportunities.</li> <li>Unable to increase income while the cost of maintaining staff and other fixed expenses increased</li> </ul>
Employee	<ul style="list-style-type: none"> <li>The importance of working together in a fun and enjoyable way.</li> <li>Welfare and income are in line with industry standards and in accordance with the laws.</li> <li>A good and suitable working environment without negative impact on work, health, and safety.</li> <li>Trainings for knowledge in various areas at work and outside of work to be able to work and live with understanding.</li> </ul>	<ul style="list-style-type: none"> <li>Lack of motivation to work which may cause insufficient performance and error.</li> <li>Employees' lack of knowledge and expertise at may result in work mistakes.</li> <li>Employee resignation.</li> </ul>
Executive	<ul style="list-style-type: none"> <li>Good operating performance, business continues to grow.</li> <li>Corporate reputation.</li> <li>Quality work process.</li> <li>Employees have quality, knowledge, skills, abilities, disciplines, and responsibilities.</li> </ul>	<ul style="list-style-type: none"> <li>Problem with the Company's financial stability.</li> <li>Finding new customers is more difficult.</li> <li>Inefficient operations which cause damage.</li> <li></li> </ul>
Shareholder	<ul style="list-style-type: none"> <li>Requires good returns.</li> <li>Opportunity to expand investment.</li> <li>Good image of the company</li> </ul>	<ul style="list-style-type: none"> <li>Withdraw investment.</li> </ul>
Government	<ul style="list-style-type: none"> <li>Complete and correct registration and tax payment.</li> </ul>	<ul style="list-style-type: none"> <li>Penalty according to government's regulations.</li> </ul>
Seller	<ul style="list-style-type: none"> <li>Long-term trade partnership.</li> <li>On-time payments.</li> </ul>	<ul style="list-style-type: none"> <li>No materials for process which affects operations.</li> </ul>
Community	<ul style="list-style-type: none"> <li>Need assurance that operations do not affect the environment.</li> </ul>	<ul style="list-style-type: none"> <li>May cause public protest and business interruption, which may create damage to the business.</li> </ul>

### 3.3 Sustainability Management in Environmental Dimensions

#### 3.3.1 Environmental Policies and Practices

##### Private Mother Station: PMS

The Company has been focusing on quality business operations along with environmental care. The Company has given importance to environmental management in various aspects such as air quality and water quality etc. The Company prepared an Environmental Impact Assessment (EIA) report before construction of the private mother station. For each natural gas compression process, it is regularly supervised by experts to control levels of pollution within the specified standards. There is also a concise environmental policy which is consistent with the business operations. The Company has engaged a third-party company to conduct an annual check. There are 5 areas of measurement:

1. Determination of concentration of dust and chemicals in the work atmosphere
2. Thermal measurement
3. Light measurement
4. Average sound level and noise measurements
5. Effluent quality measurement prior to discharge from the factory. The measurement results meet various parameters within the criteria specified by the standards. In the past, the Company never had any disputes or problems relating to impact on the environment.

##### Mae Krating Biomass Power Plant

###### Environmental policy

Mae Krating Power Company Limited operates electricity generation business. It is committed to the environmental management system to be applied in all activities and processes of the company. The company strives to develop and implement an effective environmental management system as follows:

1. Protect the environment by focusing on pollution prevention and problem solving at the root cause.
2. Carry out production in accordance with the laws and other relevant environmental regulations by adhering to them as initial standards.
3. Continuous improvement of environmental performance by determining and reviewing achievement of objectives and goals appropriately and efficiently.



4. Use production technology resources and energy efficiently and cost-effectively for maximum productivity and product quality without causing any impact or causing the least impact on the environment.
5. Determined to reduce the amount of waste in the company by applying the principles of "3 Rs" which include reduce, reuse, and recycle.
6. Promote and support employees and contractors to have awareness of environmental protection and safety in operations by communication and training on environmental management.

#### Environmental practices

The management system committee has recorded a breakdown of environmental factors and environmental impacts related to activities/products/services, including the relevant laws and regulations, which is recently enacted or changing, into the environmental issue analysis report by process flow. The topics for consideration are:

1. Emission of pollution into air
2. Emission of pollution into water
3. Emission of pollution into soil
4. Use of raw materials and natural resources
5. Power consumption
6. Radiation/dissipation of energy such as heat, radioactivity, vibration.
7. Waste and scrap materials from production
8. Physical properties such as size, shape, color, appearance.

#### Management of unused materials such as bottom ash and fly ash

1. Bottom ash refers to the combustion of fuel at the steam generating unit, formed at the bottom of the combustion chamber.
2. Fly ash refers to the combustion of fuel at the steam generating unit. Fly ash produced by the combustion process will pass through and be intercepted by the air pollution treatment system and collected by the dust collection device and becomes fly ash.

#### Measures on disposal of bottom ash and fly ash

1. To be used for landfill reclamation or other purposes according to the safety and environmental laws by collecting documents for submission of SorGor 2 / letter of consent to use the land / copy of title deed / copy of identification card of the company's director / analysis of properties of ash / letter of

- joint responsibility for removing, moving, and factory information documents such as RorNgor.4 /registration documents etc. to the Department of Industrial Works for approval.
2. When taken outside the plant, it must be covered with a canvas completely and must weigh every load.
  3. Weighing room staff collects data of empty vehicle and each payload.
  4. The safety and environment division makes a disposal notification via electronic system to the Department of Industrial Works.

#### Ash management measures when taking bottom ash and fly ash out of the factory area

1. Vehicles carrying bottom ash must have a carrier underlay, covered side panels and the rear of the vehicle completely with canvas or plastic to prevent scattering and falling.
2. Vehicles that are transporting fly ash must be sealed to prevent the spreading and falling of light ash
3. Always wash the wheels and body of the fly ash truck before leaving the factory area.
4. Trucks must strictly follow the traffic rules.

#### Management of other unused materials

Unused materials or wastes from the factory operation are gloves, oil-stained clothes, cans of paint, spray, used light bulbs, used batteries, hydraulic oil, machinery lubricant, containers, contaminated products, and chemicals etc.

#### Measures on disposal of unused materials

The disposal of each type of power plant's unused materials depends on its properties and permission of government agencies by the Department of Industrial Works and the removal company with the following measures and procedures:

1. Mae Krating Power Company Limited submits an estimate and type of unused material or SorGor. 3 to the Department of Industrial Work through electronic system.
2. Mae Krating Power Company Limited selects a company that meets conditions and methods of disposal of unused materials and submit to the Department of Industrial Work for permission through an electronic system, along with supporting documents as requested by the Department of Industrial Work.

3. The environment department collects documents and submits documents SorGor 2/ a responsibility letter for removing, moving, and factory information documents such as RorNgor. 4 / registration documents etc. to the Department of Industrial Works for approval.
4. Subject to permission, when removing unused material from the plant, it must be covered with a canvas completely. Every load must be weighed.
5. Weighing room staff collects data of unloaded vehicle numbers and its payload.
6. The environment department reports the disposal information through electronic system to the Department of Industrial Work.

#### **Non-hazardous waste or unused material management by sorting and production of waste fuel (RDF)**

N15 Technology Co., Ltd. considers the quality and environmental management system to be important and necessary for business operations. The Company is determined to encourage all units to act seriously and continuously to achieve their objectives and targets by complying with the following guidelines:

1. Commitment to ISO9001:2015 and ISO14001:2015 standards, laws and other requirements related to quality, environment, and other obligations. This is considered a prerequisite for achieving results that must be adhered to.
2. Committed to producing quality products, protecting the environment, and preventing pollution caused from activities of the organization.
3. Carry out and promote activities to save energy and other wasteful resources both in production and in the office.
4. Communicate and publicize the quality and environmental policy in the organization and disclose the policy to stakeholders.
5. Commit to continuous improvement of the quality and environmental management system to enhance quality and environmental performance.

All executives from all departments and employees have a responsibility to carry out, promote, support, and drive the quality and environment in accordance with the determined policies and objectives.

### Quality and environmental objectives

N15 Technology Co., Ltd. has set quality and environmental objectives that all parties must comply with as follows:

Objectives	Target	Responsible Department
1. Overall Equipment Effectiveness (OEE)	Not less than 90 %	Production Department, Engineering Department
2. Average moisture of the product	Not exceeding 40 %	Production department
3. Number of environmental complaints	- 0 -	All departments
4. Reduction of electricity	2% from the previous year	All departments

### 3.3.2 Environmental performance

#### Non-hazardous waste or unused material management by sorting and production of waste fuel (RDF)

In respect of waste and unused material management business, N15 Technology Co., Ltd. is committed to implement environmentally friendly forms and methods in its operations by choosing the technology that is efficient and has the least impact on the environment to reduce the impact on the community and the environment in respect of air, water, and soil. Above all, we hold highest regard of responsibilities towards society and our customers.

N15 Technology Co., Ltd. has been certified with the following standards:

ISO 9001:2015 Quality Management System Certification.

1. ISO 14001:2015 Environmental Management System Certification
2. Industrial waste management factory standard - gold medal level
3. Green industry certificate

#### Garbage, waste, and pollution management

N15 Technology Co., Ltd. is a service operator who turns waste into refuse derived fuel (RDF) with a systematic management of garbage and waste in the business process. There is an efficient waste sorting system, coupled with creating awareness among stakeholders and getting them involved to reduce waste that goes to landfill. The company is proud to be a part of the waste and unused material management policy by Amata City Industrial Estate. The Company has been entrusted to manage general waste and non-hazardous industrial waste from Amata Facility Service Co., Ltd. Such activity refers to the environmental policy of the Industrial Estate on reducing the amount of waste in landfill, also known as “Zero Waste to Landfill”

### 3.4 Sustainability management in social dimension

#### Non-hazardous waste or unused material management by sorting and production of waste fuel (RDF)

N15 Technology Co., Ltd. and its affiliates operate the business with a vision to create benefits for all involved parties by producing products and provide the best quality service. In doing so, we are committed to conducting our business activities to reflect our corporate values and code of conduct.

This Code of Conduct encourages partners to act in accordance with the laws. The principles are drawn up in accordance with internationally recognized standards with the aim of enhancing social and environmental responsibilities and strong business ethics. In addition, the group expects that trade partners will demand their distributors or service providers to accept and apply the principles.

Treatment of communities, society and the environment

1. Operate business with responsibility to community, society and environment.
2. Cultivate a sense of responsibility towards communities, society and the environment for employees at all levels.
3. Operate the production process business, including bringing Technology is used with consideration to the environmental impact.
4. Share a portion of the profits to give back to the community and society through projects/activities as appropriate and opportunities, such as supporting education, volunteer projects, etc.



## Management's Discussion and Analysis (MD&A)

### Overall Performance

- The Company confirmed on the acceptance of the termination of the Natural Gas Compression Contract of the private mother station (Ban Na-Kaeng Khoi) in Saraburi Province and related contract between the Company and PTT Public Company Limited ("PTT"). Due to a continuous reduction of the demand of the compressed natural gas and the Company has been informed that the demand of NGV for the private mother station (Ban Na-Kaeng Khoi) was zero ton per day since 1 March 2021. Although the acceptance of such offer on termination and other relevant contracts are uncertainty due to the PTT's consideration is subject to the relevant rules and regulations. However, the zero demand of compressed NGV ton per day resulted in revenue from rendering of services and net profit for the year ended 31 December 2021 decreased from last year.
- In April 2021, the Company disposed of all ordinary shares in RE Biofuels Company Limited, a subsidiary of the Company. The Group recognized gain on this disposal of Baht 13.36 million.
- On 1 June 2021, the Company invested in 99.99% ordinary shares of N15 Technology Co., Ltd. ("N15"). This transaction was considered as a business combination under common control of the same ultimate controlling shareholders before and after the acquisition date, and that control was not transitory. Total consideration was Baht 145 million. Consequently, the Group prepared the consolidated financial statements by including the financial statements of N15 before 1 January 2020 as to reflects the economic substances for the Company and N15 as one economic unit before such date.

## 4.1 Analysis of Operating Performance and Financial Position

### 4.1.1 Revenue

The revenue structure of the Group for the years 2020 and 2021 is as follows:

	2020		2021	
	In million Baht	%	In million Baht	%
<b>Revenues</b>				
Revenue from rendering of services	225.44	37.63	130.23	25.98
Revenue from sale of goods	350.25	58.46	333.38	66.48
Revenue from leases	19.00	3.17	17.87	3.56
Other income	4.46	0.74	19.98	3.98
<b>Total revenue</b>	<b>599.15</b>	<b>100</b>	<b>501.46</b>	<b>100</b>

#### 1. Revenue from rendering of services

For the year ended 31 December 2021, revenue from rendering of services amounted to Baht 130.23 million comprised of revenue from NGV natural gas compression for PTT Public Company Limited (PTT) of Baht 110.40 million, revenue from the treatment of wastes of Baht 15.36 million and revenue from purchase and sale of Refuse Derived Fuel (RDF) of Baht 4.47 million. Revenue from rendering of services of the Group decreased from last year resulted from the following reasons:

Revenue from compression of NGV for PTT for the year ended 31 December 2021 decreased from last year amounted to Baht 97.26 million or 46.83%, due to a decrease in service volume of natural gas compression which was in line with a decrease in demand from natural gas for vehicles (NGV) including the situation of outbreak of COVID-19. Moreover, in February 2021, PTT informed the Company of the zero demand of compressed natural gas for vehicles by the Company's Ban Na-Kaeng Khoi Private Mother Station in Saraburi, effective from 1 March 2021 onwards. However, the Company still has a duty to be ready to compress gas for PTT and PTT continues to pay the available payment (AP) to the Company on monthly basis at the rate stipulated in the contract.

Revenue from the treatment of wastes for the year ended 31 December 2021 decreased from last year amounted to Baht 0.14 million or 0.94%.

Revenue from purchase and sale of RDF for the year ended 31 December 2021 increased from last year amounted to Baht 2.19 million or 95.76% which were in line with demand for RDF of customers in each period and new customers.

## 2. Revenue from sale of goods

For the year ended 31 December 2021, revenue from sales of goods of Baht 333.38 million comprised of revenue from generating and distribution of electricity of Baht 282.86 million, revenue from sales of RDF of Baht 49.52 million and revenue from production and distribution of bio-methane gas of Baht 1 million. Reasons of the decrease in revenue from sales of goods comparing to last year are as follows:

Revenue from generating and distribution of electricity sale to the Provincial Electricity Authority (PEA) for year ended 31 December 2021 decreased from last year amounted to Baht 3.66 million or 1.28% because shutdown increased from last year.

Revenue from sales of RDF for year ended 31 December 2021 increased from last year amounted to Baht 2.99 million or 6.42% due to the subsidiary company has new customers in power plant business.

Revenue from production and distribution of compressed bio-methane gas for year ended 31 December 2021 decreased from last year amounted to Baht 16.20 million or 94.19% because the Company disposed compressed bio-methane gas business unit in April 2021. As a result, the Group recognized revenue from production and distribution gas for the period of three months for the year 2021.

## 3. Revenue from leases

For the year ended 31 December 2021, the Company recognized revenue from leases amounting to Baht 17.87 million or 3.56% of total revenue. The decrease from last year in revenue from leases was due to the revenue recognition of revenue from leases with discounted present value.

## 4. Other income

Other income was comprised of 1) revenue from rendering utility services to lessees 2) interest income 3) gain on sale of mutual fund, an investment in debt instruments which is low-risk and high liquidity, 4) revenue from electricity sales to operation and maintenance service provider, 5) revenue from solar rooftop equipment rental, and 6) gain from sales of investment.

For the year ended 31 December 2021, other income was Baht 19.98 million, an increase by Baht 15.52 million or 347.98% compared to last year, mainly due to gain from sales of investment in production and distribution of bio-methane gas amounted to Baht 13.36 million in April 2021.

#### 4.1.2 Cost of rendering of services, cost of sales of goods, gross profit, and gross margin

##### 1. Cost of rendering of services

Cost of rendering of services of the Group for the years 2020 and 2021 is as follows;

	2020		2021	
	In million Baht	%	In million Baht	%
<u>Cost of rendering of services</u>				
Cost of compression of NGV	133.65	93.00	64.37	85.92
Cost of the treatment of wastes	10.05	7.00	10.55	14.08
<b>Total cost of rendering of services</b>	<b>143.70</b>	<b>100</b>	<b>74.92</b>	<b>100</b>

Cost of rendering of services decreased from last year resulted from the following reasons:

Cost of compression of NGV for PTT for the year ended 31 December 2021 decreased from last year amounted to Baht 69.28 million or 51.83% which was in line with the decrease of revenue from rendering of services and employee expenses of Ban Na-Kaeng Khoi Private Mother Station in Saraburi.

Cost of the treatment of wastes for the year ended 31 December 2021 increased from last year amounted to Baht 0.50 million or 4.97%.

##### 2. Cost of sales of goods

Costs of sales of goods of the Group for the years 2020 and 2021 is as follows;

	2020		2021	
	In million Baht	%	In million Baht	%
<u>Cost of sales of goods</u>				
Cost of generating and distribution of electricity	213.77	83.36	219.52	87.55
Cost of production and distribution of RDF	27.85	10.86	29.90	11.92
Cost of production and distribution of bio-methane gas	14.81	5.78	1.32	0.53
<b>Total cost of sales of goods</b>	<b>256.43</b>	<b>100</b>	<b>250.74</b>	<b>100</b>

Costs of sales of goods decreased from last year resulted from the following reasons:

COVID-19 Cost of generating and distribution of electricity for the year ended 31 December 2021 increased from last year amounted to Baht 5.75 million or 2.69%, primarily due to engineering consulting fee and raw material prices slightly increased due to the impact of the COVID-19 situation.

Cost of production and distribution of RDF for the year ended 31 December 2021 increased from last year amounted to Baht 2.05 million or 7.35% due to an increase in the purchase volume of waste for production which was in line with the increase of revenue from sale of goods.

Cost of production and distribution of bio-methane gas for the year ended 31 December 2021 decreased from last year amounted to Baht 13.49 million or 91.07% because the Company disposed compressed bio-methane gas business unit in April 2021.

### 3. Gross profit and gross margin

	2020		2021	
	In million Baht	%	In million Baht	%
Revenue from sale of goods and services	575.69	100	463.61	100
Cost of sales of goods and services	400.13	69.50	325.66	70.24
<b>Gross profit</b>	<b>175.56</b>	<b>30.50</b>	<b>137.95</b>	<b>29.76</b>

For the year ended 31 December 2021, gross profit of the Group was Baht 137.95 million, a decrease of Baht 37.61 million or 21.42% compared to last year. Gross margin for the year ended 31 December 2021 and 2020 were 29.76% and 30.50%, respectively. A decrease in gross profit resulted from the decrease in revenue from rendering of services of the private mother station business which was in line with a decrease in demand from natural gas for vehicles and the decrease in revenue from rendering of services from the zero demand of compressed natural gas for vehicles by the Company's Ban Na-Kaeng Khoi Private Mother Station, effective from 1 March 2021 onwards. And the Company disposed production and distribution of compressed bio-methane gas business unit in April 2021. Besides, shutdown of Mae Krating biomass power plant business increased from last year.

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

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

#### 4.1.3 Selling and administrative expenses

Main selling and administrative expenses are comprised of employee expenses, depreciation and amortization, transportation expense, other service fees, and other administrative expenses.

For the year ended 31 December 2021, the Group incurred selling and administrative expenses amounted to Baht 120.88 million, a decrease from last year of Baht 7.10 million or 5.55% compared to last year due to a decrease in donation, operating expenses of N15 Technology Co., Ltd. before being a subsidiary of the Company (expenses occurred after business combination are intra-group transactions which are eliminated on consolidation), and expenses of production and distribution of compressed bio-methane gas business because the Company disposed this business unit in April 2021. Although in 2021, the Company had additional expenses arising from expenses relating to the investment in ordinary shares of N15 amounted to Baht 3.65 million, the offering of newly issued ordinary shares, and loss on disposal of assets.

#### 4.1.4 Finance costs and profit for the year

##### 1. Finance costs

For the year ended 31 December 2021, the Group incurred finance costs of Baht 24.82 million, a decrease from last year of Baht 9.54 million or 27.76% mainly due to repaid loans from financial institutions and third parties, and a reduction in interest rate from financial institutions.

##### 2. Net profit

For the year ended 31 December 2021, profit of the Group was Baht 32.04 million, a decrease by Baht 6.22 million or 16.26% compared to last year mainly resulted from the decrease of profit from the private mother station business.

#### 4.1.5 Assets

The main assets of the Group consist of trade accounts receivables, lease receivables, property, plant and equipment, investment properties, and intangible assets. As of 31 December 2021 and 2020, the assets of the Group are as follows;

	31-Dec-20		31-Dec-21	
	In million Baht	%	In million Baht	%
Current assets	242.53	13.87	199.95	12.60
Non-current assets	1,506.02	86.13	1,387.01	87.40
<b>Total assets</b>	<b>1,748.55</b>	<b>100</b>	<b>1,586.96</b>	<b>100</b>



Total assets of the Group as of 31 December 2021 and 2020 were Baht 1,586.96 million and Baht 1,748.55 million, respectively. Total assets decreased by Baht 161.59 million or 9.24% were mainly due to the recognition of depreciation and amortization during the year and the assets of production and distribution of bio-methane gas business that was disposed in April 2021.

1. Cash and cash equivalents

Cash and cash equivalents of the Group as of 31 December 2021 and 2020 were Baht 25.25 million and Baht 35.30 million, respectively, or equivalent to 1.59% and 2.02% of the total assets, respectively. Cash and cash at banks decreased by Baht 10.05 million or 28.47% mainly due to the use for business operations within the Group and repayment of loans from financial institutions in accordance with the contractual repayment period.

2. Current investments

The Group manages its cash by investing in short-term debt instruments such as short-term fixed income fund, which is low risk and generate fixed return, to generate additional return to the Group. As of 31 December 2021 and 2020, current investments of the Group were Baht 0.02 million and Baht 10.03 million, respectively, or 0.001%, and 0.57% of the total assets, respectively which decreased by Baht 10.01 million or 99.80% mainly due to the proceeds from investments due to dissolution of fund.

3. Trade accounts receivable

As of 31 December 2021 and 2020, trade accounts receivable of the Group were equivalent to Baht 89.93 million and Baht 93.68 million, respectively, or 5.67% and 5.36% of the total assets, respectively which decreased by Baht 3.75 million or 4% mainly due to the revenue from sales of electricity to PEA in December 2021 was higher recognized compared to the revenue in December 2020.

4. Lease receivables

Since the Company entered gas compression contracts with PTT to provide gas storage trailers natural gas compression service to PTT. The Company must comply with the conditions stipulated in the contracts. As these contracts have met the conditions for arrangements which contain lease under Thai Financial Reporting Standards No. 16 Leases, therefore the Company recognized the contracts as lease receivables. The periods in which lease receivables mature were as follows:

In Million Baht	As of 31 December	
	2020	2021
Lease receivables due within one year	19.95	21.21
Lease receivables due within one to five years	70.05	76.25
Lease receivables due over five years	102.44	80.80
<b>Total lease receivables</b>	<b>192.44</b>	<b>178.26</b>

As of 31 December 2021 and 2020, lease receivables of the Group were equivalent to Baht 178.26 million and Baht 192.44 million, respectively, or 11.23% and 11.01% of the total assets, respectively, which decreased by Baht 14.18 million or 7.37%. The gradual decrease in lease receivables was due to cash received from PTT.

#### 5. Property, plant, and equipment

Property, plant and equipment of the Group as of 31 December 2021 and 2020 were Baht 900.52 million and Baht 1,024.68 million, respectively, which accounting for 56.74%, and 58.60% of the total assets, respectively, which decreased by Baht 124.16 million or 12.12% because of the straight-line depreciation of the plant and equipment and a decrease in plant and equipment of production and distribution of bio-methane gas business that were disposed in April 2021.

The details of net book value of property, plant and equipment were as follows:

In Million Baht	As of 31 December	
	2020	2021
Land and land improvement	128.99	124.56
Buildings and constructions	146.24	124.47
Machinery and equipment	705.56	620.41
Electrical system	14.64	9.17
Tools	2.58	3.89
Furniture, fixtures, and office equipment	12.73	10.01
Vehicles	10.83	8.01
Assets under construction	3.12	-
<b>Property, plant, and equipment, net</b>	<b>1,024.69</b>	<b>900.52</b>

#### 6. Intangible assets

Intangible assets consist of software licenses and computer program which are amortized with straight-line basis over the estimated useful lives, and goodwill. Intangible assets of the Group as of 31 December 2021 and 2020 were equivalent to Baht 100.35 million and Baht 115.88 million, respectively or accounting for 6.32% and 6.63% of the total assets, respectively, which decreased by Baht 15.53 million or 13.40% due to the recognition of amortization for the year and a decrease in the intangible assets of production and distribution of bio-methane gas business that were disposed in April 2021.

#### 4.1.6 Liabilities

The main liabilities of the Group consist of trade accounts payable, loans from financial institutions and lease liabilities. As of 31 December 2021 and 2020, the details of which are as follows;

	31-Dec-20		31-Dec-21	
	In million	%	In million	%
	Baht		Baht	
Current liabilities	196.14	28.63	194.14	38.68
Non-current liabilities	488.92	71.27	307.72	61.32
<b>Total liabilities</b>	<b>685.06</b>	<b>100</b>	<b>501.86</b>	<b>100</b>

As at 31 December 2021 and 2020, total liabilities of the Group were Baht 501.86 million and Baht 685.06 million, respectively, decreased by Baht 183.20 million or 26.74% because of the repayment of loans from financial institutions for investing in Mae Krating biomass power plant project, the repayment of lease liabilities of machinery of waste treatment business, a decrease in liabilities of production and distribution of bio-methane gas business resulting from business disposal.

### 1. Trade accounts payable and other current payables

Trade accounts payable mainly consist of accounts payable for inert gas, account payable for electricity, accounts payable for raw material and accounts payable for transportation. Other current payables mainly consist of value added taxes, accrued employee bonus expense, and accrued interest expense. As of 31 December 2021 and 2020, trade accounts payable of the Group were equivalent to Baht 30.81 million and Baht 35.73 million, respectively accounting for 6.14% and 5.22% of the total liabilities, respectively. Other current payables of the Group as of 31 December 2021 and 2020 were equivalent to Baht 18.21 million and Baht 25.19 million, respectively accounting for 3.63% and 3.68% of the total liabilities, respectively.

As at 31 December 2021, trade accounts payable of the Group were Baht 30.81 million, a decrease of Baht 4.92 million or 13.77% resulted from decrease in accounts payable for inert gas which was in line with the decrease in revenue from compression of NGV for PTT, and decrease in accounts payable for gas, account payable for electricity and accounts payable for transportation of production and distribution of bio-methane gas business resulting from business disposal. However, account payable for operating and maintenance of the generating and distribution of electricity sale to the PEA business increased. For other current liabilities of the Group as of 31 December 2021 amounted to 18.21 million, a decreased by Baht 6.98 million or 27.71% which was mainly caused by the Group decrease in undue output vat in line with the decrease of revenue from compression of NGV for PTT and a decrease in liabilities of production and distribution of bio-methane gas business resulting from business disposal.

### 2. Bank overdrafts and borrowings

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

In Million Baht	As of 31 December	
	2020	2564
Within one year	117.20	128.10
After one year, but not exceeding 5 years	395.65	250.40
<b>Total bank overdrafts and borrowings</b>	<b>512.85</b>	<b>382.50</b>

As of 31 December 2021, bank overdrafts and borrowings of the Group were Baht 382.50 million, a decrease of Baht 130.35 million or 25.42% because of the repayment of loans from financial institutions in accordance with the contractual repayment period.

### 3. Lease liabilities

Lease liabilities of the Group as of 31 December 2021 and 2020 were Baht 37.84 million and Baht 76.81 million respectively, or 7.54% and 11.21% of the total liabilities, respectively.

As of 31 December 2021, lease liabilities of the Group were Baht 37.84 million, a decrease by Baht 38.97 million from last year equivalent to 50.74% mainly due to repayment of lease liabilities of machinery of waste treatment business.

#### 4. Deferred tax liabilities

In Million Baht	As of 31 December	
	2020	2564
<b>Deferred tax asset</b>		
- Allowance for expected credit losses on loans	-	0.29
- Allowance for expected credit loss on other receivable	-	0.37
- Allowance for impairment of equipment	0.25	-
- Others	0.17	0.48
<b>Deferred tax liabilities</b>		
- Difference in revenue recognition for accounting and taxation purposes of revenue from lease	11.72	11.86
- Intangible assets	18.99	17.70
- Deferred interest expenses	1.14	0.91
<b>Net</b>	<b>31.43</b>	<b>29.33</b>

According to Thai Accounting Standards No.12: Income Taxes, the Group was required to recognize deferred tax assets and deferred tax liabilities in the financial statements in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

As at 31 December 2021, deferred tax liabilities of the Group were Baht 29.33 million which decreased from last year by Baht 2.10 million, representing a decrease of 6.68%. The decrease came from the difference in recognition for accounting and taxation purposes of allowance for expected credit losses on loans and other receivable, and intangible assets.

#### 4.1.7 Equity

As of 31 December 2021 and 2020, equity of the Group were Baht 1,085.10 million and Baht 1,063.49 million, respectively. Equity increased by Baht 21.61 million or 2.03% from the end of year 2020, primarily due to an increase in capital of Baht 148.80 million and net profit for the year ended 31 December 2021 of Baht 32.04 million, whereas the Group recognized the impact of acquisition of N15 Technology Co., Ltd. which was considered as business combination of entity under common control of Baht 145 million, and the dividend payment to shareholders in May 2021 of Baht 13.95 million.

#### 4.1.8 Analysis on cash flows of the Group

In Million Baht	2020	2021
Net cash from operating activities	178.28	144.83
Net cash used in investing activities	(12.32)	(141.54)
Net cash used in financing activities	(212.95)	(13.34)
<b>Net decrease in cash and cash equivalents</b>	<b>(46.99)</b>	<b>(10.05)</b>

##### 1. Net cash from operating activities

For the year ended 31 December 2021, net cash from operating activities of the Group was equivalent to Baht 144.83 million, a decrease by Baht 33.45 million or 18.76% from 31 December 2020 mainly due to a decrease of profit from the private mother station business.

##### 2. Net cash from investing activities

For the year ended 31 December 2021, net cash used in investing activities of the Group was equivalent to Baht 141.54 million which increased from 31 December 2020 by Baht 129.22 million because of cash payment for acquisition of N15 Technology Co., Ltd. of Baht 145 million. However, in 2021 the Group invested in fixed assets less than previous year.

##### 3. Net cash from financing activities

For the year ended 31 December 2021, net cash used in financing activities of the Group were Baht 13.34 million which decreased by Baht 199.61 million comparing to last year because during the year 2021 the Group obtained the proceeds from issue of shares in capital of Baht 148.80 million and the dividend payment to shareholders in 2021 of Baht 13.95 million less than last year.

## 4.1.9 Key Financial Ratio Analysis

### 1. Liquidity ratio

#### Current ratio, quick ratio, and cash flow liquidity ratio

For the year ended 31 December 2021, the Group had current ratio of 1.03 times, quick ratio of 0.62 times, and cash flow liquidity ratio of 0.74 times. Current ratio and quick ratio decreased from last year due to a decrease in trade accounts receivable, current investments and short-term loans. Cash flow liquidity ratio increased due to a decrease in an average of current liabilities compared to previous year.

#### Cash cycle

	31 December	
	2020	2020
Average collection period (days)	63.64	72.48
Average inventory turnover (days)	10.98	6.58
Average payment period (days)	33.77	37.39
Cash cycle (days)	40.84	41.67

The Group had an average collection period for the years ended 31 December 2021 and 2020 of 72.48 days and 63.64 days, respectively due to trade accounts receivable of N15 Technology Co., Ltd., a subsidiary of the Company, has several customers. Each customer has different credit term resulting in a different average collection period than previous year.

The Group had an average payment for the years ended 31 December 2021 and 2020 of 37.39 days and 33.77 days, respectively, with the normal average payment period of the Group 30-45 days. In 2021, the Group had a normal average payment period.

The Group had cash cycle for the years ended 31 December 2021 and 2020 of 41.67 days and 40.84 days, respectively. Although in 2021 the Group had higher average collection period than last year, but the Group can sell products faster and pay for goods more slowly than last year. As a result, cash cycle of the year 2021 is close to the previous year.

### 2. Efficiency ratio

For the years ended 31 December 2021 and 2020, the Group had return on total assets of 1.92% and 2.08%, respectively. Return on fixed assets was 9.16% and 9.44%, respectively and asset turnover was 0.30 times and 0.33 times, respectively, indicating that the Group can utilize assets to generate net profit in 2021, close to the previous year.



### 3. Financial policy ratio

#### Interest coverage ratio

For the years ended 31 December 2021 and 2020, the Group had interest coverage ratio of 6.76 times and 6.14 times, respectively. In 2021, the Group had the ability to generate profits to pay interest higher than previous year.

#### Debt to equity ratio

For the financial year ended 31 December 2021 and 2020, debt to equity ratio of the Group were 0.46 times and 2.22 times, respectively. A decrease in the ratio resulted from loans from financial institutions and other parties for biomass power plant project of Mae Krating Power and repayment of debt repayment of lease liabilities of machinery of waste treatment business.

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

### Expiration of the Natural Gas Compression contracts with PTT and the decrease in demand of compressed natural gas

Since the Company has two contracts for natural gas compression with PTT, both the private mother station in Pathum Thani province and the private mother station in Saraburi province. The contracts have been valid for 20 years, which are due in 2029 and 2030, respectively. However, the Company currently confirmed on accepting the offer to terminate the Natural Gas Compression Contract of the private mother station (Ban Na-Kaeng Khoi) in Saraburi province and related contracts due to the continued decline of the demand of the compressed natural gas. In addition, the Company has been informed that the demand of NGV for the private mother station (Ban Na-Kaeng Khoi) was zero ton per day since 1 March 2021, and the consumption of NGV has decreased. For the year 2021, the consumption of NGV has decreased to 3,127 tons per day whereas the consumption of NGV was 3,864 tons per day in 2020, a decrease of 19.07% due to a decrease in demand for the consumption of NGV and the outbreak of COVID-19.

## 4.3 Key Financial Information

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

### 4.3.1 Auditor's Report

#### Summary on auditor's report

- The consolidated financial statements for the year ended 31 December 2019 was audited by Miss.Sophit Prompol, Certified Public Accountant Registration Number 10042, KPMG Phoomchai Audit Company Limited. The auditor viewed that the statement of financial position as of 31 December 2019, statement of income and statement of cash flows for the same financial year is correct in all material respects in accordance with financial reporting standards.
- The consolidated financial statements for the year ended 31 December 2020 was audited by Miss.Sophit Prompol, Certified Public Accountant Registration Number 10042, KPMG Phoomchai Audit Company Limited. The auditor viewed that the statement of financial position as of 31 December 2020, statement of income and statement of cash flows for the same financial year is correct in all material respects in accordance with financial reporting standards.
- The consolidated financial statements for the year ended 31 December 2021 was audited by Miss.Sophit Prompol, Certified Public Accountant Registration Number 10042, KPMG Phoomchai Audit Company Limited. The auditor viewed that the statement of financial position as of 31 December 2021, statement of income and statement of cash flows for the same financial year is correct in all material respects in accordance with financial reporting standards.

## 4.3.2 Summary on Financial Statements

### Sakol Energy Public Company Limited

#### Statement of Financial Position

(Unit: Bath million)

	31 Dec 2019		31 Dec 2020		31 Dec 2021	
	Amount	%	Amount	Amount	%	Amount
<b>Assets</b>						
<b><u>Current assets</u></b>						
Cash and cash equivalents	82.28	4.26	35.30	2.02	25.25	1.59
Current investments	67.93	3.52	10.03	0.57	0.02	-
Current portion of deposits at financial institutions with restrictions on withdrawal	1.25	0.07	8.95	0.51	4.31	0.27
Trade accounts receivable	106.52	5.51	93.68	5.36	89.93	5.67
Current portion of lease receivables	18.82	0.97	19.95	1.14	21.21	1.34
Other receivables	61.61	3.19	58.69	3.36	47.40	2.99
Current portion of long-term loans	-	-	-	-	3.19	0.20
Short-term loans	30.00	1.55	9.87	0.56	0.24	0.02
Inventories	11.45	0.59	3.93	0.23	5.09	0.32
Current spare parts and supplies	3.06	0.16	2.13	0.12	3.32	0.21
<b>Total current assets</b>	<b>382.92</b>	<b>19.82</b>	<b>242.53</b>	<b>13.87</b>	<b>199.96</b>	<b>12.61</b>
<b><u>Non-current assets</u></b>						
Deposits at financial institutions with restrictions on withdrawal	4.25	0.22	3.82	0.22	17.27	1.09
Lease receivables	186.79	9.67	172.49	9.86	157.05	9.90
Other non-current account receivable	-	-	-	-	12.93	0.81
Long-term loans	-	-	-	-	4.05	0.26
Non-current spare parts and supplies	3.26	0.17	2.95	0.17	2.90	0.18
Investment properties	171.62	8.89	171.62	9.81	171.62	10.81
Property, plant and equipment	1,045.37	54.11	1,024.68	58.60	900.52	56.74
Intangible assets	123.28	6.38	115.88	6.63	100.35	6.32
Other non-current assets	14.36	0.74	14.58	0.83	20.32	1.28
<b>Total non-current assets</b>	<b>1,548.93</b>	<b>80.18</b>	<b>1,506.02</b>	<b>86.13</b>	<b>1,387.01</b>	<b>87.39</b>
<b>Total assets</b>	<b>1,931.85</b>	<b>100</b>	<b>1,748.55</b>	<b>100</b>	<b>1,586.97</b>	<b>100</b>

(Unit: Bath million)

	31 Dec 2019		31 Dec 2020		31 Dec 2021	
	Amount	%	Amount	Amount	%	Amount
<b>Liabilities and equity</b>						
<b>Current liabilities</b>						
Bank overdrafts and short-term borrowings	105.80	5.48	23.13	1.32	5.00	0.31
Trade accounts payable	38.11	1.97	35.73	2.05	30.81	1.94
Other payables	99.13	5.13	25.19	1.44	18.21	1.15
Current portion of long-term borrowings	82.86	4.29	94.07	5.38	123.10	7.76
Current portion of lease liabilities						
(2019: Current portion of finance lease and hire purchase liabilities)	18.99	0.98	18.02	1.03	17.02	1.07
<b>Total current liabilities</b>	<b>344.89</b>	<b>17.85</b>	<b>196.14</b>	<b>11.22</b>	<b>194.14</b>	<b>12.23</b>
<b>Non-current liabilities</b>						
Long-term borrowings	465.36	24.09	395.65	22.63	254.40	16.03
Lease liabilities (2019: Finance lease and hire purchase liabilities)	37.25	1.93	58.78	3.36	20.81	1.31
Deferred tax liabilities	33.29	1.72	31.43	1.80	29.33	1.85
Provisions for employee benefits	1.79	0.09	1.97	0.11	2.09	0.13
Long-term provisions	1.09	0.06	1.09	0.06	1.09	0.07
<b>Total non-current liabilities</b>	<b>538.78</b>	<b>27.89</b>	<b>488.92</b>	<b>27.96</b>	<b>307.72</b>	<b>19.39</b>
<b>Total liabilities</b>	<b>883.67</b>	<b>45.74</b>	<b>685.06</b>	<b>39.18</b>	<b>501.86</b>	<b>31.62</b>

(Unit: Bath million)

	31 Dec 2019		31 Dec 2020		31 Dec 2021	
	Amount	%	Amount	Amount	%	Amount t
<b>Equity</b>						
Share capital						
Authorised share capital	465.00	24.07	465.00	26.59	558.00	35.16
Issued and paid share capital	465.00	24.07	465.00	26.59	558.00	35.16
Share premium on ordinary shares	297.62	15.41	297.62	17.02	353.42	22.27
Retained earnings						
Appropriated - Legal reserve	31.82	1.65	33.57	1.92	33.90	2.14
Unappropriated	121.06	6.27	133.73	7.65	146.47	9.23
Discount on business combination under common control					(82.46)	(5.20)
Other components of equity	0.08	-	-	-	-	-
<b>Equity attributable to owners of the parent</b>	<b>915.58</b>	<b>47.40</b>	<b>929.92</b>	<b>53.18</b>	<b>1,009.33</b>	<b>63.60</b>
Equity of subsidiary before business restructuring	73.62	3.81	59.91	3.43	-	-
Non-controlling interests	58.98	3.05	73.66	4.21	75.78	4.78
<b>Total equity</b>	<b>1,048.18</b>	<b>54.26</b>	<b>1,063.49</b>	<b>60.82</b>	<b>1,085.11</b>	<b>68.38</b>
<b>Total liabilities and equity</b>	<b>1,931.85</b>	<b>100</b>	<b>1,748.55</b>	<b>100</b>	<b>1,586.97</b>	<b>100</b>

Sakol Energy Public Company Limited

Statement of income

(Unit: Bath million)

	Financial year ended 31 December					
	2019		2019		2019	
	Amount	Amount	Amount	Amount	Amount	Amount
<b>Revenues</b>						
Revenue from rendering of services	258.78	55.43	225.44	37.63	130.23	25.97
Revenue from sale of goods	170.36	36.49	350.25	58.46	333.38	66.48
Revenue from leases	19.80	4.24	19.00	3.17	17.87	3.56
Other income	17.94	3.84	4.46	0.74	6.62	1.32
Gain from disposal of investment in subsidiary	-	-	-	-	13.36	2.67
<b>Total revenue</b>	<b>466.88</b>	<b>100</b>	<b>599.15</b>	<b>100</b>	<b>501.46</b>	<b>100</b>
<b>Expenses</b>						
Cost of rendering of services	158.70	33.99	143.70	23.98	74.92	14.94
Cost of sales of goods	120.81	25.88	256.43	42.80	250.74	50.00
Selling and administrative expenses	127.88	27.39	127.98	21.36	120.88	24.11
Finance costs	24.54	5.26	34.36	5.73	24.82	4.95
<b>Total expenses</b>	<b>431.93</b>	<b>92.52</b>	<b>562.47</b>	<b>93.87</b>	<b>471.36</b>	<b>94.00</b>
<b>Profit before income tax expense</b>	<b>34.95</b>	<b>7.48</b>	<b>36.68</b>	<b>6.13</b>	<b>30.10</b>	<b>6.00</b>
Tax income (expense)	(2.37)	(0.51)	1.58	0.26	1.94	0.39
<b>Profit for the year</b>	<b>32.58</b>	<b>6.97</b>	<b>38.26</b>	<b>6.39</b>	<b>32.04</b>	<b>6.39</b>

Sakol Energy Public Company Limited  
Statement of cash flows

(Unit: Bath million)

	Financial year ended 31 December		
	2019	2019	2019
<b>Cash flows from operating activities</b>			
Profit for the year	32.58	38.26	32.04
Adjustments to reconcile profit to cash receipts (payment)			
Tax (income) expenses	2.37	(1.58)	(1.94)
Finance costs	24.54	34.36	24.82
Depreciation and amortization	46.01	78.20	73.71
Impairment loss of asset recognised in profit or loss	-	1.92	1.40
Loss on disposal of equipment and intangible assets	0.02	0.27	3.86
Employee benefits expenses	0.42	0.63	2.66
Gain from disposal of investment in subsidiary	-	-	(13.36)
Interest income	(0.77)	(0.56)	(2.34)
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>	<b>105.17</b>	<b>151.50</b>	<b>120.85</b>
<b>Changes in operating assets and liabilities</b>			
Trade accounts receivable	(53.48)	12.84	3.75
Other receivables	1.35	9.49	19.16
Lease receivables	10.64	13.17	14.18
Inventories	(11.27)	7.52	(1.16)
Spare parts and supplies	(1.51)	1.23	(1.14)
Other non-current assets	(6.84)	(0.22)	(5.74)
Trade accounts payable	15.94	(1.85)	(0.18)
Other payables	8.48	(8.83)	3.58
Employee benefits paid	(0.15)	-	(2.18)
Income taxes paid	(8.24)	(6.57)	(6.28)
<b>Cash flows from operating activities</b>	<b>60.09</b>	<b>178.28</b>	<b>144.84</b>



Sakol Energy Public Company Limited  
Statement of cash flows

(Unit: Bath million)

	Financial year ended 31 December		
	2019	2019	2019
<b>Cash flows from investing activities</b>			
Increase in deposits at financial institutions with restrictions on withdrawal	11.89	(7.27)	(8.81)
Net proceeds from sale and disposal of current investments	(3.23)	57.82	10.01
Proceeds from disposal of investment in subsidiary	-	-	1.00
Acquisition of investment in subsidiary	-	-	(145.00)
Net proceeds from (repayment of) short-term loans	(30.00)	10.13	10.36
Proceeds from repayment of long-term loans	2.30	10.00	0.47
Proceeds from non-controlling interest of increase share capital in subsidiaries	1.30	-	-
Proceeds from sale of equipment and intangible assets	0.13	3.24	1.56
Acquisition of plant and equipment and intangible assets	(382.60)	(86.66)	(12.65)
Interest received	0.69	0.42	1.51
<b>Net cash from (used in) investing activities</b>	<b>(399.52)</b>	<b>(12.32)</b>	<b>(141.55)</b>
<b>Cash flows from financing activities</b>			
Net proceeds from (repayment of) short-term borrowings	42.44	(83.04)	(13.10)
Proceeds of long-term borrowings	391.50	22.35	-
Repayment of long-term borrowings	(82.47)	(82.01)	(95.11)
Proceeds from (repayment of) lease liabilities	23.25	(17.86)	(14.28)
Dividends paid to owners of the Company	(55.80)	(23.25)	(13.95)
Proceeds from issue of shares	-	-	148.80
Interest paid	(21.63)	(29.13)	(25.70)
<b>Net cash from (used in) financing activities</b>	<b>297.29</b>	<b>(212.94)</b>	<b>(13.34)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(42.14)</b>	<b>(46.98)</b>	<b>(10.05)</b>
Cash and cash equivalents at 1 January	124.42	82.28	35.30
<b>Cash and cash equivalents at 31 December</b>	<b>82.28</b>	<b>35.30</b>	<b>25.25</b>

## Sakol Energy Public Company Limited

### Financial Ratios

Financial Ratios	2019	2020	2021
Current ratio (times)	1.11	1.24	1.03
Quick ratio (times)	0.75	0.75	0.62
Cash flow liquidity ratio (times)	0.19	0.66	0.74
Account receivable turnover (times)	5.77	5.75	5.05
Average collection period (days)	63.22	63.64	72.48
Inventory turnover (times)	21.10	33.35	55.60
Average inventory turnover (days)	17.34	10.98	6.58
Account payable turnover (times)	10.15	10.84	9.79
Payment period (days)	35.98	33.77	37.39
Cash cycle (days) <sup>/1</sup>	27.24	40.84 <sup>/2</sup>	41.67 <sup>/2</sup>
Gross profit margin (%)	34.87	30.50	29.76
Operating profit margin (%)	13.86	12.34	11.85
Other profit margin	3.84	0.74	3.98
Cash to profit margin (%)	101.01	250.96 <sup>/3</sup>	263.74 <sup>/3</sup>
Net profit margin (%)	6.98	6.39	6.39
Return on equity (%)	3.27	3.62	2.98
Return on assets (%)	1.90	2.08	1.92
Return on fixed assets (%)	7.33	9.44	9.16
Assets turnover (times)	0.27	0.33	0.30
Debt to equity ratio (times)	0.84	0.64	0.46
Interest coverage ratio (times)	3.55	6.14	6.76
Dividend payout ratio (%) <sup>/4</sup>	46.18	39.92	-

**Remarks:** <sup>/1</sup> Cash cycle of the Group calculated from average collection period plus average inventory turnover and minus payment period.

<sup>/2</sup> Cash cycle of the Group in the year 2020 and 2021 were 40.84 days and 41.67 days, respectively. For the year 2021, the Group have a normal average collection period, while the average payment period can be paid in accordance with the credit term. Therefore, it resulted cash cycle was similar from previous year. However, the Group were able to full debt collection and no provision was required during the year 2021.

<sup>/3</sup> As of December 31, 2021, the Company had decreased in cash flow from operations from previous year. Although cash to profit ratio had increased from the previous year. Partly due to lower profitability from the previous year that was caused by the impact of the Covid-19 virus outbreak.

<sup>/4</sup> Dividend payout ratio is calculated from dividend paid from operating performance of the Company divided by profit attributable to equity holders of the Company under the separate financial statements

## General information

### 5.1 General information

Company name	Sakol Energy Public Company Limited
Ticker symbol	SKE
Company registration number	0107559000443
Industry group	Resources
Business category	Energy and utilities
Registered capital	Baht 558.00 million
Paid-up capital	Baht 558.00 million
Par value per share	Baht 0.50
Number of paid-up shares	1,116,000,000 shares
Types of shares sold	Ordinary shares
Location	<b>Head Office (Pathum Thani Private Mother Station)</b> 15 Moo 1, Chiang Rak Noi Sub-district, Samkhok District, Pathum Thani 12160 <b>Bangkok office</b> 252/108(B),252/109(C) Muang Thai Phatra Complex, Tower B, Level 21 Ratchadaphisek Road, Huay Kwang Sub-district, Huay Kwang District, Bangkok 10310 Telephone 02-026-3451 Fax 02-026-3452
Company website	<a href="http://www.sakolenergy.com">www.sakolenergy.com</a>

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## Referral entities

### Securities registrar

#### Thailand Securities Depository Company Limited

The Stock Exchange of Thailand Building, 93 Ratchadaphisek Road, Din Daeng Sub-district, Din Daeng District, Bangkok 10400

Telephone 02-009-9990 Fax 02-009-9991

### Auditor

#### KPMG Phoomchai Audit Company Limited

Level 50 - 51, Empire Tower, 1 South Sathorn Road, Yannawa Sub-district, Sathorn District, Bangkok 10120

Telephone 02-677-2000 Fax 02-677-2222

## 5.2 Other important information

As of 31 December 2021, there was no information that could significantly affect decision-making by investors.

## 5.3 Legal disputes

The Company and its subsidiaries do not have any legal dispute that may have a negative impact on the assets of the Company and its subsidiaries with an amount higher than 5% of the shareholders' equity as of 31 December 2021, and there are no other legal disputes that may cause significant impacts on the business operations of the Company and its subsidiaries.

## 5.4 Financial institutions that are in frequent contact

1. KASIKORNBANK Public Company Limited  
400/22 Phahon Yothin Road, Sam Sen Nai Sub-district, Phaya Thai District, Bangkok 10400
2. TMBTHANACHART Bank Public Company Limited  
3000 Phaholyothin Road, Jompol Sub-district, Chatuchak District, Bangkok 10900
3. The Siam Commercial Bank Public Company Limited  
9 Rajadapisek Road, Chatuchak District, Bangkok 10900



## Part 2

### Corporate Governance

## Corporate Governance Policy

### 6.1 Overview of corporate governance policies and practices

The Board of Directors and executives of the Company adhere to the principles of good corporate governance in accordance with the Corporate Governance Code for Listed Companies 2017 (CG Code) of the Office of the Securities and Exchange Commission to maintain and enhance the maximum values for shareholders in the long run.

The Company operates its business under the good corporate governance policy for sustainable development according to the good corporate governance policy and business ethics covering financial, investment, competition, and conducting business with good governance and responsibility. The Company has disseminated the good corporate governance policy and code of conduct to executives, employees, and stakeholders through the Company's website [www.sakolenergy.com](http://www.sakolenergy.com), and has established policies and guidelines on anti-corruption and bribery as anti-corruption principle and guidelines for directors, executives and employees, which is one of the principles of good corporate governance. At present, the Company is under consideration of joining the anti-corruption policy project with government organizations and related agencies.

From compliance with the good corporate governance policy, the Company received the results of the Good Corporate Governance Assessment of Listed Companies for the year 2021 at the level of "Very Good", organized by the Thai Institute of Directors under the support of the Stock Exchange of Thailand. This is a confirmation that the Company has adhered to the principles of good corporate governance for sustainable development.

In addition, the Board of Directors must comply with the laws, objectives, articles of association and resolutions of the Company's shareholders' meeting and follow the principles of good corporate governance according to the guidelines set by the Stock Exchange of Thailand as a guideline for the operation of the Company to achieve operational efficiency and create transparency investors. This will create confidence in the Company's business operations to outsiders.

The Company's good corporate governance policy covers 5 sections as follows:

#### Section 1 The Rights of Shareholders

The Company recognizes and places importance on fundamental rights of shareholders, both as investors and owners of the Company, such as the right to buy, sell, transfer their holding of securities, the right to receive a share of profits from the Company, the right to receive adequate information, various rights in shareholders' meetings, the right to express opinions, the right to participate in decision-making on important matters of the Company such as allocation of dividends, appointment or removal of directors, appointment of auditors, approval of important transactions which affect direction of the Company's business operations, and amendments to the Memorandum of Association and the Company's Articles of Association etc.



The Company has a mission to promote and facilitate the exercise of shareholders' rights as follows:

1. The Company will send the invitation letter to the meeting and supporting documents on agendas to the shareholders in advance and advertise such invitation in the local newspaper at least 7 days before the meeting date or any other period as prescribed by the relevant laws or regulations.
2. In the event that any shareholder is unable to attend the meeting in person, the Company will give the shareholder an opportunity to appoint independent director or any other person to attend the meeting on his behalf.
3. In organizing the shareholders' meeting, the Company will use a place that is convenient for traveling. The Company will choose an appropriate date and time and allocate sufficient time for the meeting in order to comply with the policy in facilitating shareholders of the Company.
4. In the shareholders' meeting, the Company will give all shareholders an opportunity to have equal rights to express their opinions, suggestions or questions on agendas concerned freely before voting on any agenda. The related directors and executives will participate in the shareholders' meeting to answer questions at the meeting.
5. After the shareholders' meeting is completed, the Company will prepare minutes of the meeting that accurately and completely record information on all matters for the shareholders to be able to countercheck.

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

The Company has stipulated that all shareholders are treated equally whether it is a major shareholder or a minor shareholder, or executive or non-executive, or Thai or foreign shareholder. The details are as follows:

1. In conducting each shareholder meeting, the Company will provide equal opportunity to all shareholders. Before starting the meeting, the chairman of the meeting will explain the methods in exercising of voting rights and counting votes of the shareholders who must vote on each agenda. The Company will also provide an opportunity for all shareholders and proxies attending the meeting to express their opinions, suggestions, and ask questions on each agenda item with appropriate and sufficient time. The chairman of the meeting will proceed the meeting according to the pre-determined agenda.
2. In respect of an agenda regarding appointment of directors, the Company will support individual appointment.
3. The Company has required the directors to report their interests in any meeting agenda before considering such agenda in the Board of Directors' meeting and such interests shall be recorded in the minutes of the Board of Directors' meeting. In addition, directors who have significant interests in a manner that they cannot express their opinions independently on any relevant agenda are prohibited from participating in the meeting on that agenda.

4. The Company has established guidelines for keeping and preventing the use of internal information of the Company by prohibiting any person or entity with knowledge of inside information to disclose such information to an unrelated agency or other person. Disclosing such information or using such information for his own or others' benefit or conducting transactions that may cause conflicts of interest by any person is considered a serious offense and such person will be subject to disciplinary action.

### **Section 3 Consideration on the Role of Interested Persons**

The Company has given importance to the rights of all groups of stakeholders whether it is internal stakeholders such as shareholders and employees of the Company or external stakeholders such as trade partners and customers etc. The Company realizes that the support and opinions from all groups of stakeholders will be beneficial in the operations and development of the Company's business. The Company will comply with relevant laws and regulations so that the rights of such stakeholders are well taken care of. In operating the business, the Company considers the rights of all stakeholders according to the following guidelines:

<b>Shareholder:</b>	The Company will operate its business with transparency and efficiency by striving to create good operating results and stable growth to maximize benefits to shareholders in the long run including disclosure of information with transparency and reliability to shareholders.
<b>Employee:</b>	The Company will treat all employees equally, fairly and provide appropriate compensation. In addition, the Company also attaches importance to development of skills, knowledge, abilities, and potential of employees on a regular basis, such as organizing training sessions and seminars by providing opportunities for all employees and tries to motivate employees with good skills and knowledge to stay with the Company to grow the organization. The Company also has set guidelines for anti-corruption as well as instilling in all employees to comply with relevant laws and regulations such as strictly prohibiting the use of inside information etc.
<b>Trade partner:</b>	The Company has a process for selecting trade partners by allowing competition among trade partners on the basis of equal information and selects trade partners fairly under the Company's criteria for evaluating and selecting trade partners of the Company. In addition, the Company has prepared an appropriate and fair contract format for all parties and set up a monitoring system to ensure that the terms and conditions of the contract are fully complied with and prevent corruption and misconduct in every step of the procurement process by which the Company

	purchases products from trade partners in accordance with trade conditions as well as strictly complying with contracts with trade partners.
<b>Customer:</b>	The Company is responsible to customers by maintaining the quality and standards of products and services, including responding to the needs of customers as complete and comprehensive as possible to focus on creating long-term customer satisfaction. The Company also provides accurate information about the Company's products and services and provides channels for the Company's customers to report problems or improper services so that the Company can prevent and solve problems with the Company's products and services quickly.
<b>Creditor:</b>	The Company will comply with various conditions according to the contracts with the creditors, including repayment of principal, interest, and care of collateral under the relevant contracts.
<b>Competitor:</b>	The Company complies with the framework of good competition, ethics, and within the framework of the laws. The Company also supports and promotes the policy of free and fair competition.
<b>Society and public:</b>	The Company pays attention and gives importance to the safety of society, the environment, and the quality of life of the people involved in the Company's operations. The Company encourages its employees to be conscious and responsible to the environment and society, including ensuring strict compliance with applicable laws and regulations. In addition, the Company tries to participate in various activities for conservation of the environment and society and promotes the local culture in which the Company operates.

Stakeholders may ask for details, report a complaint or clue to legal offense, inaccuracy of financial reports, defective internal control system or violation of the Company's business ethics through independent directors or the Audit Committee of the Company. Complaints and clues reported to the Company will be kept confidential. The independent director or the Audit Committee will instruct the information review and find a solution (if any) and report to the Board of Directors.

#### **Section 4 Disclosure and Transparency**

1. The Company attaches importance to the Company's financial statements and financial information provided in the annual report. The Audit Committee will review the quality of financial reports and internal control system, including sufficient disclosure of important information in the notes to the financial statements, and report to the Board of Directors. The Board of Directors also encourages the preparation of Management Discussion and Analysis to support the disclosure of the financial statements on a quarterly basis.

2. The Company will arrange to disclose information about each director, roles and duties of the Board of Directors and the Company's sub-committees, number of meetings and attendance at the Company's head office in the past year.
3. The Company will disclose audit fees and fees for other services provided by the auditor.
4. The Company will provide a summary report on the approved corporate governance policy, business ethics, risk management policy, and policy on social and environmental responsibilities, results of implementation of such policies and, in case of non-compliance with any policy, such non-compliance and reasons for non-compliance shall be reported.

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

#### **Structure of the Board of Directors and sub-committees**

The Board of Directors consists of individuals who have knowledge, abilities and experiences that can benefit the Company. It plays an important role in formulating policies and the overall picture of the organization. It also plays an important role in supervising, auditing, and evaluating the Company's performance in accordance with the plan.

At present, the Board of Directors consists of 9 members including 4 executive directors and 5 non-executive directors. There are 5 independent directors, which is more than one-third of the total number of directors of the Company. This will create a balance and appropriateness in considering and voting on various matters. In this regard, the Board of Directors has a term of office of not exceeding 3 years as required by the laws. An independent director has a term of office of not exceeding 9 years, unless the Board of Directors deems that such person should continue to be an independent director of the Company for the best interest of the Company. In addition, the Company's directors and executives can take up positions of directors or executives of affiliated companies or other companies but must comply with applicable laws or regulations, which must be notified to the Board of Directors' meeting for acknowledgment

In addition, the Board of Directors has also appointed sub-committees to assist in the corporate governance of the Company as follows:

#### **1. Audit Committee**

consists of at least 3 members of the Audit Committee who serve to support the Board of Directors in overseeing and auditing the management, internal control and compliance with relevant laws, including the preparation of financial reports to ensure that the Company's operations and information disclosure are transparent and reliable.

**Remark** : Assist. Prof. Dr. Attawoot Papangkorn is a director who has knowledge and experience in reviewing the Company's financial statements.

#### **2. Executive Committee**

consists of at least 3 executive directors who serve to support the Board of Directors in managing the Company's business in accordance with policies, plans, regulations, and orders, including specified goals within the framework as assigned by the Board of Directors.

### 3. Nomination and Remuneration Committee

consists of at least 3 members of the Nomination and Remuneration Committee. The committee has the duties to recruit qualified persons to hold positions of directors and high-level executives, consider the form and criteria of remuneration payment to directors and high-level executives in order to present their opinions to the Board of Directors for consideration and approval and/or to propose to the shareholders' meeting for further approval (as the case maybe), and develop the Company's senior management.

In addition, the Company has the Company Secretary who performs duties relating to the Board of Directors' meetings and shareholders' meetings and acts as support for the Board of Directors' works by providing advice on legal and regulatory requirements relating to the performance of duties of the Board of Directors. The Company Secretary also coordinates to ensure compliance with the resolutions of the Board of Directors.

### 4. Roles, duties and responsibilities of the Board of Directors

The Board of Directors is responsible to shareholders regarding the Company's business operations. The Board of Directors is also responsible for determining the policies and directions of the Company and supervising the management to be in accordance with the goals and guidelines for the long-term benefits of shareholders under the framework of laws and code of conduct, taking into account the interests of all stakeholders. The details of duties and responsibilities are as stipulated in the Charter of the Board of Directors.

### 5. Corporate governance policy

The Company has established a written corporate governance policy to propose to the Board of Directors meeting to approve the said policy. The preparation of the Corporate Governance Manual is intended to serve as a guideline for directors, executives, and employees to comply with such policies. The Company will arrange to review such policies annually.

### 6. Code of conduct

The Company has the intention to operate the Company's business with transparency, morality, and responsibility to stakeholders, society, and environment. The Company has established the code of conduct in writing for the Board of Directors, executives, and employees to adhere to the following practices:

1. Code of conduct relating to responsibilities to shareholders
2. Code of conduct relating to customer relations
3. Code of conduct relating to relationship with trade partners, competitors and creditors
4. Code of conduct relating to responsibilities to employees
5. Code of conduct relating to social and environmental responsibilities

In this regard, the Company will announce and notify the code of conduct to all employees for their acknowledgment and strict compliance.

### 7. Conflicts of interest

The Company has a policy of eliminating conflicts of interest carefully with honesty, reasons and independence, under a good ethical framework for the benefits of the Company by requiring those who are involved in or connected to the transaction that is being considered, to disclose to the Company information about their interests or their related party's interests. Such person must not participate in the consideration and having no authority to approve such transaction.

The Company has a policy to enter into connected transactions and transactions with conflicts of interest in accordance with the applicable laws or regulations

#### 8. Internal control

The Company has established an effective internal control system for supervision and internal control at the management level and the operational level. The Company has established an internal audit office to assess sufficiency of the internal control system and report the results to the Audit Committee according to the audit plan.

#### 9. Risk management

The Company has established a risk management policy to cover the entire organization. The Company also has a system or risk management process to appropriately reduce the impact of risks on the Company's business.

#### 10. Report of the Board of Directors

The Audit Committee is responsible for reviewing financial reports in which the accounting department and auditors attended the meeting and present the financial reports to the Board of Directors every quarter. The Board of Directors is responsible for the consolidated financial statements of the Company and its subsidiaries, including financial information memorandum.

#### 11. Meetings of the Board of Directors and self-assessment

The Company arranges a meeting of the Board of Directors at least quarterly and special meetings are organized as needed. The meeting agenda was clearly determined in advance with an agenda regarding update on operating performance on a regular basis. The Company will send the invitation letter to the meeting, together with the meeting agenda and supporting documents to all directors at least 7 days in advance of the meeting date so that the Board of Directors has sufficient time to study the information before attending the meeting, except in case of urgency or necessity. Minutes of the meeting will be recorded and certified documents will be collected for reference and review. At every meeting, executives and related parties should attend the meeting to provide accurate and timely information and details for decision-making.

In respect of voting at the Board of Directors' meeting, the resolution of the Board of Directors shall be made by majority votes and one director shall have one vote. Directors who have interests in any agenda will neither attend the meeting nor exercise their right to vote in that agenda. The chairman of the meeting shall have one more vote as a casting vote.

In addition, the Board of Directors encourages performance assessment at least once a year to improve and correct the business operations. The topics to be discussed are clearly defined before the assessment. Opinions will be collected and presented to the meeting.

#### 12. Remuneration

Director's remuneration includes monthly remuneration and meeting allowances, which must be on average compared to remuneration of the same industry, by considering sufficiency for the performance of duties and responsibilities by the Board of Directors. Executives will receive monthly salary and annual bonus, taking into account the Company's operating performance as an important criteria. The annual remuneration of the Board of Directors and executives in aggregate shall not be unusually high compared to the average remuneration of directors and executives of companies listed in Stock Exchange of Thailand by considering the best interests of shareholders.

In this regard, the Company has established the Nomination and Remuneration Committee to consider format and criteria for payment of remuneration to directors for proposal to the shareholders' meeting for approval.

#### 13. Development of directors and executives

The Board of Directors has a policy to promote and facilitate training and knowledge to those involved in the Company's corporate governance system, such as the Company's directors, the Audit Committee, executives, and the Company Secretary etc. For continuous improvement of operations, trainings and education may be conducted within the Company or through the services of external institutions.

In case of change of director or appointment of new director, the management will provide documents and information useful for the performance of duties by the new director. The management shall ensure that the new director receives an introduction on the nature of business and information regarding business directions of the Company.

The Board of Directors will arrange for rotation of assigned tasks according to aptitudes of the management and employees by mainly considering suitability of work and time. The Chief Executive Officer will determine time and consider results on performance of such work as a development and succession plan of the Company's works. This is to develop the management and employees to have better knowledge and capabilities and be able to work interchangeably.

## 6.2 Business ethics

In addition to conducting business for the maximum benefits of shareholders, Sakol Energy Public Company Limited (the “Company”) also pays attention to the methods used in achieving such success, including considering the potential impact on all groups of stakeholders of the Company, namely shareholders, employees, trade partners, customers, creditors, society, and the public. The Company has established a policy on business ethics to serve as a framework for compliance by the Company's directors, executives, and employees in performing their duties so that the Company can operate the business with transparency and efficiency. It is also to ensure that the Company will be able to treat each group of stakeholders equally and fairly.

In this regard, the Company has prepared this Ethics Handbook for Sakol Energy Public Company Limited as a written guideline for practice and for acknowledgement and compliance by the Company's directors, executives, and employees. The Company expects this Ethics Handbook to serve as a guideline for all employees whereby directors and executives shall act as role models. Therefore, employees should study and understand practices, especially those that are directly related to their own operations. If in doubt, employees should consult with their supervisors. This Ethics Handbook forms part of the "Employees Regulations" of which must be complied by employees. Any employee who fails to comply with this Ethics Handbook may be subject to disciplinary action. Therefore, employees should use the Ethics Handbook as the basis for their work in all cases until it can be said that performing duties with morality is the core principle of employees.

In addition, the Company has provided channels for all groups of stakeholders to contact or file complaints on matters that may cause problems or lodge complaints about any violation of right directly to the Board of Directors by submitting such complaints to the Company to the address or phone number of the Company. The Company will collect complaints and present them to the Board of Directors. The complainant can be confident that the Company will keep the information of the complainant confidential.

The Company has published the Code of Conduct and the Good Corporate Governance Manual, Ethical Standards and Ethics Handbook on the Company's website at <https://www.sakolenergy.com/th/corporate-governance/download>



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

### 6.3.1 Review of policies, practices, and corporate governance system or the charter of the Board of Directors in the past year

The Board of Directors has given importance in complying with the principles of good corporate governance to increase the confidence of shareholders, investors, and all related parties. The Company has reviewed the corporate governance policy and compliance with such policy, including reviewing the charters of the Board of Directors and all sub-committees on a yearly basis:

Code of conduct, including good corporate governance manual, Ethical Standards and Ethics Handbook	Reviewed	Modified
Good corporate governance policy	Reviewed	Unchanged, no modification
Dividend payment policy	Reviewed	Unchanged, no modification
Policy on entry into connected transactions	Reviewed	Unchanged, no modification
Policy on prevention of conflict of interest	Reviewed	Unchanged, no modification
Policy on investments and the Company's management in subsidiaries and associated companies	Reviewed	Unchanged, no modification
Anti-corruption and bribery policy and practices	Reviewed	Unchanged, no modification
Policy on social, community and environmental responsibilities	Reviewed	Unchanged, no modification
Charter of the Board of Directors	Reviewed	Unchanged, no modification
Charter of the Audit Committee	Reviewed	Unchanged, no modification
Charter of the Executive Committee	Reviewed	Unchanged, no modification
Charter of the Nomination and Remuneration Committee	Reviewed	Unchanged, no modification
Policy for usage of the Company's inside information	Reviewed	Unchanged, no modification

### 6.3.2 Implementation of the SEC's Corporate Governance Code for Listed Companies 2017 (CG Code)

The Board of Directors has considered and assigned the management to apply the Corporate Governance Code for Listed Companies in 2017 (CG Code) of the SEC according to the Company's business context and has monitored the implementation of the CG Code. In 2021, the Company has appropriately applied the CG Code to be consistent with the Company's business context.

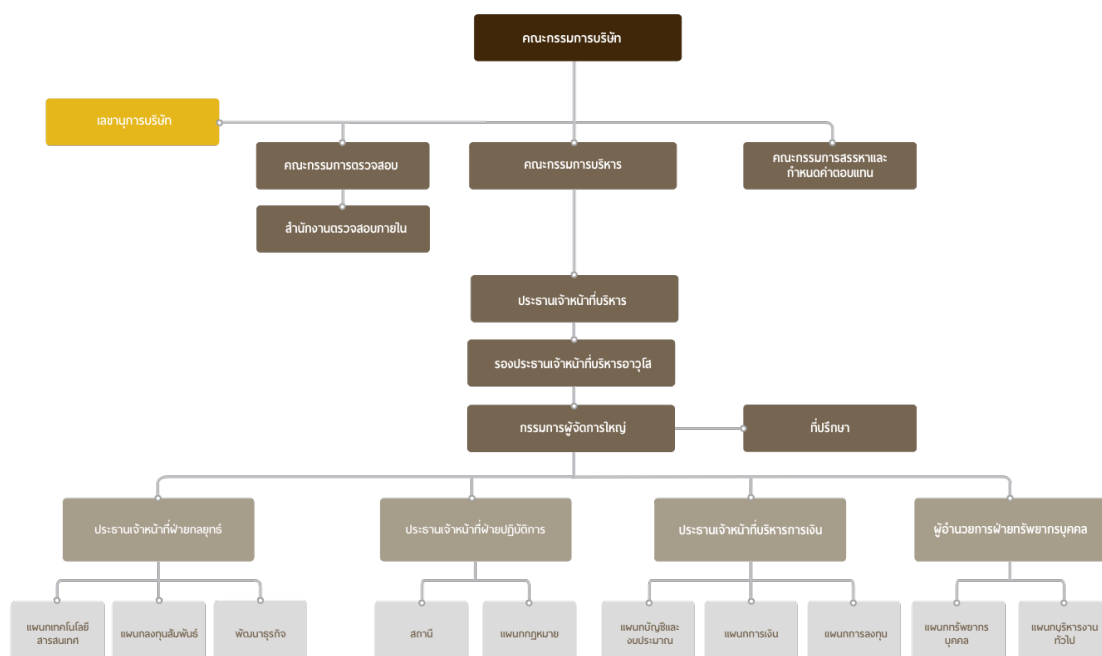
### 6.3.3 Results on compliance with corporate governance code

As a result of compliance by the Company's management with the principles of good corporate governance by considering the importance and responsibilities towards shareholders and all stakeholders, the Company has consistently received a very good level on corporate governance assessment. The Company has been assessed by various regulatory agencies and organizations as follows:

1. Received the results of a survey for Corporate Governance Report of Thai Listed Companies 2021) at "Very Good" level from the Thai Institute of Directors (IOD).
2. Received an assessment score of 100 for assessment on the 2021 Annual General Meeting of Shareholders (AGM Checklist) by the Thai Investors Association.

## Corporate governance structure and important information relating to the Board of Directors, sub-committees, executives, employees, and others

### 7.1 Corporate governance structure



The corporate governance structure of the Company consists of Board of Directors and 3 sub-committees, namely the Audit Committee, the Executive Committee, and the Nomination and Remuneration Committee. The composition and selection, appointment, removal or retirement of directors of the Company is set out in the charter of each committee which has been published on the Company's website <https://www.sakolenergy.com/th/corporate-governance/download>, including the Company's principles of good corporate governance.

## 7.2 Information on the Board of Directors

### 7.2.1 Board of Directors

The Company determines the composition of the Board of Directors as follows:

1. **At least 5 members of the Board of Directors;**
2. The number of independent directors shall not be less than one-third of the total number of directors, but there must be at least 3 independent directors.

At present, the Board of Directors as of 31 December 2021 consisted of 9 directors. The number of independent directors is more than half of the total number of directors.

#### Proportion of the number of directors of the Company

Type	Number (person)	%	Remark
Independent Director	5	55.56	1 female director
Executive Director	4	44.44	1 female director
Non-Executive Director	5	55.56	
<b>Total</b>	<b>9</b>	<b>100</b>	

Independent directors a total of 6 independent directors

- ✓ Person holding the position of independent director of the Company for not more than 9 years
- ✓ Holding a directorship in no more than 5 listed companies
- ✓ 1 independent director with work experience related to the Company's business

Executive director

- ✓ Not being a director in other listed companies outside the business group

### 7.2.2 List of the Board of Directors and controlling persons of the Company

As of 31 December 2021, the Board of Directors consisted of 9 members. The Board of Directors formerly consisted of 10 members. During the year 2021 Mrs. Thanipa Puangchampa resigned from the directorship on 23 March 2021.

	Name	Position	Appointment date
1.	Mr. Direk Lavansiri	<ul style="list-style-type: none"> <li>Independent Director</li> <li>Chairman of the Board of Directors</li> </ul>	5 April 2017 24 April 2019 (1 <sup>st</sup> renewal)
2.	Pol. Gen. Worapong Chewprecha	<ul style="list-style-type: none"> <li>Independent Director</li> <li>Chairman of the Audit Committee</li> </ul>	14 September 2016 19 April 2018 (1 <sup>st</sup> renewal) 21 April 2021 (2 <sup>nd</sup> renewal)
3.	Mr. Witoon Simachokedee	<ul style="list-style-type: none"> <li>Independent Director</li> <li>Member of the Audit Committee</li> </ul>	14 September 2016 24 April 2019 (1 <sup>st</sup> renewal)
4.	Mrs. Rawitha Phongnuchit	<ul style="list-style-type: none"> <li>Independent Director</li> </ul>	14 September 2016

	Name	Position	Appointment date
		<ul style="list-style-type: none"> <li>Member of the Audit Committee</li> <li>Chairman of the Nomination and Remuneration Committee</li> </ul>	24 April 2019 (1 <sup>st</sup> renewal)
5.	Mr. Attawoot Papangkorn	<ul style="list-style-type: none"> <li>Independent Director</li> <li>Member of the Audit Committee</li> <li>(with knowledge and experience to review the reliability of financial statements)</li> <li>Member of the Nomination and Remuneration Committee</li> </ul>	14 September 2016 19 April 2018 (1 <sup>st</sup> renewal)
6.	Mr. Chutchai Sumethchotimetha Authorized director to sign on behalf of the Company	<ul style="list-style-type: none"> <li>Director</li> <li>Chairman of the Executive Committee (Chief Executive Officer)</li> </ul>	14 September 2016 6 March 2017 (1 <sup>st</sup> renewal) 6 August 2020 (2 <sup>nd</sup> renewal)
7.	Mrs. Aree Sumethchotimetha Authorized director to sign on behalf of the Company	<ul style="list-style-type: none"> <li>Director</li> <li>Executive Director (Senior Deputy Chief Executive Officer)</li> </ul>	14 September 2016 6 March 2017 (1 <sup>st</sup> renewal) 6 August 2020 (2 <sup>nd</sup> renewal)
8.	Mr. Jakkrachong Sumethchotimetha Authorized director to sign on behalf of the Company	<ul style="list-style-type: none"> <li>Director</li> <li>Executive Director (Managing Director)</li> <li>Company Secretary</li> </ul>	14 September 2026 19 April 2018 (1 <sup>st</sup> renewal) 21 April 2021 (2 <sup>nd</sup> renewal)
9.	Mr. Thanapon Sumethchotimetha Authorized director to sign on behalf of the Company	<ul style="list-style-type: none"> <li>Director</li> <li>Executive Director (Chief Operating Officer)</li> </ul>	14 September 2016 6 March 2017 (1 <sup>st</sup> renewal) 6 August 2020 (2 <sup>nd</sup> renewal)

Remark:

1. Mrs. Thanipa Puangchampa resigned from the directorship on 23 March 2021.
2. Ms. Pattaraporn Kiewrungpet was appointed as the secretary of the Board of Directors on 9 November 2018 according to the resolution of the Board of Directors' Meeting No. 7/2018.

The Company's director or senior management has never been an employee or partner of an external audit firm used by the Company in the past 2 years.

The Chairman of the Board of Directors, the Chairman of the Executive Committee, and the Chief Executive Officer are not the same person. The Chairman of the Board of Directors is an independent director and not the same

person as the Chairman of the Executive Committee and the Chief Executive Officer. This is to ensure clear separation of roles and duties and balance of power in operations.

**Authorized directors authorized to sign on behalf of the Company**

1. Either Mr. Chutchai Sumethchotimetha or Mr. Thanapon Sumethchotimetha jointly signs with either Mrs. Aree Sumethchotimetha or Mr. Jakkraphong Sumethchotimetha, totaling two persons together with the Company's seal affixed.
2. Mr. Chutchai Sumethchotimetha jointly signs with Mr. Thanapon Sumethchotimetha together with the Company's seal affixed.

**Scope of powers, duties, and responsibilities of the Board of Directors**

1. Perform duties and supervise the Company's business operations in accordance with the laws, objectives, regulations, resolutions of the Board of Directors' meeting, as well as the resolutions of the shareholders' meeting responsibly, with care and integrity, and cautiously to protect the interests of the Company.
2. Determine vision, strategy, business direction, policies, goals, business plans, budgets, management structures and the approval authority of the Company and its subsidiaries as presented by the management. Supervise the management and the performance of the management, sub-committees or any person which has been assigned to perform such duties in order to comply with the established policies with efficiency and effectiveness to maximize the value of the Company and its shareholders.
3. Continuously and regularly monitor and evaluate the performance of the management and/or sub-committees in order to achieve strategies and in accordance with plans and budgets.
4. Ensure that the Company and its subsidiaries have an appropriate and efficient accounting system and provide reliable financial reports and auditing. Establish sufficient and appropriate internal control and internal audit systems.
5. Establish a framework and policies for salary determination, salary increase, determination of compensation, bonuses and rewards of executives, including overseeing an appropriate management compensation mechanism.
6. Consider and approve interim dividend payments to the Company's shareholders.
7. Consider, assess and review nature of risks faced by the Company faces or potential risks that may affect the Company (Identification of Risk) and determine the acceptable risk level of the Company (Risk Appetite).
8. Consider formulating and reviewing policies for external and internal risk management to be comprehensive and in consistent with the strategy and directions of the business. At least 4 risks must be covered:
  - Financial Risk
  - Operational Risk

- Strategic Risk
  - Compliance Risk
9. Consider formulating and reviewing risk management strategies and practices in accordance with the risk management policy to be able to assess, monitor and supervise the risk level to an acceptable level.
  10. Consider setting a budget and how to respond to the risks that arise and may occur to the Company, to be used as rules for operations according to each type of risk situation, including defining the structure and appointing a risk management working group to assess and monitor the results of risk management.
  11. Review policies on corporate governance and social responsibilities, and anti-corruption. Consider and approve the annual corporate governance and social responsibility and anti-corruption assessment reports prepared by the assigned sub-committees.
  12. Ensure that there is no conflict of interest between the stakeholders of the Company and its subsidiaries. If any director has an interest in any transaction with the Company or having an increase or decrease in shareholding in the Company and/or its subsidiaries, such director shall notify the Company without delay.
  13. Appoint sub-committees to assist and support the performance of duties of the Board of Directors as appropriate.
  14. Appoint the Company Secretary and/or the secretary of the Board of Directors to assist the Board of Directors in performing various tasks to ensure that the Company's business operations are in compliance with the relevant laws and regulations.
  15. Engage a consultant or an independent person to provide opinions or advice as needed.
  16. Prepare annual report and be responsible for the preparation and disclosure of financial statements to reflect the Company's financial positions and operating results in the past year for submission to the shareholders' meeting.
  17. Arrange an annual general meeting of shareholders within 4 months from the end of the Company's fiscal year.
  18. Consider and approve various matters by taking into account the interests of shareholders and all groups of stakeholders of the Company with fairness.
  19. Set up a succession plan for the Company's top executives.
  20. Review and amend the Charter of the Board of Directors to be in line with the present circumstances.
  21. Assign one or more directors or any other person to perform any act on behalf of the Board of Directors.

In this regard, the assignment of power and duties and the responsibilities of the Board of Directors will neither delegate nor sub-delegate the authority that allows the Board of Directors or the person authorized by the Board of Directors to approve the transactions of which the Board of Director, the authorized person, or person may have conflict of interest (as defined in the applicable rules) or an interest or may benefit in any way, or may have any other conflict of interest with the Company or a subsidiary of the Company, except for the approval of transactions in accordance with policy and criteria approved by the shareholders' meeting or the Board of Directors.

The scope of duties and responsibilities of the Board of Directors under the authorization matrix are shown in the management structure section under the topic "Authorization."

### Knowledge and expertise

The Board of Directors has diversity and skills aligned with the Company's business strategy through the preparation of the Board Skill Matrix. The Board of Directors is diversified in terms of educational background, experience and without any limitation on other differences. Profile of the director are as set out under Attachment 1.

Table of knowledge and expertise

Name/Knowledge or Expertise	electric energy / Natural gas	Waste Management Business	Accounting / Finance	Marketing	Engineer	Laws	Computer / Software	Securities	Construction	Jewelry / Gems	Hotel / Resort / Real Estate	Transport	Mine / Ore / Metal
1. Mr. Direk Lavansiri Independent Director	✓								✓				
2. Pol. Gen. Worapong Chewprecha Independent Director	✓				✓			✓					
3. Mr. Witoon Simachokedee Independent Director	✓		✓		✓				✓				
4. Mrs. Rawittha Phongnuchit Independent Director	✓				✓		✓			✓	✓		
5. Mr. Attawoot Papangkorn Independent Director	✓		✓			✓	✓				✓		



Name/Knowledge or Expertise	electric energy / Natural gas	Waste Management Business	Accounting / Finance	Marketing	Engineer	Laws	Computer / Software	Securities	Construction	Jewelry / Gems	Hotel / Resort / Real Estate	Transport	Mine / Ore / Metal
6. Mr. Chutchai Sumethchotimetha Executive Director	✓	✓				✓						✓	✓
7. Mrs. Aree Sumethchotimetha Executive Director	✓	✓				✓						✓	✓
8. Mr. Jakkraphong Sumethchotimetha Executive Director	✓	✓		✓									✓
9. Mr. Thanapon Sumethchotimetha Executive Director	✓	✓		✓									✓

#### Details of the meeting attendance by the Board of Directors

Name of Board of Directors	Number of meeting attendance / Total number of meetings		
	Year 2019	Year 2020	Year 2021
1. Mr. Direk Lavansiri	4/4	6/6	6/6
2. Mr. Chutchai Sumethchotimetha	4/4	6/6	6/6
3. Mrs. Aree Sumethchotimetha	4/4	6/6	6/6
4. Mr. Thanapon Sumethchotimetha	4/4	6/6	6/6
5. Mr. Jakkraphong Sumethchotimetha	4/4	6/6	6/6
6. Mrs. Thanipa Puangchampa	3/4	4/6	1/1
7. Pol. Gen. Worapong Chewprecha	4/4	6/6	6/6
8. Mr. Witoon Simachokedee	4/4	5/6	6/6
9. Mrs. Rawittha Phongnuchit	4/4	6/6	6/6
10. Mr. Attawoot Papangkorn	4/4	6/6	6/6

#### Remark:

1. Mrs. Thanipa Puangchampa resigned from the directorship on 23 March 2021.

### **7.2.3 Roles and duties of the Board of Directors, the Chairman of the Board of Directors and the Chief**

#### **Executive Officer**

The Board of Directors plays an important role in overseeing the management of the Company, including setting the directions of the Company's business policies and strategies for the best interests of the Company and its shareholders and monitoring the operations of the various sub-committees of the Company. The Board of Directors also has the authorities and responsibilities as stipulated under the laws, regulations, objectives, and resolutions of the Company's shareholders' meeting. The Board of Directors must perform their duties with responsibilities and upholds the highest ethical standards.

The Board of Directors shall appoint one director as "Chairman of the Board of Directors", and if the Board of Directors deems appropriate, it may consider appointing one or more directors as "Vice Chairman of the Board of Directors".

The Company has determined the scope, power, duties, and responsibilities of the Company's directors in accordance with the Charter of the Board of Directors, including the roles and duties of the Chairman of the Board of Directors by publishing them on the Company's website at [https:// www.sakolenergy.com /th/corporate-governance/download](https://www.sakolenergy.com/th/corporate-governance/download).

The Board of Directors is responsible for supervising the Company's business operations to comply with the laws and regulations and ensures that the Company does not act in violation of regulations. Since being a listed company, the Company has no history of violating the regulations of the SEC or the SET.

#### **Roles and duties of the Chairman of the Board of Directors**

The Chairman of the Board of Directors is responsible for supervising, monitoring, and ensuring that the performance of duties of the Board of Directors is carried out efficiently and achieve the objectives of the organization. The Chairman of the Board of Directors shall ensure that there is transparency in disclosure of information and management. In case of any conflict of interest, the Chairman of the Board of Directors shall consider determining the agenda for the Board of Directors' meeting with the Chief Executive Office and shall ensure that the Company's directors receive accurate, complete, clear and timely information prior to the meeting. The Chairman of the Board of Directors shall provide support and act as a good role model in adhering to the corporate governance and code of conduct. The Chairman of the Board of Directors shall strengthen good relationship between the Board of Directors and the management and support the performance of the Chief Executive Officer and the management according to the Company's policies.

The Company has determined the scope, power, duties, and responsibilities of the Company's directors in accordance with the Charter of the Board of Directors, including the roles and duties of the Chairman of the Board of Directors by publishing them on the Company's website at <https://www.sakolenergy.com/th/corporate-governance/download>

## Roles and duties of the Chief Executive Officer

1. Supervise, manage, operate, and perform routine business activities for the benefits of the Company in accordance with the policies, visions, goals, business plans and the budget set by the Board of Directors' meeting and/or as assigned by the Executive Committee.
2. Manage the Company's operations in accordance with the main missions set by the Executive Committee to be in line with the Company's business plan and budget and related business strategies as stipulated by the Board of Directors and/or the Executive Committee.
3. Supervise the overall operations of finance, marketing, personnel management, and other operational aspects to comply with the Company's policies and operational plans set forth by the Board of Directors and/or the Executive Committee.
4. Have the authority to engage, appoint, transfer, dismiss and terminate employees of the Company in a position lower than the Chief Executive Officer.
5. Have the authority to determine wages, compensation, rewards, bonuses, and salary increases for employees of the Company in the positions lower than the Chief Executive Officer within the framework and policies set by the Executive Committee and/or as stipulated in the authority limits.
6. Negotiate and enter into contracts, order payments and/or any transactions relating to the normal business operations of the Company, provided that the credit limit for each transaction shall be as prescribed by the Executive Committee and/or as stipulated in the authority limits.
7. Approve the appointment of consultants in various fields necessary for the Company's operations and within the limits stipulated in the authority limits.
8. Approve any borrowing and request for loans from financial institutions, lending, pledge, mortgage or become a guarantor of the Company and its subsidiaries, and investment of the Company within the limits stipulated in the authority limits.
9. Approve expenses for organizing public relations activities, seminars, recreational activities, and arrange relationship meetings within the limits as stipulated in the authority limits.
10. Issue orders, regulations, announcements, and records within the Company to operate the Company's business operations in accordance with policies and for the benefits of the Company, including maintaining discipline within the organization.
11. Perform other duties assigned by the Board of Directors and/or the Executive Committee, including having the authority to take any action necessary to perform such duties.
12. Authorize one or more persons to perform any act on behalf of the Chief Executive Officer.

In this regard, the assignment of powers, duties and responsibilities of the Chief Executive Officer will neither delegate nor sub-delegate the authority that allows the Chief Executive Officer or the person authorized by the Chief Executive Officer to approve the transactions of which the Chief Executive Officer, the authorized person, or person may have conflict of interest (as defined in the notification of the Securities and Exchange Commission or the notification of the Capital Market Supervisory Board) or an interest or may benefit

in any way, or may have any other conflict of interest with the Company or a subsidiary of the Company, except for the approval of transactions in accordance with policy and criteria approved by the Board of Directors' meeting.

#### **Approval authorities of the Board of Directors**

The Board of Directors has the authority to perform all transactions and matters as prescribed under the Articles of Association, except for certain transactions, such as determination of directors' remuneration, dividend payment, appointment of directors, increase or decrease the number of directors, determination of audit fee etc., which must be approved by the shareholders' meeting.

### 7.3 Information on the sub-committees

The Board of Directors has considered the importance of the board structure. Three sub-committees have been established, namely the Audit Committee, the Executive Committee, and the Nomination and Remuneration Committee to allow important matters to be scrutinized before being presented to the Board of Directors for consideration. The three sub-committees have their scope of power, duties, and responsibilities in accordance with the charter of each committee published on the Company's website at <https://www.sakolenergy.com/th/corporate-governance/download>

The details of each sub-committee are summarized as follows:

#### Audit Committee

As of 31 December 2021, the Audit Committee consists of 4 members:

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

#### Remark :

1. Mr. Somphop Udompatiphan is the secretary of the Audit Committee, effective from 1 March 2021 according to the resolution of the Audit Committee's Meeting No. 1/2021 (performed duties until 31 August 2021).

#### Scope of power, duties and responsibilities of the Audit Committee

##### 1. Financial Reporting and Disclosure

1. Review and ensure that the Company has accurate financial reports and discloses sufficient and reliable information in accordance with generally accepted accounting principles.
2. Review important issues which may affect the reliability of financial reports and operating results of the Company with the auditor such as:
  - Significant difficulties or conflicts faced by the auditor during their work
  - Facts and differences in opinion between the auditor and the management
  - Level of efficiency of the internal control system
  - Defect or loss that appear in this accounting period that may occur in the next accounting period
  - Violation of the laws applicable to the Company and/or its business

The Audit Committee shall report to the Board of Directors for improvements within the time period as the Audit Committee deems appropriate.

3. Consider connected transactions or transactions that may have conflict of interest to be in accordance with the laws applicable to the Company and/or its business to ensure that such transactions are reasonable and in the best interests of the Company.

## **2. Internal control**

1. Review and ensure that the Company has an internal control system and an internal audit system that are appropriate and effective and in accordance with COSO standards (The committee of Sponsoring Organization of Tread way Commission).
2. Review and give opinion on sufficiency and effectiveness of the good corporate governance process, risk management, internal control, and risks and internal controls of the Company's information technology system.
3. Provide advice to the management on improving the good corporate governance process, risk management, compliance with relevant laws, rules and regulations, and internal control to be efficient and effective.
4. Review and give opinion on sufficiency, appropriateness and effectiveness of internal control in preparing of the Company's financial reports.

## **3. Auditor**

1. Support performance by the auditor to be independent. The Audit Committee will have a meeting to discuss with the auditor without participation by the management and internal audit unit at least once a year.
2. Consider selecting and nominating an independent person to act as the Company's auditor and offer compensation for such persons.

## **4. Internal audit unit**

1. Supervise the internal audit unit to be ethical and to have acceptable audit standards in place.
2. Consider and approve organizational structure, manpower rate, annual audit plan of the internal audit and budget to lead to efficiency and effectiveness of various activities.
3. Review the internal audit report and independence of the internal audit unit.
4. Give opinion to the management regarding appointment, transfer, termination of employment, results of operations, budgets, rates of the internal audit unit. Determine remuneration and consider merits of internal audit unit managers.
5. Promote development of competence and professional advancement of the internal auditor to ensure that the internal audit performance is accurate, efficient, and effective and in line with the development of the Company.

6. Examine and review the charter of the internal audit unit on a regular basis.
7. Supervise other operations of the internal audit unit in addition to the internal audit works and ensure that they do not affect independence of the internal audit unit or ethics of the internal auditor.

#### **5. Compliance with laws, regulations, and work regulations**

1. Review the Company's operations to ensure compliance with relevant laws, rules, and within the Company and of regulatory agencies.
2. Review policy and assess effectiveness of risk management in respect of compliance with relevant rules and regulations within the Company and of regulatory agencies.
3. Review the Company's processes on corporate governance, social responsibilities, and anti-corruption.

#### **6. Review of the charter of the Audit Committee**

Prepare the Charter of the Audit Committee and review it as appropriate in order to determine whether there is a need to revise the responsibilities of the Audit Committee.

#### **7. Preparation of the Audit Committee's report**

Prepare the Audit Committee's report 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 information:

1. Opinion on correctness, completeness, and credibility of the Company's financial reports;
2. Opinion on the adequacy of the Company's internal control system;
3. Comments on compliance with relevant laws and laws applicable to the Company and/or its business;
4. Opinion on suitability of the auditor;
5. Opinion on transactions that may have conflicts of interest;
  1. Number of the meetings of the Audit Committee and meeting attendance by of each member of the Audit Committee;
  2. Overall opinion or observations by the Audit Committee in the performance of duties in accordance with the charter.

#### **8. Other responsibilities**

1. Has the authority to inspect or investigate related persons within the scope of authority of the Audit Committee and has the authority to engage or bring in specialists to help inspect or investigate;
2. Has the authority to engage independent consultants or persons to provide opinion or advice as needed.

The Company has determined the scope, power, duties, and responsibilities of the Audit Committee in accordance with the Audit Committee Charter by publishing them on the Company's website at <https://www.sakolenergy.com/th/corporate-governance/download>

In this regard, Mr. Attawoot Papangkorn is a member of the Audit Committee and independent director who has sufficient knowledge and experience in accounting and finance to review the reliability of the Company's financial statements. Mr. Attawoot Papangkorn graduated with bachelor's degree in business administration, majoring in accounting and master's degree in accounting.

#### Details of meeting attendance by the Audit Committee

Name of the Audit Committee	Number of meeting attendance / Total number of meetings		
	Year 2019	Year 2020	Year 2021
1. Pol. Gen Worapong Chewprecha	4/4	5/5	4/4
2. Mr. Witoon Simachokedee	4/4	5/5	4/4
3. Mrs. Rawittha Phongnuchit	4/4	5/5	4/4
4. Mr. Attawoot Papangkorn	4/4	5/5	4/4

#### Executive Committee

As of 31 December 2021, the Executive Committee consists of 6 members:

#### Remark :

Name of the Executive Committee	Position
Mr. Chutchai Sumethchotimetha	Chairman of the Executive Committee
Mrs. Aree Sumethchotimetha	Executive Director
Mr. Jakkraphong Sumethchotimetha	Executive Director
Mr. Thanapon Sumethchotimetha	Executive Director
Ms. Napaporn Satiitthamporn	Executive Director
Ms. Jitnit Tantrakul	Executive Director

1. Ms. Jitnit Tantrakul has taken the position of Executive Director according to the resolution of the Board of Directors' Meeting No. 1/2021 held on 1 March 2021.
2. Ms. Pattaraporn Kiewrungpet has been appointed as the secretary of the Board of Directors since 2 November 2018 according to the resolution of the Board of Directors' Meeting No. 9/2018.

#### Scope of power, duties, and responsibilities of the Executive Committee

1. Prepare and formulate policies, directions, strategies, business plans, budgets, management structures and management authorities to propose to the Board of Directors for approval and proceed as approved by the Board of Directors, as well as to monitoring and following up on such performance to be efficient and effective.



2. Be the person who manages and supervises the business operations relating to the general management of the Company.
3. Approve the entry into any contract and/or transaction relating to the normal business operations of the Company (such as trading, investing or joint ventures with other parties for the normal business of the Company and for the benefit of operating the Company's objectives) within the limits as stipulated in the authority limits or as specified by the Board of Directors.
4. Approve loan and any request for loans from financial institutions, lending, pledge, mortgage, or become a guarantor of the Company and its subsidiary within the limits as stipulated in the authority limits or as specified by the Board of Directors.
5. Approve the appointment of consultants in various fields necessary for the operations of the Company within the budget framework approved by the Board of Directors each year.
6. Establish a framework and policies for salary determination, salary increase, determination of bonuses, compensation and gratuities for employees and executives (who are not the Chief Executive Officer).
7. Perform any other acts as assigned by the Board of Directors or in accordance with the policies set by the Board of Directors.
8. Review and propose amendments to the charter of the Executive Committee in accordance with the present circumstances.
9. Authorize one or more persons to perform any act on behalf of the Executive Committee.

In this regard, the assignment of powers, duties and responsibilities of the Executive Committee shall neither delegate nor sub-delegate the authority that allows the Executive Committee or the person authorized by the Executive Committee to approve any transaction of which the Executive Committee, the authorized person, or person may have conflict of interest (as defined in the notification of the Securities and Exchange Commission or notification of the Capital Market Supervisory Board) or an interest or may benefit in any way, or may have any other conflict of interest with the Company or a subsidiary of the Company, except for the approval of transactions in accordance with policy and criteria approved by the Board of Directors' meeting.

The scope of duties and responsibilities of the Executive Committee under the authorization matrix are shown in the management structure section under the topic "Authorization."

The Company has determined the scope, power, duties and responsibilities of the Executive Directors in accordance with the Charter of the Executive Committee by publishing them on the Company's website at <https://www.sakolenergy.com/th/corporate-governance/download>

#### Details of meeting attendance by the Executive Committee

Name of Executive Committee	Number of meeting attendance / Total number of meetings		
	Year 2019	ปี 2563	Year 2019
Mr. Chutchai Sumethchotimetha	9/9	11/11	10/10
Mrs. Aree Sumethchotimetha	8/9	11/11	10/10
Mr. Jakkraphong Sumethchotimetha	8/9	10/11	10/10
Mr. Thanapon Sumethchotimetha	7/9	11/11	10/10
Ms. Napaporn Satitthamporn	5/5	11/11	10/10
Ms. Jitnit Tantrakul	-	-	8/8

#### Remark:

- Ms. Jitnit Tantrakul has taken the position of Executive Director according to the resolution of the Board of Directors' Meeting No. 1/2021 held on 1 March 2021.

#### Nomination and Remuneration Committee

As of 31 December 2021, the Company's Nomination and Remuneration Committee consists of 3 members:

Name of the Nomination and Remuneration Committee	Position
Mrs. Rawittha Phongnuchit	Chairman of the Nomination and Remuneration Committee
Mr. Attawoot Papangkorn	Member of the Nomination and Remuneration Committee
Mr. Piya Wittayawarotkit	Member of the Nomination and Remuneration Committee

#### Remarks :

- Mr. Piya Wittayawarotkit served as a member of the Nomination and Remuneration Committee according to the resolution of the Board of Directors' Meeting No. 4/2019 held on 8 November 2019.
- Ms. Pattaraporn Kiewrungpet was appointed as the secretary of the Nomination and Remuneration Committee since 8 November 2018 according to the resolution of the meeting of the Nomination and Remuneration Committee No. 2/2018.

#### Scope of power, duties and responsibilities of the Nomination and Remuneration Committee

- Determine qualifications and criteria for nominating company directors (including members of the Company's sub-committees) and senior management and consider the selection of persons who are suitable in terms of knowledge, experience and expertise to nominate the Board of Directors for consideration and/or propose to the shareholders' meeting for further appointment (as the case may be).

2. Consider the independence of each independent director to ensure that the Company's independent directors are fully qualified.
3. Consider model and process for development of the Chief Executive Officer to be consistent with the Company's business and the present circumstances.
4. Consider forms and criteria for payments of compensation (whether in the form of cash, securities or otherwise) to the Company's directors, sub-committees, and the Chief Executive Officer to be appropriate, fair and in accordance with the relevant laws.
5. Consider assessment criteria for the Chief Executive Officer and present them to the Board of Directors for approval.
6. Review and propose amendments to the scope of power, duties and responsibilities of the Nomination and Remuneration Committee in accordance with the present circumstances.
7. Perform any other act as assigned by the Board of Directors or in accordance with policies determined by the Board of Directors.

The Company has determined the scope, power, duties and responsibilities of the Nomination and Remuneration Committee in accordance with the charter of the Nomination and Remuneration Committee's charter by publishing them on the Company's website at <https://www.sakolenergy.com/th/corporate-governance/download>

#### Details of meeting attendance by the Nomination and Remuneration Committee

Name of Nomination and Remuneration Committee	Number of meeting attendance / Total number of meetings		
	Year 2019	ปี 2563	Year 2019
Mrs. Rawittha Phongnuchit	3/3	2/2	2/2
Mr. Attawoot Papangkorn	3/3	2/2	2/2
Mr. Piya Wittayawarotkit	-	1/2	2/2

#### Remark:

1. Mr. Piya Wittayawarotkit served as a member of the Nomination and Remuneration Committee according to the resolution of the Board of Directors' Meeting No. 4/2019 dated 8 November 2019

## 7.4 Information on the management

### 7.4.1 Name and management positions

As of 31 December 2021, the Company has 6 executives:

Name of executives	Position
Mr. Chutchai Sumethchotimetha	Chairman of the Executive Committee
Mrs. Aree Sumethchotimetha	Vice Chairman of the Executive Committee
Mr. Jakkraphong Sumethchotimetha	Managing Director
Mr. Thanapon Sumethchotimetha	Chief Operating Officer
Ms. Napaporn Satitthamporn	Chief Financial Officer
Ms. Jitnit Tantrakul	Chief Strategy Officer

Remarks:

1. List of the Company's executives according to the Notification of the SEC Re: Determination of definitions in notifications regarding issuance and offering of securities.
2. Ms. Napaporn Satitthamporn is the highest responsible person in the accounting and finance department (CFO).
3. Ms. Jitnit Tantrakul was appointed as Chief Strategy Officer according to the resolution of the Board of Directors' Meeting No. 1/2021 held on 1 March 2021.

There is one newly appointed executives with effect from 1 January 2022:

Name of Executive Committee	Position
Mr. Piya Wittayawarotkit	Director of Human Resources Department

### 7.4.2 Policy on remuneration of executive directors and executives

#### Remuneration of executive directors

The Board of Directors (including executive directors or employees of the Company) will not receive meeting allowances and remuneration for the positions of executive director and sub-committees, but may receive remuneration in the form of gratuities as determined by the Board of Directors.

### 7.4.3 Remuneration of executives of the Company and subsidiaries

#### Remuneration of executives as defined by the SEC

The Board of Directors has established a compensation policy for the Chief Executive Officer (CEO) and senior management both short-term and long-term by considering performance as a key factor.

Executives receive short-term compensation such as monthly remuneration and bonus. The compensation is set at a level comparable to the industry practice. Performance is assessed based on key performance indicators (KPIs) and returns are linked to performance. The Company has compared the total

amount of remuneration for executive directors and executives to demonstrate the appropriateness of compensation and transparency in management according to the details as follows:

Total remuneration of executive directors and executives:

1. Monetary compensation

In 2019, 2020 and 2021, the Company has paid remuneration to the management in the total amount of Baht 15,187,168.83, Baht 19,073,284.75, and Baht 18,575,494.84 respectively. Such compensation is in the forms of salary, bonus, and others such as provident fund. This can be summarized as follows:

Executive remuneration	Year 2019		Year 2020		Year 2021	
	No. of persons	Amount (Baht)	No. of persons	จำนวนเงิน (บาท)	No. of persons	Amount (Baht)
Salary and bonus	5	14,529,447.33	5	17,199,823.33	6	17,612,832.00
Others	-	657,721.50	-	853,566.42	-	962,662.84
<b>Total</b>	<b>-</b>	<b>15,187,168.83</b>	<b>-</b>	<b>18,053,389.75</b>	<b>-</b>	<b>18,575,494.84</b>

Remark:

Executive remuneration in the above table is the remuneration of executives according to the definition of the SEC, which is different from the remuneration of key executives as stated in the notes to the financial statements for the year ending 31 December 2021 and notes to the interim financial statements for the three-month period ending 31 March 2022.

2. Non-monetary compensation

None

The Company's management in the above table consists of Mr. Chutchai Sumethchotimetha, Mrs. Aree Sumethchotimetha, Mr. Thanapon. Sumethchotimetha, Mr. Jakkraphong Sumethchotimetha, Ms. Napaporn Satitthamporn and Ms. Jitnit Tantrakul.

**Performance appraisal of the highest-level management**

The Company has annually assessed performance of the highest-level management, namely the Chief Executive Officer (CEO), to be used in determining remuneration of the highest-level management. The Nomination and Remuneration Committee will consider the criteria for evaluating performance of the Chief Executive Officer, including rules for adjusting the salary in the next year and rules for bonus payment to be presented to the Board of Directors for approval.

## 7.5 Employee Information

### Numbers of Employees

As of 31 December 2021, the Company and its subsidiaries have a total of 151 employees, divided by departments as follows:

Department	As of 31 December 2019 Number (persons)	As of 31 December 2020 Number (persons)	As of 31 December 2021 Number (persons)
Executive	5	5	6
Management - Employees	1	1	1
Engineering Department	29	26	14
Personnel Department	8	6	7
General Administration Department	3	3	1
Department of System Standard	3	2	1
Accounting and Budgeting Department	6	6	9
Business Development Department	4	2	1
Information Technology Department	2	1	1
Finance department	3	3	3
Legal department	2	1	2
Internal Audit Office	2	2	-
Investment Relations Department	2	2	1
Office	8	8	3
Mae Krating Power Company Limited	11	15	55
RE Biofuels Company Limited	13	11	-
N15 Technology Company Limited	-	-	46
<b>Total</b>	<b>103</b>	<b>94</b>	<b>151</b>

**Remark:** Information of the Company and its subsidiaries are Sakol Energy Public Company Limited, SK 15 Company Limited, SKE Development Company Limited, Mae Krating Power Company Limited, N15 Technology Company Limited. Co., Ltd. (is a subsidiary of the Company from 1 June 2021) and RE Biofuels Company Limited (no longer being a subsidiary of the Company From 9 April 2021).

## Remuneration of employees of the Company and subsidiary

The Company has paid compensation to employees (including executives), in the form of salary, bonus and other compensation. The details are as follows.

Employee Compensation	Year 2019	Year 2020	Year 2021
Salary and Bonus	28,465,247.10	33,431,699.62	53,078,105.97
Overtime	1,312,133.60	1,550,058.84	1,913,128.46
Allowance and Diligence Allowance	346,486.67	428,420.00	912,318.15
Others	865,072.51	613,722.08	1,349,892.26
<b>Total</b>	<b>30,988,939.88</b>	<b>36,023,900.54</b>	<b>57,253,444.84</b>

The provident fund of the Company and Subsidiaries established on 25 August 2016 has been registered by the SEC and shall come into effect from 1 October 2016.

## Employee Development Policy

The Company is committed to developing professional quality personnel, to provide opportunities for employees to show their full potential at all levels continuously, to encourage employees to progress according to their career path along with the success of the Company's operations. The guidelines are as follows.

1. Provide training both inside and outside the organization by considering the appropriateness according to the position of each employee.
2. The Company encourages employees who have been trained to have the opportunity to share knowledge and experience gained from training to other employees, to transfer knowledge and experience within the organization in the form of Knowledge Management.
3. The Company developed a 70: 20: 10 training system to develop employees' skills and learning processes, 70 on their own working, 20 from teaching supervisors and colleagues, and 10 from training and learning in the classroom that the Company provides.
4. The Company has established a leadership development system (Leadership Skills) to create a successor plan.
5. The Company has developed the Individual Development Plan (IDP) as a framework or approach to help Personnel in the organization achieve their career goals within 1-5 years in the line of work and being an employee of the Company.

## Labor Dispute

During the past 3 years until 31 December 2021, the Company has no labor disputes with which the Company is a party or an associate, which may have a significant impact on the Company's business operations.



## 7.6 Other important information

### Company Secretary

The Board of Directors Meeting No. 2/2016 held on 9 March 2016 resolved to appoint Mr. Jakkraphong Sumethchotimetha as Company Secretary with duties and responsibilities as stipulated in the Securities Act. Qualifications of a person holding the position of Company Secretary are as set out under Attachment 1.

### Scope of power, duties and responsibilities of the Company Secretary

1. Prepare and maintain a register of directors, notice to the Board of Directors' meeting, minutes of the Board of Directors' meeting, annual report, notice to the shareholders' meeting, minutes of the shareholders' meeting on behalf of the Company and/or the Board of Directors.
2. Maintain reports on interest reported by directors or executives on behalf of the Company and/or the Board of Directors.
3. Perform any other acts as specified in the notification of the Capital Market Supervisory Board and send a copy of the report on interest pursuant to Section 89/14 prepared by directors to the Chairman of the Board of Directors and the Chairman of the Audit Committee within 7 working days from the date on which the Company receives such report on behalf of the Company and/or the Board of Directors.
4. Provide basic advice on legal matters, rules and regulations of the Company that the Board of Directors would like to know and follow up to ensure that they are properly complied with regularly, including reporting significant changes to regulations and/or laws to the Board of Directors.
5. Organize shareholders' meetings and board of directors' meetings in accordance with the laws, Articles of Association and related practices.
6. Record the minutes of the shareholders' meeting and the minutes of the Board of Directors' meeting and follow up to ensure compliance with the resolutions of the shareholders' meeting and the Board of Directors' meeting.
7. Supervise disclosure of information and information memorandum responsible for the relevant agencies according to the regulations and requirements of such agencies.
8. Supervise the activities of the Board of Directors and any other actions to be in accordance with the laws and/or as prescribed by the Capital Market Supervisory Board and/or as assigned by the Board of Directors.

### Person with the highest responsibility in accounting and finance

Ms. [Napaporn Satiitthamporn], whose commencement date was on 1 May 2019, details of which are as set out in Attachment 1.

### Head of Internal Audit

In 2021, the Company engages A.M.T. Solution Co., Ltd. as the Company's internal auditor with Mrs. Tassanee Sonpetch as the Internal Audit Manager. She is knowledgeable, professional and competence and is an independent internal auditor. This is to ensure that the audit of the Company's internal control system is the most effective. The Company encourages independent internal auditors from outside the Company to perform their duties in accordance with international standards of professional practice in internal auditing by specifying direct channels for reporting to the Audit Committee, details of which are as set out under Attachment 1.

#### **Head of Investor Relations and contact information**

The Company realizes that the Company's information related to both financial statements and non-financial statements affects the decision-making process of investors and stakeholders of the Company. The management has given importance to the disclosure of any information about the Company, that it must be complete, true, accurate, and reliable. It must also meet the criteria set by the SEC and the SET. Those who have no relevant duties or are not authorized can neither provide information nor give interviews to the mass media or the public.

The Company has set up the Investment Relations Department to be a center for communicating important information to investors including financial reports, the Company's performance and prospects, and other information which affects the Company's share price. In 2021, the Company arranged meetings with the media and activities for shareholders as follows:

Type of Activities	Number (Time)
Analyst meeting	1
Opportunity Day	4
Press conference	2
Site visit	0

Contact details of the Investment Relations Department

Telephone 02-026-3451 ต่อ 271

Email [ir@sakolenergy.com](mailto:ir@sakolenergy.com)

#### **Auditor's Remuneration**

For the financial year ending 31 December 2020, the Company and its subsidiaries paid the audit fee to the audit firm of the Company's auditors in the total amount of Baht 2,665,000 and the subsidiaries paid other service fees (non-audit fee) such as audit fee of BOI promoted business in the amount of Baht 40,000.

For the financial year ending 31 December 2021, the Company and its subsidiaries paid the audit fee to the audit firm of the Company's auditors in the total amount of Baht 2,280,000, and the subsidiaries paid other service fees (non-audit fee) such as audit fee of BOI promoted business in the amount of Baht 40,000.

Person or business relating to the auditors and the audit firm with are not person or business relating to the Company and its subsidiaries.

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

### 8.1.1 Recruitment, development, and performance assessment of the Board of Directors

#### Selection and appointment of directors and highest-level executive

The Nomination and Remuneration Committee will consider and screen persons who will become directors of the Company (including members of the Company's sub-committees) and senior management and select persons who are suitable in terms of knowledge, experience, and expertise for nomination to the Board of Directors for consideration and appointment and/or to further propose to the shareholders' meeting for consideration and appointment.

#### Company director

The key composition of the Board of Directors can be summarized as follows:

1. The Board of Directors does not have to be shareholders of the Company.
2. The number of the Board of Directors shall be as specified by the shareholders' meeting but there must be at least 3 members, and not less than half of the total number of directors must be resident in the Kingdom of Thailand.
3. At least one-third of the total number of directors must be independent directors and the number of independent directors shall not be less than three persons.

In this regard, the Board of Directors shall appoint one director as "Chairman of the Board of Directors", and if the Board of Directors deems appropriate it may consider appointing one or more directors as "Vice Chairman of the Board of Directors"

#### Appointment and position of the Board of Directors can be summarized as follows:

1. The Board of Directors shall be responsible for nominating persons who are qualified to hold the position of the Company's director and presenting the name of such persons to the shareholders' meeting for further consideration and approval on the appointment.
2. The shareholders' meeting shall appoint the Company's directors. In case of appointment of a director to replace the vacant position for reasons other than the expiration of the term, the Board of Directors is allowed to appoint persons with full qualifications to serve as director. In this regard, the person who assumes the position of director in such case shall hold office only for the remaining term of the director whom he/she replaces.
3. At every annual general meeting of shareholders, one-third of the total number of directors shall be retired. If the number of directors cannot be divided exactly into three parts, it shall be the number closest to one-third. The retiring committee may be re-appointed to take up the position. The directors who must retire from office in the first year and the second year

after registration of the Company shall be drawn by ballot. In the following years, the directors who have been in the position for the longest time shall retire.

Directors who retire by rotation may be re-appointed for another term. However, independent director shall hold office for a total term of not more than 9 years, unless the Board of Directors deems that such person should continue to be an independent director of the Company for the best interest of the Company.

**The Board of Directors has set the following qualifications:**

1. Person with knowledge and capabilities, who is honest, has business ethics and sufficient time to devote knowledge and skills to the Company.
2. Person who is qualified and not prohibited by the applicable laws, who does not have characteristics that indicate a lack of suitability to be entrusted with managing a business that has a public shareholding according to the Securities and Exchange Commission, the Capital Market Supervisory Board and/or the Stock Exchange of Thailand (collectively referred to as the "Related Rules").
3. Not being a person who operates businesses of the same nature and is in competition with the Company's business or become a partner a director in another juristic person who operates a business of the same nature and is in competition with the business of the Company whether they do it for their own benefit or that of others, unless notified to the shareholders' meeting prior to the resolution of appointment.
4. Independent directors must have qualifications related to independence as stipulated by the Company and in accordance with the Related Rules on qualifications of independent directors and must be able to take care of the interests of all shareholders equally and do not cause any conflict of interest. In addition, they must be able to attend the Board of Directors' meeting and express their opinion independently.

The Company stipulates those directors who do not serve as executives are independent from the management and controlling shareholders, and do not have any business relationship with the Company in such a way as to limit independent opinion. They must have additional qualifications as follows:

5. Holding no more than one percent of the total number of shares with voting rights of the Company, parent company, subsidiary, associated company, major shareholder or controlling person of the Company, including the shareholding of related persons of that independent director.
6. Not being or used to be a director who takes part in management, employee, advisor who receives a regular salary or controlling person of the Company, parent company, subsidiary company, associated company, subsidiary of the same level, major shareholder or the Company's controlling person, unless the foregoing position has been vacated for not less than two years prior to the date of appointment. However, such prohibited characteristics do

not include the case where the independent director used to be a government official or an advisor to a government agency, which is a major shareholder or controlling person of the Company.

7. Not being a person who has a blood relationship or by legal relationship as parent, spouse, sibling and children, including spouse of the children of other director, executive, major shareholder, controlling person or person who will be nominated as an executive or controlling of the Company or its subsidiary.
8. Does not have or had a business relationship with the Company, parent company, subsidiary, associated company, major shareholder or controlling person of the Company in a manner that may impede the exercise of one's independent judgment, including not being or having been a significant shareholder or a controlling person of a person having a business relationship with the Company, parent company, subsidiary, associated company, major shareholder or controlling person of the Company, unless the foregoing status has been vacated for not less than two years prior to the date of appointment. Such business relationship includes normal commercial transaction for rental business or leasing real estate, items related to assets or services or giving or receiving financial assistance by accepting or giving loans, guarantees, or providing assets as collateral for liabilities, including other similar behaviors. As a result of such relationship, the Company or the contracting party has obligations to be paid to the other party, from three percent of the Company's net tangible assets or twenty million baht or more whichever is lower. However, the calculation of such obligations shall be in accordance with the method of calculating value of the connected transaction in accordance with the relevant regulations on connected transactions, mutatis mutandis. Such obligations shall include debt obligations incurred during one year prior to the date of business relationship with the same person.
9. Not being or used to be an auditor of the Company, parent company, subsidiary, associated company, major shareholder or controlling person of the Company and is not a significant shareholder, controlling person, or a partner of the audit firm which has the auditors of the Company, parent company, subsidiary, associated company, major shareholder, or controlling person of the Company, unless the foregoing status has been vacated for not less than two years prior to the date of appointment.
10. Not being or having been a professional service provider of any kind, including serving as a legal or financial advisor which receives a service fee of more than Two Million Baht per year from the Company, parent company, subsidiary, associated company, major shareholder or controlling person of the Company. Not being a significant shareholder, controlling person

or a partner of professional service provider, unless the foregoing status has been vacated for not less than two years prior to the date of appointment.

11. Not being a director who has been appointed to represent the Company's directors, major shareholder or shareholder who is related to major shareholder.
12. Do not operate businesses that are of the same nature and are in significant competition with the business of the Company or its subsidiaries or not being a significant partner in the partnership or being a director who takes part in the management, an employee, a staff, a consultant who receives regular salary or holding more than one percent of the total number of shares with voting rights of other companies which operates similar business and in a significant competition with the Company's business or its subsidiary.
13. Having no other characteristics that prevent from expressing independent opinion on the Company's operations.

#### **Audit Committee**

**The key composition of the Audit Committee can be summarized as follows:**

The Audit Committee consists of at least 3 independent directors, of which at least one member must have sufficient knowledge and experience in accounting or finance to review the reliability of the financial statements. The Audit Committee shall appoint one member of the Audit Committee as the Chairman of the Audit Committee and appoint a secretary of the Audit Committee to assist the Audit Committee's performance of duties regarding meeting appointments, agenda preparation, submission of documents for the meeting and record the minutes of the meeting.

**Appointment and position of the Audit Committee can be summarized as follows:**

The Board of Directors or the shareholders' meeting shall appoint independent directors of the Company to be the Audit committee. The term of office of member of the Audit Committee shall be in accordance with the term of office of the Company's director. The Audit Committee who retires by rotation may be reappointed as the member of the Audit Committee.

If the member of the Audit Committee completes the term of office or is unable to hold office until the expiration of the term and the Audit Committee consists of less than 3 members, the Board of Directors or the shareholders' meeting should appoint a new member of the Audit Committee immediately or at the latest within 3 months from the date on which the number of Audit Committee is incomplete to ensure continuity in the performance of the Audit Committee.

**The Board of Directors has set the qualifications of the Audit Committee as follows:**

1. Being fully qualified to be an independent director in accordance with the criteria and conditions prescribed by the Office of the Securities and Exchange Commission and the Capital Market Supervisory Board and/or the Stock Exchange of Thailand.

2. Not being a director who has been assigned by the Board of Directors to make decisions on the operation of the Company, parent company, subsidiary, associated company, same-level subsidiary, major shareholder or controlling person of the Company.
3. Not being a director of a parent company, subsidiary, or same-level company only for the listed company.
4. Having sufficient knowledge and experience to be able to perform duties as an audit committee and at least one member of the Audit Committee has sufficient knowledge and experience in accounting or finance to be able to review the reliability of the financial statements.

#### **Nomination of directors and highest-level executive**

##### **Nomination of directors**

In appointing directors, the Nomination and Remuneration Committee, which consists of 1 independent director out of the total 3 members of the Nomination and Remuneration Committee, is responsible for considering the selection and screening qualified persons according to the Company's Articles of Association. The Nomination and Remuneration Committee shall nominate the qualified candidates to have professional directors and diversity and present its opinion to the Board of Directors to seek approval from the directors. Such directors shall then be presented to the shareholders' meeting for appointment.

The Nomination and Remuneration Committee shall ensure that the Board of Directors has the right size and composition, including being adjusted to suit the changing environment. The directors must be knowledgeable with capabilities and suitable qualifications. The Nomination and Remuneration Committee provides opportunities for directors and shareholders to participate in the nomination of qualified directors.

The appointment of directors through the shareholders' meeting is based on the following rules and procedures:

1. In voting for appointment of director, a shareholder shall have vote equal to 1 share per 1 vote.
2. Shareholders may exercise the right to choose only one or more persons as directors. However, the number of chosen persons must not exceed the number of directors to be appointed at that time.
3. In the event that shareholder exercises the right to choose more than one person as directors, the shareholder shall have the right to vote for each person equal to the number of his/her votes, the votes cannot be divided to any person to any extent.
4. Persons receiving the highest votes in descending order shall be appointed as directors equal to the number of directors to be appointed at that time. In case of persons appointed in descending order having equal votes exceed the number of directors to be appointed at that time, the chairman of the meeting shall have a casting vote on such appointment.

5. If the position of director becomes vacant for reasons other than the expiration of the term, the Nomination and Remuneration Committee shall select qualified person who has no characteristics prohibited by the laws to become a replacement director in the next Board of Directors' meeting, unless the remaining term of that director is less than 2 months. The person who is appointed as a replacement director shall be in the position of director only for the remaining term of the director he replaces.

#### **Recruitment of highest-level executive**

In selecting the Chief Executive Officer / Chairman of the Executive Committee / Managing Director of the Company, the Nomination and Remuneration Committee shall preliminarily screen and recruit person who is suitable in terms of knowledge, experience, and expertise which is beneficial to the Company's operations and understand the Company's business well. Such person must be able to manage works to achieve objectives and goals determined by the Company for proposal to the Board of Directors for consideration and appointment.

#### **Development of directors and executives**

To develop knowledge and capabilities of the on a regular basis and create useful views and ideas that can be applied to the Company's business, the Company has encouraged directors and executives to attend training with the Thai Institute of Directors (IOD), the Stock Exchange of Thailand and other institutions, including attending seminars to exchange knowledge in sustainable business development with good corporate governance as fundamental with experts. This is to create confidence among shareholders and other stakeholders, which will lead to business growth and increase business value in the long run. The details of the training/seminars in 2021 are as follows:

Name of director	Position	Date of training/seminar	Training course/Seminar in 2021
Ms. Napaporn Satitthamporn	Chief Financial Officer	18 March 2021, 21 September 2021, and 19 October 2021	Online seminar, TLCA CFO Professional Development Program (TLCA CFO CPD) No. 1/2021 on the topic "Economic update for CFO" No. 6/2021 on the topic "ESG Integration in Sustainable Investing" and No. 7/2021 on the topic "Economic update for CFO" organized by Thai Listed Companies Association.
		2 and 4 June 2021	Online training course on "Summary on key issues of TFRS for PAEs that must be aware of and changes in the year 2021." The 6 <sup>th</sup> year training scholarship program (Account



		Management for Listed Companies) organized by the Stock Exchange of Thailand.
	22 July 2021	Online training course on "Preparation for changes for sustainability with One Report" No. 4 Resources and Industrial (Petrochemicals & Chemicals) organized by the Office of Securities and Exchange Commission.
	11 September 2021	Virtual conference on the topic "The Secret Sauce Strategy Forum, Strategy Bible for Crisis in 2022" organized by The Standard.
	28 September 2021	Online discussion on the topic "Guidelines to support and enhance liquidity for trade partners of listed companies during the Covid-19 pandemic" organized by Thai Listed Companies Association.
	29 and 30 September 2021	Online training course on "Trends, directions of M&A, important issues to consider and strategies for making successful M&A" organized by the Stock Exchange of Thailand.

## 8.1.2 Attendance and compensation payment

Details of meeting attendance in 2021 are as follows:

Name	Number of meeting attendance / right to attend the meeting (percentage of attendance)				
	Sub-committee				BOARD
	BOARD	AC	NRC	EXCOM	
1 Mr. Direk Lavansiri	6/6 (100%)	-	-	-	1/1 (100%)
2. Mr. Chutchai Sumethchotimetha	6/6 (100%)	-	-	10/10 (100%)	1/1 (100%)
3. Mrs. Aree Sumethchotimetha	6/6 (100%)	-	-	10/10 (100%)	1/1 (100%)
4. Mr. Thanapon Sumethchotimetha	6/6 (100%)	-	-	10/10 (100%)	1/1 (100%)
5. Mr. Jakkraphong Sumethchotimetha	6/6 (100%)	-	-	10/10 (100%)	1/1 (100%)
6. Mrs. Thanipa Puangchampa	1/1 (100%)	-	-	-	1/1 (100%)
7. Pol. Gen. Worapong Chewprecha	6/6 (100%)	4/4 (100%)	-	-	1/1 (100%)

8. Mr. Witoon Simachokedee	6/6 (100%)	4/4 (100%)	-	-	1/1 (100%)
9. Mrs. Rawittha Phongnuchit	6/6 (100%)	4/4 (100%)	2/2 (100%)	-	1/1 (100%)
10. Mr. Attawoot Papangkorn	6/6 (100%)	4/4 (100%)	2/2 (100%)	-	1/1 (100%)
11. Ms. Napaporn Satitthamporn	6/6 (100%)	-	-	10/10 (100%)	1/1 (100%)
12. Ms. Jitnit Tantrakul	-	-	-	8/8 (100%)	1/1 (100%)
13. Mr. Piya Wittayawarotkit	-	-	2/2 (100%)	-	-

**Remarks:**

- Names of the Company's directors are listed under items 1-10 above. Mrs. Thanipa Phuangchampa resigned from the position of director on 23 March 2021.
- Ms. Jitnit Tantrakul was appointed as an Executive Director according to the resolution of the Board of Directors' Meeting No. 1/2021 held on 1 March 2021.

**Remuneration of directors and executives**

**Remuneration of directors**

**1. Monetary Compensation**

The 2021 Annual General Meeting of Shareholders held on 30 April 2021 approved the remuneration of directors and sub-committees in the form of monthly remuneration and allowance per meeting, the details of which are as follows:

• **Board of Directors**

Position	Monthly compensation	Allowance per meeting
Chairman of the Board of Directors	Baht 25,000	Baht 25,000
Member of the Board of Directors	Baht 15,000	Baht 15,000

**Remark :**

The 2021 Annual General Meeting of Shareholders held on 30 April 2021 approved the remuneration of directors and sub-committees in the form of monthly remuneration and allowance per meeting in the amount not exceeding Baht 3,000,000 per year. The Company's directors holding the position of executive directors waive their right to receive monthly remuneration for holding the position of the Company's directors. There are 4 directors, namely Mr. Chutchai Sumethchotimetha, Mrs. Aree Sumethchotimetha, Mr. Thanapon Sumethchotimetha and Mr. Jakkraphong Sumethchotimetha, which has become effective from April 2016 onwards.

• **Audit Committee**

Position	Monthly Compensation	Allowance per meeting
Chairman of the Audit Committee	-	Baht 20,000
Member of the Audit Committee	-	Baht 12,000

- Executive Committee

The Board of Directors' Meeting No. 3/2016 resolved to acknowledge determination of remuneration of the Executive Committee in holding the position of executive director without receiving compensation, whether monthly compensation or meeting allowance. The Executive Committee shall continue to perform duties to the best of its ability and for the Company's best interests, with effect from April 2016 onwards.

- Nomination and Remuneration Committee

Position	Monthly Compensation	Allowance per meeting
Chairman of the Nomination and Remuneration Committee	-	Baht 12,000
Member of the Nomination and Remuneration Committee	-	Baht 10,000

Remark :

The meeting allowance of the Nomination and Remuneration Committee in the amount of Baht 12,000 is for members of the Nomination and Remuneration Committee who are directors. There will be no remuneration for members of the Nomination and Remuneration Committee who do not hold the position of director.

Details of remuneration for individual directors for the year 2021

Name of Directors	Directors' remuneration (as of 31 December 2021)							
	Board of Directors		Audit Committee		Board of Directors			Total
	Meeting Allowance	Monthly Compensation	Meeting Allowance	Monthly Compensation	Meeting Allowance	Monthly Compensation	Monthly Compensation	
1. Mr. Direk Lavansiri	150,000	300,000	-	-	-	-	-	450,000
2. Mr. Chutchai Sumethchotimetha	90,000	-	-	-	-	-	-	90,000
3. Mrs. Aree Sumethchotimetha	90,000	-	-	-	-	-	-	90,000
4. Mr. Jakkraphong Sumethchotimetha	90,000	-	-	-	-	-	-	90,000
5. Mr. Thanapon Sumethchotimetha	90,000	-	-	-	-	-	-	90,000
6. Mrs. Thanipa Puangchampa	15,000	45,000	-	-	-	-	-	60,000
7. Pol. Gen. Worapong Chewprecha	90,000	180,000	100,000	-	-	-	-	370,000
8. Mr. Witoon Simachokedee	90,000	180,000	60,000	-	-	-	-	330,000
9. Mrs. Rawitha Phongnuchit	90,000	180,000	60,000	-	24,000	-	-	354,000
10. Mr. Attawoot Papangkorn	90,000	180,000	60,000	-	20,000	-	-	350,000
11. Ms. Napaporn Satithamporn	-	-	-	-	-	-	-	-
12. Ms. Jitnit Tantrakul	-	-	-	-	-	-	-	-
13. Mr. Piya Wittayawarotkit	-	-	-	-	-	-	-	-
<b>Total</b>	885,000	1,065,000	280,000	-	44,000	-	-	2,274,000

Remarks:

- Names of the Company's directors are listed under items 1-10 above. Mrs. Thanipa Puangchampa resigned from the position of director on 23 March 2021.
- Ms. Jitnit Tantrakul was appointed as an Executive Director according to the resolution of the Board of Directors' Meeting No. 1/2021 held on 1 March 2021.

## 2. Non-monetary compensation

None

### 8.1.3 Supervision of subsidiaries and associated companies

Sakol Energy Public Company Limited has a policy on investment and management of subsidiaries and associated companies. It will invest in businesses that are related, similar, or that will benefit and support the Company's business operations to strengthen the stability and performance of the Company.

In supervising the operations of subsidiaries and associated companies, the Company will send a representative of the Company who have qualifications and experience suitable for the business in which the Company invests as a director of such subsidiaries and associated companies. The representative may be the chairman of the board of directors, Chief Executive Officer, director, senior management, or any person of the Company without conflict of interest with the business of those subsidiaries and associates. This is to enable the Company to control and supervise the business and the operations of subsidiaries and associated companies as if they were part of the Company. The Company, therefore, requires its representatives to manage the business of subsidiaries and associated companies in accordance with the laws applicable to the business operations of the subsidiary and/or associated company. The submission of representatives to be directors in such subsidiary and associated company shall be in accordance with the shareholding proportion of the Company and/or mutual agreement in the case of the associated company.

The Company will closely monitor the operating results and operating results of its subsidiaries and associated companies, including supervising collection of information and accounting records of subsidiaries and associated companies for examination by the Company.

The directors who are the Company's representatives or the persons representing the Company as directors of subsidiaries must report progress of each company to the Board of Directors every time there is a meeting to jointly formulate policies that are important to the business

At present, there are directors and executives who hold directorships in subsidiaries. The details are as set out in Attachment 2.

In addition to sending directors to represent the Company as directors and executives, the Company encourages subsidiaries and associated companies to use similar criteria relating to disclosure of financial positions and operating results, transactions between the Company and connected persons, acquisition or disposition of assets, including the use of the same audit office, namely KPMG Phoomchai Audit Ltd.

The Company has no agreements between the Company and other shareholders for managing subsidiaries and associates. The management of such entities is in accordance with normal shareholding proportions.

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

##### 1. Prevention of conflict of interest

The Company has an important policy of eliminating conflict of interest carefully with honesty, reasonability, and independence under a good ethical framework for the benefits of the Company, requiring those who are involved in, or connected to the transaction that are being considered, to disclose information about their interests and related parties to the Company, and must not participate in the consideration, including no authority to approve such transaction.

The Company has a policy to enter connected transactions and transactions with conflicts of interest in accordance with applicable laws or regulations.

The details have been specified in the Company's connected transaction policy and a manual on good corporate governance, ethical standards, and business ethics, which has been published on the Company's website at <https://www.sakolenergy.com/th/corporate-governance/download>

##### 2. Exploitation of inside information

Sakol Energy Public Company Limited attaches great importance to the prevention of the use of inside information of the Company that may affect the price of the Company's securities or information that, if disclosed, will cause damage or disadvantage to the Company. It is considered confidential and important, including inside information of the Company that has not been disclosed to the public to reveal or seek benefits for oneself or others, whether directly or indirectly and whether they receive a return or not. In this regard, the Company has established guidelines to prevent the use of inside information by educating directors and executives of the Company on the duty to report securities holdings of themselves, their spouses, and minor children to the Office of the Securities and Exchange Commission in accordance with the guidelines set forth in Section 59 and penalty provisions under Section 275 of the Securities and Exchange Act B.E. 2535 (1992) (as amended). It also includes reporting the acquisition or disposition of securities of one's own, spouse, and minor children, to the Office of the Securities and Exchange Commission in accordance with Section 246 and the penalties under Section 298 of the Securities and Exchange Act B.E. 2535 (1992) (as amended). This is to prepare the Company and its directors and executives to be ready to offer shares to the public and listing the Company's ordinary shares as listed securities on the Stock Exchange of Thailand.

The Company has monitored and supervised that the directors or executives do not use the Company's inside information for their own benefits, including securities trading, especially during the first month before the financial statements are released to the public and the directors and executives must strictly comply with.

The details are set out in the Good Corporate Governance Manual, Ethical Standards and Code of Conduct,

which has been published on the Company's website at <https://www.sakolenergy.com/th/corporate-governance/download>

#### Securities holdings by directors and executives

Name of directors		Number of shares (shares)		
		As of 31 Dec 2020	As of 31 Dec 2021	Change in the number of shares
1	Prof. Emeritus Dr. Direk Lavansiri	-	-	-
	Spouse and minor children	-	-	-
2	Pol. Gen. Worapong Chewprecha	-	-	-
	Spouse and minor children	-	-	-
3	Dr. Witoon Simachokedee	-	-	-
	Spouse and minor children	-	-	-
4	Mrs. Rawittha Phongnuchit	-	-	-
	Spouse and minor children	-	-	-
5	Assistant Professor Dr. Attawoot Papangkorn	-	-	-
	Spouse and minor children	-	-	-
6	Mrs. Thanipa Puangchampa	-	-	-
	Spouse and minor children	-	-	-
7	Mr. Chutchai Sumethchotimetha	294,114,803	352,937,763	58,822,960
	Spouse and minor children	206,756,858	248,108,229	41,351,371
8	Mrs. Aree Sumethchotimetha	206,756,858	248,108,229	41,351,371
	Spouse and minor children	294,114,803	352,937,763	58,822,960
9	Mr. Jakkraphong Sumethchotimetha	1,729,661	2,075,593	345,932
	Spouse and minor children	-	-	-
10	Mr. Thanapon Sumethchotimetha	930,661	930,693	32
	Spouse and minor children	-	-	-
11	Ms. Napaporn Satitthamporn	-	-	-
	Spouse and minor children	-	-	-
12	Ms. Jitnit Tantrakul	-	-	-
	Spouse and minor children	-	-	-

#### Remarks :

1. Mrs. Thanipa Puangchampa resigned from the position of director on 23 March 2021.
2. Ms. Jitnit Tantrakul was appointed as Chief Strategy Officer according to the resolution of the Board of Directors' Meeting No. 1/2021 held on 1 March 2021.

### 3. Anti-Corruption

The Company has an ideology in business management based on transparency, ethics and adherence to corporate governance principles and comply with the laws relating to prevention and anti-corruption and giving to or accepting bribes from government officials or the private sector. The Company has established policies and guidelines on anti-corruption and bribery (“**Anti-Corruption Policy**”). The policy defines the organizational structure with division of duties and responsibilities, work process and chain of command in each unit to be clear, have a balance of power and strictness in auditing one another. It also provides clear guidelines for business operations and development into a sustainable organization.

The details are set out in the Anti-Corruption and Bribery Policy and Guidelines which has been published on the Company's website at <https://www.sakolenergy.com/th/corporate-governance/download>

#### **4. Whistleblowing**

There has been no complaints or violations of policies and guidelines, including cases of fraudulent acts or commit a violation of ethics. There has been no case where non-executive director has resigned due to corporate governance issues of the Company. There has not been any negative reputation of the Company due to its failure to oversee the Board of Directors.

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

The Audit Committee was appointed according to the resolution of the Board of Directors. Four independent directors are: (1) Pol. Gen. Worapong Chewprecha, Chairman of the Audit Committee; (2) Mr. Witoon Simachokedee, member of the Audit Committee; (3) Mrs. Rawittha Pongnuchit, member of the Audit Committee; and (4) Mr. Attawoot Papangkorn, member of the Audit Committee. In 2021, the Company engaged A.M.T. Solution Company Limited as the Company's internal auditor.

The Audit Committee have fully performed their duties as stipulated in the Audit Committee Charter approved by the Board of Directors by placing importance on reviews of the financial statements, good corporate governance, risk management system, internal control system and internal audit, review of compliance with the laws relating to securities and exchange, regulations of the stock exchange or the laws applicable to the Company's business operation, review of accuracy and effectiveness of information technology relating to operations, financial report, compliance with regulations and laws, and nomination for appointment of auditor. In 2021, the Audit Committee held a total of 5 meetings whereby auditor and internal auditor also attended such meetings. Meeting attendance by the Audit Committee can be summarized as follows:



Name of Audit Committee	Position	Number of times attended /
		Total number of times attended the meeting
Pol. Gen. Worapong Chewprecha	Chairman of the Audit Committee	4/4 (100%)
Mr. Witoon Simachokedee	Member of the Audit Committee	4/4 (100%)
Mrs. Rawittha Pongnuchit	Member of the Audit Committee	4/4 (100%)
Mr. Attawoot Papangkorn	Member of the Audit Committee	4/4 (100%)

Summary on performance of duties:

1. Review of the 2021 financial statements. The Audit Committee has agreed with the auditor that the financial statements are accurate in all material respects in accordance with accounting standards and financial reporting standards.
2. Review of the internal control system and internal audit to assess adequacy, appropriateness, and efficiency of the internal control system by considering the internal audit report and the sufficiency assessment form on the Company's internal control system. No significant issues were found. The Company has taken proper care of the assets and has disclosed information that is accurate, complete, and reliable. The Audit Committee is of the opinion that the Company has adequate, appropriate, and effective internal control system.
3. Review and provision of opinion on connected transactions or transactions that may have conflicts of interest, including disclosure of information in accordance with the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission. The auditor has disclosed relevant information in the financial statements and the notes to the financial statements. The Audit Committee's opinion is consistent with the auditor. The Audit Committee viewed that such transactions were reasonable, and the disclosure of information was correct and complete.
4. In 2021, the Audit Committee considered and provided opinion on an important transaction namely, investment in N15 Technology Company Limited, which was a connected transaction. Such transaction was to be presented to the Board of Directors for submission to the 2021 Annual General Meeting of Shareholders for approval. The Audit Committee independently considered and provided opinion and recommendations on appropriateness and the maximum benefits to the Company, including likelihood of future investment growth.
5. Consideration on selection, nomination, appointment, and remuneration of the auditors for the year 2021 to be presented to the Board of Directors for submission to the 2021 Annual General Meeting of Shareholders for approval. The Audit Committee considered the performance, independency, and

appropriateness of the remuneration, and proposed to engage KPMG Phoomchai Audit Limited as the Company's auditor for the year 2021 with an audit fee of not exceeding Baht 2,200,000.

In summary from the above report, the Audit Committee is confident that the Company's internal control system is sufficient and effective. The preparation of annual financial statements is accurate and has fully disclosed information in accordance with the financial reporting standards.

On behalf of the Audit Committee

(Worapong Chewprecha)

Chairman of the Audit Committee

#### 8.2.1 Number of meetings and attendance of the Audit Committee

Name of Audit Committee	Number of times attended /		
	Total number of times attended the meeting		
	Year 2019	Year 2020	Year 2021
Pol. Gen. Worapong Chewprecha	4/4	5/5	4/4
Mr. Witoon Simachokedee	4/4	5/5	4/4
Mrs. Rawittha Pongnuchit	4/4	5/5	4/4
Mr. Attawoot Papangkorn	4/4	5/5	4/4

### 8.3 Summary of the performance of other sub-committees

#### Report on performance of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee of Sakol Energy Public Company Limited consists of 3 directors, 2 of which are independent directors, and a director who is in the highest position in the Human Resources Department. The list of directors and details of meeting attendance in the year 2021 are as follows:

Name of Nomination and Remuneration Committee	Position	Number of meeting attendance /Total number of meetings
Mrs. Rawittha Phongnuchit	Chairman of the Nomination and Remuneration Committee	2/2 (100%)
Mr. Attawoot Papangkorn	Member of the Nomination and Remuneration Committee	2/2 (100%)
Mr. Piya Wittayawarokit	Member of the Nomination and Remuneration Committee	2/2 (100%)

The Nomination and Remuneration Committee has performed duties as assigned by the Board of Directors with prudence, transparency, and fairness. The performance of duties has been adjusted to cover and in line with the current situations and the Company's business strategy. The Nomination and Remuneration Committee also screens and provides opinions on important issues before presenting to the Board of Directors. In 2021, the following important matters were considered:

1. Consider and provide opinions on the appointment of directors to replace those who retire by rotation, based on knowledge, capabilities, experience, and expertise that are beneficial to the Company's operations, including rules and prohibitions under the Public Limited Companies Act B.E. 2535 (1992) (as amended) and the Securities and Exchange Act B.E. 2535 (1992) (as amended) and the relevant notifications.
2. Consider and provide opinions on the form and criteria for remuneration payment of the Company's directors and sub-committees. The committee has scrutinized the suitability by considering various factors including the Company's operating results and size of the Company's business, suitability and in line with duties and responsibilities of the Board of Directors and sub-committees and referring to the remuneration rates of directors and sub-committees of other listed companies in the same industry group.
3. Consider and provide opinions on succession plan policy and talent management.
4. Consider and provide opinions on the Individual Performance Assessment (PMS) and the Individual Development Plan (IDP).

5. Provide opinions on the criteria for setting corporate goals for the year 2021.
6. Consider and provide opinions on criteria for performance assessment of the Chief Executive Officer for the year 2022, and criteria for salary adjustment of the Chief Executive Officer for the year 2021.
7. Consider and provide opinions on criteria for the Chief Executive Officer's bonus for the year 2021.
8. Consider and provide opinions on the appointment of Director of Human Resources and appointment of executive directors.

The Nomination and Remuneration Committee has performed its duties independently in accordance with the principles of good corporate governance for recruitment process, determination of remuneration, and good corporate governance to be transparent and create confidence for all shareholders and stakeholders.

Mrs. Rawittha Phongnuchit

Chairman of the Nomination and Remuneration Committee

#### Report on performance of the Executive Committee

The Executive Committee of Sakol Energy Public Company Limited consists of 6 directors. Details of meeting attendance in the year 2021 are as follows:

Name of Executive Committee	Position	Number of meeting attendance /Total number of meetings
Mr.Chutchai Sumethchotimetha	Chairman of the Executive Committee	10/10 (100%)
Mrs.Aree Sumethchotimetha	Executive Director	10/10 (100%)
Mr.Jakkraphong Sumethchotimetha	Executive Director	10/10 (100%)
Mr.Thanapon Sumethchotimetha	Executive Director	10/10 (100%)
Ms.Napaporn Satitthamporn	Executive Director	10/10 (100%)
Ms. Jitnit Tantrakul	Executive Director	8/8 (100%)

Remark:

1. Ms. Jinit Tantrakul was appointed as an Executive Director according to the resolution of the Board of Directors' Meeting No. 1/2021 held on 1 March 2021.

The Executive Committee has performed duties as assigned by the Board of Directors. The Executive Committee supports the Board of Directors in managing the Company's business in accordance with any policy, work plan, regulation, order, and objectives determined under the framework assigned by the Board of Directors. In 2021, the following important matters were considered:

1. Consider determination and review of missions, visions, policies, strategies, goals, business plans and budgets of the Company and its subsidiaries for submission to the Board of Directors for approval.
2. Supervise the management of the Company and its subsidiaries to operate the business according to the specified plan efficiently.
3. Review strategies and goals in accordance with the situations of the Company and its subsidiaries.
4. Conduct feasibility studies on new projects and consider and approve investments in various projects.
5. Consider proposing dividend payments to the Board of Directors.
6. Determine the organizational structure, wages, compensation, employee bonuses
7. Establish guidelines for self-prevention from the spread of the Covid-19 to take care of all stakeholders, especially employees.

The Executive Committee performs its duties in accordance with the principles of good corporate governance to ensure transparency in the management of the organization and build confidence for all shareholders and stakeholders.

Mr. Chutchai Sumethchotimetha  
Chairman of the Executive Committee

## Internal Control and Connected Transactions

### 9.1 Internal control

The Board of Directors of Sakol Energy Public Company Limited recognizes the importance of sufficiency and appropriateness of the internal control system. Therefore, the Board of Directors has assigned the Company's internal auditor to assess the sufficiency and appropriateness of the internal control system. The Board of Directors also assigned the Audit Committee to review the results of the internal control assessment to ensure that the Company's business operations are efficient and effective in terms of resource utilization, property maintenance, and prevention or reduction of errors and potential damage. The Audit Committee also ensures that there are accurate and reliable financial reports and compliance with the laws, rules and regulations relating to the Company's business operations.

During the Board of Directors' Meeting No. 1/2022 held on 25 February 2022, with 5 independent directors attending the meeting, the Board of Directors has considered adequacy and appropriateness of the internal control system and has approved opinions of the Audit Committee on the internal control system according to the assessment form of the Securities and Exchange Commission on 5 aspects. These include: (1) Control Environment; (2) Risk Assessment; (3) Control Activities; (4) Information and Communication; (5) Monitoring Activities. **The internal control system of Sakol Energy Public Company Limited was found to be sufficient and appropriate to mitigate significant risks in the business operations. In addition, personnel have been assigned to effectively operate according to the internal control system. There has been monitoring, control, and supervision on performance to be in accordance with the good internal control system and in consistence with the relevant laws and regulations.**

The assessment results of sufficiency of the Company's internal control system according to COSO framework (The Committee of Sponsoring Organizations of the Treadway Commission) can be concluded based on the opinion of the Audit Committee on the Company's internal control system in all 5 aspects:

1. **Control Environment.** The Company has established policies, procedures, practices, organizational structure, and approval authority. The Company places importance on transparent management, which is good corporate governance.
2. **Risk Assessment.** The Company has established a risk management manual as guidelines for managing all types of risks to an acceptable level. The Company also attaches great importance to preventing corruption within the organization and has established various policies to prevent corruption such as anti-corruption and bribery policies and connected transaction policy etc. The Company has included review of risk management as part of the internal audit process. The results

of such reviews must be reported to the Audit Committee for acknowledgment, and to the Board of Directors for assignment of the management to take further rectifications/preventive measures.

3. **Control Activities.** The Company has established procedures to deal with various transactions including finance, procurement, information technology, general administration, and human resource management. The Company has also clearly determined scope, authority, hierarchy of approval for compliance by employees. This includes operating guidelines of subsidiaries to be consistent with the Company's operating guidelines.
4. **Information and Communication.** The Company places importance on its information and communication systems. There is communication at all levels of the Company on a regular basis through e-mails, meetings, and Line application. All employees will, therefore, be informed of all of the Company's news. In the beginning of 2020, the Company has started using the ERP system in its operations and continued to use the system until present, enabling more efficient performance of every department.
5. **Monitoring Activities.** The Company requires regular monitoring on performance of duties according to the chain of command. This includes monitoring of performance by the Internal Audit Office which reports directly to the Audit Committee and following up on results of improvements according to the findings every quarter.

## 9.2 Related party transactions

The Company and subsidiaries have related transactions with persons who may have conflicts in 2021 under the principle of considering the transaction as follows

### **Necessity and reasonableness of related transactions**

The Audit Committee Meeting No 1/2021 held on 25 February 2021 considered the information of company's related transactions in the fiscal year ending 31 December 2021 with asking for information from company's executive moreover review the information as specified in the notes to the consolidated financial statements that have been audited by The auditor of the company found that company's related transactions in the fiscal year ending 31 December 2021 Company is considered as the normal transaction according to general trading conditions in the same way that an ordinary person should act with a general contractor in the same situation.

### **Measures and approval process for related party transactions**

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

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

#### **Transactions having general trading conditions**

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

#### **Transactions having non-general trading conditions**

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



#### **Policy on future related party transactions**

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

## Related Transactions for nine-month period ended 31 December 2021

Summary of the related transactions between Sakol Energy Public Company Limited (the ‘Company’) and the Company’s subsidiaries with the person or juristic person who may have the conflict of interests for the year 2021 is as follows:

Name of the Related Persons	Business Operation	Relationships	Related Transactions	Transaction Value/ Balances with related parties (THB)	Necessity and Suitability of the Related Transaction/ Opinion of the Audit Committee
1. Transuwan Co., Ltd. ('Transuwan')	Business of transportation and shipping of goods, including passengers	<ul style="list-style-type: none"> <li>● 2 common directors i.e., Mr. Chutchai Sumethchotimetha and Mrs. Aree Sumethchotimetha.</li> <li>● Mrs. Aree is the spouse of Mr. Chutchai Sumethchotimetha. Mrs. Aree is the director and executive of the Company in a position of Senior Vice President.</li> <li>● Mr. Chutchai and Mrs. Aree are the major shareholders of Transuwan at the proportion of 57.85 percent and 41.32 percent, respectively, as of 29 April 2021.</li> </ul>	<p>1.1) <u>Utilities income</u></p> <p>The Company collects the payment for utilities from Transuwan, which has the temporary office in the natural gas station of the Company to operate the transportation of gas to PTT PLC.</p> <ul style="list-style-type: none"> <li>● Utilities income</li> <li>● Other receivables</li> </ul>	<p>31 Dec 21</p> <p>31 Dec 20 (12 months)</p>	<p><u>Necessity and Suitability of the Related Transaction</u></p> <p>The entering into such transaction is in accordance with the agreement which the Company entered into with PTT PLC., whereby the Company collects the service fee from Transuwan at the same rate as those the Company collects from other companies having no relationship with the Company and it is the service fee collected according to normal course of business.</p> <p><u>Opinion of the Audit Committee</u></p> <p>Such operation is a suitable business practice and the Company treats Transuwan the same as general customers.</p>

Name of the Related Persons	Business Operation	Relationships	Transaction Value/ Balances with related parties (THB)		Necessity and Suitability of the Related Transaction/ Opinion of the Audit Committee
			31 Dec 21 (12 months)	31 Dec 20 (12 months)	

1. Transuwan Co.,  
Ltd. ('Transuwan')  
(Cont.)

1.2) Short-term loans and  
interest income

The Company entered into an agreement to lend a short-term loan to Transuwan in the amount of THB 20 million on 2 December 2019, with the interest rate of 5.5 percent per annum. The interest and the principal were paid together on 28 February 2020.

- Interest income

1.3) Other income

The Company sold a passenger car comprising more than seven seats (4-row van) branded 'Toyota Hiace' year 2010 to Transuwan

- Revenue from sale of asset

205,000.00

-

Necessity and Suitability of the Related  
Transaction

The objective of this short-term loan is to use as a working capital in the business of the borrower, whereby the Company charged the interest according to the average interest rates of the promissory note, overdraft and other loans that the Company borrowed from financial institutions.

Opinion of the Audit Committee

It is a related transaction which complies with the normal course of business and the specified interest rate is suitable and beneficial for the Company.

Necessity and Suitability of the Related  
Transaction

Since the Company no longer used the van and the driver resigned whereby the Company did not hire anyone in his stead. In this regard, Transuwan wished to use the van to support its business hence the Company sold such van to Transuwan at the price of THB 205,000, which was higher than the market price at THB 200,000, for the benefits of the Company.

Name of the Related Persons	Business Operation	Relationships	Related Transactions	Transaction Value/ Balances with related parties (THB)	Necessity and Suitability of the Related Transaction/ Opinion of the Audit Committee
1. Transuwan Co., Ltd. ('Transuwan') (Cont.)				31 Dec 21 (12 months)	
			1.4) <u>Other service income</u>		<u>Opinion of the Audit Committee</u> Such asset sale is reasonable, and the selling price is suitable compared to the market price.
			Transuwan provides the service of fire truck vehicle tax for the Company whereby Transuwan calculates the fees based on the actual expenses plus operation service fee at the price of THB 1,000 per time.		<u>Necessity and Suitability of the Related Transaction</u> Since the Company bought the fire truck from Transuwan and such fire truck is modified from normal truck, the Company thus agrees that Transuwan provides the vehicle tax service for such fire truck every year whereby the fees include the actual expenses and operation service fee per time.
			● Other service income	17,182.00 -	<u>Opinion of the Audit Committee</u> The transaction is a normal business support, and the fee rate is suitable and reasonable.

Name of the Related Persons	Business Operation	Relationships	Related Transactions	Transaction Value/ Balances with related parties (THB)		Necessity and Suitability of the Related Transaction/ Opinion of the Audit Committee
				31 Dec 21 (12 months)	31 Dec 20 (12 months)	

2. Mae Power Company Limited ('MKP')	Business of generate and distribute the electricity by using biomass with the installed capacity of 9.9 megawatts	<ul style="list-style-type: none"> <li>The Company holds 80 percent of the total number of shares in MKP</li> <li>3 common directors i.e., Mr. Chutchai Sumetchotimetha, Mr. Jakkraphong Sumetchotimetha and Mr. Thanapon Sumetchotimaytha</li> </ul>	2.1) <u>Management and administration consultant income</u> MKP entered into an agreement to hire the Company as the management and administration consultant for the Company to be a management consultant, which covers the accounting service and general management. The agreement will be renewed annually. Afterwards, on 18 November 2020, MKP and the Company agreed to renew the agreement for 1 year, starting from 1 January 2021 and the fee throughout the term of agreement is THB 120,000 which is specified to be paid quarterly i.e., THB 30,000 per quarter. Further, on 1 June 2021, the Company provided human resource service to MKP whereby the service fee is THB 40,000 per month. <ul style="list-style-type: none"> <li>Management administration consultant income</li> </ul>	400,000.00	76,800.00	<u>Necessity and Suitability of the Related Transaction</u> For the management and administration of MKP, which is the subsidiary of the Company, to be efficient and effective, the Company thus supports any field of its operation and specifies that MKP shall pay the remuneration for assistance received. <u>Opinion of the Audit Committee</u> Such transaction is a normal business support to the subsidiary, and it is beneficial for internal management of the Company's group. Therefore, it is reasonable and beneficial for overall business.
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Name of the Related Persons	Business Operation	Relationships	Related Transactions	Transaction Value/ Balances with related parties (THB)	Necessity and Suitability of the Related Transaction/ Opinion of the Audit Committee
2. Mae Krating Power Company Limited ('MKP') (cont.)			2.2) <u>Short-term loans and interest income</u>  The Company entered into an agreement to lend a short-term loan to MKP in September 2018. The limit of such loan is not exceeding THB 100 million with the interest rate of (MOR+0.75%) +2% per year.  Afterwards, on 14 January 2019 and 15 April 2020, the Company entered into memorandums of agreement annexed to such loan agreement whereby the Company agreed to extend the instalment payment until June 2026 (at present, the interest rate is at 9.22% per year).  ● Long-term loan (reclassified from short-term to long-term loan in 2020)	31 Dec 21 31 Dec 20 (12 months) (12 months)	<u>Necessity and Suitability of the Related Transaction</u>  For MKP to continuously operate the business, the Company, as the parent company, thus financially supports MKP by entering into the loan agreement with MKP and charging interest rate based on the interest rate of commercial banks.  <u>Opinion of the Audit Committee</u>  Lending money to the subsidiary is a transaction of financial assistance to the subsidiary which is able to do so and is reasonable and beneficial for overall business of the Company's group.
				4,130,000.00 14,000,000.00 (Received partial payment on 12 April 2021)	
				635,091.29 2,073,156.78	
			● Interest income		

Name of the Related Persons	Business Operation	Relationships	Related Transactions	Transaction Value/ Balances with related parties (THB)	Necessity and Suitability of the Related Transaction/ Opinion of the Audit Committee
2. Mae Krating Power Company Limited ('MKP') (cont.)			2.3) Long-term loans and interest income  The Company entered into an agreement to lend a long-term loan to MKP on 21 December 2018 at the limit of THB 280 million with the interest rate of (MLR-2.50%) + 2.75% per annum.  Afterwards, on 26 October 2020, the Company entered into a memorandum of agreement annexed to such loan agreement whereby the Company agreed to extend the instalment payment until December 2026 and adjusted the interest rate to MLR + 0.25% per annum, starting from 1 November 2020 (at present, the interest rate is 6.375% per year)	31 Dec 21 (12 months)      31 Dec 20 (12 months)	
			<ul style="list-style-type: none"> <li>● Long-term loan</li> <li>● Interest income</li> </ul>	280,000,000.00      280,000,000.00 17,850,000.03      18,365,628.41	<p><u>Necessity and Suitability of the Related Transaction</u></p> <p>For MKP to continuously operate the business, the Company, as the parent company, thus financially supports MKP by entering into the loan agreement with MKP and charging interest rate based on market interest rate.</p> <p><u>Opinion of the Audit Committee</u></p> <p>Lending money to the subsidiary is a transaction of financial assistance to the subsidiary which is able to do so and is reasonable and beneficial for overall business of the Company's group. Also, the interest rate is appropriate and reasonable.</p>

Name of the Related Persons	Business Operation	Relationships	Related Transactions	Transaction Value/ Balances with related parties (THB)		Necessity and Suitability of the Related Transaction/ Opinion of the Audit Committee
				31 Dec	31 Dec	
				21	20	
				(12 months)	(12 months)	

2. Mae Krating Power Company Limited ('MKP') (cont.)		2.4) Other income	Necessity and Suitability of the Related Transaction			
		The Company entered into a suretyship contract for the long-term loan between MKP and Government Savings Bank at the limit of THB 172.59 million, whereby Company charged the suretyship fee at the rate of 2%. The contract started on 7 October 2019 and is effective until 6 October 2026, totalling THB 3,451,800 fee. The Company gradually recognises the revenue according to the term of loan agreement.	For MKP to continuously operate the business, the Company, as the parent company, thus financially supports MKP by entering into the suretyship contract for the loan limit. In this regard, the Company charges the suretyship fee for such loan at the rate of 2% of the loan amount, which is according to the fee of commercial banks. Furthermore, in order to receive the information of the Defined Benefit Obligation recognition, the Company hence provides valuation of such obligation to MKP.			
		For the fiscal year 2020, MKP does not make a provision for employee benefits using actuarial mathematicians. Therefore, for the purpose of preparing the consolidated financial statements of the Company The Company employs actuaries in provisions for MKP and charges MKP a service fee based on actuarial contracts plus 10% profit.	As MKP did not make an actuarial provision for employee benefits for the fiscal year 2020 financial statements, the Company hired an actuary to make provisions for the purpose of preparing the consolidated financial statements. The fee is charged to MKP at the contractual rate plus 10% profit.			



Name of the Related Persons	Business Operation	Relationships	Related Transactions	Transaction Value/ Balances with related parties (THB)		Necessity and Suitability of the Related Transaction/ Opinion of the Audit Committee
				31 Dec	31 Dec	
2. Mae Krating Power Company Limited ('MKP') (cont.)			For the fiscal year 2021  MKP provisions for employee benefits using actuaries but the actuarial contracts are prepared in the form of group companies (companies and subsidiaries).  As a result, the company reserves the expenses on behalf of MKP and charges the service fee at the rate stipulated in the employment contract.	31 Dec	31 Dec	For the fiscal year 2021, MKP made provisions for employee benefits using actuaries but contracts as a group company to benefit the price and the duration of the contract. Therefore, the Company reserves service fees to the employer as a counterparty and collects service fees from MKP at the rate stipulated in the contract.  <u>Opinion of the Audit Committee</u> They are the transactions which support the subsidiary to receive the financial assistance from financial institution and for the sake of accounting entry and preparing of financial statements in accordance with the accounting standard which can be done for overall benefits of the Company's group. Besides, the fee and service fee rates are appropriate and reasonable.
				21	20	
				(12 months)	(12 months)	
			● Other service income (Suretyship fee)	492,921.32	494,271.79	
			● Other service income (Fee for Defined Benefit Obligation Valuation)	7,615.39	-	
			● Other receivables (Fee on evaluation of employee benefit obligations)	18,571.43	-	
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Name of the Related Persons	Business Operation	Relationships	Related Transactions	Transaction Value/ Balances with related parties (THB)	Necessity and Suitability of the Related Transaction/ Opinion of the Audit Committee
3. RE Company Limited ('RBF')	Business of compressed bio-methane gas production and distribution with the capacity of 9,000 kilogram per day	<ul style="list-style-type: none"> <li>● The Company holds 75.95 percent of the total number of shares in RBF.</li> <li>● The director of RBF, Mr.Thanapon Sumetchotimaytha, is also the director of the Company.</li> <li>● The director of RBF, Ms. Napaporn Sathitthammaporn, is also the Chief Financial Officer of the Company.</li> </ul>	<p>3.1) <b>Management and administration consultant income</b></p> <p>RBF, the subsidiary, entered into an agreement to hire the Company as the administration and management consultant for the Company to be a management consultant which covers the accounting service and general management. The agreement is renewed annually.</p> <p>Afterwards, on 18 November 2020, the Company and the subsidiary agreed to renew the agreement for 1 year, starting from 1 January 2021. The fee throughout the term of agreement is THB 99,600, which is specified to be paid THB 24,900 each quarter.</p>	<p>31 Dec 2021 (12 months)</p> <p>31 Dec 20 (12 months)</p>	<p><u>Necessity and Suitability of the Related Transaction (before the sale of business)</u></p> <p>For the management and administration of RBF, which is the subsidiary of the Company, to be efficient and effective, the Company thus supports any field of its operation and specifies that RBF shall pay the remuneration for assistance received.</p> <p><u>Opinion of the Audit Committee (before the sale of business)</u></p> <p>Such transaction is a normal business support to the subsidiary, and it is beneficial for the administration and management of the Company's group. Therefore, it is reasonable.</p>
		<p><i>Note: On 9 April 2021, the Company sold all shares held by the Company in RBF to RE Power Group Company Limited. Afterwards, on 23 April 2021, the Company registered and amended the register information in accordance with the sale of shares.</i></p>	<ul style="list-style-type: none"> <li>● Management and administration consultant income</li> <li>● Other receivables</li> </ul>	<p>24,900.00</p> <p>-</p>	<p>66,000.00</p> <p>17,655.00 (Payment received on 7 April 2021)</p>

Name of the Related Persons	Business Operation	Relationships	Related Transactions	Transaction Value/ Balances with related parties (THB)	Necessity and Suitability of the Related Transaction/ Opinion of the Audit Committee
3. RE Biofuels Company Limited ('RBF') (cont.)				31 Dec 21 (12 months)	
			3.2) <u>Other service income</u>		<u>Necessity and Suitability of the Related Transaction (before the sale of business)</u>
			The Company entered into a memorandum of suretyship agreement for RBF to Kasikorn Bank on 21 November 2019 with the guaranteed limit of THB 52.50 million. The suretyship fee is calculated at the rate of 2% of such limit and totals THB 1,050,000. The Company gradually recognised the revenue according to the term of loan agreement.	65,802.68 29,183.73 321,428.64	For RBF to continuously operate the business, the Company, as the parent company, thus financially supports RBF by entering into the suretyship agreement for the limit of RBF's loan. In this regard, the Company charges the suretyship fee at the rate of 2%, which is based on the fee rate of commercial banks.
			● Other services income (Suretyship fee)	-	<u>Opinion of the Audit Committee (before the sale of business)</u>
			● Advance received		This is a transaction that supports the subsidiary to receive the financial assistance from financial institution and the fee rate is appropriate and reasonable.

Name of the Related Persons	Business Operation	Relationships	Related Transactions	Transaction Value/ Balances with related parties (THB)	Necessity and Suitability of the Related Transaction/ Opinion of the Audit Committee
				31 Dec 2021 (12 months)	
3.	RE Biofuels Company Limited ("RBF") (cont.)		3.3) Long-term loan and interest income  The Company entered into a agreement to lend a long-team loan of THB 12 million to RBF on 18 April 2018 with the interest rate at 11% per annum. On 13 April 2020, the Company made a memorandum of agreement annexed to such loan agreement by specifying that the principal and monthly interest in total of 72 months shall be repaid and the interest rate is reduced to 7.35% per annum, starting from 1 June 2020 onwards.  ■ Loan ■ Accrued interest income ■ Other receivables  ■ Interest income	- 9,145,968.58 - 25,714.18 - 212,000.00 (Payment received on 17 February 2021)  161,701.31	<u>Necessity and Suitability of the Related Transaction (before the sale of business)</u>  For the internal management of RBF to run efficiently and effectively, the Company, as the parent company, thus financially supports RBF by entering into the loan agreement with RBF and charging the interest rate based on the interest rate of commercial banks.  <u>Opinion of the Audit Committee (before the sale of business)</u>  Lending money to the subsidiary is a transaction of financial assistance to the subsidiary which is able to do so. It is, therefore, reasonable and beneficial for overall business of the Company's group.

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Name of the Related Persons	Business Operation	Relationships	Related Transactions	Transaction Value/ Balances with related parties (THB)	Necessity and Suitability of the Related Transaction/ Opinion of the Audit Committee
3. RE Biofuels Company Limited ('RBF') (cont.)			<p>3.4) <u>Compressed Bio-methane Gas (CBG)</u></p> <p><u>Transportation Expense</u></p> <p>RBF entered into an agreement with Transuwan on 28 October 2019 to hire Transuwan to transport the Compressed Bio-methane Gas (CBG) at the rate of THB 4 per kilogram, calculated based on the CBG pump meter sold to customers. In this regard, Transuwan fills up the CBG from RBF at the retail price displayed at the gas station.</p> <ul style="list-style-type: none"> <li>● Other payables – Transportation expense</li> <li>● Revenue from sale of gas</li> <li>● Transportation expense</li> </ul>	<p>31 Dec 21 (12 months)</p> <p>31 Dec 20 (12 months)</p> <p>684,081.14</p> <p>420,307.67</p> <p>3,346,055.40</p>	<p><u>Necessity and Suitability of the Related Transaction (before the sale of business)</u></p> <p>Since RBF did not have gas tankers, RBF was required to find the company that provided the gas transportation service to transport gas from the station in Nakhon Ratchasima Province to the customer in Buriram. Transuwan notified its wish to provide gas transportation service for RBF with the same price as those for other customers. In this regard, Transuwan is a potential, experienced and skilful gas transportation service company and in the meantime, Transuwan uses RBF's service by filling up the CBG at the retail price at the gas station.</p> <p><u>Opinion of the Audit Committee (before the sale of business)</u></p> <p>Such transaction is a normal business support of the subsidiary. The transportation fee is at the rate comparable to the transportation rate that the service provider charges other external customers. Moreover, the price for filling up the CBG is the retail price at the gas station.</p>

Name of the Related Persons	Business Operation	Relationships	Related Transactions	Transaction Value/ Balances with related parties (THB)		Necessity and Suitability of the Related Transaction/ Opinion of the Audit Committee
				31 Dec 21	31 Dec 20 (12 months)	
3. RE Biofuels Company Limited ('RBF') (cont.)			<p>3.5) <u>Rental and service income</u></p> <p>RBF entered into the lease and service agreement of the areas in the building with the Company on 1 October 2020. RBF agreed to rent certain areas in the office building situated at No. 252/108 (B), Muang Thai Phatra Complex, 21<sup>st</sup> floor, Ratchadaphisek Road, Huay Kwang, Bangkok, total area approximately 6 Sq. m. with the rental period from 1 October 2020 to 30 November 2020.</p> <p>Further, on 18 November 2020, RBF renewed the rental and service agreement of the areas in the building with the Company, with the rental period from 1 December 2020 to 31 December 2021 and the agreement ended when the business is sold.</p>			<p><u>Necessity and Suitability of the Related Transaction (before the sale of business)</u></p> <p>The rental and area service fee are at the rate comparable to the former rental and service fee rate that RBF directly paid to Muang Thai Life Assurance Public Company Limited.</p> <p><u>Opinion of the Audit Committee (before the sale of business)</u></p> <p>Such transaction is a normal business support of the subsidiary, which is considered reasonable and beneficial for overall business of the Company's group.</p>

Name of the Related Persons	Business Operation	Relationships	Related Transactions	Transaction Value/ Balances with related parties (THB)	Necessity and Suitability of the Related Transaction/ Opinion of the Audit Committee
			31 Dec 21 (12 months)	31 Dec 20 (12 months)	
3. RE Biofuels Company Limited ('RBF') (cont.)					
		● Other income	service 7,020.00	6,740.00	<u>Necessity and Suitability of the Related Transaction (before the sale of business)</u>
		● Water supply income	420.00	400.00	
		● Electricity income	4,200.00	4,200.00	
		● Rental income	4,710.00	4,510.00	The rental and area service fee are at the rate comparable to the former rental and service fee
		● Other receivables	-	5,735.60	are at the rate comparable to the former rental and service fee
				(Payment received on 17 Feb 2021)	rate that RBF directly paid to Muang Thai Life Assurance Public Company Limited.
					<u>Opinion of the Audit Committee (before the sale of business)</u>
					Such transaction is a normal business support of the subsidiary, which is considered reasonable and beneficial for overall business of the Company's group.

Name of the Related Persons	Business Operation	Relationships	Related Transactions	Transaction Value/ Balances with related parties (THB)		Necessity and Suitability of the Related Transaction/ Opinion of the Audit Committee
				31 Dec 21 (12 months)	31 Dec 20 (12 months)	
4. Trans Energy Company Limited ('Trans Energy')	Business of factory building construction and sale of machinery and equipment	Mr. Rapeepat Sumethchotimetha is an authorised director and a shareholder of Trans Energy. Mr. Rapeepat is the son of Mr. Chutchai Sumethchotimetha and Mrs. Aree Sumethchotimetha, who are the Chief Executive Officer and Senior Executive Vice President of the Company.	4.1) <u>Car rental expense of Mae Krating Power Company Limited ('MKP')</u>  MKP entered into a car rental agreement with Trans Energy to rent a Toyota Fortuner car at the rental fee of THB 29,500 per month. The agreement started from 3 August 2018 to 2 August 2023.  ● Rights-of-use assets – car rented  ● Lease liabilities  ● Depreciation  ● Interest expense	529,618.75	847,390.01	1. Trans Energy Co., Ltd. > rental fee is THB 29,500 per month and Trans Energy will pay the yearly vehicle tax and fee arisen  2. Krungthai Car Rent & Lease PLC. > rental fee is THB 31,500 per month  3. King City Co., Ltd. > rental fee is THB 29,500 per month



Name of the Related Persons	Business Operation	Relationships	Related Transactions	Transaction Value/ Balances with related parties (THB)		Necessity and Suitability of the Related Transaction/ Opinion of the Audit Committee
				31 Dec 21 (12 months)	31 Dec 20 (12 months)	
4. Trans Energy Company Limited ('Trans Energy') (Cont.)						<p>MKP considered and chose to rent the car from Trans Energy because the offer received is better than King City Co., Ltd. Moreover, the rental fee is according to the market rental rate.</p> <p><u>Opinion of the Audit Committee</u></p> <p>Renting car of the subsidiary to use in the business operation is an allowable transaction as the rental fee is according to the market rate. Therefore, it is reasonable and beneficial for overall business of the Company's Group.</p>

Name of the Related Persons	Business Operation	Relationships	Related Transactions	Transaction Value/ Balances with related parties (THB)		Necessity and Suitability of the Related Transaction/ Opinion of the Audit Committee
				31 Dec 21 (12 months)	31 Dec 20 (12 months)	
5. B.P.15 Company Limited ('B.P.15')	Business of wood pellets production and distribution	<ul style="list-style-type: none"> <li>● 2 common directors i.e. Mrs. Aree Sumethchotimetha and Mr. Jakkraphong Sumetchotimaytha.</li> <li>● Mr. Rapeepat Sumethchotimetha, the authorised director and a shareholder of B.P.15, is the son of Mr. Chutchai Sumethchotimetha and Mrs. Aree Sumethchotimetha who are the Chief Executive Officer and Senior Executive Vice President, respectively, of the Company.</li> </ul>	<p>5.1) <u>Purchase of biomass of Mae Krating Power Limited (MKP)</u></p> <p>MKP entered into an agreement to purchase the biomass from B.P. 15, starting from 15 August 2019 to 14 August 2024. MPK purchases the biomass in the amount of 220 tons per day and the price per ton is set according to the purchase price announced by MKP in front of the power plant, combined with an adder of 15% of the purchase price on the delivery date based on the selling price according to the market price of such product in the neighbouring areas.</p> <ul style="list-style-type: none"> <li>● Prepaid expenses – Goods</li> <li>● Raw material purchase</li> <li>● Trade accounts payable</li> </ul>	-	58,176.00	<p><u>Necessity and Suitability of the Related Transaction</u></p> <p>Woodchips are the essential biomass for electric power generation of MKP's business. Therefore, the subsidiary purchased the woodchips from B.P. 15 who is the producer and seller of qualified woodchips.</p> <p><u>Opinion of the Audit Committee</u></p> <p>Such transaction is the normal business transaction of the subsidiary which is reasonable and beneficial for overall business of the Company's group.</p>
				100,252,672.22	91,906,694.69	
				1,752,296.75	1,671,345.62	
					(Paid on 15 Jan 2021)	

Name of the Related Persons	Business Operation	Relationships	Related Transactions	Transaction Value/		Necessity and Suitability of the Related Transaction/ Opinion of the Audit Committee
				Balances with related parties (THB)		
				31 Dec	31 Dec	
				21	20	
				(12	(12	
				months)	months)	
5. B.P.15			5.2) <u>Corporate Social Responsibility</u>			<u>Necessity and Suitability of the Related Transaction</u>
Company Limited			<u>(CSR) Expenses of Mae Krating Power Co., Ltd. ('MKP')</u>			The activity was jointly held by the subsidiary and other related companies and this activity was the main activity of MKP, so MKP advanced the whole payment and later reimbursed B.P.15 and PTC for actual payment.
('B.P.15')			B.P. 15, PTC and MKP jointly organised CSR activity under the 'Mae Krating Power Plant Volunteering for Community' project in Phrae Province from 30 September 2020 to 3 October 2020 whereby MKP advanced the whole expenses.	53,500.00	Opinion of the Audit Committee	
(Cont.)			● Other payables	-	(Received the payment on 15 Dec 2021)	Such transaction is the normal business support of the subsidiary which is reasonable.

Name of the Related Persons	Business Operation	Relationships	Related Transactions	Transaction Value/ Balances with related parties (THB)	Necessity and Suitability of the Related Transaction/ Opinion of the Audit Committee
31 Dec 21 (12 months)	31 Dec 20 (12 months)				

6. PTC Holding Co., Ltd. (PTC)	Operates the business of metal and metal ore wholesale	<ul style="list-style-type: none"> <li>3 common directors i.e., Mrs. Aree Sumethchotimetha, Mr. Jakkraphong Sumethchotimetha and Mr. Thanapon Sumetchotimaytha</li> <li>Mr. Chutchai, Mrs. Aree and Mr. Jakkraphong Sumethchotimetha, who are the Chief Executive Officer, Senior Executive Vice President and Managing Director, respectively, of the Company, are the shareholders of PTC.</li> </ul>	<p>6.1) <u>Messenger service of Mae Krating Power Co., Ltd. (MKP)</u></p> <p>MKP uses the messenger service of PTC to deliver financial documents and other documents in business operation. The use of service started from March 2019 and the service fee depends on the distance and service period.</p> <p>6.2) <u>Rental and service expense of Mae Krating Power Co., Ltd. (MKP)</u></p> <p>MKP rented and used the area of PTC in the Olympia Thai Tower, 6<sup>th</sup> floor, Ratchadapisek Rd. and the term of contract started from 1 April 2020 to 31 March 2021. The rental fee was THB 120,000 per month and the service fee was THB 80,000 per month. Afterwards, the contract was renewed for another year, starting from 1 April 2021 to 31 March 2022 with the same rental and service fees as before.</p>	<p>31 Dec 21 (12 months)</p>	<p><u>Necessity and Suitability of the Related Transaction</u></p> <p>- For the convenience and speed in delivering financial transaction documents and other documents of the subsidiary, the subsidiary thus uses the messenger service from PTC whereby the service fees are based on the distance and according to the market price.</p> <p>- Rental and service fees for the areas used by MKP are charged at the rate which is comparable to the rental rate that the Company paid to PTC in 2017, at the rental and service fees of approximately THB 182,429 per month.</p>
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Name of the Related Persons	Business Operation	Relationships	Related Transactions	Transaction Value/ Balances with related parties (THB)		Necessity and Suitability of the Related Transaction/ Opinion of the Audit Committee
				31 Dec 21 (12 months)	31 Dec 20 (12 months)	
6. PTC Holding Co., Ltd. (PTC') (Cont.)			From 1 July 2021, the service fee was adjusted to be THB 90,000 per month due to the increase of computer system maintenance scope.			- The rate of driver outsourcing fee is lower than the service fee the Company pays to other external companies providing the same service.
			6.3) <u>Other service fees</u> PTC entered into a driver outsourcing contract with the Company on 14 October 2020 whereby PTC provided 1 driver to work at the Company or other places notified by the Company. The Company agreed to pay monthly wage at the rate of THB 19,687.50 per month and the service fee at 10% calculating from the monthly wage and other actual expenses.			Opinion of the Audit Committee The Audit Committee views that they are normal business support transactions to the subsidiary, and it is reasonable and beneficial for overall business of the Company's group.
			● Other service fees – messenger service fee	88,355.86	80,618.29	
			● Other service fees – area use	1,020,000.00	720,000.00	
			● Other service fees – driver service	-	61,364.57	
			● Right-of-use assets – office and building rent	1,646,614.63	2,963,906.34	
			● Lease liabilities	1,731,413.58	3,028,060.51	
			● Depreciation	1,317,291.71	987,968.78	

Name of the Related Persons	Business Operation	Relationships	Related Transactions	Transaction Value/ Balances with related parties (THB)		Necessity and Suitability of the Related Transaction/ Opinion of the Audit Committee
				31 Dec 21 (12 months)	31 Dec 20 (12 months)	
6. PTC Holding Co., Ltd. (PTC') (Cont.)			● Interest expense	143,353.07	156,185.38	<u>Necessity and Suitability of the Related Transaction</u>
			● Other payables – messenger service	7,079.12	21,468.79	The activity was jointly held by the subsidiary and other related companies and this activity was the main activity of MKP, so MKP advanced the whole payment and later reimbursed B.P.15 and PTC for actual paid expenses.
			● Other accrued expenses – driver outsourcing service	-	30,762.23	<u>Opinion of the Audit Committee</u> The Audit Committee views that such transaction is a normal business support transaction of the subsidiary, which is reasonable.
6.4) <u>Corporate Social Responsibility (CSR)</u>						
<u>Expenses of Mae Krating Power Co., Ltd. (MKP)</u>						
B.P. 15, PTC and MKP jointly held the CSR activity under the 'Mae Krating Power Plant Volunteering for Community' project in Phrae Province from 30 September 2020 to 3 October 2020 whereby MKP advanced the whole expenses.						
			● Other payables	-	53,500.00	
					(Received the payment on 30 Nov 2021)	

Name of the Related Persons	Business Operation	Relationships	Related Transactions	Transaction Value/ Balances with related parties (THB)		Necessity and Suitability of the Related Transaction/ Opinion of the Audit Committee
				31 Dec 21 (12 months)	31 Dec 20 (12 months)	
7. Tran Tanacom Co., Ltd. ('Tran Tanacom')	Business of transportation and shipping of goods, including passengers	<ul style="list-style-type: none"> <li>● 2 common directors i.e., Mr. Chutchai Sumethchotimetha and Mrs. Aree Sumethchotimetha.</li> <li>● Mrs. Aree is the spouse of Mr. Chutchai Sumethchotimetha. Mrs. Aree is the director and executive of the Company in a position of Senior Executive Vice President.</li> <li>● Mr. Chutchai, Mrs. Aree, Mr. Jakkraphong Sumethchotimetha and Mr. Thanapon Sumetchotimaytha, who are Chief Executive Officer, Senior Executive Vice President, Managing Director and Chief Operating Officer, respectively, of the Company, are the shareholders of Tran Tanacom.</li> </ul>	<p>7.1) <u>Service and transportation expenses</u></p> <p>Mae Krating Power Co., Ltd. ('MKP') entered into an agreement to hire Tran Tanacom to transport sugarcane bagasse and ash for the power plant for 3-year term, starting from 1 October 2019 to 30 September 2022 with the transportation fees rate as follows:</p> <p>(1) Wage for carrying ashes out of and to the power plant at the rate of THB 3,000 per round.</p> <p>(2) Wage for carrying ashes out of the power plant and to B.P.15 Co., Ltd. At the rate of THB 2,000 per round.</p> <p>(3) Wage for carrying sugarcane bagasse at the rate of THB 500 per round.</p> <p>Total transportation fees are concluded for monthly payment</p>			<p><u>Necessity and Suitability of the Related Transaction</u></p> <p>MKP sought for a contractor within Phrae Province and neighbouring provinces to transport sugarcane bagasse and ashes out of the power plant and it appeared that only Tran Tanacom desired to be hired to transport the sugarcane bagasse and ashes to the subsidiary based on the same transportation fees as those B.P. 15 Co., Ltd. hired Tran Tanacom to transport woodchips.</p> <p><u>Opinion of the Audit Committee</u></p> <p>The Audit Committee views that such transaction is a normal business support transaction of the subsidiary, which is reasonable and beneficial for overall business of the Company's group.</p>

Name of the Related Persons	Business Operation	Relationships	Related Transactions	Transaction Value/ Balances with related parties (THB)		Necessity and Suitability of the Related Transaction/ Opinion of the Audit Committee
				31 Dec 21 (12 months)	31 Dec 20 (12 months)	
7. Tran Tanacom Co., Ltd. ('Tran Tanacom') (Cont.)			<ul style="list-style-type: none"> <li>● Transportation fee</li> <li>● Other service fees – ash transportation</li> <li>● Trade accounts payable</li> </ul>	1,830,700.00 1,616,300.00 200,000.00	386,000.00 0 1,881,498 .30	
				53,498.30	(Paid on	
				28 Jan		<u>Necessity and Suitability of the</u>
			<u>7.2) Other income – Fuel sale</u>	2021)		<u>Related Transaction</u>
			Tran Tanacom Co., Ltd. fills up oil with MKP, at the oil purchased cost price plus 10%.	10,988.59 71,711.40		As Tran Tanacom transports the sugarcane bagasse and ashes for the subsidiary, it chooses to fill up oil with MKP for the convenience of providing service, efficiency and swift transportation.
			● Other income (fuel sale)		491.51	
			● Other receivables		-	<u>Opinion of the Audit Committee</u>
						The Audit Committee views that such transaction is a normal business support transaction of the subsidiary, which is beneficial for overall business of the Company's group.



Name of the Related Persons	Business Operation	Relationships	Related Transactions	Transaction Value/ Balances with related parties (THB)	Necessity and Suitability of the Related Transaction/ Opinion of the Audit Committee
8. N15 Technology Co., Ltd. ('N15 Technology')	Business of management of non-hazardous waste	<p>● 3 common directors i.e., Mr. Chutchai Sumetchotimetha, Mr. Jakkraphong Sumetchotimetha and Mr. Thanapon Sumetchotimaytha.</p> <p>● 4 directors of N15 Technology are member of Executive Committee of the Company i.e., Mr. Chutchai Sumetchotimetha, Mr. Jakkraphong Sumetchotimetha, Mr. Thanapon Sumetchotimaytha and Ms. Napaporn Sathithammaporn.</p> <p>● Mr. Chutchai and Mrs. Aree Sumetchotimetha, who are the Chief Executive Officer and Senior Executive Vice President, respectively, of the Company, are the shareholders of N15 Technology.</p>	<p>8.1) <u>Revenue from rent</u></p> <p>N15 Technology concluded a contract to lease one wheel loader branded KOMATSU model WA100-5 to B.P. 15 Co., Ltd. ('B.P. 15') using for its business operation at the wood pellets plant project in Phrae Province. The term of contract is 4 years, starting from 1 October 2019 to 30 September 2023 with the rental fee of THB 42,000 per month.</p> <p>● Lease receivable 858,480.25</p> <p>● Interest income 191,018.97</p> <p>8.2) <u>Transportation and service expenses</u></p> <p>N15 Technology uses the garbage truck service of Transuwan Co., Ltd, ('Transuwan') to collect refuse in the Amata City Chonburi Industrial Estate and transport refuse-derived fuels (RDF) to customers.</p>	<p>31 Dec 21 (12 months)</p> <p>31 Dec 20 (12 months)</p> <p>1,045,461.29</p> <p>249,968.51</p>	<p><u>Necessity and Suitability of the Related Transaction</u></p> <p>In 2019, N15 Technology had unused equipment and machines, N15 Technology considered allowing B.P. 15 to lease the asset in B.P. 15 business operation at the reasonable rental rate. N15 Technology viewed that it was for the management of asset utilisation.</p> <p><u>Opinion of the Audit Committee</u></p> <p>It is a normal business support transaction of the subsidiary, which is reasonable and beneficial for overall business of the Company's group.</p> <p><u>Necessity and Suitability of the Related Transaction</u></p> <p>N15 Technology does not possess garbage truck to collect refuse in the Amata City Industrial Estate or transport RDF to customers. So that the business to be operated continuously and given the benefits which N15 Technology will obtain, N15 Technology thus uses the garbage truck service from Transuwan at the reasonable service fee.</p>

Name of the Related Persons	Business Operation	Relationships	Related Transactions	Transaction Value/ Balances with related parties (THB)		Necessity and Suitability of the Related Transaction/ Opinion of the Audit Committee
				31 Dec 21 (12 months)	30 Dec 20 (12 months)	
8. N15 Technology Co., Ltd. (N15 Technology)			● Trade accounts payable	1,269,670.00	862,037.00	<u>Opinion of the Audit Committee</u>
			● Inbound refuse transportation cost	1,118,500.00	1,778,553.40	It is a normal business transaction of the subsidiary, which is reasonable and beneficial for overall business of the Company's group.
			● Garbage truck rental expense	24,000.00	72,000.00	
			● Outbound refuse transportation expense	5,397,669.00	5,887,784.30	
			8.3) <u>Long-term loan and accrued interest payable</u>			<u>Necessity and Suitability of the Related Transaction</u>
			On 18 November 2015, N15 Technology borrowed THB 7,500,000 from Transuwan Co., Ltd. ("Transuwan") to use as its working capital in the business. The interest rate was specified at the rate of 5% and shall be paid monthly. N15 Technology repaid the principal in the amount of THB 2,000,000 on 1 February 2019.			For the efficient and effective internal management and administration of N15 Technology, N15 Technology borrowed the money from Transuwan with the interest rate based on the interest rate of commercial banks.
			● Long-term loan			<u>Opinion of the Audit Committee</u>
			● Accrued interest payable (Repaid the principal and accrued interest payable on 28 May 2021)			This borrowing transaction is allowable transaction as it is a receipt of financial assistance transaction, which is reasonable.
				-	5,500,000.00	In this regard, N15 Technology repaid the long-term loan and accrued interest payable before business combination dated 1 June 2021.
				-	999,135.85	

Name of the Related Persons	Business Operation	Relationships	Related Transactions	Transaction Value/ Balances with related parties (THB)	Necessity and Suitability of the Related Transaction/ Opinion of the Audit Committee
8. N15 Technology Co., Ltd. ('N15 Technology')			<ul style="list-style-type: none"> <li>Interest expense</li> </ul>	- 275,000.00	
			<p>8.4) <u>Loan and accrued interest receivable</u></p> <p>On 18 February 2004, N15 Technology lent money to Mr. Chutchai Sumethchotimetha in the amount of THB 17,230,000 which N15 Technology received the repayment of whole principal in 2006, remaining only the accrued interest receivable.</p> <ul style="list-style-type: none"> <li>Accrued interest receivable (Payment received on 28 May 2021)</li> </ul>	<p>31 Dec 21 (12 months)</p> <p>31 Dec 20 (12 months)</p>	<p><u>Necessity and Suitability of the Related Transaction</u></p> <p>From the management of cash flow at such moment, N15 Technology considered lending money to Mr. Chutchai Sumethchotimetha, with the interest rate based on the interest rate of commercial banks.</p> <p><u>Opinion of the Audit Committee</u></p> <p>This lending transaction is allowable to do so and is reasonable.</p> <p>In this regard, N15 Technology received the repayment of the payment on 28 May accrued interest receivable before business combination dated 1 June 2021.</p>

Name of the Related Persons	Business Operation	Relationships	Related Transactions	Transaction Value/ Balances with related parties (THB)		Necessity and Suitability of the Related Transaction/ Opinion of the Audit Committee
				31 Dec 21 (12 months)	31 Dec 20 (12 months)	
8. N15 Technology Co., Ltd. ('N15 Technology')			8.5) <u>Office rental and service and other service expenses</u>  N15 Technology entered into a rental and service agreement of partial area of the office building and the executive room situated on 6 <sup>th</sup> floor of Olympia Thai Tower with PTC Holding Co., Ltd. ('PTC') for a term of 6-month, starting from 1 February 2021 to 31 July 2021. In such agreement, N15 Technology agreed to pay the rental fee of THB 40,000 per month and the service fee of THB 24,000 per month.  After that, the parties renewed the agreement and amended the rental fee to THB 60,000 per month and the service fee of THB 42,000 per month, starting from 1 August 2021 to 31 January 2022 due to more uses of area and services from increasing number of staffs.  Moreover, N15 Technology hired PTC to provide monthly accounting service.			<u>Necessity and Suitability of the Related Transaction</u>  N15 Technology rented the area and used the service of PTC for the benefit of business operation. The rental and service fees are comparable to the rental fees that the Company and MKP rent the areas and use the services of PTC and are reasonable comparing to the market price.  <u>Opinion of the Audit Committee</u>  It is a normal business support transaction of the subsidiary, which is reasonable and beneficial for overall business of the Company's group.

Name of the Related Persons	Business Operation	Relationships	Related Transactions	Transaction Value/ Balances with related parties (THB)		Necessity and Suitability of the Related Transaction/ Opinion of the Audit Committee
				31 Dec 21 (12 months)	30 Dec 20 (12 months)	
8. N15 Technology Co., Ltd. (N15 Technology)			with the fee of THB 100,000 per month, provide payroll and human resource service with the fee of THB 50,000 per month, provide driving staff for the executives with the fee of THB 30,000 per month, and provide messenger service of which the service fee depending on the distance and service period.			
			The accounting, payroll and human resource services ended in May 2021 and the messenger service ended in June 2021.	74,151.00	1,154,363.01	
			● Other payables	399,199.00	(Paid in the Q1/2021)	
			● Right-of-use asset – building rent	409,563.19	740,710.96	<u>Necessity and Suitability of the Related Transaction</u>
			● Lease liabilities	557,979.00	747,479.77	Deposit and retention are normal
			● Depreciation	25,696.00	428,832.66	items that hirer ask to collect from
			● Interest expenses	1,565,570.00	18,165.48	contractors so
			● Other service expenses		2,692,780.43	
			8.6) <u>Deposit and retention</u>			
			On 21 November 2016, N15 Technology hired Trans Energy Co., Ltd. to design and install the belt conveyor system to use in production			

Name of the Related Persons	Business Operation	Relationships	Related Transactions	Transaction Value/ Balances with related parties (THB)		Necessity and Suitability of the Related Transaction/ Opinion of the Audit Committee
8. N15 Technology Co., Ltd. (‘N15 Technology’)			process. At present, Trans Energy Co., Ltd. has not asked N15 Technology to return the deposit and retention.	31 Dec 21 (12 months)	31 Dec 20 (12 months)	that the work is completed according to the time specified in the contract and the system can work normally.
			● Deposit and guarantee	-	387,176.92	<u>Opinion of the Audit Committee</u>
			● Retention	-	190,699.00	It is a normal business transaction of the company, which is reasonable and beneficial for overall business of the Company’s group.
			8.7) <u>Other payables</u> –		on 30 December 2021)	
			<u>Director</u> In 2020, Mr. Chutchai Sumethcholimetha was permitted to advance donation and allowance expenses in N15 Technology’s stead.			<u>Necessity and Suitability of the Related Transaction</u> It is a normal transaction for the permitted director or staff to advance the expenses related to the business support of N15 Technology when there is a correct proof of payment for the business.
			● Other payables	-		<u>Opinion of the Audit Committee</u> It is a normal business transaction of the Company, which is reasonable.
					441,000.00 (Repayment on 30 December 2021)	

Name of the Related Persons	Business Operation	Relationships	Related Transactions	Transaction Value/ Balances with related parties (THB)	Necessity and Suitability of the Related Transaction/ Opinion of the Audit Committee
9. T. Line Transport Company Limited ('T. Line')	Business of road transportation	<ul style="list-style-type: none"> <li>● One common director, Mrs. Aree Sumethchotimetha.</li> <li>● Mrs. Aree is the director and executive of the Company in a position of Senior Executive Vice President and is a major shareholder of T. Line.</li> </ul>	<p><u>Accrued rental income from the solar power generation equipment</u></p> <p>T. Line entered into an agreement to rent the solar rooftop power generation equipment with the Company on 24 June 2020 for the rental term of 20 years, starting from 11 August 2020 whereby T.Line agreed to pay monthly rental fee according to the actual units of electricity used, which are generated from the rented equipment, at the rate of 85% of the unit price of the Metropolitan Electricity Authority. The electricity sale started from June 2021.</p> <ul style="list-style-type: none"> <li>● Other receivables</li> <li>● Accrued income</li> <li>● Rental income from power generation equipment</li> </ul>	<p>31 Dec 21 (12 months)</p> <p>31 Dec 20 (12 months)</p> <p>-</p> <p>6,465.77</p> <p>72.82</p> <p>44,329.82</p> <p>-</p> <p>-</p> <p>-</p>	<p><u>Necessity and Suitability of the Connected Transaction</u></p> <p>The Company started a solar power generation business in 2020 and allowed T. Line, which is a connected person, to rent the solar power generation equipment whereby the rental rate is stipulated according to the market price and considering the business operator in the same manner as the general public.</p> <p><u>Opinion of the Audit Committee</u></p> <p>This operation is a normal business transaction and appropriate as the treatment is in the same manner as what general customers receive.</p>

Name of the Related Persons	Business Operation	Relationships	Related Transactions	Transaction Value/ Balances with related parties (THB)		Necessity and Suitability of the Related Transaction/ Opinion of the Audit Committee
				31 Dec 21 (12 months)	31 Dec 20 (12 months)	
10. Mr. Chutchai Sumethchotimetha	-	Mr. Chutchai Sumethchotimetha is the director and the Chief Executive Officer of the Company. As of 6 October 2021, he holds 31.625% of the Company's shares.	10.1) <u>Registration of the head office of the subsidiary</u> At present, the head office of SK 15 Company Limited, which is a subsidiary, is located at No. 15 Prasert Manukit Road, Senanikorn Subdistrict, Chatuchak District, Bangkok. Such area is owned by Mr. Chatchai Sumethchotimetha whereby the use of such area is not based on any contract and is free of charge. ■ Office occupancy expense	Free of Charge	Free of Charge	<u>Necessity and Suitability of the Connected Transaction</u> The subsidiary registered its head office on the area owned by Mr. Chutchai without charge. At present, such subsidiary is still in the process of conducting a feasibility study on future project development. However, if the direction of project development is clear or the subsidiary can procure a suitable new office location, the subsidiary will relocate to the new office right away. <u>Opinion of the Audit Committee</u> The transaction does not affect the Company's group and it is reasonably operated.



Name of the Related Persons	Business Operation	Relationships	Related Transactions	Transaction Value/ Balances with related parties (THB)	Necessity and Suitability of the Related Transaction/ Opinion of the Audit Committee
10. Mr. Chutchai Sumethchotimetha (cont.)			10.2) <u>Short-term loan and interest income</u>  The Company entered into a contract to lend a short-term loan, totaling THB 27 million to Mr. Chutchai Sumethchotimetha on 25 May 2021. The interest rate is calculated at the rate of 6% per annum. Both interest and principal shall be paid together on 25 October 2021. However, the Company has received the principal and interest payment on October 29, 2021 with a penalty for late payment (4 days) at the rate specified in the contract of 15% per annum.	31 Dec 21 (12 months)	31 Dec 20 (12 months)
				-	-
				679,068.49	-
				44,383.56	-
					<u>Opinion of the Audit Committee</u>  The transaction is the financial assistance which does not affect the Company's group and is reasonably operated.

Name of the Related Persons	Business Operation	Relationships	Related Transactions	Transaction Value/ Balances with related parties (THB)	Necessity and Suitability of the Related Transaction/ Opinion of the Audit Committee
11. Ms. Intira Sumethchotimetha	-	Ms. Intira Sumethchotimetha is the daughter of Mr. Chutchai and Mrs. Aree Sumethchotimetha, who are the Chief Executive Officer and Senior Executive Vice President of the Company.	<p><u>Accrued rental income from the solar power generation equipment</u></p> <p>Ms. Intira Sumethchotimetha entered into an agreement to rent the solar rooftop power generation equipment with the Company on 19 October 2020 for the rental term of 20 years, starting from the rental equipment delivery date, whereby the rental fee was agreed to be paid monthly according to the actual units of electricity used, which are generated from the rented equipment at the rate of 85% of the unit price of the Metropolitan Electricity Authority. The electricity sale started from June 2021.</p> <ul style="list-style-type: none"> <li>● Other receivables</li> <li>● Accrued income</li> <li>● Rental income from power generation equipment</li> </ul>	<p>31 Dec 21 (12 months)</p> <p>31 Dec 20 (12 months)</p> <p>5,502.69</p> <p>248.67</p> <p>31,202.15</p>	<p><u>Necessity and Suitability of the Connected Transaction</u></p> <p>The Company started a solar power generation business in 2020 and allowed Ms. Intira Sumethchotimetha, who is a connected person, to rent the solar power generation equipment whereby the rental rate is stipulated according to the market price and considering the business operator in the same manner as the general public.</p> <p><u>Opinion of the Audit Committee</u></p> <p>This operation is a normal business transaction and appropriate as the treatment is in the same manner as what general customers receive.</p>

## Related party transactions

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

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

(1) Transactions having general trading conditions

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

(2) Transactions having non-general trading conditions

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

## Policy on future related party transactions

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



## Part 3

### Financial statements



## Independent Auditor's Report

### To the Shareholders of Sakol Energy Public Company Limited

#### Opinion

I have audited the consolidated and separate financial statements of Sakol Energy Public Company Limited and its subsidiaries (the “Group”) and of Sakol Energy Public Company Limited (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2021, 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 2021 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

#### Basis for Opinion

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

#### Key Audit Matters

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

Impairment of property, plant and equipment in subsidiary	
Refer to Notes 12 to the financial statement.	
The key audit matter	How the matter was addressed in the audit
<p>During 2021, management assessed that there is impairment indicator exist in a subsidiary's plant. The management determined the recoverable amount of cash-generating unit by applying value in use which estimated from discounted cash flow generated from utilization of the asset.</p> <p>Due to the significant judgement involved in determining key assumptions used in estimating recoverable amount and the materiality of the transaction, I considered this as key audit matter.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Inquired of the management to understand the process of assessing impairment indicator, estimating recoverable amount, and preparing discounted cash flow;</li> <li>• Considered the key assumptions used in the estimating recoverable amount and business plan including evaluated the appropriateness of discount rate used in the calculation and tested mathematical accuracy of impairment testing;</li> <li>• Evaluated sensitivity analysis performed around the key assumptions</li> <li>• Considered the adequacy of disclosures in accordance with Thai Financial Reporting Standards.</li> </ul>

## Emphasis of Matter

I draw attention to Note 4 describing the effect of the business combination under common control. The corresponding figures presented are based on the audited financial statements as at and for the year ended 31 December 2020 after making the adjustments described in note 4. My opinion is not modified in respect of this matter.

## Other Information

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

(Sophit Prompol)

Certified Public Accountant

Registration No. 10042

KPMG Phoomchai Audit Ltd.

Bangkok

25 February 2022

Sakol Energy Public Company Limited and its subsidiaries

Statement of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2021	2020	2021	2020
			(Restated)		
			(Baht)		
<b>Current assets</b>					
Cash and cash equivalents	6	25,247,254	35,297,644	8,165,525	14,787,687
Current investments		21,752	10,030,870	-	-
Current portion of deposits at financial institutions					
with restrictions on withdrawal	14	4,313,795	8,952,200	-	-
Trade accounts receivable	7	89,927,179	93,676,826	19,030,181	34,291,964
Current portion of lease receivables	9	21,206,050	19,950,559	20,820,440	19,637,578
Other receivables	5	47,399,927	58,688,977	15,364,702	11,234,814
Current portion of long-term loans	5	3,186,381	-	3,186,381	9,936,319
Short-term loans	5	235,000	9,868,630	10,000,000	4,942,466
Inventories	8	5,092,157	3,932,922	663,300	-
Current spare parts and supplies		3,324,051	2,134,597	1,673,557	1,771,143
<b>Total current assets</b>		<b>199,953,546</b>	<b>242,533,225</b>	<b>78,904,086</b>	<b>96,601,971</b>
<b>Non-current assets</b>					
Deposits at financial institutions with					
restrictions on withdrawal	14	17,274,110	3,823,847	500,000	500,000
Investments in subsidiaries	10	-	-	632,839,400	509,239,400
Lease receivables	9	157,053,855	172,486,304	156,580,985	171,753,823
Other non-current account receivable		12,927,241	-	12,927,241	-
Long-term loans	5	4,047,191	-	286,654,124	290,533,257
Non-current spare parts and supplies		2,897,143	2,949,039	2,897,143	2,949,039
Investment properties	11	171,617,614	171,617,614	-	-
Property, plant and equipment	12	900,519,462	1,024,681,152	133,310,206	142,978,779
Intangible assets	13	100,354,216	115,883,705	3,551,207	5,177,351
Other non-current assets		20,321,063	14,579,234	19,514,771	13,650,263
<b>Total non-current assets</b>		<b>1,387,011,895</b>	<b>1,506,020,895</b>	<b>1,248,775,077</b>	<b>1,136,781,912</b>
<b>Total assets</b>		<b>1,586,965,441</b>	<b>1,748,554,120</b>	<b>1,327,679,163</b>	<b>1,233,383,883</b>

Sakol Energy Public Company Limited and its subsidiaries

Statement of financial position

	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2021	2020	2021	2020
Liabilities and equity			(Restated)		
			(Baht)		
Current liabilities					
	5,				
Bank overdrafts and short-term borrowings	14	5,000,000	23,132,458	30,800,000	16,800,000
Trade accounts payable	5	30,811,844	35,727,338	7,467,279	13,498,981
Other payables	5	18,208,754	25,190,579	7,506,622	9,645,817
Current portion of long-term borrowings	14	123,098,443	94,069,382	61,213,967	50,563,879
Current portion of lease liabilities	14	17,020,656	18,025,217	3,989,850	3,519,268
Total current liabilities		194,139,697	196,144,974	110,977,718	94,027,945
Non-current liabilities					
Long-term borrowings	14	254,399,765	395,645,347	107,865,297	169,004,161
Lease liabilities	14	20,814,977	58,784,266	5,148,777	8,511,220
Deferred tax liabilities	19	29,328,417	31,431,310	9,008,170	8,922,575
Provisions for employee benefits		2,085,275	1,966,180	872,706	723,496
Long-term provisions		1,090,000	1,090,000	1,090,000	1,090,000
Total non-current liabilities		307,718,434	488,917,103	123,984,950	188,251,452
Total liabilities		501,858,131	685,062,077	234,962,668	282,279,397

## Sakol Energy Public Company Limited and its subsidiaries

## Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Liabilities and equity	Note	2021	2020	2021	2020
			(Restated)		
				(Baht)	
<b>Equity</b>					
Share capital:	16				
Authorised share capital		558,000,000	465,000,000	558,000,000	465,000,000
Issued and paid share capital		558,000,000	465,000,000	558,000,000	465,000,000
Share premium on ordinary shares	15	353,418,600	297,618,600	353,418,600	297,618,600
Retained earnings					
Appropriated					
Legal reserve	15	33,904,000	33,568,000	33,904,000	33,568,000
Unappropriated		146,464,171	133,735,348	147,393,895	154,917,886
Discount on business combination					
under common control	4	(82,458,483)	-	-	-
<b>Equity attributable to owners of the parent</b>		<b>1,009,328,288</b>	<b>929,921,948</b>	<b>1,092,716,495</b>	<b>951,104,486</b>
Equity of subsidiary before business restructuring	4	-	59,911,119	-	-
Non-controlling interests		75,779,022	73,658,976	-	-
<b>Total equity</b>		<b>1,085,107,310</b>	<b>1,063,492,043</b>	<b>1,092,716,495</b>	<b>951,104,486</b>
<b>Total liabilities and equity</b>		<b>1,586,965,441</b>	<b>1,748,554,120</b>	<b>1,327,679,163</b>	<b>1,233,383,883</b>

Sakol Energy Public Company Limited and its subsidiaries

Statement of comprehensive income

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2021	2020	2021	2020
			(Restated)		
			(Baht)		
<b>Revenues</b>	17				
Revenue from rendering of services		130,226,941	225,439,339	110,402,657	207,655,289
Revenue from leases	9	17,874,262	19,003,379	17,683,243	18,753,410
Revenue from sale of goods		333,382,012	350,249,632	-	-
Other income	5	6,619,044	4,463,046	25,786,518	24,712,775
Gain from disposal of investment in subsidiary	10	13,357,350	-	-	-
<b>Total revenue</b>		<b>501,459,609</b>	<b>599,155,396</b>	<b>153,872,418</b>	<b>251,121,474</b>
<b>Expenses</b>	18				
Cost of rendering of services		74,924,840	143,701,073	64,371,738	133,647,657
Cost of sales of goods	8	250,738,661	256,429,393	-	-
Selling and administrative expenses	5	120,881,113	127,979,115	73,560,260	71,338,481
<b>Total expenses</b>		<b>446,544,614</b>	<b>528,109,581</b>	<b>137,931,998</b>	<b>204,986,138</b>
<b>Profit from operating activities</b>		<b>54,914,995</b>	<b>71,045,815</b>	<b>15,940,420</b>	<b>46,135,336</b>
Finance costs		(24,817,946)	(34,360,903)	(9,164,086)	(11,734,899)
<b>Profit before income tax expense</b>		<b>30,097,049</b>	<b>36,684,912</b>	<b>6,776,334</b>	<b>34,400,437</b>
Tax income (expense)	19	1,943,255	1,576,293	(71,453)	545,993
<b>Profit for the year</b>		<b>32,040,304</b>	<b>38,261,205</b>	<b>6,704,881</b>	<b>34,946,430</b>
<b>Other comprehensive income</b>					
Items that will be reclassified subsequently to profit or loss					
Loss on measurement of financial assets		-	(79,628)	-	(5,170)
<b>Total items that will be reclassified subsequently</b>					
<b>to profit or loss</b>		<b>-</b>	<b>(79,628)</b>	<b>-</b>	<b>(5,170)</b>

Sakol Energy Public Company Limited and its subsidiaries

Statement of comprehensive income

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2021	2020	2021	2020
			(Restated)		
			(Baht)		
Item that will not be reclassified to profit or loss					
Loss on remeasurements of defined benefit plans		279,455	390,247	56,570	390,247
Total item that will not be reclassified to profit or loss		279,455	390,247	56,570	390,247
Other comprehensive income for the year, net of tax		279,455	310,619	56,570	385,077
Total comprehensive income for the year		32,319,759	38,571,824	6,761,451	35,331,507
Profit attributable to:					
Owners of the parent		26,734,810	37,287,312	6,704,881	34,946,430
Equity of subsidiary before business restructuring		2,630,398	933,289	-	-
Non-controlling interests		2,675,096	40,604	-	-
		32,040,304	38,261,205	6,704,881	34,946,430
Comprehensive income attributable to:					
Owners of the parent		27,014,265	37,597,931	6,761,451	35,331,507
Equity of subsidiary before business restructuring		2,630,398	933,289	-	-
Non-controlling interests		2,675,096	40,604	-	-
		32,319,759	38,571,824	6,761,451	35,331,507
Basic earnings per share	20	0.026	0.040	0.006	0.038

## Statement of changes in equity

## Separate financial statements

	Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings	Other components of equity	Total equity
			Legal reserve	Gain (loss) on measuring financial assets	
Note			(Baht)		
Year ended 31 December 2020					
Balance at 1 January 2020	465,000,000	297,618,600	31,820,000	5,170	939,022,974
Transactions with owners, recorded directly in equity					
Distributions to owners					
Dividends to owners of the Company	21	-	-	-	(23,249,995)
Total Distributions to owners		-	-	-	(23,249,995)
Comprehensive income (expense) for the year					
Profit	-	-	34,946,430	-	34,946,430
Other comprehensive income (expense)	-	-	390,247	(5,170)	385,077
Total comprehensive income (expense) for the year	-	-	35,336,677	(5,170)	35,331,507
Transfer to legal reserve	15	-	1,748,000	-	-
Balance at 31 December 2020	465,000,000	297,618,600	33,568,000	-	951,104,486



## Statement of changes in equity

## Separate financial statements

	Note	Other components of equity					
		Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		Gain (loss) on measuring financial assets	Total equity
				Legal reserve	Unappropriated		
(Baht)							
Year ended 31 December 2021							
Balance at 1 January 2021		465,000,000	297,618,600	33,568,000	154,917,886	-	951,104,486
Transactions with owners, recorded directly in equity							
Contribution by and distributions to owners							
Issue of ordinary shares	16	93,000,000	55,800,000	-	-	-	148,800,000
Dividends to owners of the Company	21	-	-	-	(13,949,442)	-	(13,949,442)
Total contribution by and distributions to owners		93,000,000	55,800,000	-	(13,949,442)	-	134,850,558
Comprehensive income for the year							
Profit		-	-	-	6,704,881	-	6,704,881
Other comprehensive income		-	-	-	56,570	-	56,570
Total comprehensive income for the year		-	-	-	6,761,451	-	6,761,451
Transfer to legal reserve	15	-	-	336,000	(336,000)	-	-
Balance at 31 December 2021		558,000,000	353,418,600	33,904,000	147,393,895	-	1,092,716,495

# Sakol Energy Public Company Limited and its subsidiaries

## Statement of cash flows

		Consolidated financial		Separate financial	
		statements		statements	
		Year ended 31 December		Year ended 31 December	
	Note	2021	2020	2021	2020
			(Restated)		
			(Baht)		
<b>Cash flows from operating activities</b>					
Profit for the year		32,040,304	38,261,205	6,704,881	34,946,430
<i>Adjustments to reconcile profit to cash receipts (payment)</i>					
Tax (income) expenses	19	(1,943,255)	(1,576,293)	71,453	(545,993)
Finance costs		24,817,946	34,360,903	9,164,086	11,734,899
Depreciation and amortization	12, 13	73,712,458	78,195,542	13,134,286	13,606,666
	10, 12,				
Impairment loss of asset recognised in profit or loss	13	1,396,261	1,920,410	2,163,345	1,892,892
Loss on disposal of equipment and intangible assets		3,855,291	267,220	215,063	-
Empolyee benefits expenses		2,657,338	632,439	2,402,877	253,917
Gain from disposal of investment in subsidiary		(13,357,350)	-	-	-
Interest income		(2,337,037)	(557,940)	(21,006,425)	(21,643,151)
		120,841,956	151,503,486	12,849,566	40,245,660
<b>Changes in operating assets and liabilities</b>					
Trade accounts receivable		3,749,647	12,840,348	15,261,783	6,256,250
Other receivables		19,164,556	9,486,021	6,618,459	(229,691)
Lease receivables		14,176,958	13,173,130	13,989,976	12,919,100
Inventories		(1,159,235)	7,515,147	(663,300)	-
Spare parts and supplies		(1,137,558)	1,232,918	149,482	1,373,592
Other non-current assets		(5,742,590)	(218,172)	(5,864,508)	(217,095)
Trade accounts payable		(183,778)	(1,851,718)	(6,031,703)	(2,097,950)
Other payables		3,584,885	(8,832,983)	(1,338,803)	(4,211,969)
Employee benefits paid		(2,182,953)	-	(2,182,953)	-
Net cash generated from operating		151,111,888	184,848,177	32,787,999	54,037,897
Income taxes paid		(6,280,098)	(6,569,980)	(4,950,263)	(5,864,508)
Net cash from operating activities		144,831,790	178,278,197	27,837,736	48,173,389

# Sakol Energy Public Company Limited and its subsidiaries

## Statement of cash flows

		Consolidated financial statements		Separate financial statements	
		statements		statements	
		Year ended 31 December		Year ended 31 December	
	Note	2021	2020	2021	2020
			(Restated)		
			(Baht)		
<b>Cash flows from investing activities</b>					
Increase in deposits at financial institutions with					
restrictions on withdrawal		(8,811,858)	(7,270,457)	-	-
Net proceeds from sale and disposal of current investments		10,009,118	57,823,562	-	40,047,498
Proceeds from disposal of investment in subsidiary		1,000,000	-	1,000,000	-
Acquisition of investment in subsidiary		(145,000,000)	-	(145,000,000)	-
Net proceeds from (repayment of) short-term loans		10,364,315	10,131,370	(4,400,685)	25,057,534
Proceeds from repayment of long-term loans		468,484	10,000,000	10,338,484	1,775,141
Proceeds from sale of equipment and intangible assets		1,560,246	3,243,496	124,163	-
Acquisition of plant and equipment					
and intangible assets		(12,647,223)	(86,667,303)	(1,419,791)	(7,750,342)
Interest received		1,513,514	421,998	20,151,491	24,297,194
<b>Net cash from (used in) investing activities</b>		<b>(141,543,404)</b>	<b>(12,317,334)</b>	<b>(119,206,338)</b>	<b>83,427,025</b>
<b>Cash flows from financing activities</b>					
Net proceeds from (repayment of) short-term borrowings		(13,105,804)	(83,036,324)	14,000,000	(53,200,000)
Proceeds of long-term borrowings		-	22,350,000	-	14,850,000
Repayment of long-term borrowings		(95,106,997)	(82,013,446)	(51,022,656)	(49,207,367)
Proceeds from lease liabilities		(14,279,974)	(17,864,054)	(4,170,750)	(4,209,427)
Dividends paid to owners of the Company	21	(13,949,442)	(23,249,995)	(13,949,442)	(23,249,995)
Proceeds from issue of shares		148,800,000	-	148,800,000	-
Interest paid		(25,696,559)	(29,133,334)	(8,910,712)	(10,348,063)
<b>Net cash from (used in) financing activities</b>		<b>(13,338,776)</b>	<b>(212,947,153)</b>	<b>84,746,440</b>	<b>(125,364,852)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(10,050,390)</b>	<b>(46,986,290)</b>	<b>(6,622,162)</b>	<b>6,235,562</b>
Cash and cash equivalents at 1 January		35,297,644	82,283,934	14,787,687	8,552,125
Cash and cash equivalents at 31 December	6	25,247,254	35,297,644	8,165,525	14,787,687

# Notes to the financial statements

For the year ended 31 December 2021

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## Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements and were approved and authorised for issue by the Board of Directors on 25 February 2022.

### 1 General information

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

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

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

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

As at 31 December 2021 the Company's major shareholders is Sumetchotimetha Family (54% shareholding).

The principle activity of the Company is compression of natural gas to PTT Public Company Limited. The Group operates in energy industry. Details of the Company's subsidiaries as at 31 December 2021 and 2020 are given in notes 10.

### 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 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 are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

### 3 Significant accounting policy

#### a) Basis of consolidation

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

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.

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree. When there is a change in the Group's interest in a subsidiary that do not result in a loss of control, any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received from the acquisition or disposal of the non-controlling interests with no change in control are accounted for as other surpluses or deficits in shareholders' equity.

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.

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated on consolidation. 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.

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.

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 reliably.

Business combination under common control are accounted for using a method similar to the pooling of interest method, by recognising assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the transaction date. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognised as surplus or deficit from business combinations under common control in shareholder's equity. The surplus or deficit will be written off upon divestment of the businesses acquired. The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

### **b) Investments in subsidiaries**

## Notes to the financial statements

Investments in subsidiaries in the separate financial statements are measured at cost less allowance for impairment losses. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established. Gains and losses on disposal of the investments are recognised in profit or loss.

### c) Foreign currencies

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated to the respective functional currencies of 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.

### d) Financial instruments

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

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, taking into account for transaction costs that are directly attributable to its acquisition, except for financial assets and financial liabilities measured at FVTPL, which are initially and subsequently measured at fair value, and any transaction costs that are directly attributable to its acquisition are recognised in profit or loss.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or fair value through profit or loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the Group/Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

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



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

### (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.

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) Impairment of financial assets other than trade accounts receivables

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

## Notes to the financial statements

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

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

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

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

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

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

### (d.4) 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.5) 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.

## Notes to the financial statements

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### e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments which has a maturity 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 ECLs rate. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

### g) Inventories

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

### h) Spare parts and supplies

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

### i) Investment properties

Investment properties are measured at cost less impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the investment property. No depreciation charged on freehold land.

## Notes to the financial statements

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Differences between the proceeds from disposal and the carrying amount of investment property are recognised in profit or loss.

### j) 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.

## Notes to the financial statements

### Subsequently Cost

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.

### Depreciation

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

The estimated useful lives are as follows:

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

### k) Intangible assets

#### Goodwill

Goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investee, the carrying amount of goodwill is included in the carrying amount of the investment.

#### Other intangible assets

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

The estimated useful lives are as follows:

Software licenses and computer program	5 years
Sale purchase gas agreement	10 years
Sale purchase electricity agreement	20 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 is recognised as an expense on a straight-line basis over the lease term.

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

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

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a 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 finance lease receivables at the net investment of the leases, which includes the present value of the lease payments, and any unguaranteed residual value, discounted using the interest rate implicit in the lease. Finance lease income reflects a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

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 rental income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as rental income in the accounting period in which they are earned.

The Group derecognises and determines impairment on the lease receivables as disclosed in note 3(d).

### m) 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.

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.

Impairment losses of assets recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed. 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 amortization, if no impairment loss had been recognised.

### n) Employee benefits

Defined contribution plans

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

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed regularly 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.

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits 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.

### **o) 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.

### **p) Fair value measurement**

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

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

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

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

### q) Revenue from contracts with customers

#### Revenue recognition

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

Revenue from sales of goods is recognised on the date on which the goods are delivered to the customers.

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

For bundled packages, the Group recognises revenue from sales of products and rendering of services separately if a product or service is separately identifiable from other items and a customer can benefit from it or the multiple services are rendered in different reporting periods. The consideration received is allocated based on their relative stand-alone selling prices.

#### Commission revenue

For the contracts that the Group is arranging for the provision of the goods or services on behalf of its customers and does not control the goods or services before the primary sellers or service providers will provide the goods or services to the customers. The Group acts in the capacity of an agent and recognises the net amount of consideration as commission revenue.

### r) 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 they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

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

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

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

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

### s) 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.

### t) Segment reporting

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

### 4 Business combination under common control

During the year 2021, the Group restructured its business. On 1 June 2021, the Company invested in 99.99% ordinary shares of N15 Technology Company Limited. This transaction is considered as a business combination under common control as the Company and N15 Technology Company Limited were all under common control of the same ultimate controlling shareholders before and after the acquisition date, and that control was not transitory. Total consideration was Baht 145 million. On the acquisition date, the Company paid for consideration in cash amounting to Baht 43.50 million and the remaining consideration of Baht 101.50 million was paid during 2021 as stipulate in the agreement. The aforementioned company had net assets value amounting to Baht 62.54 million.

This business restructuring was considered to be a business combination of entities under common control. Consequently, the Group prepared the financial statements using the similar to pooling of interests method, by recognising assets and liabilities of the acquired business at its carrying amounts at the transaction date. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognised as discount from business combination under common control in equity. The discount will be transferred to retained earnings upon divestment of the business acquired. The results from operation of the acquired business will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the business came under common control, whichever date is later, until control ceases.

Consequently, the Group prepared the consolidated financial statements by including the financial statements of N15 Technology Company Limited before 1 January 2020 as to reflects the economic substances for the Company and N15 Technology Company Limited as one economic unit before such date, although the legal form of the relationship between the Company and N15 Technology Company Limited was not effective until after that date.

Discount on business combination under common control recognised at the acquisition date and the major classes of the carrying amount of assets acquired and liabilities assumed are summarised as follows:

## Notes to the financial statements

### N15 Technology Company Limited (in thousand Baht)

Cash and cash equivalents	508
Trade and other current receivables	17,495
Property, plant and equipment	108,288
Other receivables	1,604
Bank overdrafts and short-term borrowings	(5,973)
Trade and other accounts payable	(9,645)
Long-term borrowings	(28,971)
Lease liabilities	(17,992)
Other liabilities	(2,773)
<b>Total net assets</b>	<b>62,541</b>
Discount on business combination under common control	82,459
<b>Consideration transferred</b>	<b>145,000</b>

#### Acquisition-related costs

The Group incurred acquisition-related costs of Baht 3.65 million related to external legal fees, other consultants on business combination and other expenses which have been included in administrative expenses in the Group's consolidated statement of comprehensive income.

The consolidated statements of financial position, comprehensive income and cash flows have been restated accordingly. The effects of the change from the retrospective adjustments are summarised as follows:

## Notes to the financial statements

Statement of financial position	Consolidated financial statements					
	At 1 January 2020			At 31 December 2020		
	As previously reported	Adjustment	As restated	As previously reported	Adjustment	As restated
			(in thousand Baht)			
Cash and cash equivalents	82,209	75	82,284	34,612	686	35,298
Trade accounts receivable	93,530	12,987	106,517	78,120	15,557	93,677
Current portion of lease receivables	18,567	254	18,821	19,638	313	19,951
Other receivables	57,889	3,717	61,606	55,970	2,719	58,689
Inventories	11,283	165	11,448	3,860	73	3,933
Current spare parts and supplies	3,057	-	3,057	2,107	27	2,134
Lease receivables	185,743	1,045	186,788	171,753	733	172,486
Property, plant and equipment	930,702	114,665	1,045,367	914,637	110,044	1,024,681
Others	415,952	-	415,952	337,705	-	337,705
			1,931,84			
<b>Total assets</b>	<b>1,798,932</b>	<b>132,908</b>	<b>0</b>	<b>1,618,402</b>	<b>130,152</b>	<b>1,748,554</b>
Bank overdrafts and short-term borrowings	101,112	4,688	105,800	23,132	-	23,132
Trade accounts payable	27,917	10,194	38,111	27,674	8,053	35,727
Other payables	95,618	3,508	99,126	20,726	4,465	25,191
Current portion of long-term borrowings	71,932	10,929	82,861	85,553	8,516	94,069
Current portion of lease liabilities	9,220	9,772	18,992	13,167	4,858	18,025
Long-term borrowings	443,910	21,449	465,359	368,158	27,488	395,646
Lease liabilities	26,811	10,436	37,247	44,520	14,264	58,784
Deferred tax liabilities	31,201	2,089	33,290	29,849	1,583	31,432
Provisions for employee benefits	929	865	1,794	952	1,014	1,966
Long-term provisions	1,090	-	1,090	1,090	-	1,090
<b>Total liabilities</b>	<b>809,740</b>	<b>73,930</b>	<b>883,670</b>	<b>614,821</b>	<b>70,241</b>	<b>685,062</b>



## Notes to the financial statements

Statement of financial position	Consolidated financial statements					
	At 1 January 2020			At 31 December 2020		
				As		
	As previously reported	Adjustment	As restated	previously reported	Adjustment	As restated
			(in thousand Baht)			
Equity attributable to owners						
of the parent	915,574	-	915,574	929,922	-	929,922
Equity of subsidiary before business restructuring	-	58,978	58,978	-	59,911	59,911
Non-controlling interests	73,618	-	73,618	73,659	-	73,659
<b>Total equity</b>	<b>989,192</b>	<b>58,978</b>	<b>1,048,170</b>	<b>1,003,581</b>	<b>59,911</b>	<b>1,063,492</b>
<b>Total liabilities and equity</b>	<b>1,798,932</b>	<b>132,908</b>	<b>1,931,840</b>	<b>1,618,402</b>	<b>130,152</b>	<b>1,748,554</b>

Statement of comprehensive income	Consolidated financial statements		
	For the year ended 31 December 2020		
	As previously reported	Adjustment	As restated
			(in thousand Baht)
<b>Revenue</b>			
Revenue from rendering of services	207,655	17,784	225,439
Revenue from leases	18,753	250	19,003
Revenue from sale of goods	303,715	46,535	350,250
Other income	3,537	926	4,463
<b>Total revenue</b>	<b>533,660</b>	<b>65,495</b>	<b>599,155</b>
<b>Expenses</b>			
Cost of rendering of services	133,648	10,053	143,701
Cost of sales of goods	228,581	27,848	256,429
Selling and administrative expenses	104,314	23,665	127,979
<b>Total expenses</b>	<b>466,543</b>	<b>61,566</b>	<b>528,109</b>

## Notes to the financial statements

### Statement of comprehensive income

### Consolidated financial statements

For the year ended 31 December 2020

	As previously reported	Adjustment (in thousand Baht)	As restated
Profit from operating activities	67,117	3,929	71,046
Finance costs	(31,101)	(3,260)	(34,361)
Profit before income tax expense	36,016	669	36,685
Tax income	1,312	264	1,576
Profit for the year	37,328	933	38,261
Profit attributable to:			
Owners of parent	37,287	-	37,287
Equity of subsidiary before business restructuring	-	933	933
Non-controlling interests	41	-	41
Profit for the year	37,328	933	38,261
Other comprehensive income for the year, net of tax			
Total comprehensive income for the year	37,638	933	38,571
Comprehensive income attributable to:			
Owners of parent	37,597	-	37,597
Equity of subsidiary before business restructuring	-	933	933
Non-controlling interests	41	-	41
Total comprehensive income for the year	37,638	933	38,571
Basic earnings per share (in Baht)	0.040	-	0.040

	Consolidated financial statements		
	As previously		
	reported	Adjustment	As restated
		(in thousand Baht)	
<b>Statement of cash flows for the year ended 31 December 2020</b>			
Net cash from operating activities	166,071	12,207	178,278
Net cash used in investing activities	(5,493)	(6,824)	(12,317)
Net cash used in financing activities	(208,176)	(4,771)	(212,947)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(47,598)</b>	<b>612</b>	<b>(46,986)</b>
Cash and cash equivalents at beginning of period	82,209	75	82,284
<b>Cash and cash equivalents at ending of period</b>	<b>34,611</b>	<b>687</b>	<b>35,298</b>

### 5 Related parties

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

Relationships with subsidiaries are described in note 10. Key management and other related parties that the Group had significant transactions with during the year were as follows:

Name of entities	Country of incorporation	Nature of relationships
PTC Holding Company Limited	Thailand	Common directors and directors hold all shares
Transuwan Company Limited	Thailand	Common directors and directors hold substantial shares

## Notes to the financial statements

Name of entities	Country of incorporation	Nature of relationships
Tranthanakom Company Limited	Thailand	Common directors and directors hold substantial shares
T.Line Transport Co., Ltd.	Thailand	Common directors and directors hold substantial shares
B.P. 15 Company Limited	Thailand	Common directors and shareholders
Trans Energy Company Limited	Thailand	Common shareholders
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the Group. (whether executive or otherwise)

### Significant transactions with related parties

For the year ended 31 December

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(Restated)			
	(in thousand Baht)			
<b>Subsidiaries</b>				
Management income	-	-	1,876	236
Other service income	-	-	539	576
Interest income	-	-	18,853	21,200
Interest expense	-	-	1,019	318
<b>Other related parties</b>				
Other service income	356	164	345	164
Interest income	870	428	679	178

## Notes to the financial statements

### Significant transactions with related parties

For the year ended 31 December

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
		(Restated)		
		(in thousand Baht)		
Purchase of raw materials	100,525	92,046	-	-
Transportation expense	9,987	11,217	-	-
Other service expenses	2,701	5,462	44	61
Interest expense	285	427	-	-

### Key management personnel

Short-term employee benefits	30,448	23,154	21,616	18,800
Post-employment benefits	120	198	75	45
<b>Total key management personnel</b>				
<b>compensation</b>	<b>30,568</b>	<b>23,352</b>	<b>21,691</b>	<b>18,845</b>

Balances as at 31 December with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	31 December	31 December	31 December	31 December
	2021	2020	2021	2020
		(Restated)		
		(in thousand Baht)		
<b>Other receivables</b>				
Subsidiaries	-	-	861	261

## Notes to the financial statements

	Consolidated		Separate	
	financial statements		financial statements	
	31 December	31 December	31 December	31 December
	2021	2020	2021	2020
	(Restated)			
	(in thousand Baht)			
Other related parties	85	2,138	15	22
<b>Total</b>	<b>85</b>	<b>2,138</b>	<b>876</b>	<b>283</b>
<b>Lease receivables</b>				
Other related parties	858	1,186	-	-
<b>Short-term loan</b>				
Subsidiary (Interest rate : 4 % per annum)	-	-	10,000	-
<b>Long-term loan</b>				
Subsidiary (Interest rate : MOR+2.75% and MLR+0.25% per annum)	-	-	284,130	303,146
Less allowance for expected credit loss	-	-	(1,523)	(2,676)
<b>Net</b>	<b>-</b>	<b>-</b>	<b>282,607</b>	<b>300,470</b>
<b>Expected credit losses for the</b>				
<b>year ended 31 December:</b>				
Loans	-	-	(1,153)	2,676

## Notes to the financial statements

	Consolidated		Separate	
	financial statements		financial statements	
	31 December	31 December	31 December	31 December
	2021	2020	2021	2020
		(Restated)		
		(in thousand Baht)		
<b>Trade accounts payable</b>				
Other related parties	3,300	2,586	-	-
<b>Other payables</b>				
Subsidiaries	-	-	715	341
Other related parties	7	3,919	-	31
<b>Total</b>	<b>7</b>	<b>3,919</b>	<b>715</b>	<b>372</b>
<b>Lease liabilities</b>				
Other related parties	2,702	4,647	-	-
<b>Short-term borrowing</b>				
Subsidiaries (Interest rate: 4 % per annum)	-	-	30,800	16,800
<b>Impairment loss</b>				

## Notes to the financial statements

An allowance for impairment loss for loans to is measured at an amount equal to lifetime ECLs. ECLs on this financial asset is estimated using a provision matrix based on the historical credit loss experience, adjusted for factors that are specific to loan to and assessment of both the current and forecast general economic conditions.

### Significant agreements with related parties

A subsidiary entered into a raw materials sale and purchase agreement with a related party. Such agreement has been effective since August 2020 to August 2024. The related party agreed to provide raw materials to the subsidiary at the conditions and service fee as stipulated in the agreement.

The Company entered into a solar power generation panels lease agreement with a related party for a period of 20 years commencing from the date that the Company delivers and the related company receives the delivery of the lease assets, under the rental fee and conditions stipulated in the agreement.

### 6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(Restated)			
	(in thousand Baht)			
Cash on hand	348	389	310	322
Cash at banks - current accounts	3,260	1,612	419	428
Cash at banks - savings accounts	21,639	33,297	7,437	14,038
<b>Total</b>	<b>25,247</b>	<b>35,298</b>	<b>8,166</b>	<b>14,788</b>



### 7 Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
At 31 December	2021	2020	2021	2020
	(Restated)			
	(in thousand Baht)			
Within credit terms	81,515	87,150	19,030	34,292
Overdue:				
1-30 days	7,458	4,192	-	-
31-60 days	659	1,792	-	-
61-90 days	122	42	-	-
More than 90 days	173	501	-	-
<b>Total</b>	<b>89,927</b>	<b>93,677</b>	<b>19,030</b>	<b>34,292</b>
Less allowance for expected credit loss	-	-	-	-
<b>Net</b>	<b>89,927</b>	<b>93,677</b>	<b>19,030</b>	<b>34,292</b>

The normal credit term granted by the Group is 7-30 days.

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(Restated)			
	( in thousand Baht)			
Raw materials	4,259	3,817	-	-
Finished goods	170	116	-	-
Work in process	663	-	663	-
<b>Total</b>	<b>5,092</b>	<b>3,933</b>	<b>663</b>	<b>-</b>

## Notes to the financial statements

Inventories recognised in

'cost of sales of goods'

250,739

256,429

-

-

### 8 Inventories

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(Restated)			
	( in thousand Baht)			
Raw materials	4,259	3,817	-	-
Finished goods	170	116	-	-
Work in process	663	-	663	-
<b>Total</b>	<b>5,092</b>	<b>3,933</b>	<b>663</b>	<b>-</b>

Inventories recognised in

'cost of sales of goods'

250,739

256,429

-

-

## 9 Lease receivables

		Consolidated financial statements					
		Portion due					
		Over 1 year	Over 2	Over 3	Over 4		
		but within	years	years	years		
		2 years	but within	but within	but within	Over	Total
			3 years	4 years	5 years	5 years	
							(in thousand Baht)
Effective	Within						
interest rate	1 year						
(% per							
annum)							
<b>2021</b>							
Lease receivables	37,825	32,177	31,673	31,673	31,673	95,831	260,852
Less unearned interest							
income	(16,619)	(15,213)	(13,698)	(12,003)	(10,031)	(15,028)	(82,592)
<b>Net</b>	<b>21,206</b>	<b>16,964</b>	<b>17,975</b>	<b>19,670</b>	<b>21,642</b>	<b>80,803</b>	<b>178,260</b>
<b>2020 - Restated</b>							
Lease receivables	37,825	32,556	31,673	31,673	31,673	127,502	292,902
Less unearned interest							
income	(17,874)	(16,650)	(15,182)	(13,699)	(12,002)	(25,058)	(100,465)
<b>Net</b>	<b>19,951</b>	<b>15,906</b>	<b>16,491</b>	<b>17,974</b>	<b>19,671</b>	<b>102,444</b>	<b>192,437</b>

Separate financial statements						
		Portion due				
Effective interest rate  (% per annum)		Over 1 year	Over 2	Over 3	Over 4	Total
		Within 1 year	years but within 3 years	years but within 4 years	years but within 5 years	
		2 years	but within 3 years	but within 4 years	but within 5 years	
(in thousand Baht)						
2021						
	Lease receivables	37,320	31,673	31,673	31,673	259,843
	Less unearned interest income	(16,500)	(15,182)	(13,698)	(12,003)	(82,442)
	Net	20,820	16,491	17,975	19,670	177,401
2020						
	Lease receivables	37,320	31,673	31,673	31,673	291,514
	Less unearned interest income	(17,682)	(16,500)	(15,182)	(13,699)	(100,123)
	Net	19,638	15,173	16,491	17,974	191,391

The Company entered into two natural gas compression contracts with PTT Public Company Limited (PTT) to provide gas storage trailers natural gas compression service to PTT. The Company must comply with the conditions stipulated in the contracts for a period of 20 years, expiring in March 2029 and October 2030, respectively. Under TFRS 16, these contracts have met the conditions for arrangements which contain lease.

At the Board of Directors' Meeting held on 24 September 2021, the Board of Directors approved of termination of the natural gas compression contract by private mother station (Ban Na-Kaeng Khoi) in Saraburi Province and related contract between the Company and PTT Public Company Limited ("PTT"), which expiry date of the contract is on 14 October 2030. The termination was a result of a continuous reduction of the demand of the compressed natural gas for vehicles (NGV) of the private mother station (Ban Na-Kaeng Khoi) in Saraburi Province and the Company has been informed that the demand of NGV for the private mother station (Ban Na-Kaeng Khoi) was zero ton per day since 1 March 2021. The Company confirmed on the acceptance of the termination of the Natural Gas Compression Contract of the private mother station (Ban Na-Kaeng Khoi) in Saraburi Province between the Company and PTT. The acceptance of such offer on termination and other relevant contracts are uncertainty due to the PTT's consideration is subject to the relevant rules and regulations.

## Separate financial statements

	Type of business	Ownership interest		Paid share capital		Cost		Allowance impairment		Cost - net	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
		(%)									
<b>Subsidiaries</b>											
						(in thousand Baht)					
SK15 Company Limited	Rental of property	99.99	99.99	140,000	140,000	140,000	140,000	-	-	140,000	140,000
SKE Development Company Limited	Generating and distribution of electricity	99.99	99.99	62,000	62,000	61,999	61,999	-	-	61,999	61,999
Mae Krating Power Company Limited	Generating and distribution of electricity	80.00	80.00	282,300	282,300	285,840	285,840	-	-	285,840	285,840
RE Biofuels Company Limited	Production and distribution of compressed bio-methane gas	-	75.95	-	21,000	-	24,700	-	(3,300)	-	21,400
N15 Technology Company Limited (Note 4)	Waste and non-hazardous materials management	99.99	-	40,000	-	145,000	-	-	-	145,000	-
<b>Total</b>											
Annual Report 2021		524,300		505,300		632,839	512,539	-	(3,300)	632,839	509,239

## Notes to the financial statements

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All subsidiaries were incorporated in Thailand and the Company has no investments in subsidiaries registered in the stock exchange so there are no published price quotations to be disclosed.

In March 2021, the Board of Directors' meeting of the Company approved the Company to dispose of all ordinary shares in RE Biofuels Company Limited. Later, in April 2021, the Company entered into a sale and purchase agreement of investment in subsidiary amounting to Baht 21.40 million. The buyer agreed to pay as condition stipulated in the agreement. All transfer processes completed on 8 April 2021. The Group recognised gain on this disposal of Baht 13.36 million

## Notes to the financial statements

### 11 Investment properties

	Consolidated financial statements	
	2021	2020 (Restated)
	(in thousand Baht)	
At 31 December	171,618	171,618

The fair value of investment properties as at 31 December 2021 of Baht 284.65 million (2020: Baht 284.65 million) was determined by independent professional valuers, at market price method. The fair value measurement for investment property has been categorised as a Level 2.

Investment properties were the properties that the Group has not used for operation.



12 Property, plant and equipment

Consolidated financial statements										
		Land and land improvement	Buildings and constructions	Machinery and equipment	Electrical System	Tools	Furniture, fixtures and office equipment	Vehicles	Assets under construction	Total
Cost						(in thousand Baht)				
At 1 January 2020 - Restated	120,286	159,209	797,954	18,375	4,445	23,887	24,187	16,608	1,164,951	
Additions	4,523	1,733	7,719	-	1,028	2,072	7,143	10,552	34,770	
Disposal/write-off	-	(204)	(4,856)	(9)	-	(29)	-	-	(5,036)	
Transfer	5,550	13,326	-	-	557	4,603	-	(24,036)	-	
At 31 December 2020 and 1 January 2021 - Restated	130,359	174,064	800,817	18,366	6,030	30,533	31,330	3,124	1,194,623	
Additions	520	1,289	6,451	-	1,183	945	352	3,058	13,758	
Disposal/write-off	-	-	(10,692)	-	(911)	(2,125)	(2,201)	-	(16,139)	
Decrease from disposal of investment (note 10)	(3,714)	(14,225)	(59,513)	(6,091)	(451)	(654)	-	-	(84,708)	
Transfer	-	546	2,900	209	1,259	1,265	-	(6,182)	-	
At 31 December 2021	127,165	161,674	799,763	12,484	7,080	29,937	29,481	-	1,107,584	

Consolidated financial statements								
		Furniture, fixtures  and office  Assets under construction						Total
							(in thousand Baht)	
<b>Depreciation and loss from impairment</b>								
At 1 January 2020 - Restated								
Depreciation charge for the year								
Loss from impairment								
Disposal/write-off								

	Consolidated financial statements							
	Land and land improvement	Buildings and constructions	Machinery and equipment	Electrical System	Tools equipment	Vehicles	Assets under construction	Total
	(in thousand Baht)							
<b>At 31 December 2020 and</b>								
<b>1 January 2021 - Restated</b>	<b>(1,373)</b>	<b>(27,829)</b>	<b>(95,253)</b>	<b>(3,728)</b>	<b>(3,455)</b>	<b>(17,808)</b>	<b>-</b>	<b>(169,942)</b>
Depreciation charge for the year	(1,590)	(11,435)	(44,351)	(1,061)	(855)	(4,422)	-	(66,869)
Reverse loss from impairment	-	-	1,280	-	-	-	-	1,280
Disposal/write-off	-	-	5,777	-	903	2,014	-	10,872
Decrease from disposal investment (note 10)	358	2,059	13,194	1,476	216	291	-	17,594

	Consolidated financial statements							
			Furniture, fixtures and office equipment					
	Land and land improvement	Bldings and constructions	Machinery and equipment	Electrical System	Tools	Vehicles	Assets under construction	Total
	(2,605)	(37,205)	(119,353)	(3,313)	(3,191)	(21,473)	-	(207,065)
At 31 December 2021								

## Consolidated financial statements

Furniture,  
fixtures

Land and land improvement  
Buildings and constructions  
Machinery and equipment  
Electrical System  
Tools  
Vehicles  
Assets under construction  
Total

(in thousand Baht)

## Net book value

## At 31 December 2020 - Restated

Owned assets	120,692	138,605	626,512	14,638	2,575	11,484	554	3,124	918,184
Right-of-use assets	8,294	7,630	79,052	-	-	1,241	10,280	-	106,497
	<b>128,986</b>	<b>146,235</b>	<b>705,564</b>	<b>14,638</b>	<b>2,575</b>	<b>12,725</b>	<b>10,834</b>	<b>3,124</b>	<b>1,024,681</b>

## At 31 December 2021

Owned assets	120,208	119,306	584,017	9,171	3,889	9,168	678	-	846,437
Right-of-use assets	4,352	5,163	36,393	-	-	844	7,330	-	54,082

[illegible]

## Separate financial statements

Cost	Furniture, fixtures and office equipment									
	Land	Buildings and constructions	Machinery and equipment	Electrical System	Tools	Vehicles	Assets under construction	Total		
(in thousand Baht)										
At 1 January 2020	78,634	26,492	38,372	2,221	2,728	19,453	-	189,530		
Additions	-	564	-	-	12	5,061	3,370	10,135		
Transfer	-	-	-	-	-	-	(1,116)	-		
At 31 December 2020 and 1 January 2021	78,634	27,056	38,372	2,221	2,740	24,514	2,254	199,665		
Additions	-	807	-	-	9	-	938	2,310		
Disposal/write-off	-	-	(79)	-	(830)	(1,925)	-	(4,905)		
Transfer	-	456	-	209	1,259	-	(3,192)	-		
At 31 December 2021	78,634	28,319	38,293	2,430	3,178	22,589	-	197,070		

		Separate financial statements							
		Furniture, fixtures and office equipment							
		Buildings and constructions	Machinery and equipment	Electrical System	Tools	Vehicles	Assets under construction	Total	
		(in thousand Baht)							
Depreciation									
At 1 January 2020	-	(5,193)	(8,587)	(579)	(2,283)	(13,191)	-	(44,808)	
Depreciation charge for the year	-	(3,115)	(2,824)	(324)	(159)	(2,953)	-	(11,878)	
At 31 December 2020 and 1 January 2021	-	(8,308)	(11,411)	(903)	(2,442)	(16,144)	-	(56,686)	



	Separate financial statements						
	Furniture, fixtures  and office equipment						Total
	Land	Buildings and constructions	Machinery and equipment	Electrical System	Tools	Vehicles	Assets under construction
Depreciation charge for					(in thousand Baht)		
the year	-	(3,478)	(2,767)	(228)	(258)	(1,827)	(11,798)
Disposal/write-off	-	-	32	-	827	1,902	4,724
<b>At 31 December 2021</b>	-	<b>(11,786)</b>	<b>(14,146)</b>	<b>(1,131)</b>	<b>(1,873)</b>	<b>(17,403)</b>	<b>(63,760)</b>

		Separate financial statements							
		Furniture, fixtures and Assets under construction							
		Land	Buildings and constructions	Machinery and equipment	Electrical System	Tools	equipment	Vehicles	Total
		(in thousand Baht)							
Net book value									
At 31 December 2020									
Owned assets	78,634	14,823	26,961	1,318	298	6,489	374	2,254	131,151
Right-of-use assets	-	3,925	-	-	-	1,241	6,662	-	11,828
	78,634	18,748	26,961	1,318	298	7,730	7,036	2,254	142,979

## Separate financial statements

	Land	Buildings and constructions	Machinery and equipment	Electrical System	Tools	equipment office	Vehicles	Assets under construction	Total
									(in thousand Baht)
<b>At 31 December 2021</b>									
Owne d assets	78,634	13,415	24,147	1,299	1,305	5,362	345	-	124,507
Righ t-of-use assets	-	3,118	-	-	-	844	4,841	-	8,803
	<b>78,634</b>	<b>16,533</b>	<b>24,147</b>	<b>1,299</b>	<b>1,305</b>	<b>6,206</b>	<b>5,186</b>	<b>-</b>	<b>133,310</b>

### Impairment assessment for property, plant and equipment of a subsidiary

At 31 December 2021, N15 Technology Company Limited, a subsidiary, has its fair value using the market method of plant lower than its carrying value. This situation might resulted in the recoverable amount of plant in a subsidiary lower than its carrying value and indicated impairment losses. The management assessed impairment loss by using value in use method which determined from discounted future cash flow from using the asset in evaluating recoverable amount. Key assumptions used in determination of future cash flow included revenue derived from expectations of future outcome taking into account past experience, adjusted for anticipated market and future plan, and long-term growth rate.

Discounted cash flow method is used for impairment testing with discount rate referred to weighted average cost of capital (WACC) at 5.57%. The recoverable amount was estimated to be higher than its carrying values and no impairment of property, plant and equipment was required to 2021 consolidated financial statements.

### Sensitivity analysis

Increase in WACC at 0.72% while holding other assumptions constant, would cause the carrying amount of property, plant and equipment to equal the recoverable amount.

### Leases

## Notes to the financial statements

	Consolidated		Separate	
	financial statements		financial statements	
For the year ended 31 December	2021	2020	2021	2020
	(Restated)			
	(in thousand Baht)			
Amounts recognised in profit or loss				
Depreciation of right-of-use assets:				
- Land improvement	585	800	-	-
- Buildings and construction	3,490	2,768	1,615	1,255
- Machinery and equipment	6,046	10,888	-	-
- Furniture, fixtures and office equipment	512	357	512	343
- Vehicles	2,950	2,969	1,821	1,763
Interest on lease liabilities	2,980	4,522	487	490
Expenses relating to short-term leases	-	480	-	-
Expenses relating to leases of low-value assets	66	30	30	30

In 2021, total cash outflow for leases of the Group and the Company were Baht 14.28 million and Baht 4.17 million, respectively. (2020 : Baht 17.86 million and Baht 4.21 million, respectively)

## Consolidated financial statements

Cost	(in thousand Baht)					
	Software license	Computer program	Software license under installation	Sale and purchase gas agreement	Sale and purchase electricity agreement	Total
At 1 January 2020 - Restated	696	1,232	5,188	1,180	110,000	126,373
Additions	-	471	166	-	-	637
Transfer	-	5,354	(5,354)	-	-	-
At 31 December 2020 and 1 January 2021 - Restated	696	7,057	-	1,180	110,000	127,010
Disposal/write-off	(60)	(618)	-	-	-	(678)
Decrease from disposal of investment (note 10)	-	(55)	-	(1,180)	-	(9,312)
At 31 December 2021	636	6,384	-	-	110,000	117,020

## Consolidated financial statements

	Software license	Computer program	Software license under installation	Sale and purchase gas agreement	Sale and purchase electricity agreement	Goodwill	Total
	(in thousand Baht)						
<b>Amortization and losses from impairment</b>							
At 1 January 2020 - Restated	(156)	(637)	-	(110)	(2,197)	-	(3,100)
Amortization for the year	(124)	(1,638)	-	(118)	(5,507)	-	(7,387)
Loss from impairment	-	-	-	-	-	(640)	(640)
<b>At 31 December 2020 and 1 January 2021 - Restated</b>	<b>(280)</b>	<b>(2,275)</b>	<b>-</b>	<b>(228)</b>	<b>(7,704)</b>	<b>(640)</b>	<b>(11,127)</b>
Amortization for the year	(123)	(1,357)	-	(29)	(5,493)	-	(7,002)
Disposal/write-off	60	460	-	-	-	-	520
Decrease from disposal of investment (note 10)	-	46	-	257	-	640	943

## Consolidated financial statements

	Software license	Computer program	Software license under installation	Sale and purchase gas agreement	Sale and purchase electricity agreement	Goodwill	Total
At 31 December 2021	(343)	(3,126)	-	-	(13,197)	-	(16,666)
(in thousand Baht)							
Net book value							
At 31 December 2020 - Restated	416	4,782	-	952	102,296	7,437	115,883
At 31 December 2021	293	3,258	-	-	96,803	-	100,354



## Notes to the financial statements

	Separate financial statements			
		Computer	Software license under	
	Software license	Software	installation	Total
	(in thousand Baht)			
Cost				
At 1 January 2020	696	1,229	5,188	7,113
Additions	-	419	166	585
Transfer	-	5,354	(5,354)	-
At 31 December 2020 and				
1 January 2021	696	7,002	-	7,698
Write-off	(60)	(618)	-	(678)
At 31 December 2021	636	6,384	-	7,020
Amortization				
At 1 January 2020	(156)	(636)	-	(792)
Amortization for the year	(124)	(1,605)	-	(1,729)
At 31 December 2020 and				
1 January 2021	(280)	(2,241)	-	(2,521)
Amortization for the year	(123)	(1,345)	-	(1,468)
Write-off	60	460	-	520
At 31 December 2021	(343)	(3,126)	-	(3,469)
Net book value				
At 31 December 2020	416	4,761	-	5,177
At 31 December 2021	293	3,258	-	3,551

## Notes to the financial statements

### 13 Interest-bearing liabilities

	Consolidated financial statements	
	2021	2020
	(Restated)	
	(in thousand Baht)	
<b>Current</b>		
Bank overdrafts	-	3,132
Short-term borrowings from financial institutions - Secured	5,000	20,000
Current portion of long-term borrowings from financial institutions		
- Secured	108,119	84,214
- Unsecured	14,979	9,855
Current portion of lease liabilities	17,021	18,025
<b>Total current interest-bearing liabilities</b>	<b>145,119</b>	<b>135,226</b>

## Notes to the financial statements

	Consolidated financial statements	
	2021	2020
	(Restated)	
	(in thousand Baht)	
<b>Non-current</b>		
Long-term borrowings from financial institutions		
- Secured	254,400	380,741
- Unsecured	-	14,904
Lease liabilities	20,815	58,784
<b>Total non-current interest-bearing liabilities</b>	<b>275,215</b>	<b>454,429</b>
<b>Total interest bearing liabilities</b>	<b>420,334</b>	<b>589,655</b>
	Separate financial statements	
	2021	2020
	(in thousand Baht)	
<b>Current</b>		
Short-term borrowings from related parties		
- Unsecured	30,800	16,800
Current portion of long-term borrowings from financial institutions		
- Secured	46,235	46,209
- Unsecured	14,979	4,355
Current portion of lease liabilities	3,990	3,519
<b>Total current interest-bearing liabilities</b>	<b>96,004</b>	<b>70,883</b>

## Notes to the financial statements

Separate  
financial statements  
2021                      2020  
  
(in thousand Baht)

### Non-current

Long-term borrowings from financial institutions

- Secured

107,865                      154,100

- Unsecured

-                                      14,904

Lease liabilities

5,148                              8,511

**Total non-current interest-bearing liabilities**

**113,013                      177,515**

**Total interest bearing liabilities**

**209,017                      248,398**

### Guarantee

As at 31 December 2021, the Group had guaranteed for credit facilities of a subsidiary which granted from financial institutions at Baht 300 million and another company which was formerly a subsidiary of the Company at Baht 31.45 million. Currently, the Company is in the process of terminating this credit facilities guarantee contract with the financial institution.

Detail of the Group's loan as at 31 December were as follows:

## Notes to the financial statements

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	(Restated)			
	(in thousand Baht)			
The Company :				
1) Baht 3.8 million Short-term Loan Facility at interest rate of 4% per annum, principal payable within 1 year after withdrawal	-	-	3,800	3,800
2) Baht 28 million Short-term Loan Facility at interest rate of 4% per annum, principal payable within 1 year after withdrawal	-	-	27,000	13,000
3) Baht 30 million Term Loan Facility at fixed interest rate of 4.76% per annum, principal payable in monthly for 36 installments commencing from June 2018	-	4,355	-	4,355
4) Baht 280 million Term Loan Facility at interest rate of MLR-2.50% per annum, principal payable in monthly for 75 installments commencing from March 2019	155,552	202,220	155,552	202,220
5) Baht 15 million Revolving Loan Facility at interest rate of 2% per annum, principal payable in one lump sum amount in April 2022	15,000	15,000	15,000	15,000
Subsidiaries :				
1) Baht 5 million Bank Overdraft at interest rate of MOR% per annum	-	3,132	-	-

## Notes to the financial statements

2) Baht 30 million Short-term Loan Facility at interest rate of 2% per annum, principal payable in one lump sum amount in May 2021	-	20,000	-	-
3) Baht 5 million Short-term Loan Facility at interest rate of MLR-2% per annum, principal payable in one lump sum amount in March 2022	5,000	-	-	-
4) Baht 30 million Term Loan Facility at interest rate of MLR-1.25% per annum, principal payable in monthly for 77 installments commencing from July 2019	-	16,215	-	-

Consolidated		Separate	
financial statements		financial statements	
2021	2020	2021	2020
	(Restated)		
	(in thousand Baht)		

### Subsidiaries (Continue):

5) Baht 250 million Term Loan Facility at interest rate of MLR-0.50% per annum, principal payable in monthly for 75 installments commencing from June 2020	189,496	220,434	-	-
6) Baht 1.2 million Term Loan Facility at interest rate of 2% and MLR-1% per annum, principal payable in monthly for 60 installments commencing from January 2021	-	1,200	-	-
7) Baht 6.3 million Term Loan Facility at interest rate of 2% per annum, principal payable in monthly for 24 installments commencing from January 2021	5,462	6,300	-	-

## Notes to the financial statements

8) Baht 8.6 million Term Loan Facility at interest rate of MLR-0.5% per annum, principal payable in monthly for 64 installments commencing from January 2020	5,518	6,636	-	-
9) Baht 7.5 million Term Loan Facility at interest rate of 5% per annum, principal payable in one lump sum amount in May 2021	-	5,500	-	-
10) Baht 45 million Term Loan Facility at interest rate of MLR per annum, principal payable in monthly for 42 installments commencing from January 2020	11,006	17,568	-	-
Total	387,034	518,560	201,352	238,375
Less Unamortised discount and front end fee	(4,536)	(5,713)	(1,473)	(2,007)
<b>Net borrowings</b>	<b>382,498</b>	<b>512,847</b>	<b>199,879</b>	<b>236,368</b>

Under loan agreements, the Group and the Company must comply with certain conditions stipulated in the agreements such as maintain loan covenants ratio as stipulated in the agreements. At 31 December 2021, the Company breached loan covenants as the Company was unable to maintain debt service coverage ratio as stipulated in the agreement. However, the Company already obtained a waiver from financial institution. Accordingly, the financial statements do not include any adjustments that may necessary if the Company is unable to comply with conditions stipulated in loan agreement.

## Notes to the financial statements

Assets pledged as security for liabilities as at 31 December	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(Restated)			
	(in thousand Baht)			
Deposits at financial institutions				
with restrictions on withdrawal	21,588	12,776	500	500
Investment properties	171,618	171,618	-	-
Property, plant and equipment	805,486	909,463	82,760	83,217
<b>Total</b>	<b>998,692</b>	<b>1,093,857</b>	<b>83,260</b>	<b>83,717</b>

As at 31 December 2021, the Group and the Company had unutilised credit facilities totaling Baht 232.50 million and Baht 175 million, respectively, (2020: Baht 219.37 million and Baht 175 million, respectively).

### 14 Share premium and reserves

#### Share premium

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

#### 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.



## Notes to the financial statements

### 15 Share capital

	Par value	2021		2020	
	per share	Number	Baht	Number	Baht
	(in Baht)	(thousand shares / thousand Baht)			
Authorised					
At 1 January					
- ordinary shares	0.50	930,000	465,000	930,000	465,000
Issue of new shares	0.50	186,000	93,000	-	-
At 31 December					
- ordinary shares	0.50	1,116,000	558,000	930,000	465,000
Issued and paid-up					
At 1 January					
- ordinary shares	0.50	930,000	465,000	930,000	465,000
Issue of new shares	0.50	186,000	93,000	-	-
At 31 December					
- ordinary shares	0.50	1,116,000	558,000	930,000	465,000

## Notes to the financial statements

At the Annual General Meeting of Shareholders of the Company held on 30 April 2021, the shareholders resolved to approve the increase in the Company's registered capital from the existing registered capital of Baht 465 million (930 million shares with a par value of Baht 0.50) to Baht 558 million (1,116 million shares with a par value of Baht 0.50 per share) by issuing newly issued ordinary shares of 186 million shares, with a par value of Baht 0.50 per share. The allotment of the newly issued ordinary shares of the Company was offered at the same time or different times to the existing shareholders by the way of proportionate to their respective shareholdings (Rights Offering) at the subscription ratio of 5 existing ordinary shares to 1 newly issued ordinary share. The total value of shares was Baht 148.80 million. Such newly share capital was called up and fully paid on 1 June 2021. The Company registered the increase in paid-up capital with the Ministry of Commerce on 4 June 2021.

### 16 Segment information and disaggregation of revenue

Management determined that the Group has four 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.

Segment 1	Natural gas compression service
Segment 2	Generating and distribution of electricity
Segment 3	Waste disposal management and RDF production
Segment 4	Others

Other operations include production and distribution of compressed bio-methane gas and non-operating activities. None of these segments meets the quantitative thresholds for determining reportable segments in 2021 or 2020.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Information about reportable segments and disaggregation of revenue by product and service lines

For the year ended	Natural gas compression service		Generating and distribution of electricity		Waste disposal management and RDF production		Others		Elimination of inter-segment		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
					(Restate d)	(Restate d)	(Restate d)	(Restate d)	(Restate d)	(Restate d)		(Restate d)
(in thousand Baht)												
External revenues												
- Revenue from rendering of services	110,403	207,655	-	-	19,824	17,784	-	-	-	-	130,227	225,439
- Revenue from financial lease	17,683	18,754	-	-	191	250	-	-	-	-	17,874	19,004
- Revenue from sales of goods	-	-	282,859	286,516	49,525	46,536	998	17,198	-	-	333,382	350,250

For the year ended	Natural gas compression service		Generating and distribution of electricity		Waste disposal management and RDF production		Others		Elimination of inter-segment		Total
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	
31 December											
Other income	4,688	3,070	424	449	1,414	926	401	493	(2,644)	(1,034)	4,283
Gain from disposal of investment in subsidiary	-	-	-	-	-	-	13,357	-	-	-	13,357
Total	132,774	229,479	283,283	286,965	70,954	65,496	14,756	17,691	(2,644)	(1,034)	499,123
Segment profit (loss)											
before income tax	6,711	34,400	13,202	15,420	1,014	670	9,494	(12,489)	(324)	(1,316)	30,097
Interest income	21,006	21,643	52	92	-	-	1,150	341	(19,872)	(21,518)	2,336
											558

For the year ended	Natural gas compression service		Generating and distribution of electricity		Waste disposal management and RDF production		Others		Elimination of inter-segment		Total
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	
	(in thousand Baht)										
31 December											
Interest expense	9,164	11,735	32,436	38,029	3,005	3,260	832	3,459	(20,619)	(22,122)	34,361
Depreciation and amortization	13,134	13,607	47,292	41,050	10,874	10,830	2,056	8,408	357	4,301	78,196
	1,325,77					130,15				(837,471	
Segment assets	0	1,232,001	790,927	842,355	130,189	2	226,076	381,517	(885,997)	)	1,586,965
Segment liabilities	234,963	282,279	503,172	564,199	69,259	70,241	16	68,547	(305,552)	(300,204	501,858
										)	685,062

## Notes to the financial statements

### Geographical segments

The Group is managed and operates only in Thailand. There are no revenues derived from, or assets located in, foreign countries.

### Major customers

Revenue from five customers of the Group's segment 1, 2 and 3 represent approximately Baht 452.39 million (2020: Revenue from four customers of the Group's segment 1, 2 and 3 represent approximately Baht 542.65 million) of the Group's total revenues.

### Promotional privileges

The Group has been granted promotional business certificates by the Office of the Board of Investment for natural gas compression, and generating and distribution of electricity businesses and Waste disposal management and RDF production. The Group has been granted several privileges including exemption and/or reduction from payment of income tax on the net profit derived from promoted operations with certain terms and conditions prescribed in the promotional certificates.

### Consolidated financial statements

Year ended	2021			2020 (Restate)		
	Promoted business	Non-promoted business	Total	Promoted business	Non-promoted business	Total
31 December						
(in thousand Baht)						
Total revenues	313,970	187,490	501,460	315,870	283,285	599,155

## Notes to the financial statements

### 17 Expenses by nature

The statements of income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(Restated)			
	(in thousand Baht)			
Cost of rendering services and sales	91,155	149,396	54,073	119,225
Raw materials and consumables used	142,811	142,432	473	1,365
Employee benefit expenses	69,828	69,937	43,366	48,056
Depreciation and amortization	73,713	78,196	13,134	13,607
Others	69,038	88,149	26,886	22,733
<b>Total cost of rendering services and sales, selling and administrative expenses</b>	<b>446,545</b>	<b>528,110</b>	<b>137,932</b>	<b>204,986</b>

#### Defined contribution plan

The defined contribution plan comprise provident fund established by the Company for its employees. Membership to the fund is on a voluntary basis. Contribution are made monthly by the employees at rates ranging from 2% to 15% of their basic salaries and by the Company at rates ranging from 4% to 7% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as juristic entities and is managed by a licensed Fund Manager.

## Notes to the financial statements

### 18 Income tax

Income tax recognised in profit or loss	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(Restated)			
	(in thousand Baht)			
<b>Current tax expense</b>				
Current year	230	353	-	-
<b>Deferred tax expense</b>				
Movements in temporary differences	(2,173)	(1,929)	71	(546)
<b>Total income tax expense</b>	<b>(1,943)</b>	<b>(1,576)</b>	<b>71</b>	<b>(546)</b>

### Reconciliation of effective tax rate

	Consolidated financial statements			
	2021		2020 (Restated)	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		30,097		36,685
Income tax using the Thai corporation tax rate	20.00	6,019	20.00	7,337
Expenses not deductible for tax purposes and others		1,436		1,644
Deferred tax		(2,173)		(1,929)



## Notes to the financial statements

Additional deductible expenses for tax purposes	(2,689)	(7,762)
Current year losses for which no deferred tax asset was recognised	779	2,247
Recognition of previously unrecognised tax losses	(5,315)	(3,113)
<b>Total</b>	<b>(6.46)</b>	<b>(1,943)</b>

### Separate financial statements

	2021		2020	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		6,776		34,400
Income tax using the Thai corporation tax rate	20.00	1,355	20.00	6,880
Expenses not deductible for tax purposes and others		799		722
Deferred tax		71		(546)
Additional deductible expenses for tax purposes		(63)		(4,573)
Recognition of previously unrecognised tax losses		(2,091)		(3,029)
<b>Total</b>	<b>1.05</b>	<b>71</b>	<b>(1.59)</b>	<b>(546)</b>

## Notes to the financial statements

Deferred tax as at 31 December	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(Restated)			
	(in thousand Baht)			
Deferred tax assets	1,145	422	1,175	1,361
Deferred tax liabilities	(30,473)	(31,853)	(10,183)	(10,284)
<b>Net</b>	<b>(29,328)</b>	<b>(31,431)</b>	<b>(9,008)</b>	<b>(8,923)</b>

Movements in deferred tax during the year were as follows:

	Consolidated financial statements			
	(Charged) /Credited to:			
	At 1		Other	At 31
	January	Profit or	comprehensive	December
	2021	loss	income	2021
	(Restated)			
	(in thousand Baht)			
<b>Deferred tax asset</b>				
Allowance for expected credit loss on loans	-	289	-	289
Allowance for expected credit loss on other receivable	-	375	-	375
Allowance for impairment of equipment	256	(256)	-	-
Others	166	385	(70)	481

## Notes to the financial statements

### Deferred tax liabilities

Difference in revenue recognition for  
accounting and taxation purposes  
of revenue from lease

(11,720) (144) - (11,864)

Intangible assets

(18,990) 1,289 - (17,701)

Deferred interest expenses

(1,143) 235 - (908)

Total

(31,431) 2,173 (70) (29,328)

### Consolidated financial statements

(Charged) /Credited to:

At 1		Other	At 31
January	Profit or	comprehensive	December
2020	loss	income	2020
(Restated)			(Restated)
		(in thousand Baht)	

### Deferred tax asset

Allowance for impairment of equipment

- 256 - 256

Others

- 236 (70) 166

### Deferred tax liabilities

Difference in revenue recognition for accounting and taxation purposes of revenue from lease	(11,831)	111	-	(11,720)
Intangible assets	(20,115)	1,125	-	(18,990)
Deferred interest expenses	(1,344)	201	-	(1,143)
<b>Total</b>	<b>(33,290)</b>	<b>1,929</b>	<b>(70)</b>	<b>(31,431)</b>

	At 1		Other		At 31
	January	Profit or	comprehensive	Retained	December
	2021	loss	income	earning	2021
			(in thousand Baht)		

Allowance for expected credit losses on loans	535	58	-	-	593
Allowance for impairment on investments	660	(660)	-	-	-
Allowance for expected credit loss on other receivable	-	375	-	-	375
Others	166	55	(14)	-	207

Difference in revenue recognition for accounting and taxation purposes of revenue from lease	(9,882)	(6)	-	-	(9,888)
Deferred interest expenses	(402)	107	-	-	(295)

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Deferred tax assets have not been recognised in respect of the following items:

Consolidated

Separate

## Notes to the financial statements

	financial statements		financial statements	
	2021	2020	2021	2020
	(Restated)			
	(in thousand Baht)			
Tax losses	7,602	18,689	4,928	10,033
Temporary differences	-	1,701	-	-
<b>Total</b>	<b>7,602</b>	<b>20,390</b>	<b>4,928</b>	<b>10,033</b>

The tax losses expire in 2022 to 2026. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

### 19 Earnings per share

	Consolidated		Separate	
	financial statements		financial statements	
For the year ended 31 December	2021	2020	2021	2020
	(Restated)			
	(in thousand Baht)			
Profit attributable to ordinary shareholders of the Company (basic)	26,735	37,287	6,705	34,946
Ordinary shares outstanding				
Number of ordinary shares outstanding at 1 January	930,000	930,000	930,000	930,000
Effect of shares issued	107,523	-	107,523	-
Weighted average number of ordinary shares outstanding (basic) at 31 December	1,037,523	930,000	1,037,523	930,000

## Notes to the financial statements

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(Restated) (in thousand Baht)			
Earnings per share (basic) (in Baht)	0.026	0.040	0.006	0.038

### 20 Dividends

The shareholders of the Company have approved dividends as follows:

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in million Baht)
2021				
Annual dividend	30 April 2021	May 2021	0.015	13.95
2020				
Interim dividend	9 April 2020	May 2020	0.025	23.25

### 21 Financial instruments

#### (a) Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

## Notes to the financial statements

	Consolidated financial statements					
	Financial instrument measure		Fair value			
	at					
	Fair value	Amortised				
	through profit	cost - net	Level 1	Level 2	Level 3	Total
	or loss		(in thousand Baht)			
At 31 December 2021						
Financial assets						
Debt instruments	22	-	-	22	-	22
Long-term loans	-	8,677	-	7,900	-	7,900
Financial liabilities						
Long-term borrowings	-	20,441	-	19,971	-	19,971
At 31 December 2020 - Restated						
Financial assets						
Debt instruments	10,031	-	-	10,031	-	10,031
Financial liabilities						
Long-term borrowings	-	26,759	-	24,794	-	24,794



## Notes to the financial statements

	Separate financial statements					
	Financial instrument		Fair value			
	measure at					
	Fair value	Amortised				
	through profit	cost - net	Level 1	Level 2	Level 3	Total
	or loss					
	(in thousand Baht)					
At 31 December 2021						
Financial assets						
Long-term loans	-	8,677	-	7,900	-	7,900
Financial liabilities						
Long-term borrowings	-	14,979	-	14,671	-	14,671
At 31 December 2020						
Financial assets						
Long-term loan	-	9,146	-	7,900	-	7,900
Financial liabilities						
Long-term borrowings	-	19,259	-	18,085	-	18,085

### Financial instruments measured at fair value

Investments in marketable unit trusts classified as financial assets measured at FVTPL is stated at fair value using the net asset value as of the reporting date. For those cancelled fund, to determine the fair value of the debt securities, management used a valuation technique in which the net asset value as of the closing date announced was reconciled with each announced amount return to the unit holder.

### Financial instruments not measured at fair value

Fair values of fixed-interest-rate long-term loans to and borrowings using the discounted cash flow method based on the discount rates of contracts with similar borrowing conditions.

### (b) 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 executive committee 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

## Notes to the financial statements

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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 and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in note 17.

The Group 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 limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of 2 months. 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 are disclosed in note 7.

### (b.1.2) Investment in debt instruments

## Notes to the financial statements

The Group considers investments in debt instruments, measured at amortised cost have low credit risk.

### (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 for which the Group considers to have low credit risk.

### (b.1.4) Guarantees

The Group's policy is to provide financial guarantees only for subsidiaries' liabilities. At 31 December 2021 and 2020 (see note 14).

### (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 effect of fluctuations in cash flows.

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

Consolidated financial statements  
Contractual cash flows

## Notes to the financial statements

			More than 1 years but less than 5 years	More than 5 years	
Non-derivative financial liabilities at 31 December	Carrying amount	1 year or less			Total
(in thousand Baht)					
2021					
Short-term borrowings	5,000	5,174	-	-	5,174
Trade payables	30,812	30,812	-	-	30,812
Other current payables	18,209	18,209	-	-	18,209
Long-term borrowings	377,498	135,974	275,853	-	411,827
Lease liabilities	37,836	19,533	19,646	5,246	44,425
	469,355	209,702	295,499	5,246	510,447
2020					
Short-term borrowings	23,132	23,755	-	-	23,755
Trade payables	35,727	35,727	-	-	35,727
Other current payables	25,191	25,191	-	-	25,191
Long-term borrowings	489,714	113,830	426,375	-	540,205
Lease liabilities	76,809	22,171	57,111	5,628	84,910
	650,573	220,674	483,486	5,628	709,788

### Separate financial statements

Non-derivative financial liabilities at 31 December	Carrying amount	1 year or less	Contractual cash flows		Total
			More than 1 years but less than 5 years	More than 5 years	
			(in thousand Baht)		
2021					
Short-term borrowings	30,800	32,032	-	-	32,032
Trade payables	7,467	7,467	-	-	7,467
Other current payables	7,507	7,507	-	-	7,507

## Notes to the financial statements

Long-term borrowings	169,079	66,643	113,614	-	180,257
Lease liabilities	9,139	4,317	5,328	-	9,645
	<u>223,992</u>	<u>117,966</u>	<u>118,942</u>	<u>-</u>	<u>236,908</u>

### 2020

Short-term borrowings	16,800	17,472	-	-	17,472
Trade payables	13,499	13,499	-	-	13,499
Other current payables	9,646	9,646	-	-	9,646
Long-term borrowings	219,568	53,516	180,257	-	233,773
Lease liabilities	12,030	4,317	9,645	-	13,962
	<u>271,543</u>	<u>98,450</u>	<u>189,902</u>	<u>-</u>	<u>288,352</u>

### (b.3) Market risk

The Group is exposed to normal business risks from changes in market interest rates. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

#### Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan interest rates consist of float and fixed interest rate. The Group is primarily exposed to interest rate risk from its borrowings (see note 5 and 14).

#### Cash flow sensitivity analysis for variable-rate instruments

## Notes to the financial statements

A reasonable possible change of 0.25 % in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, remain constant.

	Consolidated financial statements		Separate financial statements	
	Profit or loss		Profit or loss	
Impact to profit or loss	0.25%	0.25%	0.25%	0.25%
	increase in interest rate	decrease in interest rate	increase in interest rate	decrease in interest rate
	(in thousand Baht)			
2021				
Financial instruments with variable interest rate	<u>814</u>	<u>(813)</u>	<u>361</u>	<u>(361)</u>
2020				
Financial instruments with variable interest rate	<u>1,046</u>	<u>(1,023)</u>	<u>452</u>	<u>(452)</u>

## 22 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

## Notes to the financial statements

### 23 Commitments with non-related parties

	Consolidated financial statement		Separate financial statements	
	2021	2020	2021	2020
	(Restated)			
	(in thousand Baht)			
<b>Capital commitments</b>				
Contracted but not provided for:				
Property, plant and equipment	-	921	-	921
<b>Other commitments</b>				
Service contracts and others	11,081	14,978	8,837	13,098
Bank guarantees	39,325	39,325	38,700	38,770

A subsidiary entered into a service agreement to operate and maintenance machinery of biomass power plant with a company, for a period of three years, effective from the date of commercial operation (COD), under the service fee stipulated in the agreement. In September 2021, the subsidiary has circulated the confirmation letter of the agreement termination to its counterparty, with the condition that the agreement would be effective until 31 October 2021. The memorandum of termination is in the process of preparing.

### 24 Events after the reporting period

At the Board of Directors' meeting of N15 Technology Company Limited (N15) held on 11 February 2022, the Board approved the borrowings for the Refuse Derived Fuel manufacturing plant at Kaeng Khoi district, Saraburi province with credit facilities not exceeding Baht 400 million and the increase of N15's registered capital amounted to Baht 145 million.



At the Executive Committee's meeting of the Company held on 21 February 2022, the Committee approved the Company to purchase ordinary shares of Vanta Capital Company Limited (VANTA) in a number of 44,000 shares from the existing shareholders of VANTA with a par value of Baht 100 per share at a purchase price of Baht 650 per share, totaling Baht 28.60 million and to subscribe for the newly issued shares of VANTA in a number of 23,000 shares, with a par value of Baht 100 per share, at a subscription price of 650 per share, totaling Baht 14.95 million. In this respect, the shares purchase and the subscription of newly issue shares have a total value of Baht 43.55 million.

At the Board of Directors' meeting of the Company held on 25 February 2022, the Board approved an issuance and offering of bill of exchange limited to be not exceeding Baht 100 million and agreed to propose to the shareholders' meeting for an approval for the allocation of net profit for the year 2021 to be a legal reserve in the amount of Baht 336,000.



## Part 4

### Certification of Information

### Certification of Information

The Company has reviewed the information in this annual registration statement/annual report with caution. The Company certifies that such information is correct, complete, not false and does not mislead others or lack of information that should be notified in material matters. In addition, the Company certifies that:

1. The financial statements and financial information summarized in the annual registration statement/annual report present accurate and complete information in all material respects regarding financial positions, performance and cash flows of the Company and its subsidiaries.

2. The Company has established a good information disclosure system to ensure that the Company discloses material information of the Company and its subsidiaries correctly and completely, as well as controlling and supervising the implementation of such system.

3. The Company has established a good internal control system and supervision to ensure compliance with such system. The Company has informed results of the internal control assessment as of the latest available date to the auditor and the Company's Audit Committee. Such information covers deficiencies and significant changes in the internal control system, including wrongful acts that may affect the preparation of financial reports of the Company and its subsidiaries.

As evidence that all documents are the same set of documents that has been certified by the Company, the Company has assigned Mr. Jakkraphong Sumethchotimetha to sign this document on every page. Any document without the signature of Mr. Jakkraphong Sumethchotimetha, the Company shall deem that such document is not the information that the Company has certified for accuracy of information mentioned above.

Name	Position	Signature
1. Mr. Chutchai Sumethchotimetha	Director / Chief Executive Officer	_____
2. Mr. Jakkraphong Sumethchotimetha	Director / Manager Director / Company Secretary	_____

#### Authorized Person

Name	Position	Signature
1. Mr. Jakkraphong Sumethchotimetha	Director / Managing Director / Company Secretary	_____



# Attachment



#### Attachment 1

Details of directors, executives, person with control authority, person who is assigned the highest responsibility in accounting and finance, who is directly responsible for accounting supervision and company secretary as of 31 December 2021



Prof. Emeritus Dr. Direk Lavansiri

Chairman / Independent Director

Date of first appointment: 7 April 2017, 24 April 2019 (first reappointment)

Age: 72 years

Shareholding in the Company (%): None (as of 6 January 2022)

Family relationship with the managements: None

History of offense on the laws of securities derivatives: None

**Educational qualifications**

- Doctorate of Engineering in Civil Engineering, Oregon State University, USA
- Master of Engineering in Civil Engineering (M.S.C.E), University of Washington, USA
- Bachelor of Civil Engineering, Faculty of Engineering Chulalongkorn University

**Training history**

- Director Certification Program (DCP) 76/2006 IOD
- Director Accredited Program (DAP) 56/2006 IOD

**Work experience (in the past 5 years)**

**Holding a position in a company listed on the Stock Exchange of Thailand**

2017 - Present      Independent Director, Chairman of the Board of Directors of Sakol Energy Public Company Limited

**Holding a position in a company or other entities**

2008 – 2014 Chairman of the Energy Regulatory Commission, Office of the Energy Regulatory Commission

1984 – Present Director, Cheney Engineering Consultants Company Limited

1969 – 2017 Director, Dumrong Construction (1969) Company Limited

## Pol. Gen. Worapong Chewprecha

Independent Director, Chairman of the Audit Committee

**Date of first appointment:** 14 September 2016, 19 April 2018 (first reappointment), 21 April 2021 (second reappointment)

**Age:** 67 years

**Shareholding in the Company (%):** None (as of 6 January 2022)

**Family relationship with the managements:** None

**History of offense on the laws of securities derivatives:** None

### **Educational qualifications**

- Master's degree (Public Administration) "Good Honors" National Institute of Development Administration
- Bachelor of Public Administration (Police), Royal Police Cadet Academy

### **Training history**

- Director Certification Program (DCP) 218/2016 IOD

### **Work experience (in the past 5 years)**

#### **Holding a position in a company listed on the Stock Exchange of Thailand**

2016 - Present Independent Director, Chairman of the Audit Committee, Sakol Energy Public Company Limited

#### **Holding a position in a company or other entities**

2013-2015 Deputy Commissioner, the Royal Thai Police

2009 – Present Director, Silver Shield Football Club Public Company Limited



Dr. Witoon Simachokedee

Independent Director, Member of Audit Committee

Date of first appointment: 14 September 2016, 24 April 2019 (first reappointment)

Age: 67 years

Shareholding in the Company (%): None (as of 6 January 2022)

Family relationship with the managements: None

History of offense on the laws of securities derivatives: None

Educational qualifications

Honorary Doctorate

- Honorary Doctorate of Engineering in Industrial Engineering Technology, King Mongkut's University of Technology North Bangkok
- Honorary Doctorate Degree in Engineering Safety Engineering, Kasetsart University
- Honorary Doctorate Degree in Engineering Occupational Safety and Health Technology Faculty of Industrial Technology, Suan Sunandha Rajabhat University

Ph.D.

- Doctor of Philosophy in Public Administration (Public and Private Management), Ramkhamhaeng University

Master's Degree

- Master of Business Administration (MBA), Thammasat University

Bachelor's Degree

- Bachelor of Engineering (Electrical Engineering), Kasetsart University
- Bachelor of Laws, Thammasat University

Training history

- Role of the Chairman Program (RCP) 23/2010 IOD
- Director Certification Program (DCP) 11/2009 IOD
- Financial Statements for Directors (FSD) 4/2009 IOD

Work experience (in the past 5 years)

Holding a position in a company listed on the Stock Exchange of Thailand

2016 - Present Independent Director, Member of Audit Committee Sakol Energy Public Company Limited

2005 – 2017 Director, T Engineering Company Corporation Public Company Limited

1994 – Present Director, Delta Electronics (Thailand) Public Company Limited

Holding a position in a company or other entities

2009 – 2014 Permanent Secretary, Ministry of Industry Ministry of Industry





## Mrs. Rawittha Pongnuchit

Independent Director, Member of Audit Committee, Chairman of Remuneration and Compensation Committee

Date of first appointment: 14 September 2016, 24 April 2019 (first reappointment)

Age: 71 years

Shareholding in the Company (%): None (as of 6 January 2022)

Family relationship with the managements: None

History of offense on the laws of securities derivatives: None

### Educational qualifications

- Master of Political Science, Thammasat University
- Bachelor of Laws, Ramkhamhaeng University

### Training history

- Director Certification Program (DCP) 59/2005 IOD
- Senior Justice Administration Program, Class 19 (Bor.Jor.Sor.19)
- Administrative Justice Administration Program, Advanced, Class 3 (Bor.Jor.Por.3)
- Top Executive Program in Trade and Commerce (TEPCOT), Class 1
- Senior Executive Program, Capital Market Academy (CMA Program) Class 3 years 2006
- Government Administration and Public Law Program, Prajadhipok Institute (Porra Prajadhipok's Institute) Class 3
- National Defense Course public-private partnership (Phra.), National Defense College, Class 15 years 2003

### Work experience (in the past 5 years)

#### Holding a position in a company listed on the Stock Exchange of Thailand

2016 - Present Independent Director, Member of Audit Committee, Chairman of Remuneration and Compensation Committee, Sakol Energy Public Company Limited

2007 – Present Director, Synnex (Thailand) Public Company Limited

2004 – Present Director, Solartron Public Company Limited

1994 – Present Director, Pranda Jewelry Public Company Limited

#### Holding a position in a company or other entities

2013 - Present Director, Chankam Residence Company Limited

2011 – Present Director, Phutra Corporation Company Limited

1992 – Present Director, Nam Heng Concrete (1992) Company Limited





## Asst Professor Dr. Attawoot Papangkorn

Independent Director, Member of Audit Committee, Member of Remuneration and Compensation Committee

Date of first appointment: 14 September 2016, 19 April 2018(first reappointment)

Age: 36 years

Shareholding in the Company (%): None (as of 6 January 2022)

Family relationship with the managements: None

History of offense on the laws of securities derivatives: None

### Educational qualifications

- DBA in Business and Administration major in Management (Corporate governance) University of The Thai Chamber of Commerce
- Master of Accounting, Thammasat University
- Bachelor of Accounting Thammasat University

### Training history

- Risk Management Program For Corporate Leaders (RCL) 14/2018 IOD
- Director Accredited Program (DAP) 134/2017 IOD

### Work experience (in the past 5 years)

#### Holding a position in a company listed on the Stock Exchange of Thailand

2016 - present      Independent Director, Member of Audit Committee, Member of Remuneration and Compensation Committee, Sakol Energy Public Company Limited

#### Holding a position in a company or other entities

2017 – Present Director, System 986 Company Limited

2017 – Present Director, Innovation 986 Company Limited

2015 – Present Director, Hot Horology Company Limited

2015 - Present Director, Subsit Company Limited

2015 - Present Director, Mityuyu Co., Ltd.

2010 – Present Director, Pinklao-Banglumpoo Company Limited

1992 – Present Director, Sajpong Lawyer Office Company Limited

## Mr. Chutchai Sumethchotimetha

Director, Chairman of Executive Committee, Chief Executive Officer (Authorized Director)

Date of first appointment: 14 September 2016, 6 March 2017 (first reappointment), 6 สิงหาคม 2563 (second reappointment)

Age: 67 years

Shareholding in the Company (%): 31.63% (352,937,763 shares) (as of 6 January 2022)

Family relationship with the managements:

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

History of offense on the laws of securities derivatives: None

Educational qualifications

- Master's degree in Public Administration, National Institute of Development Administration
- Bachelor of Laws, Ramkhamhaeng University

Training history

- Director Accredited Program (DAP) 132/2016 IOD
- Certificate of the Senior Justice Administration (TCB), Class 11, Government Development Institute Judicial Department
- Health Media Course, Class 2, Chulabhorn Royal College
- National Defense College of Thailand SML Class 1

Work experience (in the past 5 years)

Holding a position in a company listed on the Stock Exchange of Thailand

2016 - Present Director, Chairman of Executive Committee, Chief Executive Officer, Sakol Energy Public Company Limited

Holding a position in a company or other entities

2018 - Present Director, N15 Technology Company Limited (Subsidiary)

2018 - Present Director, Mae Krating Power Company Limited (Subsidiary)

2014 - Present Director, SKE Development Company Limited (Subsidiary)

2014 - Present Director, SK 15 Company Limited (Subsidiary)

2014 - Present Director, TC Power Resources Company Limited

2014 - Present Director, CSK Inventory Services Company Limited

2014 - Present Director, CSK West Recycling Company Limited

2013 - Present Director, Thai Biogas Technology Company Limited

2007 - Present Director, Thala Marine Company Limited

2002 - Present Director, Thanthanakom Comp1984 - Present Director, Thansuwan Company Limited

2002 - Present Director, Thanthanakom Company Limited

1984 - Present Director, Thansuwan Company Limited





### Mr. Chutchai Sumethchotimetha

Director, Chairman of Executive Committee, Chief Executive Officer (Authorized Director)

Date of first appointment: 14 September 2016, 6 March 2017 (first reappointment), 6 สิงหาคม 2563 (second reappointment)

Age: 67 years

Shareholding in the Company (%): 31.63% (352,937,763 shares) (as of 6 January 2022)

Family relationship with the managements:

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

History of offense on the laws of securities derivatives: None

Educational qualifications

- Master's degree in Public Administration, National Institute of Development Administration
- Bachelor of Laws, Ramkhamhaeng University

Training history

- Director Accredited Program (DAP) 132/2016 IOD
- Certificate of the Senior Justice Administration (TCB), Class 11, Government Development Institute Judicial Department
- Health Media Course, Class 2, Chulabhorn Royal College
- National Defense College of Thailand SML Class 1

Work experience (in the past 5 years)

Holding a position in a company listed on the Stock Exchange of Thailand

2016 - Present Director, Chairman of Executive Committee, Chief Executive Officer, Sakol Energy Public Company Limited

Holding a position in a company or other entities

2018 - Present Director, N15 Technology Company Limited (Subsidiary)

2018 - Present Director, Mae Krating Power Company Limited (Subsidiary)

2014 - Present Director, SKE Development Company Limited (Subsidiary)

2014 - Present Director, SK 15 Company Limited (Subsidiary)

2014 - Present Director, TC Power Resources Company Limited

2014 - Present Director, CSK Inventory Services Company Limited

## Mr. Jakkraphong Sumethchotimetha

Director, Executive Director, Managing Director, Company Secretary (Authorized Director)

Date of first appointment: 14 September 2016, 19 April 2018 (first reappointment), 21 April 2021(second reappointment)

Age: 36 years

Shareholding in the Company (%): 0.19% (2,075,593 shares) (as of 6 January 2022)

Family relationship with the managements:

- Son of Mr. Chutchai Sumethchotimetha and Mrs. Aree Sumethchotimetha

History of offense on the laws of securities derivatives: None

Educational qualifications

- Master of International Marketing (MA), London Metropolitan University, London, UK
- Bachelor of Science, Faculty of Science, Chulalongkorn University

Training history

- Director Accredited Program (DAP) 132/2016
- Driving Strategic Success with IT Governance (ITG) 3/2016 IOD
- Anti-Corruption Practice Guide ACPG 34/2016 IOD
- Certificate of the New Executives for Peacekeeping Work, Class 1, Faculty of Police Science Police Cadet Academy
- KTB-MMS Customer Business Development Program Certificate, Class 2, Krung Thai Bank Public Company Limited
- New Leadership Program in Democracy (PMC), Class 9, King Prajadhipok's Institute

Work experience (in the past 5 years)

Holding a position in a company listed on the Stock Exchange of Thailand

2016 - Present Director, Executive Director, Managing Director, Company Secretary, Sakol Energy Public Company Limited

Holding a position in a company or other entities

2018 – Present Director, Mae Krating Power Company Limited (Subsidiary)

2016 - Present Director, Than Suwan Table Tennis Club Company Limited

2014 – 2021 Director, N15 Technology Company Limited (Subsidiary)

2014 - Present Director, B.P.15 Company Limited

2012 – Present Director, PTC Holding Company Limited





### Mr. Thanapon Sumetchotimaytha

Director, Executive Director, Chief Operating Officer (Authorized Director)

Date of first appointment: 14 September 2016, 6 March 2017 (first reappointment), 6 August 2020 (second reappointment)

Age: 40 years

Shareholding in the Company (%): 0.08% (930,693 shares) (as of 6 January 2022)

Family relationship with the managements:

- Son of Mr. Chutchai Sumetchotimetha and Mrs. Aree Sumetchotimetha

History of offense on the laws of securities derivatives: None

Educational qualifications

- Bachelor in International Marketing, Bournemouth University

Training history

- Director Accredited Program (DAP) 127/2016

Work experience (in the past 5 years)

Holding a position in a company listed on the Stock Exchange of Thailand

2016 - Present Director, Executive Director, Chief Operating Officer

Sakol Energy Public Company Limited

Holding a position in a company or other entities

2018 – Present Director, Mae Krating Power Company Limited (Subsidiary)

2018 – 2021 Director, RE Biofuels Company Limited (former subsidiary)

2014 - Present Director, SKE Development Company Limited (Subsidiary)

2014 - Present Director, SK 15 Company Limited (Subsidiary)

2014 - Present Director, N15 Technology Company Limited (Subsidiary)

2013 - Present Director, CSK Inventory Company Limited

2012 – Present Director, PTC Holding Company Limited

## Ms. [Napaporn Satitthamporn]

Executive Director and Chief Financial Officer (an executive according to the SEC's definition as the highest responsible person in accounting and finance)

Effective date: 1 May 2019

Age: 45 years

Shareholding in the Company (%): None (as of 6 January 2022)

Family relationship between executives: None

History of offense relating securities laws to and futures contract: None

### Education

- Master's degree in business administration, University of Bath, the United Kingdom
- Master's degree in accounting, Chulalongkorn University
- Graduate Diploma in Auditing, Thammasat University
- Bachelor's degree in accounting (Second Class Honors), Bangkok University

### Trainings

- Financial personnel upgrade program to become The Next Normal Financial Professional, the Stock Exchange of Thailand
- Trends, directions of M&A, important issues to consider and strategies for making successful M&A, the Stock Exchange of Thailand
- Summary on key issues of TFRS for PAEs that must be aware of and changes in the year 2021, Personnel Development Training Program for Listed Companies 2021, the Stock Exchange of Thailand
- TLCA CFO Professional Development Program, Thai Listed Companies Association
- CFO Focus on Financial Reporting, Federation of Accounting Professions Under The Royal Patronage of His Majesty The King
- Short-Course Quick Nano-MBA Online CBS Academy Chulalongkorn Business School
- CFO Refresher Course Class No. 1, the Stock Exchange of Thailand

### Work Experience (Past 5 years)

#### Positions held in companies listed on the Stock Exchange of Thailand

2019 - Present	Executive Director and Chief Financial Officer
	Sakol Energy Public Company Limited

#### Positions held in companies or other agencies

2021 - Present	Director, N15 Technology Company Limited (subsidiary)
2018 - Present	Consultant, PKF Audit (Thailand) Co., Ltd.
2017 - Present	Honorary member of sub-committee on examination of auditing performance, auditing examination by Federation of Accounting Professions Under The Royal Patronage of His Majesty The King
2019 - 2021	Director, RE Biofuels Company Limited (former subsidiary)
2003 - 2018	Executive Director, KPMG Phoomchai Audit Co., Ltd.





### Ms.Jittanit Tantrakool

Executive Director, Chief Strategy Officer (an executive under the definition of the SEC)

Effective Date: 1 March 2021

Age: 36 years

Shareholding in the Company (%): None (as of 6 January 2022)

Family relationship with the managements: None

History of offense on the laws of securities derivatives: None

#### Educational qualifications

- Bachelor of Arts, Suan Sunandha Rajabhat University

#### Training history

- Circular Economy and Sustainability Strategies, 2021, Cambridge Judge Business School, University of Cambridge

#### Work experience (in the past 5 years)

2021 - Present Chief Strategy Officer, Sakol Energy Public Company Limited

2017 - 2020 Manager, Investment Relations Department, Sakol Energy Public Company Limited

#### Holding a position in a company listed on the Stock Exchange of Thailand

2021 - Present Executive Director, Chief Strategy Officer, Sakol Energy Public Company Limited

#### Holding a position in a company or other entities

2021 – Present Executive Director, N15 Technology Company Limited (Subsidiary)



## The person supervising accounting

### 2 September 2019 - 20 August 2021

Mr. Monchai Sueasamrit, Accounting and Budget Manager (as a supervisor in accounting)

Shareholding in the Company (%): None (as of 6 January 2022)

Family relationship with the managements: None

History of offense on the laws of securities derivatives: None

### 20 August 2021 - 21 November 2021

Mr. Natwat Petchthai, Accounting and Budget Manager (as a supervisor in accounting)

Shareholding in the Company (%): None (as of 6 January 2022)

Family relationship with the managements: None

History of offense on the laws of securities derivatives: None

### 15 December 2021 – present

Miss Rung-arun Lerdsaknapakul, Accounting and Budget Manager (as a supervisor in accounting)

Age: 34 years

Shareholding in the Company (%): None (as of 6 January 2022)

Family relationship with the managements: None

History of offense on the laws of securities derivatives: None

#### Educational qualifications

- Bachelor of Accounting, Kasetsart University

#### Training history

#### Work experience (in the past 5 years)

Holding a position in a company listed on the Stock Exchange of Thailand

December 15, 2021 – Present Accounting and Budget Manager (Accounting Supervisor), Sakol Energy Public Company Limited

Holding a position in a company or other entities

September 2019 – December 2021 Accounting and Finance Manager, After You Public Company Limited

## Attachment 2 Details of directors of subsidiaries as of 31 December 2021

Name of subsidiary	Name of director	Prof. Emeritus Dr. Direk Lavansiri	Dr. Witoon Simachokadee	Pol. Gen. Worapong Chewprecha	Mrs. Rawitha Pongnuchit	Asst. Prof. Dr. Attawoot Papangkorn	Mr. Chutchai Sumethchoimetha	Mrs. Aree Sumethchoimetha	Mr. Jakkraphong Sumethchoimetha	Mr. Thanapon Sumethchoimetha	Mrs. Thanipa Puangchampa	Ms. Napaporn Satthampon	Mr. Parn Prasajaksatru	Mr. Ponit Sesth-gamnerd	Mr. Rapeepat Sumethchoimetha	Ms. Intira Sumethchoimetha	Ms. Jitnit Tantrakul	Mr. Piyawittayawarojit
Sakol Energy Public Company Limited		X	/	/	/	/	/, H, *	/, H	/, H, O	/, H	/	/, H, H	/	/	/	/	/, H, H	/
1. SKE Development Company Limited		.	.	.	.	.	/, H	/, H	.	/, H	/, H	.	.	.	.	.	.	.
2. SK 15 Company Limited		.	.	.	.	.	/, H	/, H	.	/, H	/, H	.	.	.	.	.	.	.
3. Mae Krating Power Company Limited		.	.	.	.	.	/, H	.	/, H	/, H	.	.	/, H	/, H	.	.	.	.
4. N15 Technology Company Limited		.	.	.	.	.	X, /	.	/, H	/, H	.	/, H	.	.	/, H	/, H	/, H	/, H

### Remarks:

X = Chairman

/ = Director

// = Executive Director

\* = Chief Executive Officer

O = Managing Director

/// = Executive

(1) Ms. Jitnit Tantrakul was appointed as Chief Strategy Officer and Executive Director of Sakol Energy Public Company Limited according to the resolution of the Board of Directors' Meeting No.1/2021 held on 1 March 2021, effective from 1 March 2021.

## Attachment 3

### Details of head of the internal audit

In the year 2021, the Company engaged A.M.T. Solution Company Limited as the Company's internal auditor with Mrs. Tassanee Sonpetch as the head of the internal audit team who is knowledgeable, professional, and competence to act as an independent internal auditor and ensure that the audit of the Company's internal control system is the most effective. The Company encourages independent internal auditor to perform its duties in accordance with international standards of professional internal auditing practices and requires the internal auditor to report directly to the Audit Committee.

## Attachment 4

### Details of assets used in the business and asset appraisal

Details of assets used in business and asset appraisal are set out under Form 56-1 One Report: Business Overview and Operating Performance under the title of 'Assets used in the business.'

## Attachment 5

Policy on good corporate governance, code of conduct and good corporate governance manual, ethical standards, and business ethics, including the Charter of the Board of Directors and the charter of the sub-committees of Sakol Energy Public Company Limited

Sakol Energy Public Company Limited has established a policy on good corporate governance to serve as guidelines for the Company's operations to be effective. It also creates transparency to investors which will instill confidence in the Company's business operations with third parties.

The Company has announced the code of conduct to which directors, executives and employees of the Company must adhere as guidelines for performing their duties on behalf of the Company. Good corporate governance manual, ethical standards, and business ethics have been prepared for the Board of Directors, executives, and all employees for acknowledgement and as practices for their performance of duties.

For details relating to good corporate governance policy, code of conduct and good corporate governance manual, ethical standards, and business ethics, including the Charter of the Board of Directors and the charter of the sub-committees, can be viewed at the below link.

<https://www.sakolenergy.com/th/corporate-governance/download>



## Sakol Energy Public Company Limited

252/108 (B) , 252/109 (C) Muangthai-Phatra Complex 21st floor

Rachadaphisek Rd., Huai kwang, Bangkok 10310

Tel: 02 026-3451