

# ANNUAL REPORT

# 2022

(Form 56-1 One Report)



THAI AGRO ENERGY PUBLIC COMPANY LIMITED

## Report of the Board of Directors

### Board of Directors

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# REPORT OF THE BOARD OF DIRECTORS



The year 2022 is a year when the whole world and Thailand face economic challenges due to various factors. This includes the prospect of rising inflation, COVID-19 mutations and conflicts between European countries that are at risk of a continental war or a world war. In the ethanol sector, the price of raw materials used in production, both cassava and molasses, has adjusted. As a result, the ethanol market is relatively tight.

**Overall Operating Results in 2022:** The total revenue in 2022 was Baht 2,005.57 million decreased from the previous year by 9.16 percent and net loss at Baht 85.88 million increased from the previous year by 47 percent, Due to the shortage of main raw materials for ethanol production, the price of raw materials has risen. In addition, the volume of ethanol sales decreased by 14.09 percent due to the amount of raw materials supplied, although the price of ethanol increased by 5.68 percent.

**Overall Financial Position in 2022:** The Company's total assets as at the end of year 2022 increased from the end of year 2021 by Baht 210.17 million or 6.18 percent and the total liabilities as at the end of 2022 increased from the end of year 2021 by Baht 297.87 million or 17.59 percent. The total shareholders' equity as at the end of 2022 decreased from the end of year 2021 by Baht 87.70 million or 5.14 percent, resulting in a decrease in the book value from Baht 1.71 per share to Baht 1.62 per share.

**Overall Liquidity in 2022:** The Company's current ratio was as low as 0.56 times but the Company have remaining inventories that can be easily exchanged to cash and the trade accounts receivable is the major fuel company that have stable financial situation. In addition, the Company has cash generation and adequate credit line for working in the future project with good support from financial institution.

**Future trend:** According to the volume of sugarcane entering the mill, the 2022/2023 production season is expected to be lower than expected at around 106 million tones. As a result, the amount of molasses has also decreased from the forecast. Meanwhile, cassava yield trends from a survey conducted by The Thai Tapioca Trade Association, it is expected to increase from the 2021/2022 production season, but the price of cassava production, especially cassava chips, remains volatile due to foreign demand and the demand for tapioca starch industry.

Meanwhile, demand for ethanol in 2023 is likely to decrease due to gasohol E20 and E85's cancellation of oil fund compensation from the 4th quarter of 2022. However, if the government imple-

ments measures to promote E20 gasohol as base oil using the oil fund mechanism, which aims to have a price differential of about 3 baht per liter lower than gasohol 95. To increase ethanol consumption, as well as the expected increase in fuel demand due to the recovery of the economy, which will result in an increase in the demand for ethanol.

**Rewards and Recognitions:** The Company remains committed to complying with policy and mission with a focus on good corporate governance and realizes the importance of corporate social responsibility to create sustainable development for the corporation in the long run, the Company has received the following:

(1) The Company was placed in a “Very Good” level or 4 stars (▲▲▲▲) for the assessment of Corporate Governance (“CGR”) Year 2022 by the Thai Institute of Directors Association, having received a score of 87 percent, higher than the average score of the listed companies in year 2022 with the score of 84 percent.

(2) The Company received 100 score or “Excellent” level on the Annual General Meeting Quality Assessment of the Listed Companies (“AGM Checklist”) Year 2022 conducted by the Thai Investors Association, higher than the average score of the listed companies in year 2022 with 95.55 score.

The Board of Directors would like to thank the shareholders, executives, all employees and all stakeholders who have good support to the Company’s operations as always. The Company continues to recognize the importance of natural resources and the environment, as well as the problem of climate change. We are committed to managing the efficient use of resources and energy. Reduce and prevent environmental impacts caused by operations. Use the concept of sustainable development in terms of economy, society and environment with the Sustainability Management Strategy based on the Sufficiency Economy Philosophy and the 17 Sustainable Development Goals of the United Nations. The Company will adhere to its business operations under good governance principles and take into account the interests of all stakeholders as a priority in order for the organization to continue to grow steadily and sustainably.

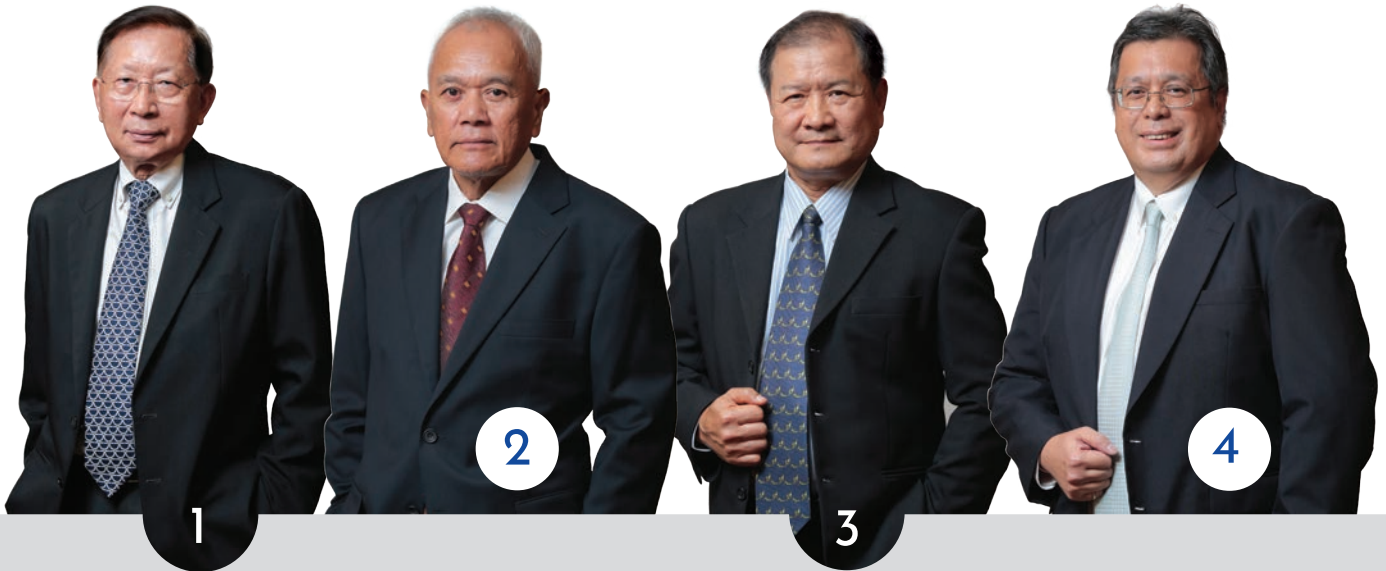
On behalf of Thai Agro Energy Public Company Limited,



**Mr. Virach Aphimeteetamrong**  
**Chairman of the Board**



## Board of Directors



1

**Mr. Virach Aphimeteetamrong**

Chairman of the Board, Member of the Audit Committee and Independent Director

2

**Mr. Kraisi Sirirungsi**

Vice Chairman, Chairman of the Nomination and Remuneration Committee and Authorized Director

3

**Mr. Anun Louharanoo**

Member of the Nomination and Remuneration Committee and Authorized Director

4

**Mr. Srihasak Arirachakaran**

Member of the Nomination and Remuneration Committee and Authorized Director



**5** **Mr.Somchit Limwathanakura**  
Authorized Director

**6** **Mr.Somchai Lovisuth**  
Member of the Nomination and Remuneration Committee, Risk Management Committee, Chairman of the Corporate Governance Committee, Authorized Director and Senior Chief Executive Officer

**7** **Mr.Padetpai Meekun-iam**  
Chairman of the Audit Committee, Member of the Risk Management Committee and Independent Director

**8** **Mr.Satit Chanchaowakun**  
Chairman of the Risk Management Committee, Member of the Audit Committee, Member of the Nomination and Remuneration Committee and Independent Director



# The Company's Management



Mrs. Somrudee Suwannaroop

Chief Executive Officer  
Administration and Production



Miss Kanyaphat Chinantdej

Chief Executive Officer  
Commercial



Mr. Anan Rayaruji

Production and Engineering Director





Miss Wiraporn Tongdet

Deputy Director of Production  
and Engineering



Mrs. Prapatsorn Kantawong

Legal Department Manager  
and Company Secretary



Mr. Suphachai Kaewfuang

Internal Audit Department Manager



Miss Theeranant Kunakasem

Accounting and Finance Department Manager



PART 1

Business Overview and Performance

## Part 1

### Business Overview and Performance

#### 1. Structure and Operations

##### 1.1 Policy and Business Overview

###### Background

“Ethanol” or Ethyl alcohol is a type of alcohol produced by the fermentation of plants to convert starch into sugar. Then switch from sugar to alcohol. by using some enzymes or acids to help digest It can be utilized as a key component in many products and products. both in food and medicine, used as a solvent in industry It also plays an important role in the energy business. Because ethanol has a high octane content, it can be used as a fuel. When mixed with gasoline, it is called gasohol. If mixed with diesel fuel, it is called desohol. It is also possible to use pure ethanol as a fuel directly without mixing with oil.

Gasohol production in Thailand was originated by a royal project initiated by His Majesty King Bhumibol Adulyadej the Great in 1985 when HM launched the Study Project on Gasohol Production for an Alternative Energy by producing ethanol from sugar cane. Later on, with the awakening of the new alternative energy, enterprises in both public and private sectors participated in the development and test of ethanol with engines. The use of gasohol had not been widespread until the world oil prices rose significantly in 2003. The government has turned to push the production and use of the alternative energy strategically. Ethanol manufacture has been promoted, as well, as it is the major mixture in gasohol production. Foreseeing growth opportunities in ethanol business, the company’s existing shareholders decided to establish Thai Agro Energy Co., Ltd. on 25 October 2001, with an initial capital of 10 million baht, as a manufacturer and distributor of ethanol used as fuel. Permission to set up a production facility for ethanol fuel was granted by the National Ethanol Committee through the approval of the National Energy Policy No. 2/2545 held on 8 July 2002. On 18 June 2003, Lanna Resources Plc (LANNA) purchased common shares and has become the major shareholder of the Company, holding 75 percent of the the total number of shares sold, making Thai Agro Energy a subsidiary of LANNA. Recognized the first licensed ethanol producer in Thailand, Thai Agro Energy was certified a fuel trader under Section 10 of the Fuel Trade Act B.E. 2543 on 29 April 2005. The Company became public and changed its name to Thai Agro Energy Public Company Limited on 18 October 2007.

###### 1.1.1 Vision, Mission and Core Values

###### Vision

“To be the leader in the development of alternative energy for a clean environment and quality society.”

###### Mission

“Thai Agro Energy Public Company Limited Committed to producing and promoting the use of ethanol as a renewable energy to save the environment by management with good governance.”

###### Core Values

The core concept or beliefs that represent identity and is the norm in determining the behavior of TAE personnel is ;

<b>T (Trust)</b>	<b>A (Awareness)</b>	<b>E (Ethic)</b>
<b>Trust in working together</b>	<b>Aware of safety, quality and environment</b>	<b>Adhering to ethical practices</b>
Ready to work with others, Support colleagues and have a good relationship and help each other achieve the goal together.	Committed to working with safety, maintain quality and improving the efficiency of the work as well as continuously by careful of the impact on the environment	Treat stakeholders within the framework of social norms by focusing on business ethics.

### Objectives and long-term goals

The Company aims to operate business in accordance with sustainable development guidelines, good governance under effective and transparent management, taking into account the stakeholders and realizing the responsibility to society, community and environment with a long-term plan to develop new products to be diversified with modern technology, create innovations that add value to products and businesses, as well as reduce environmental impacts to deliver quality, safe products and provide sustainable energy services to everyone.

To drive the organization to achieve its goals Board of Directors therefore considered the promulgation of "Sustainability Management Policy" to be the basic requirements for managing the organization to be in the same direction in an integrated way, according to the corporate values "TAE" which is assigned to all departments to take responsibility for each component of the system according to the process. It has established a framework, procedures, mechanisms and processes for overseeing its implementation throughout the organization. It describes the commitment to sustainability management in three dimensions: economy, society and environment. All executives and employees have a duty to support, drive practices in line with established policies, including communicating with all stakeholders and engaging with other leading organizations to enhance sustainable development potential.

### 1.1.2 Significant milestones

<b>2003</b>
<ul style="list-style-type: none"> <li>▪ The Company increased its registered capital by 255 million baht: From 10 million at the initial, the new capital grew to 265 million baht by issuance of the new 25.5 million ordinary shares at par value of 10 baht per share offered to existing shareholders. The new fund helped make business expansion possible with sufficient working capital. In this effort LANNA invested in buying 19,875,000 shares making it major shareholder holding 75% of the already sold shares. The Company, since then, has become LANNA's subsidiary.</li> <li>▪ The Company received a business license for production and distribution of ethanol from Department of Industry on 22 September 2003.</li> <li>▪ December 26, 2003, the Company received BOI promotional certification for the Production Line 1 from the Board of Investment (BOI), BOI card no.1760(2)/2546 (expired on 30 January 2013).</li> </ul>
<b>2004</b>
<ul style="list-style-type: none"> <li>▪ Completion of the construction of the ethanol production plant (Production Line 1: production of ethanol using molasses)</li> </ul>

<b>2005</b>
<ul style="list-style-type: none"> <li>▪ January 31, 2005, the Company began production and distribution of ethanol from Line 1 for the first time.</li> <li>▪ The Company became licensed fuel trader under Section 10 of the Fuel Trade Act B.E. 2543 for the distribution of ethanol for use as fuel. From Department of Energy Business.</li> </ul>
<b>2006</b>
<ul style="list-style-type: none"> <li>▪ LANNA purchased 200,000 common shares from the company's existing shareholders making the company's share number increase from 19,875,000 shares to 20,075,000, shares accounting for 75.75 percent of the shares sold.</li> <li>▪ In January 2006, the Company began using bio gas produced from the well no. 1 which is equipped with Anaerobic Baffled Reactor (ABR) technology.</li> <li>▪ The Company was authorized by Excise Department to produce and distribute ethanol with alcohol purity not less than 99.5 % directly only to the fuel vendors. The production capacity then was 150,000 liters/day.</li> <li>▪ March 31, 2006, The Company increased its registered capital by 106 million baht: From 265 million, the capital grew to 371 million baht. The issuance of new 10.60 million ordinary shares at par value of 10 baht per share offered to the existing shareholders was completed, resulting in new fund to expand the business and use as working capital.</li> </ul>
<b>2007</b>
<ul style="list-style-type: none"> <li>▪ The Company increased its registered capital by 79.50 million baht: From 371 million, the capital grew to 450.50 million baht. The issuance of new 7.95 million ordinary shares at par value of 10 baht per share offered to the existing shareholders was completed, resulting in new fund to expand the business and use as working capital.</li> <li>▪ The Company increased its registered capital by 149.50 million baht: From 450.50 million, the capital grew to 600 million baht. The issuance of new 14.95 million ordinary shares at par value of 10 baht per share offered to the existing shareholders was completed, resulting in new fund to expand the business and use as working capital.</li> <li>▪ October 18, 2007 the company transformed to a public company and changed its name to Thai Agro Energy Public Company Limited. Registration to change the par value from 10 to one baht per share was done.</li> <li>▪ December 25, 2007, the company was authorized by the Excise Department to be able to export ethanol.</li> </ul>
<b>2008</b>
<ul style="list-style-type: none"> <li>▪ November 19, 2008 the Company received BOI promotion certification for the Production Line 2 from the Board of Investment (BOI).</li> </ul>
<b>2009</b>
<ul style="list-style-type: none"> <li>▪ June 30, 2009 the Company was accredited ISO 9001:2008 and ISO 14001:2004 from UKAS, England, and Thailand's NAC under the authorization of SGS (Thailand).</li> </ul>

<b>2010</b>
<ul style="list-style-type: none"> <li>▪ The Company commenced the construction of Line 2 production facility, enabling the Company to produce ethanol from molasses and cassava and to increase the production capacity by 200,000 liters/day or 66.00 million liters/year (calculated from number of days taken in the production which is equivalent to 330 days/year).</li> </ul>
<b>2011</b>
<ul style="list-style-type: none"> <li>▪ In January 2011, the Company commenced a test-run of the Line 2's cassava-based ethanol production machinery.</li> <li>▪ In May 2011, the Company began using bio gas produced from well no 2, equipped with up flow Anaerobic Sludge Blanket (UASB) technology.</li> <li>▪ The Company increased its registered capital by 200 million baht: From 600 million, the capital grew to 800 million baht. The issuance of new 200 million ordinary shares at par value of 1 baht per share offered to the existing shareholders was completed, resulting in new fund to expand the business and use as working capital.</li> <li>▪ July 22, 2011, the company was authorized by Excise Department to expand the production capacity of ethanol for use as fuel from 150,000 liters/day to 350,000 liters/day.</li> <li>▪ 3rd quarter of 2011, the Company improved the Production Line 2 to facilitate the production of ethanol from molasses.</li> </ul>
<b>2012</b>
<ul style="list-style-type: none"> <li>▪ In March 2012, the Company began using bio gas produced from well no 3, equipped with Modified Covered Lagoon (MCL) technology.</li> <li>▪ 2 April, the company was able to produce and distribute molasses-based ethanol from Production Line 2 for the first time.</li> </ul>
<b>2013</b>
<ul style="list-style-type: none"> <li>▪ In September 2013, the Company increased its registered capital by 200 million baht: From the existing 800 million, the capital grew to 1,000 million baht, with the par value of 1 baht.</li> </ul>
<b>2014</b>
<ul style="list-style-type: none"> <li>▪ First trading of ordinary shares on the Stock Exchange of Thailand on June 5, 2014.</li> </ul>
<b>2015</b>
<ul style="list-style-type: none"> <li>▪ The Company began using raw sugar to produce ethanol in Production Line 2. Following the launch of raw material diversification plan, using raw sugar and molasses as raw materials for ethanol production enables the Company to save production cost greatly.</li> <li>▪ In June 2015, the Company invested in the installation of Bio-Scrubber to eliminate hydrogen sulfide (H<sub>2</sub>S), the gas existing in bio-gas using as fuel for the production of steam and electricity. The new facility helps reduce the amount of Sox residing in the Flue Gas, releasing from the boiler funnels. The practice can prevent air pollution that may harm the community around the factory.</li> </ul>

<b>2016</b>
<ul style="list-style-type: none"> <li>▪ In November, 2016 the Company started Phase 2 of Hydrogen Sulfide Removal (H<sub>2</sub>S) project in the Biogas (Bio-Scrubber) to increase the efficiency of air pollution prevention.</li> </ul>
<b>2017</b>
<ul style="list-style-type: none"> <li>▪ March 9, 2017 The Company was certified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption: CAC. The Certificate is valid for 3 years from the date of approval.</li> </ul>
<b>2018</b>
<ul style="list-style-type: none"> <li>▪ March 14, 2018 The Company began a construction of the EVAPORATOR SYSTEM FOR BIO METHANATED SPENT WASH 3,000 M<sup>3</sup>/DAY. The Evaporator condensate is a source of re-use water. Condensate recovery can reduce process water used in ethanol production and excess electricity generated from the evaporation plant will be used in ethanol production and there will be a by-product from evaporation process which is Potassium Humate around 50,000 metric tons per year.</li> <li>▪ June 30, 2018 The Company has been received Quality Management System certification ISO 9001:2015 and Environmental Management System certification ISO 14001:2015 from UKAS, United Kingdom and NAC, Thailand which is certified by SGS (Thailand) Co.,Ltd.</li> </ul>
<b>2019</b>
<ul style="list-style-type: none"> <li>▪ The Company received promotional certification from the Board of Investment (BOI) regarding to the measure of improving production efficiency to decrease impact on environment according to BOI certificate no. 62-0394-1-04-1-0 at March 18, 2019.</li> <li>▪ Thai Institute of Directors (IOD) as secretary of Private Sector Collective Action Coalition Against Corruption Council has resolved in the meeting of the quarter 4/2019 certified the renewal of member of "Thailand's Private Sector Collective Action Coalition Against Corruption" for more 3 years from 2020 to 2023.</li> </ul>
<b>2020</b>
<ul style="list-style-type: none"> <li>▪ The Company have received SET AWARDS 2020, the Outstanding Company Performance Awards, Business Excellence for listed companies with market capitalization of 3,000-10,000 million Baht.</li> </ul>
<b>2021</b>
<ul style="list-style-type: none"> <li>▪ On September 6, 2021, the Board of Directors Has resolved to approve the payment of interim dividends For the company's operating results from January to June 2021.</li> <li>▪ The Company has joined the Thailand Carbon Neutral Network in the category of Climate Action Initiator.</li> </ul>
<b>2022</b>
<ul style="list-style-type: none"> <li>▪ The Company has been selected to participate in the project to expand the carbon footprint of enterprises in the industrial sector in fiscal year 2022 by the Water and Environment Institute for Sustainability, the Federation of Thai Industries and was certified by Thailand Greenhouse Gas Management Organization on August 23, 2022.</li> </ul>

## 1.2 Nature of Business

Thai Agro Energy Public Company Limited engages in production and distribution of ethanol with 99.5 percent purity by volume. Produced for use as fuel, this ethanol has a molecular formula of  $C_2H_5OH$  with a boiling point at approximately 78 degree Celsius. This colourless and transparent product is flammable and is used as fuel due to its high octane rating. The product is denatured before being sold to oil companies under Section 7 of the Petroleum Trading Act B.E. 2543 as a substance to be blended with gasoline at the ratios of 10, 20, and 85 per cent, resulting in E10, E20, and E85 gasohol respectively. These gasoline substitutes help to reduce the country's import burden of fuel and MTBE (Methyl Tertiary Butyl Ether), an additive to boost octane in gasoline. Reduction of air pollution leading to a better environment is another benefit resulting from using gasohol.

The manufacturing technology being used at present came under license from a French company, Maguin Interis. The plant consists of two production lines with a combine capacity at 365,000 litres per day. Based on 330 production days per annum, the total annual production output of the plant is 120.75 million litres. Details of two production lines are given as follows.

Details	Production Line 1	Production Line 2
Raw material	Molasses	Multi-raw materials
Installed capacity	165,000 litres per day	200,000 litres per day
Commencement	31 <sup>st</sup> January 2005	2 <sup>nd</sup> April 2012

The Company received investment promotion certificates from the Board of Investment of Thailand as details follows;

Details	Production Line 1
Investment promotion certificate no	62-0394-1-04-1-0
Promoted product	Pure alcohol
Production volumes exempted from tax	54,750,000 litres (working time 24 hrs. /day : 365 days/year)
Commencement of revenue	23 <sup>rd</sup> April 2019
Expiry dates of benefits received.	22 <sup>nd</sup> April 2022

➤ Production line 1 have received the investment promotion in accordance with production efficiency improvement measures to reduce environmental impact. Which was approved for investment promotion by the Board of Investment according to certificate no. 62-0394-1-04-1-0. The Investment Promotion Certificate has important tax benefits and conditions as follows.

(1) Exemption of corporate income tax on net profits derived from the promoted business for a total of not more than 50% of the investment value in order to improve production efficiency, excluding land and working capital. And is exempted from bringing dividends from promoted businesses (Which are exempted from corporate income tax) to include income tax for a period of 3 years from the date of income. Expires on 22<sup>th</sup> April 2022 (3 years or 50 percent of investment value, depend on which one is completed before).



(2) Be allowed to deduct the annual loss incurred during the exemption of income tax from the net profit that occurs after the corporate income tax exemption for a period of 5 years from the date of expiration Tax exempt under item (1).

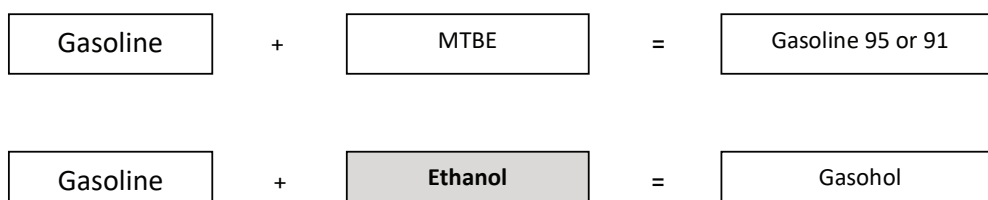
(3) Exemption of import duty on machinery as approved by the board.

### 1.2.1 Revenue Structure

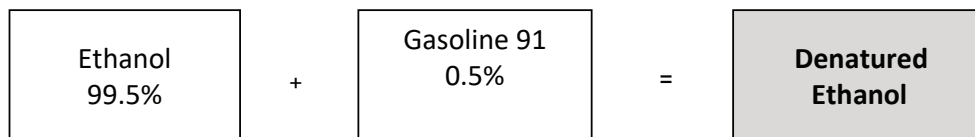
Type of income	2020		2021		2022	
	Million baht	Percent	Million baht	Percent	Million baht	Percent
Revenue from sales						
Denatured ethanol <sup>(1)</sup>	2,405.99	99.89	2,207.30	99.97	2,003.98	99.92
Other revenues <sup>(2)</sup>	2.61	0.11	0.59	0.03	1.59	0.08
<b>Total revenue</b>	<b>2,408.60</b>	<b>100.00</b>	<b>2,207.89</b>	<b>100.00</b>	<b>2,005.57</b>	<b>100.00</b>
Remarks: (1) Revenue from the sale of denatured ethanol was generated by the sale of ethanol in the ratio of 99.5%, together with gasoline/gasohol in the ratio of 0.5%, according to the Excise Department's regulations for the distribution of ethanol used as fuel.						
(2) Other revenues include revenues from the sales of fusel oil, asset sales, and claims.						

### 1.2.2 Product feature

(A) The Company's main product is "Ethanol", also known as ethyl alcohol. Ethanol is a form of alcohol obtained from the processing of agricultural crops that contain starch and sugar. Molasses, cassava, and corn are the major raw materials in the production of ethanol. Biodegradation and fermentation process are applied to convert starch into sugar. The outcome will be distilled until it has a purity of 99.5% by volume. Ethanol has C<sub>2</sub>H<sub>5</sub>OH as its molecular formula. Its boiling point is 78 degree Celsius. This flammable, colorless transparent liquid is known as a fuel with higher octane rating as it contains 35% oxygen and can replace MTBE (Methyl Tertiary Butyl Ether), an additive to boost octane in gasoline. As MTBE causes carbon monoxide and leaves residues that can contaminate the groundwater, ethanol can be a good substitution when blending with gasoline in an appropriate ratio to produce the clean gasohol fuel. Completely burned, gasohol helps to reduce air pollution. It can reduce the amount of hydrocarbons, carbon monoxide (CO), and carbon dioxide (CO<sub>2</sub>), the main factor that contribute to the greenhouse effect. Black smoke, aromatic compounds and benzene compounds can be minimized as well for the benefit of the environment.



Regulated by Excise Department, the Company can trade only denatured ethanol which is the ethanol to be used in the gasoline mixture in the process to produce gasohol, with conversion formulas determined by the department (as defined by the announcement of Department of Energy Business on Specification of Denatured Ethanol B.E. 2548). The Company had used ethanol and gasoline 91 in the mixture to produce denatured ethanol until the bereavement of this gasoline type in the Thai market. To this end, the Company now use gasohol 91 in the mixture. The company uses 0.5% gasoline or gasohol to mix with 99.5% ethanol in the production of denatured ethanol for sale to customers.



The denatured ethanol produced and distributed by Thai Agro Energy is a quality product according to the standards set by the Department of Energy Business. The Company's quality control department examines the quality of ethanol production on a daily basis.

Recognized the first licensed ethanol producer in Thailand, Thai Agro Energy was certified a fuel trader under Section 10 of the Fuel Trade Act B.E. 2543 on 29 April 2005. Section 10 covers the fuel traders whose commercial volumes of each oil type or a combination of all kinds of oil per year are less than to 100,000 metric tons (approximately 120 million liters).

Besides, The Company has been certified Quality Management System ISO 9001:2015 and Environmental Management System ISO 14001: 2015 certifications from The United Kingdom Accreditation Service (UKAS), United Kingdom and The National Accreditation Council of Thailand – NAC, Thailand which certified by SGS (Thailand) Co.,Ltd. This is a solid proof to indicate that the Company is seriously aware of the environment issue. Fully equipped with good environmental management system and facilities to control the production process, the company has implemented plans to reduce or prevent any clearly-seen environmental impact to meet the standards set.

**(B) “Potassium Humate” Soil conditioner:** A by-product that derived from the wastewater management process of ethanol production by drying to powder, the organic soil conditioner which comprises of humic acid and potassium with qualification that similar to soil conditioner from leoardite. Potassium Humate soil conditioner have organic nutrient that plant need which can be used in place of chemical fertilizer. Moreover, it have qualifications to improve soil water retention and cavities in soil that can increase the utilization of mineral fertilizers effectively.

**(C) Other by-products :** Fusel Oil, a by-product derived from ethanol distillation. Fusel oil contains many forms of alcohol. After isolation of alcohol by distillation, the material is forwarded through a purification process to produce fusel alcohol, the type that is used as solvent in various industries, including perfume, resins, plastics, lacquers, and inks. Fusel oil derived from the Company's production process accounts around 200 litres per day.

### 1.2.3 Marketing and competitiveness

#### (A) Marketing Policy and Competitive strategy

**Product quality :** According to the policy, the Company focuses on manufacturing the premium-quality ethanol to meet the customer's requirement. Recognizing the importance of regular quality checking, the Company has applied a QC procedure throughout the production process, from the beginning of selection and quality check of raw materials, especially molasses which is the major raw material. The Company embraces the French MAGUIN INTERIS technology to use in both production lines. Apart from the technology recognized among the ethanol producers worldwide, the facility is also equipped with DCS (“Distributed Control System”) which is modern and accurate distributed control system. Monitoring and quality control of ethanol is carried out at all stages from the start until the final step prior to delivery to the customers. All procedures are stringent to ensure the ethanol is produced with quality standards. Presently, the Company is capable to produce ethanol with the purity up to 99.8% by volume.

**Efficient cost management** : The Company gives priority to cost management. Cost is considered the main factor to affect the ability to make profits and competitiveness. Several measures have been implemented, including the use of biogas as the main fuel to produce steam in the production of ethanol. Biogas is generated from the wastewater treatment process, resulting from the production of ethanol. The Company has used biogas to replace furnace oil. Since the termination of the costly furnace oil usage in 2013, And in year 2015, the Company built a biogas power generation system 3 megawatts of capacity to be used within the factory and production process enabling the Company to save on electricity costs. The production technology is wholly automatic with a computer-controlled system enabling the company to minimize the employee number in the production line. This is much help to reduce the labor cost. As the Production Line 2 was designed to use both molasses and processed cassava, the company has flexibility in managing manufacture costs to achieve the highest efficiency. Once the price of a certain raw mat tends to rise, the Company can shift to use the other choice in the production of ethanol.

**Reliable delivery service** : On time delivery is another important factor for customers to make a decision to choose a product. Buyers usually accept denatured ethanol that is specified the quantity and the timing of delivery clearly. Inability to deliver products as specified leads to defamation of the Company and mistrust among customers. On time delivery, then, is the main company's policy as a factor to create satisfaction and reliability among customers. The performance results in continuous calls for our services from customers.

**Maintaining good relationship with customers** : The Company is the first ethanol producer granted a fuel trader certificate under Section 10 of Fuel Trade Act B.E. 2543, resulting in a large group of customers who are doing business with us for a long time. The Company is dedicated to maintaining good relationship with customers successively to give them confidence and trust in the process of production and the efficient services of the Company. The Company works with customers to plan ethanol delivery in advance, in both terms of product volumes and delivery time to ensure them of accurate and punctual performance. We use all information obtained from customers in our production planning and procurement of raw materials for maximum performance. So that the delivery of ethanol can be completed with the quantity, quality, and time that meet the customer's needs.

#### **Nature of customers**

The Company distributes denatured ethanol to mix with gasoline in various ratios to produce gasohol. The Company's major customers are fuel trading companies under Section 7 of the Fuel Trade Act B.E. 2543. Most of them are well-known Thai fuel traders. The Company makes ethanol agreements that are valid for 3-12 months, depending on each customer. The agreements specify the exact quantity and delivery date of denatured ethanol. Prices are determined on a quarterly basis.

#### **Pricing policy**

The Committee on Energy Policy Administration (EPA) has agreed to base the reference price of ethanol on the lowest price between the price the producers report to the Excise Department and the price of the fuel traders under Section 7 report to Energy Policy and Planning Office (EPPO). The pricing formula has been effective since December 2015. The Company uses the Cost plus Margin technique in its pricing policy. Apart from the ethanol reference price notified by the EPA, the Company takes other factors into consideration to denatured ethanol pricing. Key factors taken into consideration include prices for raw materials, supply and demand in the market and overall competitive conditions in both domestic and foreign markets.

### Sales and distribution channels

According to requirements set by the Excise Department and specified in licenses to produce and sell ethanol fuel, the Company must only use the ethanol it produces as an additive in fuel production or directly sell to oil traders. The Company is also required to transform ethanol into denatured ethanol before the product leaves the factory. Moreover, the transformation must conform to the formula set by the Excise Department (0.5% transforming substance—gasoline or gasohol—to 99.5% ethanol by volume). The transformation take place prior to sale to oil traders under Section 7 of the Fuel Trader Act B.E. 2543. Oil traders take the denatured ethanol to mix with gasoline in ratios of 10%, 20% and 85% to produce gasohol E10, E20, or E85 respectively. Most customers are responsible for transportation of the purchased denatured ethanol. Customers will arrange for trucks to transport the product from the plant. Some request the Company to provide transportation for them. In this case, the Company outsources to a hired transporter which is responsible for any damage occurring during transportation between the plant and the customers' storage. Trading volume of ethanol is measured by the meter at the Company's factory which is regularly calibrated as required by law.

### (B) Industry and competitive

**Situation of Ethanol Industry:** Ethanol consumption demand in year 2022 averaged at 3.83 million liters per day, which was higher than 2021 by 3.23 percent, Due to the covid-19 pandemic situation that tends to decrease. Travel restrictions are becoming more relaxed, coupled with a recovery in the economy. As a result, the demand for ethanol, a mixture of gasohol fuel, has increased.

Consumption of ethanol-for-fuel in 2018-2022					
(unit: Million Litres)	2018	2019	2020	2021	2022
Ethanol consumption volume	1,532.65	1,629.90	1,519.98	1,353.85	1,393.60
Average daily ethanol consumption	4.20	4.43	4.00	3.71	3.83

Source: Department of Alternative Energy Development and Efficiency, Ministry of Energy

**Gasohol industry situation :** Ethanol-for-fuel is blended with gasoline in various ratios, resulting in E10, E20 and E85 gasohol respectively. The demand for ethanol for domestic fuel will vary mainly according to the consumption of gasohol in the country. In 2022, domestic gasohol consumption increased by 1.02 million liters per day, or 3.60 percent, compared to 2021.

(Unit: Baht/Litre)	Type of Fuel				
	Gasoline 95	Gasohol 95	Gasohol 91	Gasohol E20	Gasohol E85
Contribution to oil fund	8.58	2.00	2.00	0.31	0.31
Subsidy rate	-	-	-	-	-
Marketing margin	3.17	3.00	3.16	3.09	2.86
Retail price	42.16	34.75	34.48	32.84	33.29

Source: Fuel Price Structure as of January 13, 2023, Energy Policy and Planning Office Ministry of Energy.

**Molasses industry situation :** Molasses is a by-product of cane processing in sugar mills. One metric tons of sugar cane can produce approximately 45-50 kilogrammes of molasses, accounting to 4.5-5.0 percent of the sugar cane sent for milling. In Thailand, cane crushing season is during November to May next year. Sugar cane for milling and molasses production volume during 2017/2018 to 2021/2022 as follow details;

Year	Sugar cane plantation (million rai)	Average yield (tonnes/rai)	Sugarcane to mill (million tonnes)	Molasses produced (million tonnes)
2017/2018	11.54	11.68	135.00	5.49
2018/2019	12.24	10.75	130.97	5.88
2019/2020	11.96	7.09	74.89	3.39
2020/2021	10.86	7.21	66.66	2.77
2021/2022	11.02	9.66	92.07	3.59

Source: Office of the Cane and Sugar Board

During production year 2021/2022, sugarcane plantation increased throughout the country due to the rise in global sugar prices, sugarcane prices have also increased. Therefore, it is an incentive for farmers to return to growing more sugarcane, and this year there is enough rainfall to grow sugarcane. It was found that the area of cultivation in the 2021/2022 production year increased from the 2020/2021 production year by 0.16 million rai or 1.47%. Meanwhile, the average yield increased by 2.45 tonnes per rai or 33.98%, resulting in 38.12% and 29.60% increase in sugarcane production volume and molasses volume in 2021/2022, respectively, from year 2020/2021.

**Cassava industry situation :** cassava is considered an important industrial crop. The main cassava growing area is in the Northeast. It can be used directly as food and processed into cassava products such as tapioca chips, tapioca pellets and tapioca starch. It was found that the total cassava production area in 2021/2022 increased from the 2020/2021 production year by 0.55 million rai or 5.78%, resulting in a 5.98% increase in total cassava production in the 2021/2022 production year from the 2020/2021 production year as below details;

Year	Cassava Plantation (million rai)	Average yield (tonnes/rai)	Cassava produced (million tonnes)
2018/2019	8.56	3.37	28.86
2019/2020	8.70	2.91	25.30
2020/2021	9.51	3.33	31.63
2021/2022	10.06	3.33	33.52

**Competition :** As of 2022, there were 26 operating ethanol production plants in Thailand, with a total installed capacity 6,570,000 litres per day. The ethanol production facilities can be categorised by raw material types as follows:

Operating Ethanol Plants				
	Ethanol Plant	Province	Capacity (litres/day)	Main raw material
1	Ktis Bioethanol Co.Ltd.*	Nakhon Sawan	230,000	Molasses
2	Thai Sugar Ethanol Co., Ltd.*	Kanchanaburi	200,000	Molasses
3	Mitrphol Biofuel Co., Ltd. *	Chaiyaphum	500,000	Molasses
4	Mitrphol Biofuel Co., Ltd. *	Kalasin	550,000	Molasses
5	Mitrphol Biofuel Co., Ltd. *	Suphanburi	200,000	Molasses
6	K.I. Ethanol Co., Ltd.*	Nakhon Ratchasima	150,000	Molasses
7	KSL Green Innovation Plc.*	Khon Kaen	270,000	Molasses

Operating Ethanol Plants			
Ethanol Plant	Province	Capacity (litres/day)	Main raw material
8 KSL Green Innovation Plc.*	Kanchanaburi	300,000	Molasses
9 Thai Rungrueng Energy Co., Ltd.*	Saraburi	200,000	Molasses
10 GGC KTIS Bioindustrial Co.,Ltd.	Nakhon Sawan	600,000	Molasses
11 Mae Sot Clean Energy Co., Ltd*	Tak	230,000	Sugar cane syrup
12 Ratchaburi Ethanol Co., Ltd.*	Ratchaburi	150,000	Cassava chip/molasses
13 E.S. Power Co., Ltd.*	Sakaew	150,000	Cassava chip/molasses
14 Thai Alcohol Plc*	Nakhon Pathom	200,000	Cassava chip/molasses
15 Thai Agro Energy Plc.,	Suphanburi	350,000	Cassava chip/molasses
16 Impress Technology Co.Ltd.	Chachoengsao	200,000	Fresh cassava/ cassava chip/ molasses
17 Pornvilai International Group Trading Co.Ltd.	Ayutthaya	25,000	Cassava chip/ molasses
18 Saptip Co., Ltd.	Lopburi	200,000	Cassava chip
19 Thai Ethanol Power Plc.	Khon Kaen	80,000	Fresh cassava
20 Tai Ping Ethanol Co., Ltd.	Sakaew	300,000	Fresh cassava
21 P.S.C. Starch Production Co., Ltd.	Cholburi	150,000	Cassava chip
22 E 85 Co., Ltd	Prachinburi	385,000	Fresh cassava/ liquid cassava
23 Ubon Bio Ethanol Co., Ltd	Ubon Ratchathani	400,000	Fresh cassava/cassava chip
24 Bangchak Bioethanol Co.,Ltd.	Chachoengsao	150,000	Fresh cassava/cassava chip
25 Up Ventures Co.,Ltd.	Nakhon Ratchasima	340,000	Cassava chip
26 Fah Kwan Thip Co.,Ltd.	Prachinburi	60,000	Fresh cassava
<b>Total production capacity</b>		<b>6,570,000</b>	
Source: Thai Ethanol Manufacturing Association			
Remark: * Ethanol production plants operated by sugar mill entrepreneurs			

In year 2022, the market share is 5.26 percent decreased from 2021 by 1.04 percent.

Year	Domestic consumption of ethanol (Million litres)	Company's sales volume of conversion ethanol (Million litres)	Company's market share (Percent)
2018	1,532.65	115.833	7.56
2019	1,629.90	117.021	7.18
2020	1,519.98	104.425	6.87
2021	1,353.85	85.352	6.30
2022	1,393.60	73.325	5.26

**Public administration of ethanol industry :** Production and distribution of ethanol used as fuel is a business sector that operates under the supervision of governmental authorities. This public administration oversees and sets policies concerning the sector's various facets:

#### (A) Production and distribution of ethanol

To set the same standard for licensing ethanol production plants, the Thai Cabinet on 12 December 2006 approved a liberalisation of regulations governing production of *Sam Thab* (ethanol) type distilled spirits used as fuel. Subsequently, on 24 September 2007, the Ministry of Finance issued Notification Concerning Administration of *Sam Thap* Distilled Spirits (ethanol) Used As Fuel B.E. 2550 defining procedures and directions for applying for authorisation to establish a plant manufacture and sell ethanol used as fuel, as well as other issues concerning production and distribution of ethanol, all of which is overseen by the Excise Department. The Ministry of Energy on 21 January 2005 issued a notification defining ethanol used as fuel whether directly in an engine or blended with gasoline, in accordance with the

Fuel Distribution Act B.E. 2543. Producers and distributors of ethanol used as fuel must be registered as fuel traders with the Department of Energy Business under Section 7 or Section 10 of the Act, as applicable.

– Fuel traders under Section 7 includes oil traders that operate commercial quantities of each or a combination of oil types of 100,000 metric tonnes per year or more.

– Fuel traders under Section 10 are those that operate commercial quantities of each or a combination of oil types of less than 100,000 metric tonnes per year, whose commercial quantities of each or combination of oil types is 30,000 metric tonnes (about 36 million litres) up, or traders with fuel storage capacity of 200,000 litres or more of each or a combination of oil types.

#### **(B) Determining ethanol characteristics and quality**

To encourage commercial application of ethanol and build confidence in it among consumers, the Department of Energy Business has determined characteristics and quality requirements for denatured ethanol fuel blended with basic gasoline to produce gasohol. Details appear in the Department’s Notification on Determining Characteristics and Quality of Denatured Ethanol B.E. 2548 launched on 11 July 2005.

#### **(C) Excise tax exemption**

The government has a policy to support the production and use of ethanol as fuel. Therefore, the Excise Department issued a notice on: The Alcohol Tax Exemption for Ethanol Distillates Used as Raw Materials or Components for Fuel Production on September 29, 2017, by those who would seek tax exemptions will be necessary to set up an electronic database system and reporting according to Excise Department designate

### **1.2.4 Product supply**

#### **Ethanol Production**

The Company’s ethanol production facilities are located at 9, Moo 10, Dan Chang-Samchuk Road, Tambol Nong Makhamong, Dan Chang District, Suphanburi Province, on an area of over 1,800 rai. The plant comprises two production lines equipped with the French MAGUIN INTERIS (“MAGUIN”) technology which is well-recognised among ethanol producers worldwide. MAGUIN technology features multi-tank continuous fermentation (Cascade Continuous) and a refining process with two distillation columns. The Company’s production process holds Quality Management System ISO 9001: 2015 certification and Environmental Management System ISO 14001: 2015 certification from The United Kingdom Accreditation Service (UKAS), United Kingdom and The National Accreditation Council of Thailand – NAC, Thailand.

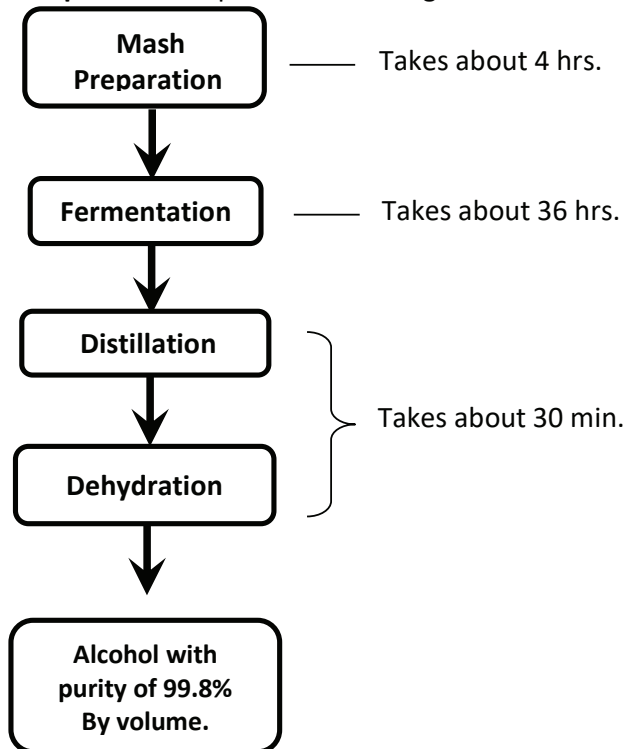
➤ Production Line 1, installation capacity 165,000 liters per day, using molasses as its sole raw material, has been in operation since 31 January 2005.

➤ Production Line 2, installation capacity 200,000 liters per day, using various of raw materials such as molasses, cassava, raw sugar, etc., , has been in operation since 2 April 2012. However, election of raw material for Line 2 is based on the Company’s production plans and costs.

**Production capacity** comprises of 2 production lines as follows;

Details	2021		2022	
	Production Line 1	Production Line 2	Production Line 1	Production Line 2
Installed capacity	54,750,000	66,000,000	54,750,000	66,000,000
Actual production volume	23,118,435	62,164,766	14,022,334	59,494,253
% of capacity installed	42.23	94.19	25.61	90.14
<b>Total</b> installed capacity	120,750,000		120,750,000	
<b>Total</b> actual production volume	85,283,201		73,516,587	
% of total capacity installed	70.63		60.88	

**Production and production process** comprises 4 main stages as follows:



### 1. Mash Preparation Process

Each type of raw material requires different processes as follows:

**1.1 Molasses:** Molasses is delivered by pipeline from a storage tank for preparation prior to fermentation. The preparation process involves diluting the molasses with water to the required concentration. A special acid that reduces surface tension is added to separate out organic salts from the molasses.

**1.2 Cassavas:** Prior fermentation, cassavas are cleaned to eliminate contaminants including metal and dirt. Subsequently, clean cassavas are mashed and mixed with water to make starch paste, then to be digested with enzyme, converting starch to sugar, before proceeding to fermentation.



## 2. Fermentation Process

Diluted molasses is delivered to the next stage where yeast is added to begin a fermentation process. Essential nutrients, acid and air are added in a yeast culture chamber. The optimally fermented yeast and other diluted molasses is moved from pre-fermenters to fermenters. The Company's uses a cascade continuous fermentation process, passing through six fermenters fitted with radial flow pumps and cooling systems that stabilises the temperature in the fermenters. It takes 36 hours for the yeast to transform the sugar into alcohol. After fermentation, the fermented liquid is delivered to buffer tanks to await distillation. The processes produce alcohol with a purity level of 9-10% by volume.

## 3. Distillation Process

Fermented alcohol stored in the buffer tanks is transferred to Distillation Column 1 where the alcohol is separated from the fermentation broth. The distillation is conducted at a lower atmospheric pressure. The alcohol vapour wafts out of Column 1 and flows through a cooling system. Here, the purified alcohol vapour is condensed into liquid alcohol with approximately 50% purity by volume before being forwarded to Column 2 for further distillation at a higher atmospheric pressure. This produces 92% purified alcohol by volume. The alcohol vapour from Column 2 is conveyed to the dehydration process.

The distillation process renders fuel oil, a by-product utilized in perfumes, resins, plastics, lacquer and ink. Spent wash from the distillery spent wash is sent to the treatment system to generate biogas for application in other areas of the Company's operations.

## 4. Dehydration Process

The dehydration process removes the remaining water after alcohol production, raising it to 99.8% purity by volume. Alcohol vapour drifts through a double-barrelled dehydration unit. Zolytes installed in the barrels absorb water from the vapour. The dehydrated alcohol is condensed and cooled before delivery to storage tanks to await distribution. The Company possesses four storage tanks with a total capacity of 4.5 million litres. Each tank is equipped with nitrogen blanketing to maintain the ethanol quality while it awaits delivery to customers.

### Raw materials supply

#### (1) Molasses

Molasses is the main raw material used in the Company's production of ethanol, accounting for 80% of ethanol production costs. The Company sources molasses from producers and distributors around the country. Negotiation begins every year before the sugarcane milling season begins. A by-product of sugar processing, the volume of molasses mainly depends on the amount of sugarcane sent for milling each season. To reduce the risk of insufficient molasses to meet the ethanol production plan, the Company contracts with molasses manufacturers and/or suppliers in advance. Each contract determines a certain quantity of molasses and delivery details. Besides, the Company's main molasses supplier located in close proximity with the Company's plant and with the freight cost included in the purchase price, purchasing molasses from nearby sugar mill helps the Company save both raw materials cost and transportation cost. Molasses vendors are mostly responsible for delivering the contracted consignments to the Company's factory. However, in some cases the Company arranges transportation of the molasses itself. In such cases the Company outsources the delivery. Such contracts clearly specify that all damage, whether by contamination, degradation or loss that occurs in transit as well as damages due to accidents, are the transportation contractor's responsibility and that they are required to pay the Company an indemnity.

## **(2) Chemicals**

The Company uses chemical substances in the production of ethanol accounted to 2.19 percent of ethanol cost. Yeast, Urea, Diammonium phosphate, Anti-foam and Sulfuric acid are among the essential chemicals used in the production process. Most of the substances are supplied by domestic manufacturers and/or distributors. As quality is top priority, the Company focuses on purchasing only from manufacturers and/or distributors that deliver quality ingredients accurately and punctually as defined in the orders. The Company has prepared an Approved Vendor List collating quality manufacturers and/or distributors. The list is updated every two years through performance reviews and assessments. Orders are placed on a minimum stock basis. As stocks are reduced to minimum amounts that must be retained, ERP reports the situation to the concerned personnel to reorder. The system enables the Company to achieve efficient stock management and maintain appropriate inventories of raw materials.

## **(3) Cassava chips**

Consideration of which raw material to use in Production Line 2 is based on cost and the current plan. Having a choice enables the Company to control its costs effectively and reduce the risk arising from solely depending on molasses as raw material. It gives the Company the freedom to choose whichever raw material is available at the lowest cost to use to produce ethanol. The Company is also making preparations for using cassava chips as another raw material for its ethanol production. It will procure cassava chips from producers in provinces in the vicinity of its plant, including Kanchanaburi, Uthai Thani, Nakhon Sawan and Kamphaeng Phet, in which cassava is a major crop. The Company surveyed various cassava yards to assess their capability of producing cassava chips of the required quality. Sampling will be conducted to determine the quality of the material every time before deciding whether to purchase. Prior to acceptance, the Company checks the quality of the produce loaded onto each truck. Cassava of lower quality than that required by the Company is immediately rejected, ensuring that only quality cassava chips are used for ethanol production.

## **(4) Raw Sugar**

Due to the production line 2 can use raw sugar for production process, this will gain the flexibility of raw material selection. Therefore, the Company can efficiently manage on production cost. In the meeting of the cane and sugar board each year, the board will consider the policy to increase the sale volume of raw sugar within the country to the ethanol industry which consider from the amount of raw sugar each production season to deduct export volume of raw sugar to overseas market and to promote and expand sugar consumption as raw material in the country.

### 1.2.5 The Company's assets used for doing business

The Company possesses various assets that it utilises in doing business as of 31 December 2022, the Company's total assets used in doing business were as follows:

Type/characteristic of asset	Ownership	Obligation As of 31 December 2022	Net Book Value As of 31 December 2022 (million baht)
Land for Production Line 1, located in Tambol Nong Makhamong, Dan Chang district, Suphanburi Province. Total area: 13-1-79.67 rai	Owner	Land mortgaged with commercial banks	1.38
Land for Production Process Line 2, located in Tambol Nong Makhamong, Dan Chang district, Suphanburi Province. Total area: 14-2-59.11rai	Owner	Land mortgaged with commercial banks	1.52
Land for Wastewater Evaporator plant, located in Tambol Nong Makhamong, Dan Chang district, Suphanburi Province. Total area: 3-0-36 rai	Owner	-	0.48
Land for biogas production:, located in Tambol Nong Makhamong, Dan Chang district, Suphanburi Province. Total area: 42-0-10.67 rai	Owner	Land mortgaged with commercial banks	3.51
		-	1.09
Land for fresh water storage, located in Tambol Nong Makhamong, Dan Chang district, Suphanburi Province. Total area: 47-2-41.96 rai	Owner	Land mortgaged with commercial banks	4.88
Land for wastewater storage, located in Tambol Nong Makhamong, Dan Chang district, Suphanburi Province. Total area: 477-2-14.40 rai	Owner	Land mortgaged with commercial banks	21.88
		-	56.38
Land for truck parking yards, located in Tambol Nong Makhamong, Dan Chang district, Suphanburi Province. Total area: 10-3-59.25 rai	Owner	Land mortgaged with commercial banks	1.15
Land for road and drainage ditch, located in Tambol Nong Makhamong, Dan Chang district, Suphanburi Province. Total area: 32-3-77.83 rai	Owner	Land mortgaged with commercial banks	2.72
		-	1.00
Land for agricultural plots, located in Tambol Nong Makhamong, Dan Chang district, Suphanburi Province. Total area: 984-2-28.25 rai	Owner	Land mortgaged with commercial banks	70.31
		-	48.61
Land for green area, located in Tambol Nong Makhamong, Dan Chang district, Suphanburi Province. Total area: 221-1-52.26 rai	Owner	Land mortgaged with commercial banks	18.92
		-	5.55
Land improvement	Owner	-	76.31
Machinery and equipment	Owner	Machinery with loan finance by commercial banks	981.25
		-	356.26

Type/characteristic of asset	Ownership	Obligation As of 31 December 2022	Net Book Value As of 31 December 2022 (million baht)
Buildings and construction	Owner	buildings mortgaged with commercial banks	108.64
		-	257.39
Office equipment	Owner	-	2.64
Vehicles	Owner	-	1.13
Assets under construction and installation	Owner	-	594.74
<b>Total</b>			<b>2,617.74</b>

### 1.2.6 Environmental Impact

The Company is aware of the impact of operations on the environment, safety and occupational health, as well as the quality of life and health of the people living nearby. Therefore, the Company has continuously monitored and measured the environmental quality and strictly according to the relevant laws. From the results of the environmental quality measurement monitoring results, it was found that air quality, noise quality, water quality and waste management from production processes within the standard as required by law.

In addition to complying with the above laws, The Company's production process holds Quality Management System ISO 9001: 2015 certification and Environmental Management System ISO 14001: 2015 certification from The United Kingdom Accreditation Service (UKAS), United Kingdom and The National Accreditation Council of Thailand – NAC, Thailand as well.

In this regard with a commitment to reduce environmental impact The Company has also implemented a project to improve the efficiency of the production process to continuously reduce the impact on the environment as follows:

#### Environmental Impact Reduction on Air Pollution Project

The Company installed bio scrubber for removal hydrogen sulfide (H<sub>2</sub>S) in biogas, which is used for steam and power generation for the biogas to make biogas clean and has better quality. Additionally, there is a working team monitoring and inspecting the emission of pollution from the end of the shaft to meet the government standards with plan to maintain or replace the canvas covering biogas ponds before the expiration of its use to ensure that it is in good condition in order to prevent and minimize air pollution that would have an impact on the surrounding community.

#### Environmental Impact Reduction on Water Resources and Wastewater

##### Treatment Project

The Company has complied with the requirements of the government in “Wastewater Management in Industrial Plants” by constructing properly treated spent wash ponds from biogas production process with inspection and repair of the levees in accordance with the engineering standards with adequate freeboard distance to reduce the risk of the overflows caused by heavy rains. In addition, The Company has started running the machinery of the spent wash evaporation plant in order to reduce the treated spent wash and mitigate the risk of water leakage in the event of flooding to ensure safety and to prevent the potential impact on the surrounding community.

## 1.3 Shareholding Structure of the Corporate Group

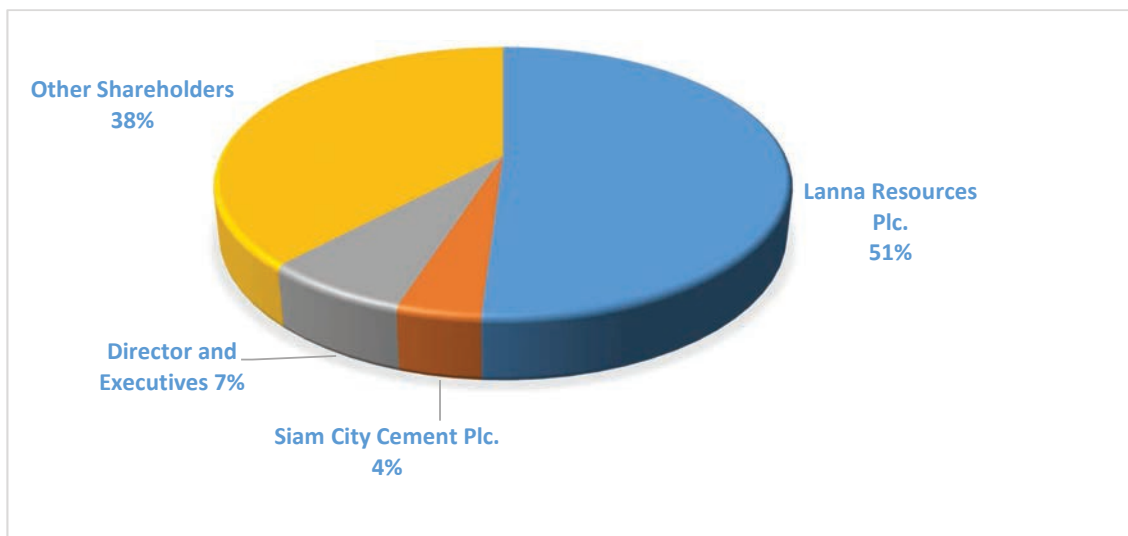
### 1.3.1 Shareholding structure of the group of companies

#### (1) Investment in subsidiaries and associates policy

The Company has a policy of investing in subsidiaries or associates with similar or similar business objectives, or businesses that support the Company's business, which will allow the Company to have increased performance or profitability or synergy business for the Company by being able to support the Company's core business operations to be more integrated. Investments in subsidiaries and associates will be subject to the supervision and audit of the Audit Committee. The Company will send directors of the Company or select executives with the appropriate qualifications and experience to conduct the business to represent the management to establish important policies and control the business operations of such subsidiaries and associates (if any).

In order to prevent future conflicts of interest in terms of competing business, the Board of Directors' Meeting of Lanna Resources Public Company Limited, the Company's majority shareholder, has approved that all business operations related to bio fuel of the Group in the future must be conducted only through the Company.

#### (2) Shareholding Structure of Thai Agro Energy Public Company Limited



#### 1.3.2 Individuals who may have conflicts

- None

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

Company's main business It is not related to or related to other business operations of major shareholders in a significant way.

### 1.3.4 Shareholders :

(1) List of 10 major shareholders of the Company as of March 2, 2023, the list is as follows.<sup>1)</sup>

list of shareholders	number of shares	percentage
(1) Lanna Resources Public Company Limited <sup>2)</sup>	510,000,000	51.000
(2) Siam City Cement Public Company Limited	47,234,796	4.724
(3) Sirirungsi Group <sup>3)</sup>		
(3.1) Mr.Kraisi Sirirungsi	41,200,000	4.120
(3.2) Mrs.Vassana Sirirungsi	4,100,000	0.410
(3.3) Total shares held by Sirirungsi Group	45,300,000	4.530
(4) Mr. Somchit Limwathanagura <sup>4)</sup>	27,500,000	2.750
(5) Chaikittiratana Group		
(5.1) Mr. Sutthichai Chaikittiratana	11,900,000	1.190
(5.2) Mrs. Tassanee Chaikittiratana	4,892,800	0.489
(5.3) Miss Napasri Chaikittiratana	2,550,000	0.255
(5.4) Total shares held by Chaikittiratana Group	19,342,800	1.934
(6) Mr. Piphop Kunajak	10,000,000	1.000
(7) Mr. Taweechat Chulangkul	9,957,100	0.996
(8) Miss Phanni Srisawat	8,100,000	0.810
(9) Tantisunthon Group		
(9.1) Mr. Wisit Tantisunthon	6,262,900	0.626
(9.2) Mr.Tawee Tantisunthon	53,415	0.005
(9.3) Miss Vanida Tantisunthon	31,500	0.003
(9.4) Total shares held by Tantisunthon Group	6,347,815	0.634
(10) Mrs. Hang Chaturaphruek	8,800,000	0.880
(11) Other Shareholders	307,417,489	30.741
<b>Total</b>	<b>1,000,000,000</b>	<b>100.000</b>

**Remark** 1) The list of shareholders as of March 2, 2023 from The Thailand Securities Depository Co., Ltd. (TSD).

2) Lanna Resources Public Company Limited is the largest shareholder and has 3 representatives as directors, namely Mr.Kraisi Sirirungsi, Mr.Srihasak Arirachakaran and Mr.Anun Louharanoo who holds the position of authorized director binding the company. List of 10 major shareholders of Lanna Resources Plc. as of September 5,2022, having details as following table.

3) Sirirungsi Group There is one representative as a director, namely Mr.Kraisi Sirirungsi and has the power to sign to bind the Company.

4) Mr. Somchit Limwathanagura is the authorized director.

(2) List of Major Shareholders of Lanna Resources Public Company Limited, the parent company, as at September 5, 2022, having details as follows:

list of shareholders	number of shares	percentage
(1) Siam City Cement Public Co., Ltd. Group and its executives <sup>(1)</sup>	237,088,980	45.16
(2) Thai NVDR Co., Ltd.	39,027,212	7.43
(3) Chulankul Group	30,079,700	5.73
(4) Tantisunthorn Group	28,371,740	5.41
(5) Sirirungsi Group	23,808,281	4.54
(6) Mr. Kongpop Limsomg	15,278,160	2.91
(7) UBS AG LONDON BRANCH	6,800,200	1.30
(8) Cholkhadeedamrongkul Group	6,582,700	1.25
(9) Mr. Nawat Taengtang	5,375,000	1.02
(10) Tanchatchawan Group	5,053,400	0.96
(11) Other Shareholders	127,534,306	24.29
<b>Total</b>	<b>524,999,679</b>	<b>100.00</b>

**Remark** <sup>(1)</sup> The group of “Siam City Cement Public Co., Ltd.” and its executives is the largest shareholder, comprising of Siam City Cement Public Co., Ltd. (“SCCC”), Mr. Vanchai Tosomboon, Mrs. Sunun Mahasandana and Mr. Sivakorn Mahasandana (wife and son of Mr. Siva Mahasandana who is the member of Executive Committee, Director and Chief Executive Officer of SCCC) holding a total of 237,088,980 shares or 45.16 percent of the paid-up capital and all shares with voting right, having 4 representing directors; namely, Mr. Paul Heinz Hugentobler, Mr. Siva Mahasandana, Mr. Vanchai Tosomboon and Mr. Mark Anatol Schmidt, whom are nonexecutives, with Mr. Vanchai Tosomboon being the Chairman of the Board and authorized director.

(3) Securities Holding of Directors and Executives as at December 31, 2022, having details as follows:

List of Directors and Executives	position	Unit : Shares			
		Securities of the Company held by <sup>1)</sup>			
		Director/ Executive	spouse	child	Total
(1) Mr. Virach Aphimeteetamrong	Chairman and Audit Committee	-	-	-	-
(2) Mr. Kraisi Sirirungsi	Vice Chairman Director	41,200,000	4,100,000	-	45,300,000
(3) Mr. Somchit Limwathanakura	Director	27,500,000	-	-	27,500,000
(4) Mr. Anun Louharanoo	Director	4,771,895	2,622	-	4,774,517
(5) Mr. Srihasak Arirachakaran	Director	45,940	-	-	45,940
(6) Mr. Padetpai Meekun-im	Chairman of the Audit Committee	-	-	-	-
(7) Mr. Satit Chanchaowakun	Audit Committee	-	-	-	-
(8) Mr. Somchai Lovisuth	Director and Senior Chief Executive Officer	2,036,400	-	-	2,036,400
(9) Mrs. Somrudee Suwannaroop	Chief Executive Officer –Administration and Production	100,000	-	-	100,000
(10) Ms. Kanyaphat Chinantdej	Chief Executive Officer –Commercial	30,000	-	-	30,000
(11) Mr. Anan Rayaruji	Production and Engineering Director	-	-	-	-
(12) Mrs. Theeranant Kunakasem	Accounting and Finance Department Manager	-	-	-	-
(13) Miss Wiraporn Tongdet <sup>2)</sup>	Deputy Director of Production and Engineering	-	-	-	-

**Remarks :** 1) There is only one type of securities of the Company: ordinary shares with a par value of Baht 1 per share.  
2) Miss Wiraporn Tongdet holds the position of Deputy Director of Production and Engineering on January 20, 2022

## 1.4 Registered Capital and Paid-Up Capital

### 1.4.1 Ordinary shares

The Company has a registered capital of one billion Baht, all is paid-up. The capital is divided into one billion ordinary shares, with par value of one Baht per share.

Distribution of Shareholders by Nationality (as of December 31, 2022)	Number of Shares	%
➤ <b>Thai Shareholders</b>	<b>989,546,989</b>	<b>98.95</b>
Ordinary Person	9,314,989	0.93
Juristic Person	980,232,000	98.02
➤ <b>Foreign Shareholders</b>	<b>10,453,011</b>	<b>1.05</b>
Ordinary Person	900,000	0.09
Juristic Person	9,553,011	0.96
<b>Total</b>	<b>1,000,000,000</b>	<b>100.00</b>

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

- None

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

-None

## 1.5 Other securities

-None

## 1.6 Dividend Payment Policy

The Company has established the dividend payment policy to pay dividend for each year at no less than 60 percent of the net profit according to the financial statements after deductions of accumulated losses brought forward (if any) and legal provisions set forth. However, the Company may pay dividends at a rate less than the above subject based on the operation results, financial condition, liquidity, and the need for working capital in the business operations. Repayment of loans and accrued liabilities, expansion of investment, or the expansion of the Company in the future are also consideration for a dividend rate.

In 2022, the Company has a loss operating result. According to the resolutions of the Board of Directors' meeting no. 2/2023 held on February 16, 2023, it was approved to propose to the 2023 Annual General Meeting of Shareholders to consider and approve omitting dividend payment for the 2022 operating results. (From January 1, 2022 to December 31, 2022)

### Historical Dividend Payment Information

Dividend payment details	2020	2021	2022 <sup>1)</sup>
<b>Earnings (loss) per share (Baht per share)</b>	<b>0.07</b>	<b>(0.06)</b>	<b>(0.09)</b>
<b>Dividend per share (Baht per share)</b>	<b>0.08</b>	<b>0.01</b>	<b>0.00</b>
- Interim dividends	0.055	0.01	-
- Annual dividend	0.025	-	-
<b>Dividend payout ratio to net profit(%)</b>	<b>118</b>	<b>N/A</b>	<b>N/A</b>
<b>Remarks</b> <sup>1)</sup> Omission of dividend payment in 2022 is still uncertain because it has to wait for approval from the 2023 Annual General Meeting on April 26, 2023.			



## 2. Risk Management

### 2.1 Policy and risk management plan

Thai Agro Energy Public Company Limited (TAE) is engaged in ethanol production. The Company's product is mixed with gasoline to produce gasohol E10, E20 and E85 which are alternative fuels for automobiles. The Company is a mid-stream industry operator that does not engage in upstream and downstream industries, so it must focus on risk management in terms of raw material procurement, which is the upstream industry, such as molasses, etc., as well as the use of biogas, which is main fuel in the year 2022, the Company has adjusted its risk management in accordance with the Company's strategic plans. and the changing situation, especially the epidemic situation of the coronavirus disease 2019 ("COVID-19") that affects the global economy and may continue to affect the following year.

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

#### 2.2.1 Risk associated with Procurement of Main Raw Materials

The Company uses molasses, cassava and raw sugar which are agricultural products, as the main raw materials to produce ethanol. Therefore, there are various impacting factors, for example, the plantation areas which vary according to the return or compensation as compared with other farm products. In the 2022/2023 production year, the volume of sugarcane and molasses is expected to increase from 2021/2022 by 16.17% and 16.16%, respectively. However, the weather conditions last season resulted in sweeter sugarcane and an increase in the amount of sugar produced. As a result, the amount of molasses, which is a by-product, tends to decrease. Meanwhile, cassava production, according to a survey conducted by the Thai Tapioca Trade Association in 2023, is expected to increase from the 2021/2022 production season by 4.36% in 2023. Therefore, the Company considers the use of cassava chips to be mixed as raw materials for the production line 2 to reduce the risk of relying solely on molasses raw materials.

#### 2.2.2 Risk associated with Price Fluctuation of Main Raw Materials

Fluctuation of the main raw materials which are agricultural products with the price varying by the demand and supply of both domestic and international markets, the change in main raw materials prices therefore directly affects ethanol production cost, if the raw materials prices rise rapidly, the cost of sales and the profit margin of The Company may be affected. Nonetheless, The Company has policy to determine its ethanol selling price based on a cost-plus basis with appropriate gross margin. In addition, market situation and price trend of the raw materials are closely and regularly monitored, including molasses, raw sugar, cassava, etc., in order to procure raw materials at competitive price, as well as consider the possibility of finding business partners to create the stability of raw materials for the Company in the future.

#### 2.2.3 Risk associated with Being Dependent on Major Customers

The Company sells ethanol-for-fuel to oil companies for blending in gasohol production. Being an oligopoly, the major buyers with high ethanol demand have more negotiating leverage in terms of price and selling terms, in addition, in the event that major customers have a business partnership with ethanol manufacturer both in the form of shareholding and the joint venture will increase their bargaining power. The Company is aware of the risk in relying on major customers and the impact on the Company's operations, therefore, focuses on making effort to decrease its dependence on any single customer, having expanded its customer base to ensure ethanol sales target with optimal terms and prices. A feasibility study is underway to produce ethanol as a raw material for other products with higher value.

#### **2.2.4 Risk from the Government Policy**

Cancellation of gasohol E20 and E85 compensation of the Fuel Fund Office In the 4th quarter of 2022, gasohol E85 had a higher retail price than gasohol E20 and significantly reduced the demand for gasohol E85. Gasohol E85 sales volume in December 2022 decreased by 12% from the previous month and decreased by 51% from the same period last year. Meanwhile, the volume of sales of other types of oil increased due to the proportion of ethanol blended in gasohol E85 above 80%, increasing the demand for ethanol and causing competition in the industry to intensify. The policy to promote the use of electric vehicles has affected the Company's ethanol business. Therefore, the Company must manage the production and distribution of ethanol for maximum efficiency. It focuses on cost management, maintaining product quality, and building good relationships with customers, as well as considering ways to add value to products to expand into other industries and to ensure minimal impact from government policies.

#### **2.2.5 Risk from the Growing Trends of Electric Cars and Hybrid Cars**

As the government has a policy to support the electric vehicles industry ("EVs"), which covers covers 3 types of vehicles, namely cars, motorcycles and pickup trucks, with the exemption or reduction of import duties on all BEV (BATTERY ELECTRIC VEHICLES) and excise tax relief measures and subsidies provided by the Excise Department. Even with price and battery life limitations. However, the use of electric power in cars will affect the demand for fuel and ethanol in the future. The Company is in the process of conducting a feasibility study to produce other products or derivatives of ethanol in order to minimize the impact of the demand for ethanol that may decrease in the future as much as possible.

#### **2.2.6 Risk from the Utilization of Biogas as Main Fuel on Steam and Power Generation to use in Ethanol Production**

This is one of the policies concerning cost reduction and improvement on ethanol production efficiency, instead of using fuel oil and biomass energy as main fuel, which significantly reduces the fuel cost. Currently, the subsidiary company can produce enough biogas for steam and power generation for both production lines. However, there is certain risk from natural disaster, causing damage to the biogas ponds, rendering them dysfunctional and requiring substituted fuel (e.g. fuel oil, palm shell), increasing the cost of ethanol production. Recognizing such risk, the Company has strengthened the structure of the biogas ponds and conducts regular maintenance as well as assigned the team to closely monitor all biogas production systems, by planning to change the canvas covering biogas ponds (HDPE Cover) before the expiration of its use to reduce the risk of tearing when the storm occurs, having inspection, repair and maintenance of machinery consistently to ensure continuous and effective biogas generation. Moreover, insurance policies covering every type of risk from natural disaster are also in place.

#### **2.2.7 Risk from Environmental Impact**

The Company places emphasis and recognizes the health impacts to the surrounding community, with great care to the environment and two potential pollution risks as follows:

##### **(1) Risk from Environmental Impact of Air Pollution**

The Company installed bio scrubber for removal hydrogen sulfide (H<sub>2</sub>S) in biogas, which is used for steam and power generation for the biogas to make biogas clean and has better quality. Additionally, there is a working team monitoring and inspecting the emission of pollution from the end of the shaft to meet the government standards with plan to maintain or replace the canvas covering biogas ponds before the expiration of its use to ensure that it is in good condition in order to prevent and minimize air pollution that would have an impact on the surrounding community. In 2023, plans are in place to install a monitoring

system and analyzer, as well as a data collection system for intensive and continuous monitoring of air quality emitted from the vent (CONTINUOUS EMISSION MONITORING SYSTEM OR "CEMS") to monitor the air quality discharged from the boiler in order to comply with the Ministry of Industry's announcement on Require factories to install special tools or equipment to report air pollution from factory chimneys B.E. 2565.

## **(2) Risk from Environmental Impact of Water Resources and Wastewater**

### **Treatment**

The Company has complied with the requirements of the government in "Wastewater Management in Industrial Plants" by constructing properly treated spent wash ponds from biogas production process with inspection and repair of the levees in accordance with the engineering standards with adequate freeboard distance to reduce the risk of the overflows caused by heavy rains. In addition, The Company has started running the machinery of the spent wash evaporation plant in order to reduce the treated spent wash and mitigate the risk of water leakage in the event of flooding to ensure safety and to prevent the potential impact on the surrounding community.

### **2.2.8 Risk from Compliance with Loan Agreements**

The lending bank has stipulated a condition concerning the maintenance of shareholding in the Company of Lanna Resources Public Co., Ltd. ("LANNA"), a parent company, of no less than 50 percent of all shares during the whole duration of the loan agreement. Therefore, the Company has the risk of breaching the loan agreement condition, and the lending bank may demand a full repayment of loan, which will ultimately affect the liquidity and the operation of the Company. Accordingly, the Company is aware of this risk and has informed the Board of Directors of LANNA regarding such condition. If LANNA plans to decrease its shareholding proportion in the Company in the future, a written notification is needed to be sent to the Company so that the Company may negotiate with the lending bank without breaching the loan agreement.

### **2.2.9 Risk associated with Compliance with the Regulations and Relevant Laws**

The Company and subsidiary companies place emphasis on the compliance with the regulations and relevant laws both in the country and overseas with the awareness of the impact on operations and reputation of the Company and its subsidiary companies by having the executives to closely monitor and coordinate with related agencies to keep up with the changes in policies, rules, regulations and laws, including hiring legal advisors to interpret and establish guidelines to ensure strict compliance with the laws.

### **2.2.10 Anti-Corruption Risk**

The Company places emphasis on anti-corruption policy by establishing strong anti-corruption policy to be used as a clear guideline and disseminated to all levels of the organization including third parties by establishing an anticorruption working team in order to implement the policy, to communicate and to raise awareness in conducting businesses without corruption, by which self-assessment has been conducted on the corruption risk with all departments to improve the rules and regulations relating to daily operations to cover such risks in a concise and adequate manner. The Company has been officially certified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption ("CAC") since March 9, 2017 and has been continuously re-certified until present.

### **2.2.11 Risk associated with the outbreak situation of the coronavirus disease 2019 (“COVID-19”)**

Due to the outbreak situation of the COVID-19 since late 2019, the Company is aware of the possible impacts, by having established policies and measures to prevent the impact of the COVID-19 by issuing announcements and regulations to communicate with employees as well as adjusting working hours of employees as appropriate by allowing employees to work from home in order to reduce risk from employees transportation as well as social distancing by granted policy for employees to wear face mask while working at the office and provide alcohol gel for employee and the guest who visit the Company as well as improving the information system to support meetings through electronic media this is to prepare and encourage employees to change the way they work by using more electronic media in their operations in order to cope with uncertain situations that may arise in the future. The prevention measures concerning the spread of the COVID-19 above do not have any significant impact on employee performance, which is still within the scope of the Company’s supervision. Nevertheless, the Company continuously monitor the outbreak situation of the COVID-19 to prevent and/or reduce risk to be as low as possible.

### **2.2.12 Other Factors Having Impact on Investment**

Apart from the aforementioned transactions, the Company have no commitments or obligations regarding issued shares, warrants, convertible securities, debentures or other types of derivatives currently or in the future, as well as there are no unusual or serious event or important incident that might significantly affect financial status and operating results of the Company.

## **3. Driving Business for Sustainability**

### **3.1 Sustainability Management Policy and Targets**

#### **Sustainability Management Policy**

The Company is determined to operate the business in line with the principles of sustainable development, ethical, adhere to the principles of good corporate governance under effective and transparent management, taking into account the stakeholders and realize responsibility towards society, community and environment to drive the organization to achieve its vision and goals according to the established strategies by adopting the Sufficiency Economy Philosophy and Sustainable Development Goals (SDGs) as a development framework for setting up the Sustainable Development Policy that are appropriate for the organization.

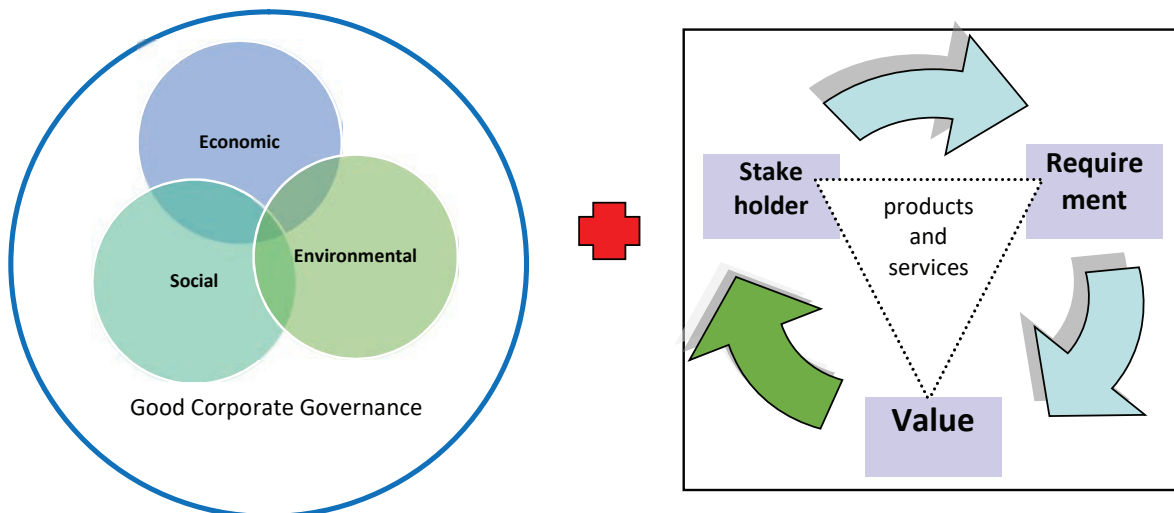
According to that intention, the Board of Directors at the meeting No. 13/2021, December 16, 2021, enacted “Sustainability Management Policy” To be the basic requirements for managing the organization to be in the same direction According to the Core Value “TAE” and set up a Corporate Sustainability Management Committee (CSM) consisting of senior executives and representatives from all departments within the Company. by assigning to all departments Responsible for each component of the system according to the process It outlines the operational procedures, mechanisms and processes for governance across the organization, explaining its commitment to sustainability management. according to the important issues in 3 dimensions, namely economy, society and environment.

**Economic** : Comply with the principles of good corporate governance business ethics Against all forms of corruption adapt to change develop new innovations Seek suitable opportunities for sustainable business development.

**Environmental** : Operating business in an environmentally friendly way. Control and minimize the impact on the ecosystem and biodiversity as well as mitigating and being more resilient to climate change for a sustainable coexistence.



**Social** : Conduct business responsibly. Respect the human rights principles. Protect labor rights, safety, health, and elevate working environment whilst continuously develop knowledge, skills and competency of employees. Apply organization core competency to create shared values and improve the quality of life of the community and society for sustainable growth.







All executives and employees have a duty to support and d the practice in accordance with the policy set. including communication to all stakeholders and build engagement with other leading organizations to enhance sustainable development capabilities.




### Sustainability Management Targets

The Company adheres to becoming the a leading company in the production of renewable energy. TAE want to deliver (VALUE PROPOSITION) quality, safety and sustainable energy services to everyone. Therefore, the Company operates in accordance with the vision, mission and corporate values to create sustainable growth. Prevent and take responsibility for the impact of business operations on the community, society and environment under corporate governance to achieve sustainable development goals by setting the strategic direction towards sustainability as follows:

	Strategic Directions	Short/Long-term Targets	Performance	UN SDGs related
<p><b>Economic and Corporate Governance</b></p>	<p><b>(1) Create economic values with quality products within the good governance:</b> TAE committed to create values to the business, which is not just the increase of profits but also the transparent, fair and accountable business operations, under the good corporate governance and risk management, Anti-Corruption, along with quality product delivery, raw material selection, production process which concern to environment, safety and occupational health management with high edge innovations and technologies, for quality products with proper nutrition of the people.</p>	<ul style="list-style-type: none"> <li>● <b>Corporate Governance</b> Aims to develop the results of the CGR corporate governance assessment at the "excellent" (five-star) level by 2024.</li> <li>● <b>Anti-Corruption</b> To support and advise partners to participate in expressing their intentions and assessing themselves to be certified as members of the Thai Private Sector Anti-Corruption Coalition. (CAC) at least one by 2024</li> <li>● <b>Sustainable value chain and sourcing management</b> 100% of key partners acknowledge and sign a full response to the "Corporate Governance and Business Ethics Policy" in 2024.</li> <li>● <b>Efficient management of cost, fuel and utilities</b> To generate profitability for the business.                             <ul style="list-style-type: none"> <li>- Reduce energy costs at least 10 percent per one product unit by 2026, using the data for 2022 as the base year.</li> <li>- Reduce machine breakdown and maximize production efficiency by Break down = 0 by 2026.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● <b>Corporate Governance</b> From 2019 to 2022, the Company has a "very good" (four-star) CGR corporate governance assessment.</li> <li>● <b>Anti-Corruption Maintain in membership status</b> The Company has been certified as a member of the Thai Private Sector Collective Action Coalition against Corruption since March 9, 2017 and has been renewed to date. In 2022, The Company communicates Anti -Corruption Policies to partners and advise partners to be certified as members of the Thai Private Sector Anti-Corruption Coalition. (CAC), which partners have interests. However, there are no partner assessing themselves to be certified as members of the Thai Private Sector Anti-Corruption Coalition (CAC).</li> <li>● <b>Sustainable value chain and sourcing management</b> From 2019 to 2022, the Company has communicated the policy "Corporate Governance policy and Business Ethics" to its partners and related agencies, but has not yet required key partners to sign all 100 percent of their responses, starting to meet the goals starting in 2022.</li> <li>● <b>Efficient management of cost, fuel and utilities</b> to generate profits for the business and reducing the cost of fuel and utilities by 10% per 1 product unit in 2026, the Company will start using 2022 data as the base year. (Due to include the information of Evaporator Factory).</li> </ul>	 

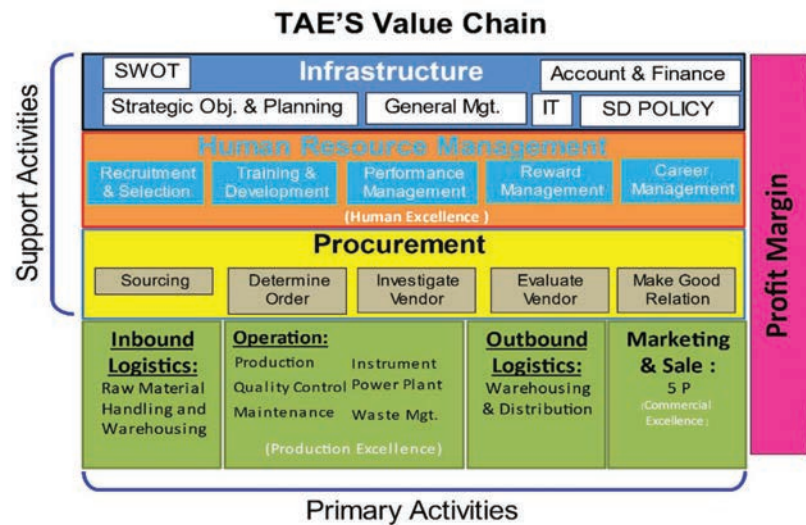
	Strategic Directions	Short/Long-term Targets	Performance	UN SDGs related
Social	<p><b>(2) As the Human Excellence</b> is the heart of business propel, Company focuses on developing human resources by providing trainings to improve skills, knowledge and potentials, in order to increase the competitive ability, catch up with the changing situations and keep to appropriate labor practice and human rights, keep up a good relationship between executives and employees to be the organization of sharing and achieving goals.</p>	<ul style="list-style-type: none"> <li>● <b>Employee Training</b> Increase training hours of employees at all levels at at least 18 hours/person/year in average by 2026.</li> <li>● <b>Safety and Occupational health</b> No accidents caused by work to stop working continuously for more than 3 days, the total target is 1,000,000 people/workhour. (As of July 31, 2020).</li> </ul>	<ul style="list-style-type: none"> <li>● <b>Employee Training</b> In 2022, the Company trained employees both inside and outside the organization. The training hours of employees at all levels average 14 hours/person/year.</li> <li>● <b>Safety and Occupational health</b> The Company has a occupational safety and health policy, preventing accidents from working at all or work accident equals zero. In 2022, no work accidents have occurred until the work stoppage for more than 3 working days (accident = 0) Total safe working hours from July 31, 2020 to December 25, 2022, totaling 736,840.40 man-hour.</li> </ul>	 
	<p><b>(3) Social responsibility</b> conducts the business with morality and responsibility towards the society to participate in development of life quality by creating jobs and enhancing the community economy, education sponsorships, arts and cultures and taking care of health and safety of community members and stakeholders.</p>	<ul style="list-style-type: none"> <li>● <b>Creating jobs for people in the community</b> More than 85% of the factory workers are locals in Suphanburi province and have maintained the rate for 3 years in 2024 using 2021 as the base year.</li> </ul>	<ul style="list-style-type: none"> <li>● <b>Creating jobs for people in the community</b> In 2022, the Company recruited employees to work in the factory with an emphasis on recruiting people in Suphanburi province, especially in the communities surrounding the factory. The staff in Suphan Buri province accounted for 85% of the workforce.</li> </ul>	   

	Strategic Directions	Short/Long-term Targets	Performance	UN SDGs related
<b>Environmental</b>	<p><b>(4) Environmental conservation for sustainable and harmonious living</b> focuses on environment, natural resources, energy conservation, water management, waste treatment and climate change by integrating the resource conservation and maximization to every step of our operation with the target to keep the balance of ecology system and sustainable coexistence.</p>	<p>● <b>Greenhouse gas emission control</b></p> <p>- At present, the Company has completed the assessment of greenhouse gas emissions and extraction at the corporate level (using 2021 data as the base year) and has been certified by Thailand Greenhouse Gas Management Organization (TGO) in 2022.</p> <p>In 2023, the Company is in the process of preparing additional data to prepare for the 2022 enterprise carbon footprint to analyze and compare to set long-term goals for further reduction in corporate carbon footprint.</p>	<p>● <b>Greenhouse gas emission control</b></p> <p>After becoming a member of the Carbon Neural Network Thailand Types of organizations that initiated greenhouse gas management in 2021.</p> <p>- In 2022, the Company has been selected to participate in the project to expand the carbon footprint of enterprises in the industrial sector in fiscal year 2022 by the Water and Environment Institute for Sustainability, the Federation of Thai Industries and was certified by Thailand Greenhouse Gas Management Organization on August 23, 2022.</p> <p>- The greenhouse gas emission and extraction assessment has been completed and approved by Thailand Greenhouse Gas Management Organization (TGO) On August 23, 2022</p> <p>By Consultant team from Mahidol University</p> <ul style="list-style-type: none"> <li>➢ Dr. Suwin Apichartpattanasiri Verifiers team from ECEE Co.Ltd.</li> <li>➢ Ms. Nicha Sukhodomchot</li> <li>➢ Ms. Nattarat Phaingam</li> </ul> <p><a href="http://thaicarbonlabel.tgo.or.th/index.php?lang=TH&amp;mod=ZG1WeWFXWnBaWEk9&amp;action=YOhKdlpIVmpkSE09">http://thaicarbonlabel.tgo.or.th/index.php?lang=TH&amp;mod=ZG1WeWFXWnBaWEk9&amp;action=YOhKdlpIVmpkSE09</a></p>	



## 3.2 Impact Management to Stakeholders in the Business Value Chain

### 3.2.1 Business Value Chain



The Company values management throughout the value chain. To create value for products and services to meet the expectations of stakeholders from purchasing raw materials from domestic and international deliverers, production that must take into account the impact on the community and be environmentally friendly, marketing and delivery of quality products is standardized and reaching customers or consumers quickly.

Moreover, the Company aims for business partners to operate in an ethical manner, respect for human rights, social responsibility with good governance principles as well as a management on occupational health and safety. At the same time, the Company expects its partners to pay more attention to related environmental management in order to develop the mutual potential enhancement of the competitiveness in the future. Therefore, the Company establishes Business Ethics in relation to the partner and communicates to both domestic and international partners and discloses it on the Company's website for all stakeholders to know, as well as to disclose relevant action on the topic of value chain management in the Annual Report 2021 (Form 56-1 One Report).

The seven main stakeholders are:

- (1) **Employees** : Executives and employees of the Company, whether full-time, daily, part-time or foreign employees.
- (2) **Customers** : Oil traders under Section 7, Business Sector (B2B) customers and consumers.
- (3) **Supplier** : Suppliers, raw materials suppliers, shipping carrier, freighters, tool and machine manufacturers, partnership and business partners.
- (4) **Shareholders** : Shareholders and General Investors.
- (5) **Community & Society** : Communities nearby the factory, general public, youth, educational institutions, local politicians and non-governmental organizations (NGOs), local and national media.
- (6) **Competitor** : Entrepreneurs in the same business or industry, commercial competitors.
- (7) **Government agencies and regulators** : Government, local government, policymakers or supervisors Courts, independent organizations.

### 3.2.2 Stakeholder Analysis in the Business Value Chain

The Company analyzes key stakeholders both inside and outside the organization who are connected to the value chain of business and value participation by two-way communication. Open opportunity to listen to feedback, opinions, to reflect the needs and expectations of stakeholders in the Company's business operations. This ensures that the basic legal rights relating to stakeholders are protected, maintained fairly, equality and benefit to all stakeholders involved in the Company's business operations. This can be classified into 7 main groups as follows:

Stakeholders	Stakeholder Needs and Expectations	Actions/company response	Participation
<b>(1) Employees</b>	(1) Welfare and good compensation (2) Career stability and Promotion (3) Safety and occupational health (4) Development of knowledge and capability	(1) Good compensation and appropriate welfare (2) Fair and equitable evaluation, Opportunities for promotion and migration (3) Job valuation (4) Providing a good working environment (5) Creating an organizational culture and awareness of safety in the workplace (6) Compliance with Human Rights policy	(1) Internal communication (Intranet, E-mail) (2) Opinion box (3) Channels for whistleblowing (4) Meeting of the welfare committee in the workplace (5) Labor Relations Activities
<b>(2) Customers</b>	(1) Quality product (2) Supporting for knowledge of product information (3) Delivery of products complete, accurate and on time. (4) Service satisfaction	(1) Quality and safety production process (2) Development and improvement of production processes by using technology, innovation and promotion of product research and development.	(1) Meetings and discussions with customers (2) Satisfaction Survey (3) Channels for recommendations or complaints
<b>(3) Suppliers</b>	(1) Transparent and fair business operation	(1) Conduct business with fairness, transparency and accountability (2) Prohibiting direct and indirect payment of any dishonest benefits (3) Traceability Of Suppliers	(1) Meetings and discussions (2) Channels for recommendations or complaints (3) Annual meeting
<b>(4) Shareholders</b>	(1) Good performance and sustainable business growth (2) Good corporate governance (3) Satisfactory dividend payment	(1) Conduct business on the basis of ethics, good governance principles and good corporate governance. (2) Legal compliance and disclose information with transparency and fairness (3) Appropriate dividend payment to shareholders according to the Company's dividend policy	(1) Annual General Meeting of Shareholders (2) Channels for recommendations or inquiries (3) Channels for complaints

Stakeholders	Stakeholder Needs and Expectations	Actions/company response	Participation
<b>(5) Community-societies</b>	(1) Paying attention to the community's voice (2) The complaints are fairly resolved (3) Conducting business with safety and social responsibility (4) Supporting community activities	(1) Responsible operations for impacts in the production process (2) Responsible operations for impacts in the production process (3) Compliance with regulations and laws (4) Employment that distributes income to the community (5) Supporting quality of well-being, develop communities, society and preserve local culture traditions.	(1) Meeting with community leaders and government agencies by establishing a collaborative working group between the Company and community representatives. (2) The mass relations working group visit visit and listen to suggestions and complaints (3) The emergency response team will monitor, provide assistance and as solve problems for 24 hours (4) Participation in preserving local cultural traditions (5) Channels for recommendations or complaints
<b>(6) Competitors</b>	(1) Conducting business with honesty, transparency and fairness	(1) Conducting business under good competition rules (2) Do not destroy the reputation of competitors for business benefits	(1) Channels for recommendations or complaints
<b>(7) Government agencies / regulators</b>	(1) Compliance with legal requirements and operational transparency. (2) Responsibility to society, communities and the environment. (3) Cooperating in various activities.	(1) Strictly comply with relevant laws, regulations along with Company policies (2) Conduct business with accuracy, transparency. Comply with corporate governance and anti-corruption principles. (3) Cooperate and support government projects	(1) Meetings, discussions and clarified (2) Participation in government agencies project.

### 3.2.3 Analysis of sustainable development factors

The CSR Committee, which comprising of representatives from every department, has convened meetings and reviewed issues concerning sustainable development under changes of economic, social and environmental as well as addressed to the United Nations' sustainable development goals. The process is derived from analyses development issues for further risk assessment by the Company and sustainable development activities.

**1. Collecting issues related to sustainability throughout the supply chain** both internal and external factors, starting from raw material procurement, manufacturing processes, freight, distribution to customers based on relevant international standards, requirements and guidelines, and feedback, Complaints Satisfaction assessment of all stakeholders combined with the Company's risk assessment.

**2. Prioritizing each issue by considering its impact to stakeholders.**

**3. Prioritizing each issue by considering its impact to the Company.**

**4. Prioritizing each issue by considering its overall impact** as a result of the overall impact, Consider the opportunities and impact on the creation of corporate value. Then bring the key points into the approval process in determining the strategy.

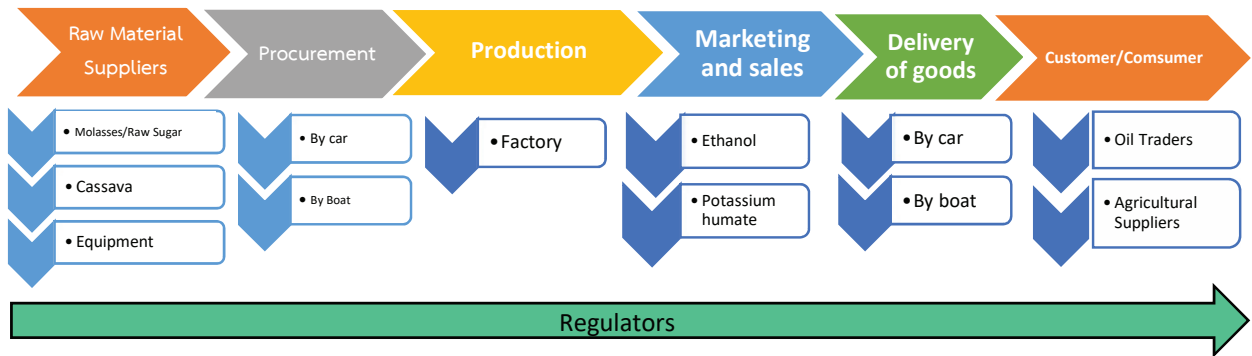
**5. Propose to the Board of Directors for approval** present important points as analyzed and propose to the Board of Directors to approve the goals, strategies before managing them effectively.

### 3.2.4 Key issues affecting sustainable development (ESG)

Dimension	Key issues affecting sustainable development	Scope of Impact
Economic	(1) Risk and crisis management	Employees/Shareholders/Suppliers/Customers/Community & Society
	(2) Corporate governance and Business ethics	Employees/Shareholders/Suppliers/Customers/Competitors/Community & Society /Government agencies
	(3) Supply chain management and raw material supply	Employees / Suppliers/ Customers/ Community & Society
	(4) Customer relationship management	Employees / Customers
	(5) Innovation	Employees / Customers / Community & Society
	(6) Business performance and growth capability	Employees/ Shareholders/ Suppliers/ Customers
	(7) Quality products provide energy security for everyone	Employees / Suppliers/ Customers/ Community & Society
Social	(8) Employees stewardship and development	Employees / Community & Society
	(9) Human rights	Employees/Shareholders/Suppliers/Customers/Community & Society / Government agencies
	(10) Safety and occupational health	Employees / Suppliers/ Customers
	(11) Participation in creating a pleasant society	Employees / Suppliers/ Customers/ Community & Society
Environmental	(12) Climate change and greenhouse gas emissions	Employees / Community & Society
	(13) Energy management	Employees / Community & Society
	(14) Water management	Employees / Community & Society
	(15) Waste management	Employees / Community & Society

### Value Chain Management

To prevent business disruption that would affect the credibility towards all stakeholders. The Company has appropriately carried out all procedures concerning the value chain by considering the utmost benefit for every group of stakeholders, starting from the raw material procurement, raw material transportation, production process, delivery of goods, and distribution to customers at the end of the supply chain as follows:



### Maintaining relationships with stakeholders involved in the value chain of the business.

Maintaining relationships with stakeholders involved in the business value chain is driving the company's business operations. Achieving the goals is important for the Company to take into account and focus on building and maintaining good long-term relationships. As well as seeking further cooperation with suppliers in the supply chain. In addition, the Company has maintained and increased the level of engagement and consultation with stakeholders so that it can be supportive and able to meet the expectations of stakeholders in economic, society and environment dimensions appropriately.

#### (1) Raw Materials

Raw materials are at the key of the Company's business operations, so purchasing each type of raw material, especially the main raw materials, requires quality testing and requires at least 2 suppliers to prevent the risk of raw material shortages. The Company attaches importance to selecting each supplier by establishing criteria for selecting new suppliers. as follows

Main raw materials : consisting of molasses and cassava, which are natural resources that must be used efficiently and without negatively affecting society and environment. The Company must maintain a balance according to the standard system and control the process. Suppliers are inspected or submitted environmental management documents at least once a year, as well as comparing prices with other business partners of the same standard. Raw material inspection must be of standard quality before sending to the production process in order to obtain quality products according to the specified standards.

**(2) Procurement process :** Especially the purchase of molasses and cassava raw materials domestic and abroad. This is the main raw material and affects the quality of the product. Therefore, procurement must be effective in order to obtain quality raw materials and eco-friendly raw materials source. The Company has managed the risks on quality and fluctuations in raw prices while taking into account environmental factors, society and Corporate Governance.

#### (3) Production

The Company aims to improving production process by applying new technologies and innovations in each process. Focusing on developing people with creative ideas to innovate through activities with the cooperation of all employees " TAE INNOVATION TEAM" , Quality Promotion Group activities, in addition to ISO9 0 0 1 and ISO14001 certification, reduce production costs. As well as water management to reduce

environmental impacts using the concept of circular economy. Reuse waste from the production process, such as reusing condensed water from evaporation of wastewater in new production processes or reusing cassava residues from the production process as fuel to reduce the use of natural resources. This includes water management, reducing air pollution, reducing energy consumption and reducing greenhouse gases, etc.

#### **(4) Safety**

The Company puts safety first, therefore provides safety training and procedures for employees or visitors who work inside the factory and monitor operations at risk points so that employees can use protective equipment in full for safety reasons. In addition to that, maintenance is provided by constantly improving machine tools and equipment to increase efficiency and safety, set standards for the use of safety equipment and provide safety operating manuals. As well as annual health check-ups for employees to take care of the worker's health and prevent occupational diseases, as well as to raise the morale of the workers to be cared for and create a place to stay, toilet for drivers who have to wait to bring a cargo vehicle.

#### **(5) Sales & Marketing**

The Company has a strategy by targeting key customers, finding new domestic and international product distributors, training and developing employees who provide product information or salespeople to educate the Company's products including ethanol, potassium humate, fusel oil and sulfur, which are by-products which can be sold. To be consistently competitive.

#### **(6) Delivery of goods**

The Company has a distribution management system to deliver products to customers quickly, punctuality, both domestically and internationally.

#### **(7) Responsibility Towards Customer/Consumer**

The Company has responsibility to the consumers, the last group of stakeholders in the value chain, and therefore conducted a survey of product and service satisfaction. According to the survey, customers want quality products, fair prices, and receive fast after-sales service.

### **Risks that may affect TAE's sustainability**

	<b>Risk factor</b>	<b>Effect</b>	<b>Management Approach</b>
<b>Environmental risk</b>	(1) Climate change. (Such as drought)	Stability of procurement of the main raw material Cassava and Molasses (a raw material from sugar cane that is crushed in a sugar factory), which resulted in the disruption of raw material supplies.	Work closely with suppliers in planning the procurement of raw materials, track the balance between supply and demand, collect data from surveys in actual plantations of the country of origin, along with purchasing raw materials from reliable partners whose raw materials can be traced back to the source, and plan the production according to the situation, while adjusting the inventory to be sufficient for business continuity.

	<b>Risk factor</b>	<b>Effect</b>	<b>Management Approach</b>
<b>Economic risk</b>	(2) Fluctuations in raw material prices	Uncertainty over the cost of goods and profits of the Company	Follow up raw material price situation and targeting of quantity and processing time. Proper risk management.
<b>Social risk</b>	(3) Management of business continuity due to natural disasters and epidemics.	Business interruption.	Implement emergency measures that have tested contingency plans from real situations with a focus on proactive defense management; ensure regular training and practices and monitor the news continuously.
<b>Emerging risk</b>	(4) Cyber risk, Cybercrime, channels of invasion to the Company's systems and networks,	System interruption and degradation of system performance.	Establish policies and measures on security of information systems and regulations for the use of the Company's computers and computer networks. Provide a solution firewall backup and install antivirus program on all company computers to prevent data loss from virus infection.

### 3.3 Sustainability Management In The Environmental Dimension

#### 3.3.1 Environmental Policy and Guidelines

The Company realizes the importance of prevention and is responsible for the impacts that may arise from its operations both inside and outside the workplace. Therefore, the Company has established the "Environmental Policy" to promote the development of the production process and create innovations that reduce as well as aim for the most efficient usage of resources, reduce greenhouse gas emissions, manage water systematically, including protect the ecosystems and biodiversity.

In addition, the Company has established a "Resource Conservation Policy" to guide the operation. Promote the efficient and optimal use of resources by making resource conservation part of the Company's operations. Continuously and appropriately improve the efficiency of the use of corporate resources. It is the responsibility of all executives and employees. The Company publishes such policies on the Company's website [www.thaiagroenergy.com](http://www.thaiagroenergy.com).

In 2021, the Company appointed the "Corporate Sustainability Management Committee (CSM)", which consists of representatives from the relevant departments to integrate environmental information into the work process in all aspects, including energy consumption, water management, waste management, carbon footprint reduction. This leads to set goals to reduce short-term and long-term resource usage and reduce the impact arising from the production process, along with able to resolve problems and complaints and report the operation to the Board of Directors for acknowledgment.

### 3.3.2 Environmental Performance

Details	Year 2022	Year 2021
(1) Air quality measurement results are as required by law. (It does not exceed the standard required by law.)	✓	✓
(2) Noise monitoring results are as required by law. (It does not exceed the standard required by law.)	✓	✓
(3) The results of the quality measurement of water drained outside the plant are as required by law. (It does not exceed the standard required by law.)	✓	✓
(4) Accidents that pollute the environment must be zero. (Spillage of spent wash, oil or chemicals out into the exterior of the building.)	0 time	0 time
(5) Control of the operation of the sewage system. 100% normal systematic operation.	✓	✓

#### Resource utilization and energy conservation

##### Water Management

The Company focused on the management of the whole wastewater system. One of the derived outcomes was the reduction of water usage in the production process, which from our data collection on water usage in the process of clean water production, production process, production support and wastewater treatment system, has led to the guideline in utilizing water to the maximum benefit.

In 2022, the Company has a total water consumption at 928 units.

All plant process wastewater is imported into the ANAEROBIC DIGESTER treatment system. After that, water is used as fertilizer for farm economic plants and evaporates naturally. No drainage to the outside. In addition, the Water Management Department monitors water quality measurements in treatment wells using lab in the facility and general inspection of wells (physical characteristics, pond levels, water levels, pipelines) on a daily basis, and monitors water quality by an external private LAB every month.





**Biogas Consumption** The Company recognizes the treatment of wastewater from the production process by biogas production method to reduce the environmental impact of unpleasant odors. It is also possible to use biogas that fuel the gas engine, which is an important renewable energy. The Company first started using biogas energy from its 1<sup>st</sup> production well, which uses Anaerobic Baffled Reactor (ABR) technology, in January 2006 and has developed an increase in the number of wells to date. There are a total of 4 treatment ponds. It has a maximum capacity of 8,100 cubic meters per hour.



In 2022, the amount of spent wash water generated by the ethanol production process was approximately 92.95 cubic meters per hour, or approximately 2,231 cubic meters per day, totaled 614,816 cubic meters.

The amount of biogas produced from the Anaerobic Digester treatment system, which can supply wastewater into the treatment system and the amount of biogas produced in 2022 is as follows:

January - March 2022: wastewater can be supplied to the treatment system to produce biogas approximately 92% of the total production capacity (depending on the raw materials used in ethanol production).

April 2022, the wastewater treatment system was stopped due to the temporarily cessation of production of both production lines.

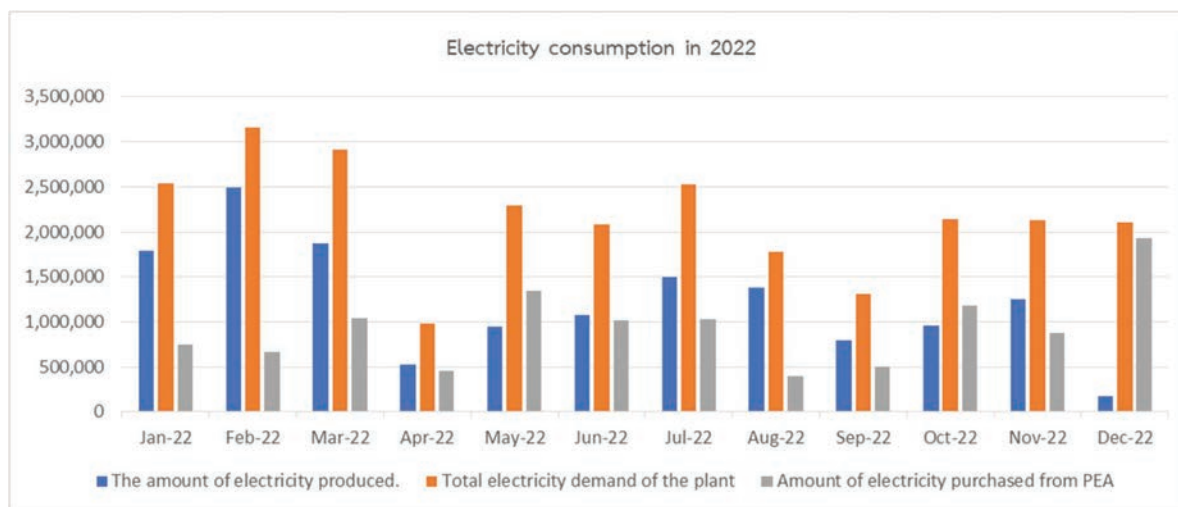
May – December 2022, wastewater can be supplied to the system to produce biogas approximately 54% of the total production capacity due to production line 1 was discontinued between May to December.

**Steam Power Consumption :** In 2022, the Company was able to produce steam for a total of 256,777.43 tons.

**Other Fuel Consumption :** In 2022, the Company has the volume of fuel consumption in its activities totaled 180,972 litres include diesel 82,590 liters, gasohol E10 6,386 liters and fuel oil 92,000 liters.

**Electricity Consumption :** In 2022, the Company's ethanol plant has a total electricity consumption of approximately 25,000,000 kW, with the Company able to generate

15,000,000 kW of electricity or 60 percent. The rest is purchased from Provincial Electricity Authority (PAE) of 10,000,000 kW or 40 percent.



### Reducing Carbon Footprint and Greenhouse Gas Emissions

The Company places great emphasis on reducing the impact of its business operations on climate change with efficient use of resources in terms of energy management, conservation of energy and energy saving to help reduce greenhouse gas emissions. In 2022, the Company has worked on many areas as follows:

#### Greenhouse Gas Emissions Control

In 2021, the Company applied to participate in the Expansion Program to Promote the Organization's Carbon Footprint in the Industrial Sector in fiscal year 2022 or phase 1 of the Federation of Thai Industries and was selected as the pilot industry organization of the project, supported by providing a team of consultants from Mahidol University, Dr. Suwin Apichartpattanasiri, and expenses (advisory fee) from the project in the preparation of carbon footprint.

In 2022, the greenhouse gas emission and extraction assessment has been completed and approved by Thailand Greenhouse Gas Management Organization (TGO) On August 23, 2022 by Dr. Suwin Apichartpattanasiri, Consultant team from Mahidol University And Ms. Nicha Sukhodomchot and Ms. Nattarat Phaingam, verifiers team from ECEE Co.Ltd. The Company's greenhouse gas emissions report (base data 2021) is as follows:

Greenhouse gas emissions sources	Amount	Unit
Scope 1	143,210	tonCO <sub>2</sub> e
Scope 2	4,350	tonCO <sub>2</sub> e
Scope 3	892	tonCO <sub>2</sub> e

In 2023, the Company is in the process of preparing additional data to prepare for the 2022 enterprise carbon footprint to analyze and compare to set long-term goals for further reduction in corporate carbon footprint.

**Industrial Forest Plantation Project** The Company has undertaken an industrial forest plantation project on the site of the plant, Dan Chang District, Suphan Buri Province, totaling 672 Rai. As of December 31, 2022, 537 rai of trees have been planted and another 100 rai are planned to be planted in 2023. The project reduces the Company's greenhouse gas emissions, including water management, by reducing the amount of wastewater from the production process.



The operational plan is separated by activity as follows:

- (1) The preparation of sprout is divided into 2 types: root a cutting with top branches and seed nursery. A total of 56,622 seedlings were planted from 31,990 planned seedlings which can nurse seedlings more than planned.
- (2) Preparation of planting grounds. Currently, soil adjustment and weeding of the area are carried out first, and then plowing the soil.
- (3) Watering and water system placement Nowadays, it can provide wastewater from the production process. It can be used in all plots.
- (4) Planting activities. A total of 537 rai of trees have been planted.
- (5) Maintenance the work is divided into 3 parts: (1) pruning, (2) weeding, (3) growth measurement which is currently undergoing pruning and mowing in plot areas with high grass. Growth measurements have already been carried out in the age 1.5 years or more, which totals 53 plots, the random measurements were measured in each plot at 10% of the number of trees in the plot, which had been completed in total of 53 plots.

#### **Complaints Management**

The Company has given precedence to the management of production process impacts and complaints which reported to the Company. The Community Relations Team is responsible for close cooperating with surrounding communities and visits each family in the community in order to receive complaints and perform initial ameliorative actions before reporting the issues to the CSM Working Group which leads to performance of corrective action on each aspect to minimize the production impacts. The community relations team is also responsible for responding the results of corrective action to the communities as well.

The operation can be divided into 2 parts as follows:

(1) Short-term Plan. This plan starts with analysis of root cause of the impact. Then, it would be the process of urgent correction, action evaluation and monitor, intermittent result sampling inspection, and intermittent communication with community with actions updates.

(2) Long-term Plan. This plan includes creation of facility-surrounding communities' chart in order to prevent and reduce future impacts in accordance with season and wind direction, and planning on maintenance and training about more circumspect working procedure in order to prevent recurrence of the production impacts.

**Channels for receiving complaints and listen to opinions Community feedback**



**Map showing community survey points**



### Odor Management and Pollution Prevention

The Company invested in installing Hydrogen Sulfide (H<sub>2</sub>S) disposal equipment in biogas used as fuel for steam and electricity generation, which will reduce the amount of SO<sub>x</sub> in Flue Gas from the Boiler Crater (Bio-Scrubber). It prevents air pollution from occurring to communities around the factory area. The first installing was in June 2015 and has increased the number of Bio-Scrubber tanks to date by a total of 5 tanks. Biogas produced from biogas wells are delivered into bio scrubber tanks before being used to reduce the amount of Hydrogen Sulfide.

In 2022, the efficiency of bio scrubber systems in average can reduce the amount of Hydrogen Sulfide according to the control values:

- (1) Supplying biogas to boiler  $\leq 500$  ppm
- (2) Biogas used to generate electricity Engine  $\leq 200$  ppm

### Odor Management

In addition, the company has solved the problem of odors at evaporative ponds using EM. (There are 4 microorganisms that develop to be more effective.) It also helps to deodorize continuously.



### Waste management information



#### Waste management defines waste disposal by separating waste into 3 types.

1. General Garbage is allowed to be sent to the waste disposal site. Nong Makha Mong Subdistrict Administrative Organization
2. Recycle waste Separating waste that can be used for example, two-sided used paper, scrap iron / metal, sold to companies that request permission from the Department of Industrial Works.
3. Hazardous waste Light bulbs / paint cans / spray / glass fibers sent for disposal at Better World Green Public Company Limited, which has been authorized by the Department of Industrial Works, factory registration, operator 3-106-8/49 Sb. used engine oil Sent to disposal at Mahachai Ek Siri Oil Company Limited, factory registration, operator 3-106-5/46 Sk.
  - Collecting rubbish in the waste storage facility.
  - Check storage conditions every 3 days and waste quantity every 1 month.

In 2022, the Company has the amount of hazardous waste sent for disposal with waste disposal companies authorized by the Department of Industrial Works. The total amount is 248 kilograms.

### 3.4 Sustainability Management In The Social Dimension

In the past year, the Company focuses on Stakeholder engagement and realize their needs by combining 2 main parts: the internal operations that involve taking care of employees. Along with the outside operations concern with caring for the community and society. Both of them are important for sustainable development.

#### Human Rights

The Company adheres to human rights as a common practice in conducting business. It covers all groups of stakeholders, such as employees, communities, society, customers and suppliers in the supply chain, by announced "Human Rights Policy" for the executives and employees to abide by in order to ensure that the Company's operations would be carefully done without any actions which might directly and indirectly cause the abuse of or the effect on human rights. The Company would not employ the child younger than 18 years old and enforce the subcontractor and outsource contractor not to employ child labor with the strict control and remedial measures. In addition, the company executes to reduce inequality, do not discriminate against persons with disabilities, and provide appropriate facilities and amenities for the disabled who are employees and visitors. Moreover, the Company support suppliers throughout the supply chain to treat their own employees, stakeholders and participate with surrounding communities in accordance with international human rights principles.

## **COVID-19 Caring for employees to support the work under the COVID-19**

### **pandemic**

The Company has no policy to lay off staff, reduce payroll or stop operation during a crisis because “personnel” are the most important resource. Amid the COVID-19 pandemic, The Company must keep employees safe and be ready to adapt to keep up with changing situations. The measures to take care of employees to support continuous operation safely was carried out in two main parts as follows:

The head office consists of a Work from Home (WFH) schedule by dividing employees into team to switch turns in coming into the office, until finally the routine was upgraded so all were able to work from home. The Company provides the equipment and access to information necessary for work. If an employee is required to work at the office, the employee must always wear a mask while in the office area. There is a regular cleaning of common areas that are at risk of constant exposure. Work desks for employees were set up in accordance with the social distancing principle, with seat spacing of at least 1.5 meters between apart.

The factory consists of the appointment of a responsible team, the “Working Group to Support COVID-19 Pandemic”, which includes senior management and department managers involved in the production process. The Working Group is directly responsible for reducing the impact on personnel, stakeholders, and other impacts that may occur to the organization. Their tasks include establishing business continuity management plans for personnel to handle pandemic outbreaks, such as assessment of employee leave by dividing the level of leave according to outbreak, ensuring access to public health services for employees, provision of alternative vaccines and adequate infection prevention equipment, as well as communicating knowledge to personnel to alleviate the panic and dealing with false rumors. It is emphasized that the practice guidelines are presented in language that is easy to understand and with regularity.

Details of employee care during the COVID-19 situation that involves employees as well as relevant stakeholders throughout the business chain are disclosed in Form 56-1 One Report / Annual Report 2022, Section 1, Clause 2, Risk Management, 2.2.11 Risk associated with the outbreak situation of the coronavirus disease 2019 (“COVID-19”).

### **Personnel Potential Enhancement**

The Company has conducted employee development at all levels by sending employees for training and development with public and private institutions, as well as conducting in-house training. To focus on providing employees with the knowledge, capabilities and skills used in performing tasks in accordance with functional competency in line with the regulations under the Quality and Environmental Management System, and by exploring the need for training and then preparing a training plan for 2022 as follows:

- (1) Position specific courses.
- (2) Courses in accordance with legal or safety regulations.
- (3) Knowledge and Skills Development Course.
- (4) Quality Management System and Environment Program.
- (5) Course on Business Ethics, Anti Corruption and Good Corporate Governance.



**Training according to the 2022 training plan**



Suphanburi Skill Development Institute jointly prepared skill standards (HDPE canvas welding)



Suphanburi Skill Development Institute jointly prepares skill standards (tightening staff)

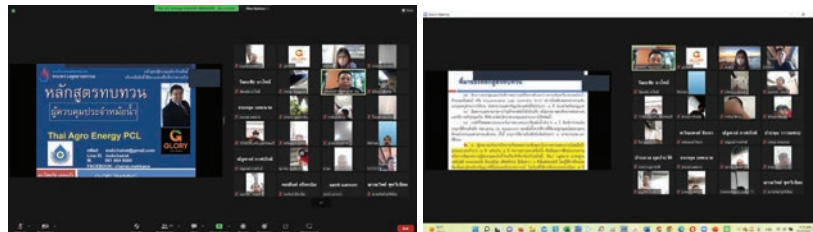


Suphanburi Skill Development Institute jointly prepared skill standards (measuring instrument technicians)





Personal Data Protection Act (PDPA) Course



Boiler Operator Review Course

### Safety and Occupational Health

The Company has given precedence on safety and occupational health of employees and other stakeholders. There is “the quality, occupational health, safety and working environment policy” which announces in the factory area, operating area, inside the office building, on the Company’s website in order to be used as a guideline to observe and prevent accidents that may affect life and property by assigning work safety as a duty and responsibility in the operation of all employees.

#### Ethanol storage



Ethanol is a flammable fuel, so its storage **must be Making a bund wall and having a foam fire extinguishing system.**

The ethanol product storage tank (E903,E904) has a storage capacity of 822.71 cubic meters/tank, the bulkhead size can store 1,719.36 cubic meters.

The ethanol product storage tank (E913,E914) has a storage volume of 1,592.99 cubic meters/tank. The size of the retaining wall can hold 2,011.43 cubic meters.



### Chemical Storage



#### Safety measures on chemical storage

- There are indication signs and chemical safety data applications (MSDS) manuals with eye and body wash points.
- Provide chemical protection kits specifically for employees who work with chemicals.
- Store in Storage Tank
- Building Bund wall
- Emergency drill in case of chemical spill.

### Fire evacuation drill



### Participation in community and social development

The Company has fully assisted and participated in the development of communities and society and continuously to ensure sustainability in conducting business with the community and the environment in accordance with the Company's vision and mission, which can be exemplified as part of the 2022 activities as follows:



Photo : Free ATK test at Nong Makamong Health Promoting Hospital



Proto: Providing water pumps for Baan Dong Chuek villagers Moo7 Chaeng Ngam subdistrict that suffers from water shortage for agriculture.



Photo : To support sports activities for suphanburi youth in "Suphanburi Million Dollar Youth Development Project"



Photo: Providing the Company's pumps to assist in flood-affected areas in many areas in Nong Maka Mong subdistrict and Nang Buach subdistrict.



Photo : Supporting education for children and youth in the community by participating in educational Thod Phapa ceremony, Ban Mai Kilo 8 School.



Photo : Bring gravel and stones to repair and improve Wang Nam Joan road.

## 4. MANAGEMENT DISCUSSION AND ANALYSIS

### OVERALL OPERATING RESULTS

The overall operating results of the Company in 2022, the Company has total revenue of Baht 2,005.57 million, which decreased from the same period last year by 9.16 percent, resulted in a net loss in 2022 amounted to Baht 85.88 million, which increased from the same period last year by 47 percent. This is due to the main raw materials in the production of ethanol are scarce, and then the price of raw materials increased. This is coupled with a decrease in the ethanol sales volume by 14.09 percent in line with the decrease in raw material volume, although ethanol selling prices increased by 5.68 percent.

### OPERATING RESULTS ANALYSIS

#### REVENUE:

Description	Year 2022		Year 2021		Increase (Decrease)	
	Baht Million	%	Baht Million	%	Baht Million	%
Sales Revenue	2,003.98	99.92	2,207.30	99.97	(203.32)	(9.21)
Other Revenue	1.59	0.08	0.59	0.03	1.00	169.49
<b>Total Revenue</b>	<b>2,005.57</b>	<b>100.00</b>	<b>2,207.89</b>	<b>100.00</b>	<b>(202.32)</b>	<b>(9.16)</b>

The Company's revenue in year 2022 totaled Baht 2,005.57 million, which decreased from the previous year by Baht 202.32 million or 9.16 percent, due to the following reasons.

- (1) Revenue from ethanol sales decreased from the previous year by Baht 203.32 million or 9.21 percent due to the sales volume decreased by 14.09 percent. This was affected by a shortage of raw materials, although ethanol prices increased by 5.68 percent; and

- (2) Other revenue increased by Baht 1 million or 169.49 percent from the previous year. Due to the increase in revenue from the sale of deteriorating property debris and the sale of fusel oil.

#### EXPENSES:

Description	Year 2022		Year 2021		Increase (Decrease)	
	Baht Million	% Sales	Baht Million	% Sales	Baht Million	%
Cost of sales	1,917.95	95.71	2,142.49	97.06	(224.54)	(10.48)
Selling and administrative expenses	148.30	7.40	102.05	4.62	46.25	45.32
Financial cost	45.14	2.25	36.74	1.66	8.40	22.86
Income tax revenue	(19.94)	(1.00)	(14.97)	(0.67)	4.97	33.20
<b>Total Expenses</b>	<b>2,091.45</b>	<b>104.36</b>	<b>2,266.31</b>	<b>102.67</b>	<b>(174.86)</b>	<b>(7.72)</b>

The Company's expenses in year 2022 totaled Baht 2,091.45 million, which decreased from the previous year by Baht 174.86 million or 7.72 percent, due to the following reasons;

- (1) Cost of ethanol sales decreased from the previous year by Baht 224.54 million or 10.48 percent. This was due to decreases in ethanol sales volume as described above.
- (2) Selling and administrative expenses increased from the previous year by Baht 46.25 million or 45.32 percent. Due to raw material shortages, the Company considered temporarily discontinuing ethanol production line 1 since the 2<sup>nd</sup> quarter 2022, therefore, operating expenses are transferred to selling and administrative expenses.
- (3) Financial cost increased from the previous year by Baht 8.40 million or 22.86 percent. This was due to the increase of short-term loan and loan interest rates are rising.
- (4) Income tax revenue increased from the previous year by Baht 4.97 million or 33.20 percent due to the increase of deferred tax assets.

#### GROSS PROFIT:

Description	Year 2022		Year 2021	
	Baht Million	%	Baht Million	%
Revenues from sales	2,003.98	100.00	2,207.30	100.00
<b>Less cost of sales</b>	<b>1,917.95</b>	<b>95.71</b>	<b>2,142.49</b>	<b>97.06</b>
<b>Gross Profit</b>	<b>86.03</b>	<b>4.29</b>	<b>64.81</b>	<b>2.94</b>

The Company's gross profit of year 2022 was Baht 86.03 million, or 4.29 percent of the revenue from sales, increased from the previous year which the gross profit was 2.94 percent of the revenue from sales as the price of ethanol sales increases by 5.68 percent.

#### NET LOSS:

Description	Unit	Year 2022	Year 2021	Increase/ (Decrease)	%
NET LOSS	Baht Million	(85.88)	(58.42)	27.46	47.00
NET LOSS PER SHARE	Baht per Share	(0.09)	(0.06)	0.03	50.00
<u>Remark</u> Registered par value of Baht 1 per share					

The Company's net loss of year 2022 was Baht 85.88 million increased from the previous year by Baht 27.46 million or 47 percent, generating a net loss at Baht 0.09 per share which increased from the previous year by Baht 0.03 per share due to the reasons as described above.

#### STATEMENT OF FINANCIAL POSITION

Description	Unit	As at December 31, 2022	As at December 31, 2021	Increase (Decrease)	%
Total Assets	Baht Million	3,608.41	3,398.24	210.17	6.18
Total Liabilities	Baht Million	1,990.83	1,692.96	297.87	17.59
Total Shareholder's Equity	Baht Million	1,617.58	1,705.28	(87.70)	(5.14)
Book Value	Baht per Share	1.62	1.71	(0.09)	(5.26)
<u>Remark:</u> Registered per value of Baht 1 per share					

STATEMENT OF FINANCIAL POSITION



**ASSETS:** The Company's total assets as at December 31, 2022 increased from the end of year 2021 by Baht 210.17 million or 6.18 percent. The total assets consisting of:

- (1) Current Assets increased from the end of 2021 by Baht 278.25 million or 43.71 percent, consisting of: (A) Cash and cash equivalent decreased by Baht 14.80 million or 40.28 percent; (B) Trade accounts receivable and other receivables decreased by Baht 12.28 million or 6.20 percent; (C) Inventories, most of which were molasses, increased by Baht 38.79 million or 37.10 percent; (D) Advances payment for purchase goods increased by Baht 253.37 million or 88.29 percent, and (E) Other current assets increased by Baht 13.17 million or 125.79 percent.
- (2) Non-Current Assets decreased from the end of year 2021 by Baht 68.08 million or 2.47 percent, consisting of: (A) Biological assets increased by Baht 3.59 million or 31 percent; (B) Land, plant and equipment decreased by Baht 84.25 million or 3.12 percent; (C) Right-of-use assets decreased by Baht 7.56 million or 29.92 percent, and (D) Other non-current assets most of which were deferred tax assets increased by Baht 20.14 million or 88.57 percent.

**LIABILITIES:** The Company's total liabilities as at December 31, 2022 increased from the end of year 2021 by Baht 297.87 million or 17.59 percent, due to (A) Short-term loan from financial institution which was for raw material supply and for working capital, increased by Baht 540.34 million or 70.76 percent (B) Trade accounts payable and other accounts payable, most of which were raw material purchase, increased by Baht 10.96 million or 16.17 percent, (C) Long-term loan decreased by Baht 243.70 million or 29.87 percent, and (D) Other liabilities most of which were liabilities under lease agreement decreased by Baht 9.73 million or 21.29 percent.

**TOTAL SHAREHOLDERS' EQUITY:** The total shareholders' equity of the Company as at December 31, 2022 decreased from the end of year 2021 by Baht 87.70 million or 5.14 percent, due to the net loss as described above.

#### CASH FLOWS

Description	(Unit : Baht million)	
	Year 2022	Year 2021
Cash flows used in operating activities	(223.90)	(63.04)
Cash flows used in investing activities	(79.73)	(88.12)
Cash flows from financing activities	288.83	161.40
Net increase (decrease) in cash and cash equivalent	(14.80)	10.24
Cash and cash equivalent at the beginning of the period	36.74	26.50
<b>Cash and Cash Equivalent at the End of the Period</b>	<b>21.94</b>	<b>36.74</b>

- (1) The Company's net cash used in operating activities in year 2022 was Baht 223.90 million, consisting of: (A) Loss before corporate income tax of Baht 105.82 million; (B) Non-cash items such as depreciation of Baht 215.68 million; (C) The operating assets



increased by Baht 292.36 million due to the increase in trade and other receivables, inventories and advance payments for purchase of goods and other current assets; (D) The operating liabilities increased by Baht 3.15 million due to the increase in trade accounts payable, other accounts payable and other current liabilities; (E) An interest received of Baht 0.04 million; and (F) An interest expense of Baht 44.59 million.

- (2) The Company's net cash used in investment activities in year 2022 was Baht 79.73 million, consisting of: (A) The cost of industrial crops planting of Baht 3.59 million; and (B) Assets purchasing by Baht 76.14 million.
- (3) The Company's net cash from financing activities in year 2022 was Baht 288.83 million consisting of: (A) Short-term loan from financial institution by Baht 540.33 million; (B) Repayment of long-term loan by Baht 244 million, and (C) Repayment under financial lease of Baht 7.50 million.

#### **LIQUIDITY AND SUFFICIENCY OF CAPITAL**

(1) The current ratio and quick ratio of the Company as at December 31, 2022 were 0.56 times and 0.13 times, respectively, which is low but the Company have remaining inventories that can be easily exchanged to cash and the trade accounts receivable is the major fuel company that have stable financial situation. In addition, the Company has cash generation and adequate credit line for working in the future project with good support from financial institution.

(2) The total debt to equity ratio of the Company as at December 31, 2022 was 1.23:1 times.

(3) The cash cycle of the Company in year 2022 was 28 days, which increased from the end of year 2021 by 9.46 days. The average debt collection period was 32.99 days, which increased from the end of year 2021 by 3.73 days. The average inventory turnover was 5.21 days, which increased from the end of year 2021 by 2.61 days, and the average debt repayment period was 10.20 days, which decreased from the end of year 2021 by 3.12 days.

#### **DEBT OBLIGATION**

The Company has debt obligation in accordance with the loan agreement with a local commercial bank as follows.

- (1) The Company must maintain its debt to equity ratio (D/E ratio) not to exceed 2.50 times and debt service coverage ratio (DSCR) of no less than 1.10 times throughout the duration of loan agreement. As of December 31, 2022, the Company is unable to maintain the DSCR ratio in accordance with the obligations in the loan agreement made. However, the lending bank has already written a letter of easing of conditions for maintaining a financial ratio on November 3, 2022.
- (2) The lending bank has determined that Lanna Resources Public Co., Ltd. (Lanna) must maintain its shareholding proportion in TAE of no less than 50 percent of the total number of shares during the whole duration of the loan agreement. So far, Lanna has no policy to decrease its shareholding proportion in TAE to below 50 percent of the total number of shares.

- (3) The Company will not be able to pay dividends to shareholders if the Company cannot comply with the conditions set forth in the loan agreement, such as the holding of D/E and DSCR ratios, the holding of Lanna's share in the Company, etc., unless waived by such lenders.

#### **FUTURE TREND**

According to the volume of sugarcane entering the mill, the 2022/23 production season is expected to be lower than expected at around 106 million tones. As a result, the amount of molasses has also decreased from the forecast. Meanwhile, cassava yield trends from a survey conducted by The Thai Tapioca Trade Association, it is expected to increase from the 2021/22 production season, but the price of cassava production, especially cassava chips, remains volatile due to foreign demand and the demand for tapioca starch industry.

Meanwhile, demand for ethanol in 2023 is likely to decrease due to gasohol E20 and E85's cancellation of oil fund compensation from the 4<sup>th</sup> quarter of 2022. However, if the government implements measures to promote E20 gasohol as base oil using the oil fund mechanism, which aims to have a price differential of about 3 baht per liter lower than gasohol 95. To increase ethanol consumption, as well as the expected increase in fuel demand due to the recovery of the economy, which will result in an increase in the demand for ethanol.

## Summary of financial position and results of operations consolidated

<b>Statements of Financial Position Years 2020-2022</b>						
Financial position	2020		2021		2022	
	Baht million	Percent	Baht million	Percent	Baht million	Percent
<b>Assets</b>						
<i>Current assets</i>						
Cash and cash equivalent	26.50	0.79	36.74	1.08	21.94	0.61
Trade & Other receivable	179.08	5.34	197.91	5.82	185.63	5.14
Inventories	124.56	3.71	104.56	3.08	143.35	3.97
Advance payments for Purchase of goods	181.18	5.40	286.97	8.45	540.34	14.97
Current tax assets	5.15	0.15	-	-	-	-
Other current financial assets	1.06	0.03	1.07	0.03	1.07	0.03
Other current assets	9.48	0.28	9.40	0.28	22.57	0.63
<b>Total current assets</b>	<b>527.01</b>	<b>15.70</b>	<b>636.65</b>	<b>18.74</b>	<b>914.90</b>	<b>25.35</b>
<i>Non-current assets</i>						
Biological assets	6.46	0.19	11.58	0.34	15.17	0.42
Property, plant, and equipment	2,784.45	82.92	2,702.00	79.51	2,617.75	72.55
Right-of-use assets	33.30	0.99	25.27	0.74	17.71	0.49
Intangible assets	1.25	0.04	2.24	0.07	1.99	0.06
Deferred tax assets	4.73	0.14	19.70	0.58	40.10	1.11
Other non-current financial assets	0.77	0.02	0.80	0.02	0.79	0.02
<b>Total non-current assets</b>	<b>2,830.96</b>	<b>84.30</b>	<b>2,761.59</b>	<b>81.26</b>	<b>2,693.51</b>	<b>74.65</b>
<b>Total assets</b>	<b>3,357.97</b>	<b>100.00</b>	<b>3,398.24</b>	<b>100.00</b>	<b>3,608.41</b>	<b>100.00</b>
<b>Liabilities and shareholders' equity</b>						
<i>current liabilities</i>						
Short-term loans from financial institutions	915.33	27.26	763.61	22.47	1,303.95	36.14
Trade and other payables	124.86	3.72	67.79	1.99	78.75	2.18
Current portion of lease liabilities	7.24	0.22	7.09	0.21	6.88	0.19
Current portion of long-term loans	143.83	4.28	243.71	7.17	243.71	6.75
Provision for short-term employee benefits	3.13	0.09	2.26	0.07	0.96	0.03
Other current liabilities	15.16	0.45	8.86	0.26	5.33	0.15
<b>Total current liabilities</b>	<b>1,209.55</b>	<b>36.02</b>	<b>1,093.32</b>	<b>32.17</b>	<b>1,639.58</b>	<b>45.44</b>
<i>Non-current liabilities</i>						
Lease liabilities - net of current portion	26.21	0.78	19.28	0.57	12.41	0.34
Long-term loans - net of current portion	316.45	9.42	572.15	16.84	328.45	9.10
Provision for long-term employee benefits	7.07	0.21	8.21	0.24	10.39	0.29
<b>Total non-current liabilities</b>	<b>349.73</b>	<b>10.41</b>	<b>599.64</b>	<b>17.65</b>	<b>351.25</b>	<b>9.73</b>
<b>Total liabilities</b>	<b>1,559.28</b>	<b>46.43</b>	<b>1,692.96</b>	<b>49.82</b>	<b>1,990.83</b>	<b>55.17</b>
<b>Shareholders' equity</b>						
Share capital						
Registered	1,000.00	29.78	1,000.00	29.43	1,000.00	27.71
Issued and fully paid up	1,000.00	29.78	1,000.00	29.43	1,000.00	27.71
Share premium	188.79	5.62	188.79	5.55	188.79	5.23
Capital reserve for share-based payment transactions	0.56	0.02	0.56	0.02	0.56	0.02
Retained Earnings						
Appropriated – statutory reserve	100.00	2.98	100.00	2.94	100.00	2.77
Appropriated – general reserve	192.00	5.72	192.00	5.65	192.00	5.32
Unappropriated	317.34	9.45	223.93	6.59	136.23	3.78
<b>Total shareholders' equity</b>	<b>1,798.69</b>	<b>53.57</b>	<b>1,705.28</b>	<b>50.18</b>	<b>1,617.58</b>	<b>44.83</b>
<b>Total liabilities and shareholders' equity</b>	<b>3,357.97</b>	<b>100.00</b>	<b>3,398.24</b>	<b>100.00</b>	<b>3,608.41</b>	<b>100.00</b>

### Statement of Comprehensive Income Year 2020-2022

Operational results	2020		2021		2022	
	Baht million	Percent	Baht million	Percent	Baht million	Percent
<b>Revenues</b>						
Revenue	2,405.99	99.89	2,207.30	99.97	2,003.98	99.92
Other income	2.61	0.11	0.59	0.03	1.59	0.08
Total revenues	2,408.60	100.00	2,207.89	100.00	2,005.57	100.00
<b>Expenses</b>						
Cost of sales	2,206.71	91.62	2,142.49	97.04	1,917.95	95.63
Selling and distribution expenses	15.96	0.66	20.57	0.93	17.95	0.89
Administrative expenses	69.68	2.89	81.48	3.69	130.35	6.50
Total expenses	2,292.35	95.17	2,244.54	101.66	2,066.25	103.02
Operating profit (loss)	116.25	4.83	(36.65)	(1.66)	(60.68)	(3.02)
Finance income	0.05	-	0.04	-	0.04	-
Financial cost	40.06	1.67	36.78	1.67	45.18	2.25
Profit (loss) before income tax expense	76.24	3.16	(73.39)	(3.33)	(105.82)	(5.27)
Income tax expenses	(6.07)	(0.25)	14.97	0.68	19.94	0.99
Profit (loss) for the year	70.17	2.91	(58.42)	(2.65)	(85.88)	(4.28)
Earnings (loss) per share (Fully Diluted) (Baht)	0.07	-	(0.06)		(0.09)	
Earnings (loss) per share (Weighted Average) (Baht)	0.07	-	(0.06)		(0.09)	
Par value (Baht)	1.00	-	1.00		1.00	

### Statements of Retained Earnings Year 2020-2022

(Unit: Million Baht)

Operational results	2020	2021	2022
Retained earnings unappropriated quoted	454.47	317.34	223.93
Profit (loss) for the year	70.17	(58.42)	(85.88)
Other comprehensive income for the year	(2.30)	-	(1.82)
Profit for allocation	522.34	258.92	136.23
<b>Less</b> dividends paid	(205.00)	(34.99)	-
Retained earnings unappropriated forward	317.34	223.93	136.23

<b>Statements of Cash Flows Year 2020-2022</b>			
(Unit: Million Baht)			
<b>Operational results</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b><u>Cash flow from operating activities</u></b>			
Profit before tax	76.24	(73.39)	(105.82)
Adjustments to reconcile profit before tax to net cash provided			
By (paid from) operating activities			
Depreciation and amortization	176.26	170.90	170.23
Reduction of inventories to realisable value (reversal)	-	0.67	(0.67)
Gain on disposals of equipment	(0.36)	-	-
Provision for long-term employee benefits	1.76	1.14	0.84
Finance income	(0.05)	(0.04)	(0.04)
Finance cost	40.05	36.80	45.32
Profit from operations activities before changes in operating assets and liabilities	293.90	136.08	109.86
Operating assets (increase) decrease			
Trade and other receivables	21.22	(18.83)	12.27
Inventories	299.93	19.32	(38.11)
Advance payment for purchase for goods	421.38	(105.79)	(253.37)
Other current assets	39.57	0.08	(13.16)
Other non- current assets	-	(0.03)	0.01
Operating liabilities increase (decrease)			
Trade and other payables	(21.34)	(55.91)	8.92
Other current liabilities	(8.34)	(6.14)	(3.53)
Provision for long-term employee benefits	-	(0.86)	(2.24)
Cash from (used in) operating activities	1,046.32	(32.08)	(179.35)
Cash received from interest income	0.05	0.04	0.04
Cash paid for interest payments	(40.87)	(36.15)	(44.59)
Cash received from (paid for) income tax	(14.17)	5.15	-
<b>Net cash from (used in) operating activities</b>	<b>991.33</b>	<b>(63.04)</b>	<b>(223.90)</b>
<b><u>Cash flow from investing activities</u></b>			
Acquisitions of Mangium sprout and planting cost	(4.50)	(5.12)	(3.59)
Acquisitions of property, plant and equipment	(155.59)	(81.37)	(75.81)
Acquisitions of intangible assets	(0.11)	(1.63)	(0.33)
Proceeds from disposals equipment	0.93	-	-
<b>Net cash (used in) investing activities</b>	<b>(159.27)</b>	<b>(88.12)</b>	<b>(79.73)</b>
<b><u>Cash flows from financing activities</u></b>			
Net increase (decrease) in short-term loans from financial institutions	(475.97)	(151.72)	540.33
Net increase in long-term loans	-	499.37	-
Repayment of long-term loans	(144.00)	(144.00)	(244.00)
Cash paid for lease liabilities	(7.88)	(7.67)	(7.50)
Cash paid for dividend	(203.15)	(34.58)	-
<b>Net cash from (used in) financing activities</b>	<b>(831.00)</b>	<b>161.40</b>	<b>288.83</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1.06</b>	<b>10.24</b>	<b>(14.80)</b>
Cash and cash equivalents at beginning of year	25.44	26.50	36.74
<b>Cash and cash equivalents at end of year</b>	<b>26.50</b>	<b>36.74</b>	<b>21.94</b>

### Summary of key financial ratios Year 2020-2022

Ratio	Unit	2020	2021	2022
<b><u>Current ratio</u></b>				
Current ratio	Times	0.44	0.58	0.56
Quick ratio	Times	0.17	0.22	0.13
Cash flow ratio	Times	0.68	(0.05)	(0.16)
Accounts receivable turnover ratio	Times	13.32	12.30	10.91
The average collection period	Days	27.02	29.26	32.99
Turnover of goods	Times	64.83	138.66	69.04
The average sale period finished products	Days	5.55	2.60	5.21
Payable turnover ratio	Times	19.22	27.02	35.28
Repayment period	Days	18.74	13.32	10.20
Cash Cycle	Days	13.83	18.54	28.00
<b><u>Ratio of ability to make profits</u></b>				
Gross margin	%	8.28	2.94	4.29
Operating margin	%	4.72	(1.69)	(3.11)
Other profit margins	%	0.11	0.03	0.08
Net profits margin	%	2.91	(2.65)	(4.28)
Return on equity	%	3.76	(3.33)	(5.17)
<b><u>Ratio of operating performance</u></b>				
Ratio of return on assets	%	1.87	(1.73)	(2.45)
Return on fixed assets*	%	8.78	4.10	3.17
Turnover of Assets	Times	0.64	0.65	0.57
<b><u>Financial policy ratio</u></b>				
Ratio of debt to equity	Times	0.87	0.99	1.23
Interest coverage ratio*	Times	25.90	(1.12)	(4.40)
Obligations coverage ratio -Cash basis.	Times	2.08	(0.12)	(0.56)

## 5. General and other important information

### 5.1 General information

Company name	: Thai Agro Energy Public Company Limited
Company Registration Number	: 0107550000157
Nature of business	: Production and distribution of ethanol-for-fuel
Head office	: 888/114 Mahathun Plaza Building, 11 <sup>th</sup> floor, Ploenchit Road, Khwaeng Lumpini, Pathumwan District, Bangkok 10330 Tel 02-627-3890-4 Fax 02-627-3889
Factory	: 9 Moo 10, Dan Chang-Samchuk Road, Tambol Nong Makhamong, Dan Chang District, Suphanburi Province
Website	: WWW.THAIAGROENERGY.COM
Securities registrar	: The Thailand Securities Depository Co., Ltd., 62 The Stock Exchange of Thailand Building, Ratchadaphisek Road, Khlongtoey, Bangkok 10110 Tel: 02-2292000
Auditor	: One of the names below: (1) Miss Patcharawan Koonarangsri, Certified Public Account Registration No. 6650 (2) Miss Satida Ratananurak, Certified Public Account Registration No. 4753 , (3) Miss Siriwan Nitdamrong, Certified Public Account Registration No.5906 of EY Office Co., Ltd. Address: 193/136-137 Lake Ratchada Building, 33 <sup>rd</sup> floor, Ratchadaphisek Road, Khlongtoey, Bangkok 10110 Tel: 02-264-0777 Fax: 02-264-0789

### 5.2 Legal disputes

**Conclusion of lawsuit:** On September 2011, a company sued the Company for its alleged non-compliance with the cassava chip purchase agreement, claiming a compensation for damage of Baht 186.9 million. The Company submitted the testimony and countersued that company, claiming a compensation for damage of Baht 82.4 million. Both parties defended in three courts. The case has been finished on 17 April 2019 by the Supreme Court affirmed the judgment of the Civil Court and the Appeal Court to order that company to make payments for purchases of cassava chip that the Company paid in advance of Baht 6.9 million which together with interest expense of 7.5 percent per annum, calculated from 8 November 2011 (the countersue date) until completion of payment.

In addition, on 18 May 2018, the Company sued that company for bankruptcy case. The Bankruptcy court passed the judgment on 29 May 2019 that the case was thrown out as that company has the right to claim with a debtor which is a government agency then that company has not become insolvent yet. The Company has already made attachment of the claim.

On 13 August 2019, the Company received partial payment of Baht 0.2 million. In addition, on 21 January 2022, the court ordered the debtor, a government agency, to submit the funds

as they had been withheld to the Company. In October 2022, the Company proceeded with an enforcement action by filing an application requesting to attach the debtor's bank deposits in full in accordance with the writ of execution, and the bank already remitted the fully funds that had been withheld to enforcement officers. In December 2022, while the Company was waiting for the preparation of its account and the payment receipt, the debtor filed a petition for revocation of attachment of claims. Currently, the case is pending and awaiting court hearing on the petition. However, the Company recorded allowance for impairment in advance paid to that company for a whole amount.





ENERGY PUBLIC COMPANY LIMITED





## PART 2

Corporate Governance

## Part 2

### Corporate Governance

#### 6. Corporate Governance Policy

##### 6.1 Corporate Governance Policy and Practice Overview

Thai Agro Energy Public Company Limited conducts business by adhering to the principles of good corporate governance and the business code of conduct in order to ensure that the operations of the Company are efficient, transparent, fair, creating confidence for all Stakeholders, supporting and promoting the competitiveness of the Company which leads to creating value for sustainable business. In order to ensure that the Company operates its business substantially in accordance with good corporate governance, the Board of Directors approved "Corporate Governance Policy" as proposed by the Corporate Governance Committee. The Corporate Governance Policy is based on the principles of good corporate governance for listed companies in 2017 in accordance with the guidelines set by the Securities and Exchange Commission as a practice guideline for the Board, executives and employees at all levels, to apply in the operation standards.

"The Corporate Governance Policy and Business Ethics" covers the structure and guidelines for good corporate governance related to the Board of Directors, the nomination, compensation, roles and responsibilities of directors and their independency from the management, directors' performance evaluation and development, the Company's subsidiary governance (if any), including the Shareholder Policy, rights and equality of Shareholders and Stakeholders, adequate disclosure of the information, internal control and risk management, Prevention of Insider Trading and Conflicts of Interest, Effective internal audit, operating business with honesty and transparency, compliance with the relevant laws, rules and regulation as well as business ethic, Compensation for Human Rights Violations, anti-corruption as well as measures against those who do not comply with the aforementioned policies and guidelines, which is an important part of the sustainable business operation and acceptable to all concerned parties. The Corporate Governance Committee reviews "The Corporate Governance Policy and Business Ethics" once a year to be suitable for the current situation and to comply with good governance of the Stock Exchange of Thailand. There is monitoring systems to ensure the implementation will be done in accordance with the principle strictly and cover all 8 principle of practice in accordance with the guidelines set by the Securities and Exchange Commission.

In 2022, the Board of Directors has governed the Company to comply with the principles of good corporate governance for listed companies 2017 (CG Code) issued by the Securities and Exchange Commission as a guideline for the Board of Directors, who are the leader or the most responsible person of the organization, to apply as appropriate for the Company and to practice along with the 5 main categories for good corporate governance guidelines as follows;

## **Chapter 1: Rights of Shareholders**

The Company values and respects the rights of all Shareholders equally without doing any activities that violate or restrict Shareholders' rights, and encourage Shareholders to fully exercise their rights especially the basic rights of Shareholders namely the right to sell, buy or transfer shares; the right to receive the profit sharing; the right to receive sufficient information; the right to propose agenda and nominate a person to be a director of the Company; the right to attend Shareholders' meeting to vote for appointing and removing directors; the right to approve the remuneration of directors; appointment of auditor and any other significant matters that would impact the Company e.g., dividend payment, amendment of the Article of Association and the Memorandum of Association, including approval of any transactions that would impact on the direction of the Company's business. The Company sets the policy on Shareholders' rights as follows;

### **(1) Right of sharing profit**

The Company has a dividend payout policy to Shareholders not less than 60% of net profit according to the financial statements after deductions of accumulated losses brought forward (if any) and legal provisions set forth. However, the Company may pay dividends at a rate less than the above subject based on the operation results, financial condition, liquidity, and the need for working capital in the business operations. Repayment of loans and accrued liabilities, expansion of investment, or the expansion of the Company in the future are also consideration for a dividend rate.

In 2022, the Company has a loss operating result. According to the resolutions of the Board of Directors' meeting no. 2/2023 held on February 16, 2023, it was approved to propose to the 2023 Annual General Meeting of Shareholders to consider and approve omitting dividend payment for the 2022 operating results. (From January 1, 2022 to December 31, 2022)

### **(2) Right to have information**

The Company provided essential, accurate, adequate, reliable information to Shareholders in timely manner and ignored any actions that limits the opportunity of Shareholders to access the Company's information.

- In 2022, the Company provided essential information to Shareholders and general investors according to the laws and regulations of the Stock Exchange of Thailand through SET Portal and published other information through the Company's website ([www.thaiagroenergy.com](http://www.thaiagroenergy.com)) which is a channel that can be accessed easily and conveniently.

- The Company regularly presented the operational performance, financial and non-financial information to analysts, investors and shareholders every quarter regularly and also provided the opportunity to shareholders, general investors and analyst to ask questions to the Company in order to create understanding in the business and

strengthen the relationship between the Company and analysts, investors and shareholders.

### **(3) Right to attend the meeting and vote**

The Company has the policy for all Shareholders, including Institutional Investors, to exercise their right to attend the meeting and vote at most convenience and strictly avoid any activities that restrict Shareholder's opportunity to attend the meeting. The Company has set the guideline for organizing and conducting the Shareholders' meeting as follows;

- The Board of Directors takes care of the interests of Shareholders fairly, and shall not do anything that violates or reduces the rights of Shareholders as well as supports and encourages all groups of Shareholders; Individual Shareholders, Major Shareholders or Institutional Shareholders, to exercise their rights to access to information sufficiently and timely and the right to attend the Shareholders' meeting to determine the direction of operation and consider on matters that have a significant impact on the Company.

- The Board of Directors ensures that Company Secretary provide information of date, time, venue, agenda of the meeting with explanations and reasons for each agenda is provided in the invitation letter including takes care of having the meeting venue convenient for traveling.

- The Board of Directors shall not add any additional agendas or change any significant information without prior notice, particularly, important agenda that Shareholders need to study carefully before making decision.

- The Board of Directors invites Shareholders to propose agenda for Annual General Meeting, submit question in advance and nominate persons to be elected as directors before meeting date through the Company's website and SET Portal.

- Each shareholder has the right to vote in the meeting as 1 share per 1 vote. The resolution of the meeting on general matters will be based on the majority vote of the Shareholders who attend the meeting and have the right to vote such as Approval of the annual financial statements, Appointment of Directors, Directors' remuneration, Appointment of an auditor, etc. The resolutions on matters that are important and may affect the rights of Shareholders must be supported by not less than three-fourths of the total number of votes of Shareholders who attend the meeting and have voting rights such as amendments to the Company's Articles of Association, Transactions between the Company and the persons involved, Capital increase / decrease, Trading of large assets, etc.

- The Board of Directors promotes the use of technology in the Shareholders' meeting and voting in each agenda in order to ensure accuracy, quickly and transparency. Shareholders shall have the right to vote by agenda separately. For the agenda of election of directors, Shareholders shall vote for election of directors individually.

- The Board of Directors provides shareholders the right to approve the remuneration of directors every year and proposes policies and criteria for remuneration of each director by considering the responsibility, income and profit of the Company

including the number of directors as well as comparing the remuneration of directors in other companies, which are the same or similar size in the same industry.

- Before the vote, Shareholders shall have the right to ask questions and express their opinions in the meeting regarding the Company or the agenda considered. The Chairman of the meeting shall allocate the appropriate time for question and inquiry.

- The Board of Directors disclosed the resolutions of the 2022 Annual General Meeting of Shareholders for the public to be informed about the voting results in each agenda in both Thai and English through the SET Portal system of the Stock Exchange of Thailand and published on the Company website after the meeting.

In 2022, the Company organized Annual General Meeting of Shareholder to allow Shareholders to exercise their rights as follows;

### **Annual General Meeting of Shareholders**

The Board of Directors requires that the Annual General Meeting of Shareholders shall be held every year within 4 months from the end of the Company's fiscal year and if there is a need to consider the special agenda related to rights and benefits of Shareholders, the Board of Directors will call an Extraordinary General Meeting of Shareholders as necessary and appropriate. In 2022, the Annual General Meeting of Shareholders was held on April, 21, 2022 under the situation of COVID-19 pandemic. The Company has strictly complied with the rule and laws along with good corporate practices according to the AGM Checklist of the Thai Investors Association and also taking into account the rights of Shareholders and equitable treatment of Shareholders in accordance with the principles of good corporate governance.

#### **Before the date of Annual General Meeting**

- The Company provided an opportunity to Shareholders to propose agenda of the meeting and nominate qualified persons to be considered as a directors from October 1, 2021 – December 31, 2021 prior to the meeting date. The Company announced the criteria and procedures on the Company's website and informed via SET Portal of the Stock Exchange of Thailand. There was no Shareholder proposing the agenda and the person to be elected as a director in any way.

- The Company published the notice of the Annual General Meeting of Shareholders and the Proxy form A, B, C on the Company's website since March 21, 2022, 30 days prior to the meeting date so that Shareholders would have time to study information and submit inquiries to the Company in advance, including having the opportunity to appoint independent directors or other persons attending the meeting on their behalfs in the event that they are unable to come by themselves. In this regard, the Company has announced the dissemination of such information via the SET Portal system of the Stock Exchange of Thailand for the shareholders to acknowledge.

- The Company invited Shareholders to submit questions in advance to the Company before the meeting date to inquire information related to the meeting agenda or other important information of the Company during April 1, 2022 – April 19, 2022, the Company has clearly defined the criteria for sending questions in advance and published

on the Company's website, none of Shareholder submitted questions in advance to the Company.

- The invitation letter and supporting documents were prepared in Thai for Thai Shareholders and English for foreign Shareholders. Thailand Securities Depository Co., Ltd., a Company's registrar, was responsible for sending the invitation letter by registered mail to Shareholders on April 11, 2022, 10 days prior to the meeting date. The invitation letter was enclosed with meeting details regarding; Measures and guidelines under the circumstance of Coronavirus (Covid-19), registration process, documents and evidence, proxy method, proxy form and the agenda. Each meeting agenda has had supplementary information including directors' opinion on each agenda. The invitation letter was published on Thunhoon, daily newspaper, on April 4-7, 2022, more than 3 consecutive days prior to the meeting date.

- The Company facilitated institutional and custodian shareholders to submit the details of securities holdings for verification and to send proxy to the Company in advance. Institutional Shareholders or custodians who appointed independent directors, the Company would return a copy of the proxy form with the signature of the independent director to the Shareholders after the meeting.

#### On the date of Annual General Meeting

The 2022 Annual General Meeting of Shareholders was held on Thursday, April 21, 2022 at 15.00 hrs.– 15.46 hrs., at Grand Hall, 2nd Floor, The Athenee Hotel, a Luxury Collection Hotel, 61 Wireless Road, Lumpini, Pathumwan, Bangkok, where is the headquarters of the Company, convenient to attend meetings by public transport and the time of meeting was proper. There were 89 Shareholders and proxies attended the meeting. The total share were 652,895,244 shares or 65.2895% of total shares. There was not any additional agenda without prior notice for the 2022 Annual General Meeting. Nobody proposed the agendas in advance as the Company invited.

- The Company allowed Shareholders to register to attend the meeting 2 hours in advance before meeting starts, which informed the Shareholders in the invitation letter already. The barcode system was used for registration and vote counting for accuracy, fast and accurate together with preparation on staff, copier and stamp duty in order to facilitate the Shareholders who appointed proxies. However, before registration, the Company requested all Shareholders and staffs to be screened at the screening point for history taking, body temperature checking and hand cleaning with alcohol gel according to the guidelines from the Department of Disease Control. The Company did not find any people with risks or respiratory symptoms in any way.

- The seating arrangement in the meeting room was allocated with appropriate social distancing at the minimum of 1 meter from each other, therefore, the number of seats in the meeting room was limited. All attendees were required to wear a surgical mask during the meeting.

- The Company facilitated Shareholders who were unable to attend the meeting by themselves to be able to attend the meeting and exercise voting rights by proxies for others to attend the meeting and vote on their behalf. The Shareholder chose to appoint a person or independent directors attending the meeting and voting on their behalf. In

case of proxy to independent directors, the proxy form should be submitted to the Company in advance. In this regard, the Company had proposed independent directors, namely, Mr. Padetpai Meekun-iam and Mr. Satit Chanchaowakun as a proxy to attend the meeting and vote on behalf of Shareholder. The Company has attached the information of the independent director in the meeting invitation letter to the Shareholders.

- The Chairman of the Board, Chairman of the Audit Committee, Chairman of the Risk Management Committee, Chairman of the Nomination and Remuneration Committee, Chairman of the Corporate Governance Committee, Chief Executive Officer, Chief Financial Officer and Auditor attended the 2022 Annual General Meeting of Shareholders to answer various questions. At the 2022 Annual General Meeting of Shareholders, there were 8 directors from the total of 8 directors attending the Annual General Meeting (representing 100%).

- The Chairman of the Board who acted as the Chairman of the meeting conducted the meeting according to the Company's regulations. The 2022 Annual General Meeting of Shareholders has considered various matters according to the agenda as specified in the invitation letter. There was no addition or amendment of the agenda other than those specified in the meeting invitation.

- The Company Secretary notified the quorum, the number and proportion of Shareholders who came by themselves and proxies as well as informed the participants about how to vote, how to count votes and processing with the barcode system. Shareholder was required to vote according to the agenda.

- The Company used voting ballots for every agenda and counting votes would be counted at the end of that agenda. For the agenda for the appointment of directors, voting was conducted individually.

- The Company had hired PTT Digital Solutions Co., Ltd. to provide services and supervise the evaluation of each agenda item. Ms. Theeranant Kunakasem, the staff of the Company, direct and supervise the collection of ballots with the BARCODE for counting and summing up the voting results on each agenda and then show on the big screen in the Meeting room to report the result of each agenda item to the shareholders who attending the Meeting. The chairman of the meeting will ask the shareholders who disagree and abstain from voting in the ballot. with a signature And officials will collect ballots and record the votes of disapproval and abstention. And the staff will collect all ballots after the meeting is finished.

- The Chairman of the meeting provided opportunity to the Shareholders to express opinions, suggestions or ask questions in each agenda as well as allocated appropriate and equal time on each agenda before voting. The Company Secretary recorded issues, questions, answers, suggestions, comments in the minutes.

- The voting results of each agenda was notified to the meeting after the voting process on each agenda completed. In the event that the vote counting took time longer than usual in any agenda, the Chairman of the meeting might ask the meeting to consider the next agenda in order to continue the meeting. When the vote counting was finished, the meeting secretary notified the meeting of the voting results immediately. The



resolution of the meeting in each agenda was divided into agreed, disagreed, abstained and voided ballots. No Shareholders objected or disagreed with the said resolution.

- The Company granted the rights to Shareholders, who attended the meeting after the Chairman of the meeting has opened the meeting, to be able to vote on an agenda being considered which has not yet been resolved and would be counted as a quorum starting from the agenda being attended, therefore, it might resulted in unequal votes in each agenda.

#### After the date of Annual General Meeting

- The Company Secretary recorded the resolution of the Shareholders' meeting and disclosed the resolutions of the Shareholders' meeting and voting results in each agenda in both Thai and English via the SET Portal system of the Stock Exchange of Thailand within the date of the Shareholders' meeting and published on the website of the Company on the next business day. The Company had a system for storing voting ballot that shareholders can check.

- The Company Secretary prepared the minutes of the Shareholders' meeting correctly with complete details and important notes such as the list of directors who attended/did not attend the meeting including the cause of leave and important statement, procedures and methods of voting, questions or answers or summary comments, details of each agenda in accordance with the facts at the meeting. There were summaries of votes for each agenda, separated by agreed, disagreed and abstained according to the principles of good corporate governance of the Stock Exchange of Thailand. The minutes of the meeting was signed by the Chairman of the Board, who was the Chairman of the meeting, and submitted to the Stock Exchange of Thailand and the Ministry of Commerce on May 5, 2022 (14 days from the date of the meeting) within the period of time prescribed by law. The information and pictures of the Shareholders' meeting were disclosed on the Company's website both in Thai and English for Shareholders to acknowledge and to check information without having to wait for the next meeting.

### **Chapter 2 : Equitable Treatment of Shareholders**

The Board of Directors has a policy to ensure that all shareholders to be treated equally and protect their basic rights and benefits equitably and fairly by proceeding as follows;

- At present, the Company has only ordinary shares, so the voting rights are in accordance with the rights of ordinary shares. Each shareholder has one vote per share.

- The Company invited Shareholders to propose agenda for the 2022 Annual General Meeting, and to nominate qualified person to be elected as director. The criteria and procedure was published on the Company's website as well as disclosed via SET Portal of the Stock Exchange of Thailand 3 months in advance. The Company opened to send any inquiry in advance via the Company's website, Email or facsimile.

- The Company set the criteria for Shareholders who would like to nominate persons to be elected as directors in advance. The guideline was determined by granting the rights to one or several shareholders who hold shares of not less than 0.50 percent of

the number of shares issued and paid up as well as hold shares as of the date that the Board of Directors has set out the record date to determine the right to attend the AGM that year.

For the 2022 Annual General Meeting of Shareholders, the Company published the criteria on the website, [www.thaiagroenergy.com](http://www.thaiagroenergy.com), under the topic "The Annual General Meeting of Shareholders 2022" between October 1, 2021 to December 31, 2021 by notifying Shareholders through SET Portal of the Stock Exchange of Thailand on September 29, 2021. It appeared during such period, there was no Shareholder proposing the meeting agenda and nominating person as a director and no questions submitted in advance within April 19, 2022. The Company Secretary reported to the Board of Directors for acknowledgment.

- To comply with good corporate governance principles, the Company published the invitation letter for the 2022 Annual General Meeting of Shareholders which contained supplementary information on each agenda on the Company's website, [www.thaiagroenergy.com](http://www.thaiagroenergy.com), in advance from March 21, 2022, 30 days before the meeting date, and sent the invitation letter both in Thai and English to Shareholders 10 days before the meeting date via registered mail. In addition, the Company announced in the newspaper for 3 consecutive days, 14 days before the meeting date.

- The Company shall treat and facilitate all Shareholders equally. The Company allowed the Shareholders who were unable to attend the 2022 Annual General Meeting of Shareholders to be able to exercise their voting rights by authorizing others to attend and vote on their behalf. The Company sent proxy form B along with the invitation letter and nominated independent directors who had no interest in the meeting as an option for Shareholders to appoint proxies. There was clearly specified on the evidence used in the proxy to facilitate Shareholders who did not attend the meeting by themselves.

Shareholders could select any proxy form A, form B or form C which published on the Company website, [www.thaiagroenergy.com](http://www.thaiagroenergy.com), for Shareholders to download. (Form C was designed for foreign shareholders who appointed custodians in Thailand to act as a depository and trustee). The Company provided stamp duty to facilitate Shareholders for attaching the proxy form without any charge.

- The Company Secretary informed the meeting regarding the rules and procedures for voting clearly. The Chairman of the Board presided over the meeting and conducted the meeting according to the agenda specified in the meeting invitation. There was no addition or amendment of the agenda other than those specified in the meeting invitation for fairness to Shareholders who did not attend the meeting. Voting ballot was provided for every agenda for transparency and verification.

- In 2022, there were 8 directors of the Board from the total of 8 directors attending the Shareholders' meetings (representing 100 percent of all directors). Directors and executives attending the meeting were the Board of Directors, Chief Executive Officer and the sub-committee, namely the Audit Committee, the Risk Management Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee including all executives from relevant departments to announce operating results and answer questions from Shareholders. Shareholders were allowed to

question on various issues, to inquire information and to suggest freely without time limited. The Chairman of the meeting allocated appropriate time and encouraged Shareholders to have an opportunity to express their opinions and freely ask questions at the meeting on matters related to the Company.

- The Board of Directors established rules and regulations regarding the acquisition or disposal of securities of directors, executives and auditors of the Company by reporting securities holdings and changes in the securities holding of the Company to the Securities and Exchange Commission within 30 days after the date of appointing the position or within 3 working days from the date of purchase, sale, transfer or accept the transfer of securities under Section 59 of the Securities and Exchange Act BE 2535 and with amendments. The Company Secretary has a duty to report changes in securities holdings of directors and executives to the Board of Directors' meeting every time that there is a change before considering the meeting agenda to acknowledge as a regular agenda in the Board of Directors meeting every month. The policy / regulation regarding this matter has been included in the Business Code of Conduct. In the year 2022, there was no wrongdoing by the directors or executives. However, The Company disclosed a report on the securities holding of Directors and Executives for the year 2022 in an Attachment 1.

- The Company has established preventive measures and penalties for insider trading of related persons, including directors, executives and employees related to information. (Including spouses and underage children of such persons) and prohibited such person from disclosing information that may affect the stock price of the Company. The directors and senior executives are required to notify the Company Secretary 1 day in advance before trading in order for the Company Secretary to report to the Board of Directors' meeting for acknowledgement. In 2022, the Board of Directors and the Executives did not trade securities using inside information.

- The Board of Directors has established a policy on connected transactions between the Company and related persons according to Section 89 of the Securities and Exchange Act BE 2535 and additional amendments. The directors, executives and those who involved are required to report their own interests within 30 days after the date of appointing the position or within 14 working days from the date of change. The Company Secretary is assigned to summarize the transaction report and report to the Board of Directors and the Audit Committee at least once a year to verify and control the interest of directors and executives in order to achieve good corporate governance of the Company.

- To prevent conflicts of interest, the Board of Directors has established a policy for overseeing transactions that may cause conflicts of interest clearly by designating a written approval process for connected transactions in the Corporate Governance policy and business ethics. The Internal Audit Department shall provide opinions on the necessity and reasonableness of such transactions and propose to the Audit Committee to consider such transactions that have been done fairly according to the market price and in accordance with the normal business in order to propose to the Board of Directors and/or the Shareholders' meeting (As the case may be) to consider approving the

transaction. The executives or directors who have conflict of interest will not be involved in the approval of the transaction.

The Board of Directors shall ensure that the Company complies with the securities and exchange laws and regulations, announcements, orders or requirements of the Thai Capital Market Supervisory Board and the Stock Exchange of Thailand, including in accordance with the requirements regarding the disclosure of connected transaction information and the acquisition or disposition of the Company's significant assets as well as strictly complying with accounting standards set by the Association of Accountants. In addition, the Company will arrange for an independent audit committee or experts as the case may be to consider, review and comment on the suitability of the price and the reasonableness of the transaction. The Company will disclose such intercompany transactions in accordance with the rules and procedures prescribed by the SEC and the SET, as well as disclosed in notes to the financial statements that have been audited or reviewed by the Company's auditors and in the Form 56-1 One Report under the topic "Internal Control and Connected Transactions". In the year 2022, the Company had no violation of the rules on connected transactions and there was no financial assistance transaction to other companies.

### **Chapter 3 : Role of Stakeholders**

#### **Guidelines on role of stakeholders**

The Company's framework as publicised in the Annual Report (Form 56-1 One Report) and on the Company's website demands every member in the organisation to adopt and follow the practical guidelines in respect of the rights of all stakeholders. Whether they are the company's members – employees and executives – or external stakeholders, such as shareholders, creditors, competitors, customers, suppliers, society, and the environment, the company will not allow any action to violate the rights of those stakeholders.

Measures or means are provided to encourage the engagement of stakeholders. Disclosure of relevant information on various issues is well managed for all stakeholders. They can send reports and/or complaints directly to the Company or through the Audit Committee, without management attendance, by post or E-Mail Address: [suphachai@thaiaagroenergy.com](mailto:suphachai@thaiaagroenergy.com), without revelation of the senders' names. Upon the complaints, the Audit Committee will conduct investigation and present the result to the Board of Directors to determine a reasonable compensation and appropriate measures to prevent the violation. This will be done on a case by case basis.

The Company established rules, conditions and a method to report on interests of directors, executives and associated individuals, in accordance with Section 89/14 of the Securities and Securities Exchange Act (4th issue) B.E. 2551. Safety and environment policies were founded as well. Employees are encouraged to follow such policies to ensure all parties involved that the company is fully aware of safety and the environment and well prepared for constantly evolving.

The Company has disclosed "The Corporate Governance Policy and Business Ethics" and "Anti Corruption Policy" under the "Corporate Governance" on the Company's website.

In 2022, the Company had strictly followed its principle and did not violate relevant laws such as Labor law, Employment law, Consumer Protection law, Competition law or Environmental law. The Company had done various activities related to Stakeholders, detail was summarized as follows;

### **(1) Shareholders**

The Company respects the basic rights of Shareholders, treats all shareholders equally and creates maximum satisfaction for Shareholders such as Right to attend the Annual General Meeting of Shareholders, Voting rights, Proposing the agenda and nominating persons to be elected as directors, Listening to opinions and suggestions from Shareholders, including providing channels for Shareholders to contact via the website and email as disclosed in the section entitled Chapter 1; Rights of Shareholder and Chapter 2; Equitable Treatment of Shareholders.

The Company reported the performance results of quarterly operations accurately, completely and truly.

### **(2) Employees**

The Company's employees are an important resource and a factor of the success of the organization, therefore, the Board of Directors has established various policies to improve working environment, welfare and quality of their life based on the guidelines prescribed by law, human rights respect and in accordance with the direction and strategy of the organization.

#### **Policy on labour and human rights**

The Company gives priority to unforced labour and fairness to all employees. The Board of Directors set a policy with following practices to assure its intention to comply with human rights principles:

(1) The Company must operate in line with human rights principles and is obliged to provide all employees with better understanding about the human rights. They are supposed to take this competency as part of their operations and learn to reject activities that violate human rights.

(2) Employees at all levels must learn to understand the laws related to their own duties and responsibilities and adhere to the legal orders strictly. If in doubt, seek advice from superiors or specialised legal counsel. Do not act following the understanding of oneself alone.

(3) When employees have to work abroad, they should learn about the laws, tradition, and culture of the country of destination before departure. This will ensure the staff that their attendance in that territory is not illegal or against tradition and culture of the land.

(4) The Company will use the principle of justice and sincerity in the management on monthly salary, wages and benefits, as well as conditions of employment. Unforced or involuntary labour and child labour are prohibited. Discrimination is not allowed and the Company continues to support the equal opportunity for all employees and the good and proper working environment. The Company is decisive to strictly follow the Acts relating

to labour protection and Thailand's labour standard, as well as other provisions of laws and regulations.

#### **Guidelines for human resources management**

The Company has personnel management for recruiting, selecting, developing, promoting and maintaining knowledgeable and qualified employees, which is considered to be the most important resource of the organization, as well as promoting a positive image within the organization. In order to achieve the goals effectively and effectively in the long run, the guidelines for human resources management have been established as follows:

- (1) Be aware of the fact that employees are treated fairly, and are worthy as part of the organisation.
- (2) Select individuals to employ to any position with fairness on consideration of qualifications, education, experience, physical condition and other criteria essential for the position.
- (3) Assess to reward employees fairly on consideration of status and nature of the work and performance, and based on knowledge and capability of each employee.
- (4) Arrange for annual performance evaluation of individual staff. The evaluation will be conducted by a superior in the working line of each employee based on the Company's regulations and practices.
- (5) Take care of the employees' welfares and maintain working conditions as safe and good hygiene.
- (6) Invite and encourage employees to express their opinions involving improvement for even greater efficiency and effectiveness of their work and the Company.
- (7) Support the Company's policy to give training and seminars, which are necessary for the employees to achieve a higher level of proficiency and skill.

The Company has determined this policy in order to encourage employees to adopt and adhere to the Company's policies for regularity, good relationships, and a better understanding of each other. Various schemes are presence with regard to the security and prosperity of all employees. The Company considers superiors in each department an important organ to handle personnel administration and management, and promote a good relationship between the Company and the employees. And everyone is involved in maintaining companionship among each other.

#### **Policy on Safety and Occupational Health.**

Safety and occupational Health must be priority in the all practices of the employees. It is the Company's basic responsibility and an essential factor to success with sustainable growth. The following policies and practices are given:

- (1) Always in Compliance with laws and regulations related to safety and hygiene.
- (2) Control and limit the risk of unsafe operation.
- (3) Provide protection measures and protective equipment all the while of the employees' work.
- (4) Provide consistent training to prevent accidents and to resolve accidents.
- (5) Establishment of Safety, Occupational Health and Environment Committee to initiate plans, monitor, and evaluate implementations as required by the plans.

### **Guidelines on safety, occupational health and environment**

The Company is committed to prevention of accidents and environmental pollution by complying with laws and regulations related. Improvement has been continually performed to provide safety and environmental hygiene for all employees.

#### 'Five S' Policy

'Five S' has been considered part of the Company's operation. Employees at all levels are involved. Supervisors are responsible for activities and supervision to promote an efficient and productive operation. Consistent improvement has been conducted to provide safety and a better working environment, as well as to raise awareness of great performance for greater operational effectiveness.

The Company's guidelines for safety, vocational health, and environmental hygiene are as follows:

(1) Management and all employees must operate within the Quality Management System relating to Safety, Occupational Health, and Environment, in order to enhance the operational efficiency and effectiveness that would value the Company's business.

(2) Management and staff must adhere to and operate in accordance with the laws, policies, regulations and standards relating to quality, safety, vocational health and environment respectfully.

(3) The Company will carry out all the way to control and prevent different forms of losses caused by fire, accidents, injury or illness from working, or any loss or damage to property. It is considered responsibility of management and employees to report incidents concerning a breach of security system, improper working practices, and error occurrence as set in the functional procedures. All staff must take care of maintaining a safe working environment and follow the procedures and regulations set by the Company earnestly.

(4) The Company will provide a plan on emergency control and prevention for all operating areas. The organisation's emergency and crisis management plans focuses on preparation for and managing emergency incidents that may occur. Arrangement to resolve any crisis that could cause business interruption, damage the corporate fame and image is also deemed necessary.

(5) The Company will launch PR campaigns to create awareness and understanding, and share information among employees and stakeholders involved. This effort aims to build awareness of the policy, regulatory procedures, and precautions in all aspects, including quality, safety, vocational health and environment, as well as how to act in response to emergency without causing harm to health, property and the environment.

(6) The Company will promote awareness of the precept concerning quality, safety, vocational health and environment among employees and encourage them to hold these basis in their daily life practices.

(7) The Company will train employees and expand the roles and responsibilities of supervisors in operational control to secure better safety system and consistent implementation of safety rules.

(8) The Company will improve the safety and environmental measures to meet an international standard for quality of life of working people, and for a better environment.

(9) The Company is involved extensively in social responsibility in terms of quality, safety, vocational health and environment. In recognition of the importance of the environment and the safety of stakeholders and other people involved, the Company works to maximise the use of natural resources, as well as promote social activities to protect the environment and improve the quality of life in the community based on the principles of sustainable development.

### **Employee Remuneration Policy**

The Company has defined employee remuneration policy by pay for performance, which varies according to the performance of both quantity and quality of the work achieved. This is to increase efficiency, quality and fairness in the long run, as well as create a concrete compensation system. Incentivize workers to use their potential more. To work to achieve the goals of the organization.

Annual remuneration and salary adjustments are made after a systematic performance evaluation. Key Performance Indicators (KPI) that promotes the organization's goals is mutually accepted between workers and supervisors in order to create empirical evidence, measurable and assessable. This is combined with the core competency of the organization to achieve the best and good workers at the same time.

The Company considers compensation fairly, where employees with the same performance are paid equally, and employees who do better, more or more difficult are paid higher. The Company has a transparent analysis and valuation of the work. Compare between every job in an organization because everything and all aspects are important to the organization. It only varies with the style of duty.

### **Welfare policy**

The Company has a policy of paying benefits to help ease the burden on employees, such as medical expenses, annual health check, influenza vaccination, employee uniforms and various types of grants. In addition, there is a provident fund that the Company pays employees to support employees to save their money in the long run, and a certain amount of funds if they need to leave their jobs. Employees who are members of the Provident Fund receive contributions from the Company every month at different rates according to the period of membership of each employee. The contribution rate is 5-10% and members can choose to accumulate money into the fund at a rate of 2-15%. When the employee is out of membership, employees are paid contributions, including employee parts, employers and contribution benefits in accordance with the criteria set out in the provident fund regulations.

The Company provides welfare for employees as follows:

- Provident fund
- Annual health check-up by leading hospitals the examination program is arranged individually to suit the job description and age of each employee. Give employees the right to add health check-up items and the right for family members to have health check-ups at a discounted price.
- Accident insurance
- Medical expenses other than social security
- Uniform
- Annual company trip
- Get well gift baskets in case of sickness

In addition, the Company has appointed a welfare committee in the workplace with a 2-year term to be employee representative and center to cooperate between employee and the Company. The committee is for helping and reliving employees'



trouble besides welfare benefits provided by the Company. The welfare committee also provides consultand listens to employees' opinion.

### **Succession Plan**

The Company realizes the importance of the succession plan as a tool for human resource management that is in line with the needs of the organization. Able to assess the availability of manpower and plan recruiting in advance. At present, the Company have a succession plan for important position. And from the plan, the Company has developed the necessary knowledge for persons who are qualified and selected at the higher positions by conducting a curriculum for development of important successors. Also, conduct an Individual Development Plan (IDP) and compulsory courses in order to increase knowledge, ability, skills and competencies to be appropriate and to work more efficiently and effectively to be ready to take the position, as well as to monitor and evaluate the continuity of the succession plan and continue to improve the plan with the process as follows;

1. The agency considers nominating a successor (Succession Plan).
2. The committee jointly scrutinizes and selects the list of successors according to the criteria. By assessing and analyzing the competency, performance level, work performance and past performance , readiness to replace the position and experiments delegating duties in the performance of the work according to the employee's line of work.
3. Human Resources Department, together with the agency, jointly developed a Succession Plan for each individual(Individual Development Plan) before being appointed.
4. Summary of successor development results quarterly and presented to the Board of Directors for consideration

### **Personnel Development Policy**

The Company has a policy of constant development. The objective is to develop the knowledge, skills and expertise, including efficiency in the performance of employees at all levels. The Company is encouraging employees to develop expertise from the practical learning (On the Job Training). New employees are supervised by supervisors in each department who perform as acting coach in any line of work. Training will be provided by the consultants of the Company to transfer experience and additional knowledge to the employees on a regular basis. In addition, the Company will consider arrange for employees and executives in various operations to attend workshops and seminars on subjects related to the operation of each department.

Presently, the Company Promote personnel development by used utilizing human resources development tools. Such as, Competency Development Systems to develop full potential of performance.

### **Training Policy and Guideline**

The Company has conducted employee development at all levels by sending employees to receive training and development with public and private institutions, as well as conducting training in-house training to focus on providing employees with the knowledge, capabilities and skills used in performing tasks in accordance with functional competency

according to the procedures under the Quality and Environmental Management System, and by exploring the need for training and preparing an annual training plan.

### **(3) Customers**

The Company operates business with a focus on delivering quality, safety and providing sustainable energy services to everyone, so the Company focuses on product quality, from raw materials, production processes, as well as analysis, research and development of products to maintain the quality of products at all times. In addition, the Company is committed to maintaining good relationships with customers through activities such as holding meetings with customers to provide information, discuss product development and service to meet customer needs. Public relations to communicate policies such as corporate governance policies Business ethics and anti-corruption policies, as well as providing a whistleblowing and complaint system through the Company's website.

The Company has a policy of treating customers fairly, not exploiting them. Focus on conducting business with integrity, caring for the interests of customers fairly in order to get the best out of the company with the following relevant policies:

#### **Quality policy**

The Company is committed to producing and selling ethanol for the quality fuel according to the standards and aims to ensure confidence and satisfaction in products and services to customers with three principles as follows:

- (1) Continuously develop and improve production processes to be efficient.
- (2) Check the quality of raw materials, chemicals and used water, as well as product quality during production at all stages in accordance with ISO 9001/2015.
- (3) Create awareness and attention to respond to customer needs responsibly, quickly and sincerely.

In 2022, the Company has no cases of violations relating to customer treatment and no significant customer complaints have been identified. In other complaints, the Company has analyzed the causes to correct, prevent, monitor the entire system and apply them to the entire organization so that the defects do not recur.

In addition, the Company has a process of building good relationships with customers by conducting annual customer satisfaction surveys to measure the level of expectations and customer satisfaction and to develop customers' needs to further develop the product. To survey customer satisfaction with products, transportation services and marketing services. In 2022, the Company had a favorable average overall satisfaction survey of 96.62 percent.

#### **(4) Business partners, Creditors and Commercial competitors**

The Company operates its business with integrity in accordance with the framework of competition with fairness and transparency in its operations under the scope of the law, adhere to business ethics and strictly comply with the established commercial conditions and contracts. In addition, it takes into account the importance of intellectual property by establishing clear guidelines for preventing and not infringing the intellectual property of others. It is the responsibility of all executives and employees in the organization to comply with such policies.

In 2022, the Company did not violate any laws or commercial conditions relating to trading partners, creditors and commercial competitors.

##### **Guidelines on the treatment of business partners and creditors**

(1) Not ask for, not receipt or pay any dishonest benefits to partners and/or creditors. If there is information that any dishonest calls or receipts or payments of benefits have occurred, we will not be able to accept any of the benefits. Details should be disclosed to partners and/or creditors and jointly resolve the issue fairly and quickly.

(2) Strictly comply with the terms and conditions to the partners and/or creditors. In the event that any terms of the agreement are not fulfilled, the partner and/or creditor must be informed in advance to jointly consider a solution and prevent the damage from spreading out.

(3) Report accurate and on-time financial information to creditors regularly.

(4) Establish relationships and understandings in the right way and transparently.

##### **Guidelines on the treatment of commercial competitors**

(1) Act within the legal framework and encourage fair competition.

(2) Do not seek confidential information from commercial competitors through dishonest, illegal or inappropriate means, such as paying employment to competitors' employees, etc.

(3) Do not act unfairly or attempt to discredit commercial competitors by accusations or imputation without truth.

#### **(5) Government agencies or regulators**

The Company operates business to strengthen and develop the country's prosperity by adhering to the law, the rules and regulations involved and strictly comply with the general business traditions. The Company also cooperates fully with governments and regulators to build accurate understanding and develop the renewable energy industry to be the sustainable energy of the country in all its forms, including news exchange, linking and exchanging technology with foreign entrepreneurs, commenting for industrial development participation in lectures to build correct cognition, etc.

### **Guidelines on the treatment of government agencies or regulators**

(1) Strictly comply with laws and regulations issued by relevant government agencies or regulators.

(2) Refrain from any action that would assist, support or allow the evasion of compliance with laws or regulations issued by the relevant government agencies or regulators.

(3) Cooperate with relevant government agencies or regulators

In 2022, the Company has strictly adhered to the requirements of the regulators.

### **(6) Community, Society and Environment**

The Company operates its business with transparency and fairness, adhering to responsibility to the community, society and environment in accordance with good corporate governance principles and business ethics as well as strict compliance with relevant laws. The board of directors has established a policy on community, society and environment responsibility are as follows:

#### **Policy on community, society and environment responsibility**

(1) Not conduct business and or take any action that will damage the reputation of the country, natural resources and the environment and or to society as a whole.

(2) Support activities that benefit communities and society as a whole, focusing on environmental protection as well as local customs and traditions.

(3) Educate awareness and responsibility for the community, society and the environment as a whole to be continuously and seriously among employees of all levels, as well as to enhance quality and ensure safety for the community by conducting themselves and cooperating with the government.

(4) Perform and control all activities in compliance with related laws and regulations.

(5) Not to cooperate with or support any person who does illegal business or poses a threat to society and national security, as well as against all forms of corruption.

In addition, the Company has focused on the participation of society and communities along with environmental protection. Since 2017, the Company collaborate with community leader, director of health promotion hospital and representatives of the villagers around the ethanol production factory at Suphanburi province to found the committee of "Cooperation for Community Development Social and environmental sustainability" to jointly develop communities along with the Company's operations to grow sustainably together.

### **Anti – Corruption Policy**

Thai Agro Energy Public Company Limited (“The Company”) is committed to resist all forms of corruption. Therefore, the Board of Directors has established all forms of anti-corruption policy to raise awareness for directors, executives and employees of the Company at all levels to aware of the perils of corruption. Create the right values and increase confidence in all stakeholders in order to develop the organization to be sustainable in the long run, this anti-corruption policy and practices are not allowed. referee administrator All employees at all levels must be strictly adhered to. Directors, executives and all employees must be strictly adhered to this anti-corruption policy and guidelines.

The Company has a policy of prohibiting directors, executives and employees at all levels operate or accept corruption in all forms, directly or indirectly, covering all businesses domestic and abroad and all related entities. The Company regularly audits or reviews of anti-corruption policies as well as reviewing the best practices and requirements for action to comply with the business changes, regulations and provisions of the relevant laws,as follows:

(1) The Company's directors, executives and employees at all levels must comply with anti-corruption policies and business ethics without getting involved in corruption matters, whether directly or indirectly, such as conflicts of interest, bribery, payment of fees for privileges, intimidating abuse of power, violations in the Company's assets, financial reports, etc.

(2) Employees of the Company at all levels should not be ignored when they see fraudulent activity related to the Company. The Company must be informed through the designated channels and cooperate in the investigation of various facts. If you have any questions, consult with the persons designated by the Company to be responsible for compliance with business ethics through various channels designated.

(3) The Company will provide fairness and protection to employees who report corruption related to the Company by using measures to protect the complainant or those who cooperate in reporting corruption according to the Company set out in the whistleblowing or complaint requirements and practices of stakeholders.

(4) Those who commit fraudulent acts are business ethics offenses which must be disciplined in accordance with the regulations set forth by the Company. In addition, it may be punishable by law if the offence is illegal.

(5) The Company recognizes the importance of disseminating, educating and understanding other persons who must perform duties related to the Company in order to comply with the Anti-Corruption Policy.

### **Guidelines on reporting fraud or breach of law.**

The Company has defined measures and procedures for the management to report to the Board of Directors and Audit Committee immediately in an occurrence of fraud or suspected fraud or a breach of laws, or other unusual actions, which may

significantly affect the reputation and financial position of the Company. The fraudulence includes:

- (1) Practices that cause conflicts of interest
- (2) Fraud or irregularity or a significant deficiency in internal control.
- (3) Violation of the regulations of the Securities and Exchange Commission and The Security Exchange of Thailand and other laws related to the Company's business.

The Board of Directors is responsible to remedy the situation and eliminate any impact caused by the incident immediately, including seeking measures to prevent such incidents.

#### **Policy on giving/receiving gifts, assets, or other benefits**

Aiming to encourage the Company's management and employees to be aware of the anti-corruption principles, the Board of Directors has set guidelines and engaged in cultivating moral values into the staff members. Neither acceptance nor support of illegal actions or wrongful exploitation that will harm operations or reputation of the Company are allowed. Guidelines are given as follows:

(1) Prohibit directors, executives and employees to claim or receive gifts, assets, or any benefit from customers, suppliers, or from individuals and businesses associated with the Company, whether for personal or other individual's interest. The prohibition must be applied intensely and with no exception whatsoever since the practice may influence decision to operate unfairly causing bias or embarrassment that could lead to a conflict of interests.

(2) Gift receipt or gift giving on traditional occasion or festival must be of little value or without unreasonably excessive prices, such as souvenirs or promotional premiums. All employees should make their own judgement on this matter. If not sure, then consult or seek advice from their superiors. Always take into consideration the intention of the donor and recipient on this matter to determine the appropriate deed.

(3) Receiving or giving gifts of cash, checks, vouchers, gold jewelry or valuables shall be deemed extremely inappropriate. This shall be presumed to be wrongful exploitation due to job responsibilities.

#### **Measures for a violation or failure to comply with Anti-Corruption policy and practices.**

(1) If the Company's directors and the first 4 executives, according to the definition of the Securities and Exchange Commission (SEC), violate or fail to comply with this policy, the Company will set up an investigative committee to conduct a fact-finding investigation into such actions without delay. However, the Investigative Committee consists of all independent directors of the Company. In the event of there are directors who violate or fail to comply with this policy as independent directors. The independent director is prohibited from joining the committee at that time.

In the event that the directors are proving that they violated or failed to comply with the policy, the committee shall consider the penalty based on evidence of the facts

and environmental circumstances as appropriate in each case and report the results of the investigation, including the penalty, to the Board of Directors (with the exception of directors who violate or do not comply with anti-corruption policies and practices). However, If violating or failing to comply with such policy is illegal, then the penalty shall be imposed by law.

(2) If the Company's executives and employees violate or fail to comply with this policy, there will be a disciplinary action in which the method of punishment will depend on the facts and environmental circumstances. However, this is If violating or failing to comply with such policy is illegal, then the penalty shall be imposed by law.

The Company has no policy of reducing punitive positions or giving negative results to employees who deny corruption, even if such actions cause the Company to lose business opportunities.

### **Whistleblowing or complaints**

The Board of Directors has established a policy on whistleblowing or complaints of stakeholders in accordance with the Principles of Good Corporate Governance in order to have the following stakeholder engagement mechanisms:

Any stakeholder wishes to contact the Board of Directors directly without going through the Company's executives to express opinions about business operations including whistleblowing or complaints such as incorrect or unethical frauds, such as corruption or illegal conducts as well. Stakeholders who wish to contact directly to the Company, you can send your message to the Audit Committee at the following addresses:

- **Postal mail**  
Chairman of the Audit Committee  
27/1 Phaholyothin 37, Khwaeng Ladyao, Chatuchak District,  
Bangkok 10900
- **Company's website** <http://www.thaiagroenergy.com/anticorruption>
- **Intranet** <http://www.intranet.com/TAE>
- **By phone**, contact the Internal Audit Department Manager 092-299-5663
- **E-Mail** : [padetpai@yahoo.com](mailto:padetpai@yahoo.com) and/or [suphachai@thaiagroenergy.com](mailto:suphachai@thaiagroenergy.com)

### **Protection of whistleblower**

The Company establishes policies and guidelines for protecting whistleblowers of offenders. The whistleblower's information will be kept confidential and the information has been kept confidential by the person who receives information from the performance of the duties related to the matter. It is responsible for the preservation of information. Complaints and documents of evidence are confidential. Do not disclose unless it is disclosed in accordance with the duties required by law.

Stakeholders who provide whistleblowers or complaints in accordance with paragraph one of the above do not disclose their names, and the Company has established measures to prevent whistleblowers or complaints in the protocols,

whistleblowing or complaints are not considered disciplinary, although such actions may cause damage to the Company.

#### **The action procedure upon receiving complaints**

(1) The Internal Audit Department registers for complaints or whistleblowing received from the Chairman of the Audit Committee or from other channels.

(2) Chairman of the Audit Committee informed the management to appoint an investigative committee.

(3) The Investigative Committee conducts fact-finding investigations by gathering information and documents. Evidence including investigating the relevant parties for conclusions, then prepare a summary report of the executive proposal for consideration and directment and presented to the Chairman of the Audit Committee for knowledge.

(4) Summary report of the operation. Close the complaint and report the result back to the complainant. When the investigative committee completes the completion of the order, the internal audit department shall notify the complainant of the response (in case the complainant wishes or is known by name).

(5) Control and follow-up. The Internal Audit Department is responsible for monitoring the performance of the relevant authorities to whether they comply with and comply with the new established or directed procedures. However, this is The results must be reported to management and the Chairman of the Audit Committee for further information.

(6) The Audit Committee shall report the results of the investigation of clues or complaints to the Board of Directors and consider further.

#### **Measures for corrective and compensation for damages**

In the event that the stakeholder is damaged by a violation of legal rights. The Company welcomes comments or complaints by immediately correcting defects or consequences, as well as seeking measures to prevent such incidents from happening again, and will consider compensating the abusers appropriately according to the cause and effect of each case.

#### **Dishonest complaints or whistleblowing**

In the event that the Company finds a dishonest complaint or whistleblowing. If the whistleblower or complainant is an employee of the Company, disciplinary action will be imposed and in case of a third party, if such action causes damage to the Company, the Company will consider legal proceedings against such persons.

#### **Chapter 4 : Disclosure and Transparency**

The Board of Directors shall disclose essential information of the Company such as financial and non-financial information and other significant information in both Thai and English accurately, adequately and transparency in ample time, and follow strictly in accordance with rules and regulations regarding disclosure of Securities and Exchange Commission and Stock Exchange of Thailand. Investors and all stakeholders, both



domestically and internationally, can access information equally, which is reliable and sufficient, for making decisions through SET Portal of the Stock Exchange of Thailand and the Company's website under the investor relations section ([www.thaiagroenergy.com](http://www.thaiagroenergy.com)). In 2022, the Company disclosed the significant information as follows;

- Disclosure of Financial Statements and Form 56-1 One Report / Annual Report, through SET Portal of the Stock Exchange of Thailand and on the Company's website in both Thai and English, the information always keeps updated.

The management is responsible for the financial statements, financial information and financial reports which was prepared in accordance with accounting standard including the internal control system and asset safeguard system. The Audit Committee is responsible for quality of financial report and suitability of the internal control environment managed by the Company's management which is an effective system. Hence, the Management ensured that its internal control environment and current internal control system was making the financial report and corporate property management as of December 31, 2022 reliable one.

The Board of Directors is responsible for the financial statement of the Company and financial information disclosed in the annual report by providing financial report and report of the Board of Directors' responsibilities for financial statements so that the information presented in the financial statements is accurate and in accordance with accounting standards and is reviewed by independent auditor. In 2022, the Company submitted the Quarterly and Annual Financial Statements accurately, completely, and timely as required by laws and regulation.

- Disclosure of Corporate Governance Policy and Business Ethics, Anti-Corruption Policy, Sustainability Policy which the breakdown details include: Human Right Policy, Disclosure Policy, Manual, Measures, Guidelines for Human Right Policy, Whistleblowing and complaints, Quality, Safety, Occupational Health and Environment Policy and Community, Society and Environment Responsibility Policy including the reason for not being able to comply with said policy in Form 56-1 One Report / Annual Report 2022, sustainability report and corporate website ([www.thaiagroenergy.com](http://www.thaiagroenergy.com)).

- Disclosure of Shareholding Structure and Report of Securities Holdings of Directors and executives including spouses and underage children. The reports is arranged in accordance with laws; relating to directors and executives, and reported to SEC as follows;

- Report of Holdings of the Company's Securities when being appointed as director or executive for the first time. The report (Form 59-1) must be submitted within 3 working days from holding the position.

- Report of Changes in the Holding of the Company's Securities every time when buying, selling, transferring or receiving transfers. The report (Form 59-2 through SEC's online system.) must be submitted within 3 working days from transaction date.

- Information with Representation and Warranty of the Company's Director and executive and their consent. The report (35E-1) must be submitted within 7 working days from holding the position.

- In addition, the Directors and Executives including spouse and underage children are requested to report the Company's Securities Holdings once a month as a regular agenda at the Board of Directors' meeting and summarizes reports to the Board of Directors once a year for acknowledgement. The 2022 report was disclosed in Form 56-1 One Report / Annual Report 2022 in the appendix and on the Company's website ([www.thaiagroenergy.com](http://www.thaiagroenergy.com)).

- Disclosure of Role and Responsibility of the Board of Directors and Subcommittee, number of meeting, the 2022 attendance record of each person including continuing professional training and development of the Board is the topic "Corporate Governance Report" in Form 56-1 One Report / Annual Report 2022.

- The Board of Directors and Executives are required to submit the report on the interests of themselves and related persons who are interested in the business management of the Company with measures and policy to comply with the criteria defined as follows;

- Report when being appointed as director or executive for the first time.
- Report every time when there is a change of interest.
- Report every year-end
- In case of termination and reappointment as the Director in a consecutive way, the Director shall not submit new report if there is no change of interests.

In 2022, there was no change in the report on the interests of directors and senior executives.

- Disclosure of Auditing fees and other services fee provided by the auditor is in the Annual Report 2022 (Form 56-1 One Report).

- Disclosure of Directors Remuneration and the form or nature of the compensation has matched with the industry' standard and also reflect the responsibilities and responsibilities of each person. The amount of remuneration shall be approved by Shareholders and disclosed in the Annual Report 2022 (Form 56-1 One Report).

- Disclosure of Executives Remuneration and the form or nature of the compensation such as salary, bonus and others depends on responsibility and accountability which is according to corporate performance, and comparison with other companies in the same industry is disclosed in the Annual Report 2022 (Form 56-1 One Report).

- The Company has a policy on related party transactions as required for business efficiency and cost management, which has been done fairly according to the market price and in the normal business. Such transactions must be considered by the Audit Committee and approved by the Board of Directors to eliminate conflicts of interest carefully, reasonably and for the best interest of the Company and Shareholders. The Company has disclosed the approved transactions (if any) in the Annual Report (Form 56-1 One Report) which is in accordance with the rules of the Stock Exchange of Thailand and the Securities and Exchange Commission.

In 2022, The Company does not have the related party transactions that must be approved by the Board of Directors.

### **Guidelines on the Use of Information Technology and Communication**

Information technology and communication systems are important factors that promote business operations and increase productivity. Therefore, the Company defines it as the collective responsibility of all employees to use information technology and communication systems under the regulations of the law, orders and standards set by the Company as follows:

(1) The Company has arranged the security management of information systems by issuing the Company's order for the Company's employees to comply with the laws governing the use of such computers.

(2) All employees have duties and adherence to the following duties:

(2.1) Must comply with copyright law, computer related law, regulations and orders of the Company in relation to the use of information systems.

(2.2) Must not infringe on the copyright, software or intellectual property of any other person.

(2.3) Do not use programs owned by the Company for personal use or to others other than the Company's employees, use it for commercial gain or reproduce, publish, changes or fix everything in all respects and otherwise without permission.

(2.4) Do not use the Company's own and other's e-mail to send or transmit information or messages that have a detrimental effect on security of national, religion, monarchy, private message, messages containing content that is credulous, not creative, chain letters, intimidation, information containing computer viruses outside or within the Company, and do not falsify messages in the Company's e-mails without exception.

(2.5) Do not use the Company's e-mail system to disseminate news or information of the Company to third parties, except for those who are responsible for authorized public relations.

(2.6) Do not download all types of files without permission and do not use local networks for entertainment purposes or avoid decreasing the efficiency of other people's traffic and transmission.

(2.7) Computer networks must not be used for illegal purposes, against order, morality, commerce, disclose confidential information and express personal opinions.

(2.8) The use of computers or personal communication devices that need to connect to the Company's network must be approved by the Chief Executive Officer.

(2.9) The use of the computer in the Company or the use of notebooks outside the Company shall be set up to have a password entered. Passwords must be kept confidential and should be changed regularly at least every 3 months.

(2.10) Programs that can monitor or intercept data on networks must not be installed unless authorized by the Chief Executive Officer in special circumstances for compliance with applicable laws and regulations only.

(2.11) The responsible computer and equipment must be maintained in good condition and proper use.

(3) The Company will monitor, follow-up, investigate, and control the employees' use of the IT systems. The practice aims to detect for doubtful or improper usage or potential to cause damage to the Company, in order to protect the security of the Company's information systems.

(4) If the Company finds that an employee has violated or failed to comply with the Company's regulations and order, the violator will be considered having disciplinary punishment, and/or be punished by law as appropriate on a case by case basis.

#### **Guidelines on prevention of the use of inside information**

The Company has defined measures and guidelines to prevent exploitation of the Company's inside information that has not been disclosed to the public for personal or other individual's own benefit.

(1) The Company has notified the Board of Directors and other executives to be aware of the obligation to report their shareholdings in the Company of their spouse, minor children, and persons holding securities by proxy. They must as well report changes in shareholdings to Securities and Exchange Commission and be noticed of penalties defined by laws under the Securities and Securities Exchange Act. The agenda has been set for directors and executives to report their holdings in the Company as well as spouse, minor children and persons holding securities on their behalf shall be notified to the Company at every meeting of the Board of Directors.

(2) "Executive" means the directors as defined by the end of this chapter and shall include persons holding management positions in accounting, finance, or a manager level and above or equivalent.

(3) The Company prohibits directors, executives, managers, and employees who have access to the Company's inside information from disclosing the internal confidences to third parties or the personnel who are not involved, and prohibits trading in securities of the company during one month before the launch of the Company's financial statements to the public.

(4) The Company prohibits directors, executives, managers, and employees from exploiting the Company's inside information that's not revealed publicly and is essential on changes of the Company's share price, to seek personal gain and/or for trading of the company's securities. The company will proceed legal action against offenders and will provide disciplinary punishment to the violators reasonably and on case by case basis.

(5) In case that directors, executives, managers, or employees are charged with a criminal offense under the Securities and Exchange laws, the company will give the offenders severe penalties, either singly or as a combination.

(a) Reduce salaries or wages, compensation, and other benefits.

(b) Terminate, fire or remove from the position of director, executive, manager, or employee since the action is intentionally causing damage to the Company. If the offender is one of the Board of Directors member, the Company must raise the issue in the Meeting of Shareholders to consider punishment.

(c) Notify the incident to the Stock Exchange of Thailand and/or the Securities and Exchange Commission (SEC).

(d) Report the case for a legal prosecution.

(e) Carry out other matters according to the resolutions by the Board of Directors or shareholder's meeting of the Company.

The Company expects its directors, executives and employees at all levels honestly report to their superiors on performances which are, or suspected, contrary to the principles of the use of the Company's inside information in for one's own benefit. It is the responsibility of those superiors to monitor and guide subordinates to utilise the internal data in compliance with the principles correctly.

In 2022, there are no cases in which the Company has been fined penalty or take civil action by regulatory authorities such as SEC or SET regarding the trading of shares using inside information from directors or executives of the Company.

#### **Guidelines on confidentiality**

The Company has taken measures and guidelines on the treatment of trade secrets which are significant to the Company's business and can not be disclosed to the public.

#### **Confidentiality of the Company**

(1) Board of Directors, management and employees are required to maintain the confidentiality of information and documents that can not be disclosed and/or trade secrets, including the invention of the formula, which is the right of the company exclusively.

(2) Directors, executive officers, employees, and other staff members of the company will not disclose confidential information and documents, or trade secrets, for the other two years after their resignation.

(3) The management and employees must know the procedures and practices concerning information security, and must follow the rules strictly to prevent confidential information to be accidentally exposed.

#### **Classification of secret information**

(1) Trade secrets of the Company must be concealed from leaking. Classification was set based on how important the data is, such as disclosable information, concealed information, confidential information, and top secret.

(2) The shared usage of the inside information must be practiced within the framework of duties and responsibilities of staff members as assigned only.

#### **Providing information to third parties**

(1) Only directors or executive members who are assigned by the Company are able to give approval for the information to be disclosed to the public.

(2) Disclosure to other joint investors must be approved by a joint venture as well.

(3) To meet the requirements of SET and/or other relevant laws governing the disclosure of listed companies, the Company has determined that individuals who desire

information from the Company can approach the Company Secretary to obtain the information.

#### **Commenting on outsiders**

Typically, executives and employees of the Company must not disclose or give opinions to outside individuals. The management and employees should ask oneself whether it is their duty to answer questions from outsiders or not. If not, all are advised to refuse to express views or comments with courtesy and give advice to directly contact agencies as mentioned above.

### **Chapter 5 : Board of Director Responsibility**

The Board of Directors have an important role in corporate governance of the Company. therefore, the appropriateness and clarity of the Board Structure and the authority and responsibility are essential to performance effectively. The person to be appointed as the Company's director must be visionary, competent, experienced, independent and must devote time to perform their duties completely for the best interest of the Company and shareholders as a whole. In addition, the Board of Directors should appoint the sub-committees to assist in supervising and screening the work as necessary in order to ensure that the Board Structure is suitable for business conditions and enhances the efficiency of the Board of Directors' performance. The Board of Directors has established policies and guidelines regarding the Board's responsibilities in various matters as follows;

#### **Strategy, Policy and Business Directions**

The Board of Directors is responsible for formulating policies, strategies, business plans, short-term and longterm goals and reviewing the vision and mission at least once a year in accordance with the business situation including promoting innovation and supporting the technology implementation in business operations to enhance the business's value. The Board of Directors should agree on the Key Performance Indicators (KPIs) proposed by the management and oversee their performance to achieve the goals and plans as specified.

#### **Good Corporate Governance and Business Ethics**

The Board of Directors is responsible for governing the Company to have a good corporate governance policy, Business Ethics, Compliance Policy in accordance with the laws and regulations in order for the directors, executives and employees to adhere to their works with standards, ethics, transparency and accountability and to maintain the rights of the Stakeholders according to their basic rights equally including prioritizing to anti-corruption throughout the business operations. The Corporate Governance Committee is assigned to govern the Company's operations in accordance with the aforementioned policies, laws, objectives, regulations and the resolution of the Shareholders' meeting strictly.

### **Internal Control and Internal Audit**

In order to provide the Company and its subsidiary with an efficient and standardized internal control system and acceptable risk management by taking into account the appropriate control environment. The Board of Directors therefore assigns the Audit Committee and the Internal Audit to regularly review and monitor the results of the internal control, communicate sufficient and reliable information both inside and outside as well as regularly monitor and evaluate so as to optimize operations, reporting and compliance with applicable laws and regulations and to build confidence among the executives, investors and stakeholders as disclosed in the 2022 Annual Report (Form 56-1 One Report) under the topic "Internal control".

### **Risk Management**

The Board of Directors oversees the Company to establish an effective and reliable risk management policy and system. The Board of Directors approved to appoint the Risk Management Committee to respond for formulating policy and risk management framework to be appropriate and consistent with the business plan policy as well as providing relevant comments and suggestions. The Risk Management Committee is responsible for overseeing the Company's risk management throughout the organization to enable risk management to be efficient and effective by analyzing and assessing the surrounding risks both external and internal factors that may affect the business goals and prepares a risk management plan that specifies risk management measures with the acceptable risk levels. The Company has organized risk management meetings regularly. The Risk Management Committee shall report to the Board of Directors at least once a quarter.

### **Conflict of interest**

The Board of Directors has established a policy on related transactions and connected transactions as well as guidelines on such transactions for directors, executives and employees to comply with caution in order to prevent any transactions that violate the rules set by the SEC and the SET. The Directors and Executives as defined by the SEC are responsible to report their interests and personal interests to the Company. In addition, the Company has gathered all information and prepared as a database for other departments to be used as a guideline in considering the Company's transactions so as not to make an error. Details are disclosed in the topic "Corporate Governance Report"

### **Nomination of Directors and Top management**

#### **Nomination of The Company Directors**

The Nomination and Remuneration Committee (NRC) has criteria for selecting directors based on the nature of the Company's business operations and strategy, the Company has determined the qualifications of preferred directors to be appropriate and in line with the Company's business strategy. It considers the skills required and lacking, and there is a diversity policy in the structure of the board in terms of professional skills, specialized expertise, knowledge and experience in consideration to identify the right person to benefit the Company as a director.

The composition, nomination, appointment, removal or termination of office of directors are set out in the company's articles, which can be summarised as follows:

(1) The Board of Directors shall consist of not less than five directors, and not less than one-half of the directors must be resident in the Kingdom. All must be qualified under the laws.

(2) The meeting of shareholders appoint directors, according to the rules and procedures below.

(a) A shareholder has one vote for each share held.

(b) Each shareholder can vote to appoint one or several persons to be directors, in the event of appointing several directors, a shareholder can offer his/her votes no matter how many to any or several candidates.

(c) A candidate who receives the highest votes in descending order are elected as directors of the Board of Directors in a number that shall have a casting vote at that meeting. If the number of persons, elected in descending order having tied with each other, larger than the number of directors appointed or elected at that time, the Chairman must cast the arbitrary vote.

(3) One-third of the current directors in the Board of Directors must be retired in the annual general meeting of shareholders every year. If the number cannot be divided into three parts, consider using the number nearest to one third. Use raffle drawing to decide which directors to be retired in the first and second years after the company's being listed. For the subsequent years, the directors who are in office for the longest time shall retire. Directors retired by rotation may be reelected to the post one more time.

(4) Any director who wish to resign from the post shall submit his/her resignation to the company. The resignation is effective from the date of resignation arrives to the company.

(5) In case that the a position in the Board is vacant, due to reasons other than retirement by rotation, the Board may appoint a qualified person, who has not prohibition under the laws concerning public companies, and/or regulations of the Securities and the SET, to be a director to replace the retired person in the next Board meeting. If time in the term of the vacant position is less than two months, the new member will be in the position for the duration equal to the remaining time in the term of the replaced one.

Resolutions of the Board shall be made by votes of not less than three-fourths of the remaining directors.

(6) The meeting of shareholders may vote for any director to retire from office before the expiration of the term, by the vote of not less than three-fourths of the shareholders present at the meeting and entitled to vote, and holding shares amounting to not less than one-half of the shares held by the shareholders present at the meeting and entitled to vote.

#### **Nomination and Appointment of Independent Directors**

The Nomination and Remuneration Committee (NRC) will consider the number of independent directors against the Board composition to be consistent and in accordance with the requirements of the SEC, whereby the number of independent directors must not be less than one-third of the total number of directors. An Independent director must



be qualified and independent in accordance with the regulations set by the Capital Market Supervisory Board.

#### **Appointment of an advisor to the Board of Directors**

The Board of Directors may appoint a qualified person with knowledge, capability and experience as advisor to the Board of Directors to provide advice in various areas related to the Company's business operations.

#### **Nomination and Appointment of Top Executives**

The Board of Directors assigned the Nomination and Remuneration Committee to be responsible for selecting qualified persons with knowledgeable and experiences that is beneficial to the Company's operation to be the Chief Executive Officer and senior executives from the level of director upwards and proposing to the Board of Directors for approval. The Corporate Governance Nomination and Remuneration Committee has considered and screened qualified persons with suitable qualifications, knowledge and abilities, skills and experience that is beneficial to the Company's operation. However, such person must have good understanding of the business and the ability of management to achieve the objectives and goals set by the Board.

#### **Remuneration for Directors and Executives**

The Company has a remuneration policy to pay for directors and executives at an appropriate level and consistent with the Company's strategy, goal, operation results and comparable with the same business or industry and according to their duties and responsibility. The directors who are assigned to be sub-committees, which has increased duties and responsibilities, should receive appropriate remuneration according to the duties and responsibilities assigned to them. To comply with good corporate governance principles, the Company should have a clear policy and remuneration criteria. The Board of Directors considered and approved the remuneration policy for Directors and the Chief Executive Officer to be a guideline in determining remuneration fairly and reasonably. Director remuneration should consist of monthly remuneration, meeting allowance and bonus. The remuneration for Chief Executive Officer and top executives is in accordance with the principles and policies set forth by the Nomination and Remuneration Committee in the form of salary, provident funds and bonus which are considered based on the Company's performance in line with its annual strategy as well as guidelines and standards of other companies which has similar size of business by having an annual performance evaluation based on roles, duties and responsibilities of each executive. The Nomination and Remuneration Committee is responsible for consideration the suitability of both short term and longterm remuneration and annual salary adjustment for the Chief Executive Officer and present to the Board of Directors for approval whereas the Chief Executive Officer will consider the suitability of the remuneration and annual salary adjustment reflecting the individual performance of each executive. The remuneration of the Board of Directors considered by the Nomination and Remuneration Committee will be presented to the Shareholders' meeting for approval. Remuneration for directors and executives is disclosed in the Form 56-1 One Report / Annual Report in the topic "Director Remuneration" and "Remuneration Policy for the Executive".

#### **Board Independence**

The Board of Directors is independent from the management in conducting overall business governance and providing opinions on the strategic direction to be used as a guideline for business plans and action plans as well as regularly monitoring the performance results of the Company and the sub-committees to ensure that the Company can achieve its goals.

### **Directors and Executives Development**

In order to obtain the Board of Director's efficiency in the operation, the Board of Directors has a policy to encourage the Directors and Executives to have received training courses that are beneficial to the performance of duties continuously with both in-house training and external training in other organizations such as Thai Institute of Director (IOD) and overseas trainings by assigning the Company Secretary to consider the necessary training courses for each director involved in the duties and responsibilities of each director continuously in order to bring knowledge and experience to develop the organization towards. For executive development, Human Resource Department has policies and development plans for the executives individually to develop personnel in the organization to have potential and readiness for work in accordance with the Company's succession plan and expansion plan.

### **Succession and Development Plans for Directors and Executives**

(1) The Board of Directors shall take steps to ensure that the Company has appropriate recruitment and selection procedure for staff or employees to assume the duties and responsibilities in key administrative positions at all levels.

(2) The Company has senior executives who are secondary to CEO to carry out the work if the CEO is unable to perform his duties.

(3) The Company has set following development plans for its directors and management:

- (a) The Company has a policy to promote and facilitate educational accomplishments among the directors with the ongoing training courses delivered by Thai Institute of Directors Association (IOD) and other courses. This helps to enhance the understanding of director roles and, at the same time, these directors will be fully aware of the Company's business nature.
- (b) The Company continually promotes education among its executives and employees, such as the Company Secretary, audit staff, and accountants, etc. training courses related to regular work are given to enhance their knowledge and ability to catch up new techniques all the time.

### **Evaluation of the performance of the Board of Directors**

The Board of Directors has set guidelines and provide evaluation of its own performance of the entire Board on an annual basis. Each year, an assessment topic is modified appropriately to the situation of the company. The evaluation will be conducted on four main topics — Structure of the Board, The Company's Strategy and Direction, Monitoring and Evaluation of the Management. Responsibilities and Duties of the Board. The aim is not set to evaluate the performance of any individual director. The evaluation has determined for the assessment operator to identify the strengths and weaknesses and functions that need improvement. The evaluation objectives are as follows:

- (a) To consider reviewing the results problems and obstacles during the past year.
- (b) To ensure more effectiveness in the function of the Board, resulted from the full awareness of their responsibilities.
- (c) To help improve the relationship between the Board of Directors and management.

- (d) The Board will jointly consider the evaluation result and define guidelines for the improvement of Board's functions in the coming years.

For the evaluation criteria, the percentage is calculated from the full score of each item as follows;

Score	Meaning
(1) From 90 percent or more	Excellent
(2) From 70 percent or more	Very Good
(3) From 50 percent or more	Good
(4) Less than 50 percent	Need Improvement

In addition, the Board of Directors ensures that the Chief Executive Officer has been evaluated and reviewed performance annually.

### 6.2 Business Ethics

The Board of Directors ensures that the executives and all employees understand the ethical standards that the Company adheres in conducting the business in order to achieve objectives, goals, vision and to create value for the organization. Manual of Business Ethics has been made in writing and regularly reviewed every year as well as announced and communicated to everyone for acknowledgement and adherence to business operation. It is in the Company's orientation program. The Company also organizes activities on this issue regularly to instill employees to have conscience in this regard.

The Board of Directors Meeting No. 13/2022 considered and reviewed the employee handbook including Sustainability Policy, Corporate Governance Policy and Business ethics and Anti-Corruption Policy in order to be suitable for the current business situation and environment that may be changed. The Company also publishes such policy documents and employee orientation training documents through the Company's INTRANET system to encourage all employees to adhere to the same practices. In addition, the Company has communicated the above policies to stakeholders, partners and related entities. The Company aims to create sustainability in the business together. The Company also communicates whistleblowing channels and complaints such as website pages, telephones, faxes and hearing kiosks to listen to the impact and expectations of stakeholders inside and outside the organization.

### 6.3 Major Changes and Developments of Policy, Practices and Corporate Governance in the past year.

The Board of Directors' Meeting No. 13/2022 on December 15, 2022, reviewed the Corporate Governance policy and considered the results of the CG Code implementation proposed by the Corporate Governance Committee in order to ensure that the operations is in line with the said practice appropriately to the business. For practices that are not suitable for the current business context, the Board of Directors considered the appropriate alternative measures. In the year 2022, there are issues that the Company has not implemented according to the principles of good corporate governance into business operations as follows:

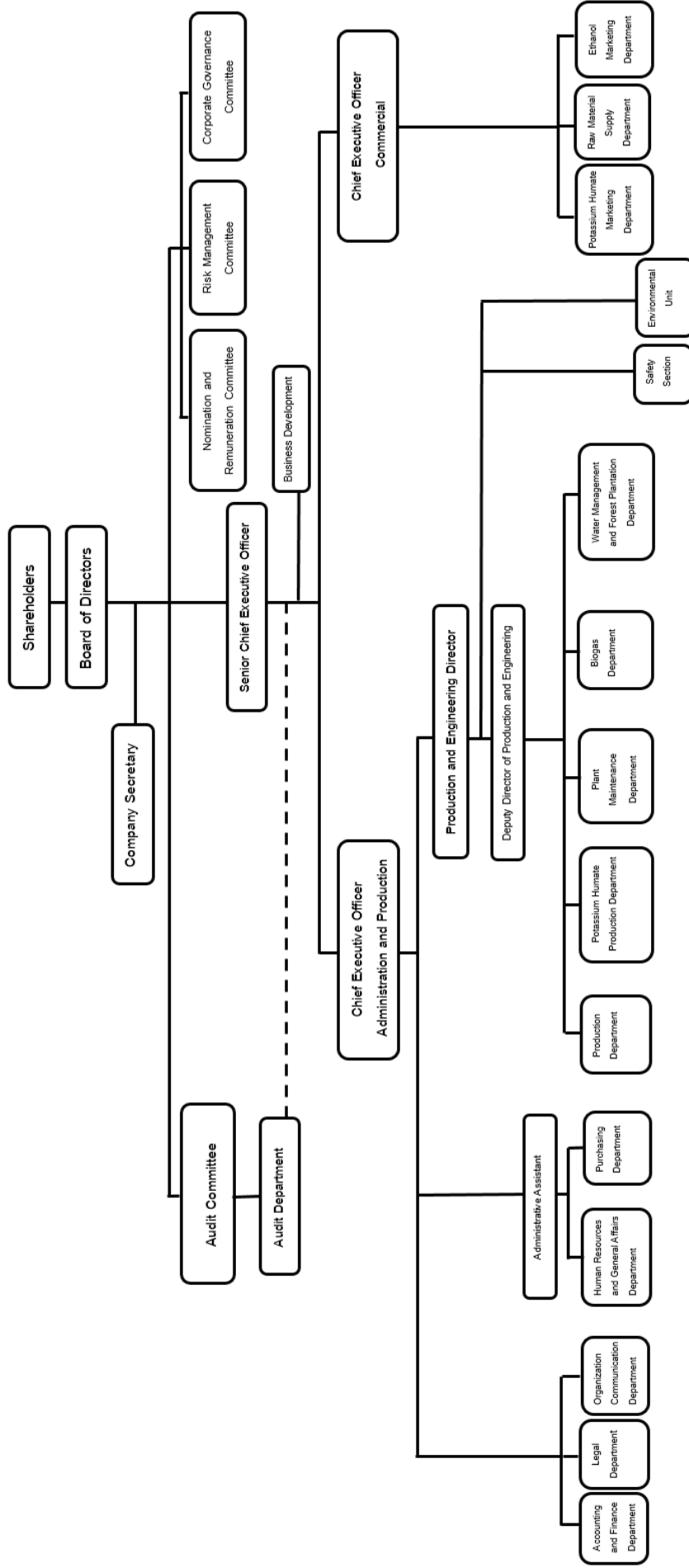
Principles	The Company's Explanation
(1) The Board of Directors should determine the number of listed companies in which each director may hold a position of no more than five without exception.	Although the Company has not yet determined the number of listed companies that each director will serve, everyone has allocated appropriate and sufficient time for the Board of Directors' meetings for the management to propose matters and sufficiently for the directors to carefully and thoroughly discuss important issues. The directors can also exercise prudent discretion and give their opinions freely without any dominance of any person.
(2) The Board should clearly state the term of office of independent directors in the corporate governance policy, which should be no more than 9 years without exceptions.	The Company has not yet set a term of office of an independent director for no more than 9 years without exception. However, independent directors who have served more than 9 years can express their opinions independently and still meet the Company's independent directors' qualifications with a wide range of expertise. The independent directors also brought their knowledge, experience, and expertise to provide useful suggestions in formulating the Company's business strategy and policy following sustainable development practices. Therefore, the Board of Directors proposed the Annual General Meeting of Shareholders to elect independent directors to resume as independent directors of the Company.
(3) The Company should set a policy on the minimum number of quorum when the Board of directors votes at a board meeting that requires at least two-thirds of the total number of directors.	According to the Company's Articles of Association, Chapter 3, Clause 25 and the Public Act, Section 80 states that "In a meeting of the Board of Directors, the presence of not less than one-half of the total number of directors is required to constitute a quorum..."
(4) At least one of the Board of Directors should be a woman.	The Company has a policy to consider on board diversity regarding professional, skills, expertise and gender. Currently, the Board of Directors consists of 8 members, all of them are male, which is appropriate for the size, type and business complexity. However, in case that the Company has an opportunity to find more directors, the Company is ready to apply the principles of good corporate governance in the selection of directors definitely.
(5) The Board should consist of more than 50% independent directors.	The Company is undergoing a restructuring study of the Board of Directors and considering the suitability for the Company's business. Currently, the Company has 3 independent directors out of a total of 8 directors, accounting for 37.5%.



In 2022, The Company was evaluated from the corporate governance report of Thai listed companies 2022 at an Very Good level (4 stars) and has been evaluated the quality of Annual General Meeting of Shareholders (AGM Checklist) by the Thai Investors Association with a score of 100 points categorized in the "excellent" level.

**7. CORPORATE GOVERNANCE STRUCTURE AND IMPORTANT INFORMATION ABOUT THE BOARD OF DIRECTORS, SUB-COMMITTEES, EXECUTIVES, EMPLOYEES, AND OTHERS**

**7.1 Corporate Governance Structure (as at December 15, 2022)**



Remark: This management chart does not represent a high-low level of importance as a senior or position salary.

## 7.2 Board Information

**7.2.1 Board Composition** : Currently, the Board of Directors consists of 8 directors consisting of 5 executive directors and 3 independent directors (not less than one-third of the total number of directors). Mrs. Prapatsorn Kantawong is the Company Secretary, having details as follows:

Name of Director	Position
1. Mr.Virach Aphimeteetamrong	Chairman and member of Audit Committee
2. Mr.Kraisi Sirirungsij <sup>(1)</sup>	Vice Chairman and Authorised Signatory
3. Mr.Anun Louharanoo <sup>(1)</sup>	Director and Authorised Signatory
4. Mr.Srihasak Arirachakaran <sup>(1)</sup>	Director and Authorised Signatory
5. Mr.Somchit Limwathanakura	Director and Authorised Signatory
6. Mr.Somchai Lovisuth	Director , Authorised Signatory and Senior Chief Executive Officer
7. Mr.Padetpai Meekun-im	Director and Chairman of Audit Committee
8. Mr.Satit Chanchaowakun	Director and member of Audit Committee
<u>Remark:</u> (1) Directors No. 2-4 are directors who are representatives of Lanna Resources Public Company Limited.	

### Directors with authorised signatory of the Company

Mr. Kraisi Sirirungsij, Mr. Somchit Limwathanakura, Mr. Anun Louharanoo, Mr. Srihasak Arirachakaran, Mr. Somchai Lovisuth: Two of these five can co-sign beneath the seal of the Company.

**Composition and Qualification of the Board of Directors**, details are as follows:

(1) The Board of Directors shall consist of no less than five members, who were appointed by the general meeting of shareholders. Directors of no less than one-half of the whole number of the directors in the board must be resident in the Kingdom. Number of the independent directors must be no less than one-third of all directors.

(2) Composition of the Board of Directors must be formed with members of diverse skills in various fields — industry and business management, strategic planning, accounting, finance, and marketing and sales management, as well as law and corporate governance administration. In addition, directors must be eligible to perform directing a listed company as defined by the Company's articles, and by laws.

(3) Appointment of directors must follow the agenda set with transparency, accountability. The consideration must be performed based on sufficient information and credentials of the persons to be appointed, which are useful for the general meeting of shareholders to make decision.

(4) Directors must pass the recruitment criteria and procedures prescribed by the Board in a clear and transparent manner.

(5) Terms of director positioning must be in line with laws stipulated on listed companies. In each annual general meeting of shareholders, one-third of directors must be retired by rotation. For the directors to be retired in the first and second years following the company's being listed, if not agreed otherwise, the company arranges lot drawing to determine who must retire. The practice for subsequent years defines that the directors who are in office for the longest time shall retire. Directors who are retired by rotation may be re-elected to the position. The company has not determined how many times a director can be re-elected to the office.

(6) In addition to the already retired by rotation, directors will be retired on:

- (a) Death
- (b) Resignation
- (c) Disqualified or prohibited under the law governing public companies
- (d) At the meeting, shareholders vote to be fired following the law governing a public limited company.
- (e) The court orders to be retired.

(7) The Board of Directors must disclose the records of each director in the annual report every year for the shareholders to be informed accordingly. The report must state that which directors are executive or non-executive directors, or independent directors.

(8) The Board of Directors appoints the Company Secretary to be responsible for arranging meetings of the Committees, taking care of activities of the Board, and following up operations for accurate and consistent practices. The Secretary has to report any significant change to the Board for acknowledgement.

(9) Duties and authorities of Chairman of the Board of Directors and of Chief Executive Officers are clearly segregated. This will define a certain scope of duties in policy making, corporate governance, and business management routine.

(10) To enable all directors to be fully devoted time and efforts to their duties, the Company's Board of Directors set numbers of enterprises that each director can hold a position in listed companies should not exceed the number as follows:

(a) Executive Director or Full-time Director, for up to four companies

(b) Non-Executive Director or Professional Director, for up to six companies

➤ In the case that a director needs to work for more than six listed companies, the Company must inform shareholders and stakeholders and clarify the reasons, impact to the duties, and the director's performance in the Company by documents in the Annual Report (Form 56-1 One Report).

➤ To nominate a person to be a director, the Company must disclose sufficient information regarding the position in other companies of that nominee to shareholders to consider before the vote.

➤ Senior management to become a director of a board in the Company's subsidiaries and affiliates are required to get prior approval from the Board of Directors.

#### **Composition and Qualifications of Independence Directors**

The Board of Directors will jointly consider the initial properties of persons to be appointed as independent directors, based on qualifications and disqualification of directors as defined in the public company act, laws relating to securities and the SET and notification of the Capital Market Commission, including relevant rules, regulations and/or regulations issued by the Board of Directors. The Board also consider selection of independent panel from experts who are experienced and other appropriate qualifications. The Board will propose the nominees into the meeting of shareholders' consideration for appointment as independent directors. It is the Company's policy to appoint at least one third of the total membership to be independent directors of which number must not less than three persons. Qualifications of Independent Directors are as follows;

(1) Holding shares not more than one percent of all shares with voting rights of the Company, holding company, subsidiary company, associated company, major shareholder or controlling person of the Company, which shall be inclusive of the shares held by related persons of the particular Audit Committee Member.

(2) Not being or used to be the director who takes part in the management of the Company, employee, staff member, advisor who receives a regular salary, or a controlling person of the Company, holding company, subsidiary company, associated company, subsidiary company of the same level, major shareholder, or controlling person of the Company, except having been out of the above position for at least two years prior to the appointment. Nevertheless, such prohibited characteristic does not include the case where the independent director who used to be a civil servant or an advisor to the Government which is the major shareholder or controlling person of the Company.



(3) Not being a person who is related by blood or by law as a parent, spouse, sibling and child including a child's spouse, to any management member, major shareholder, controlling person or the person whom has been proposed to become the management member or controlling person of the Company or subsidiary company.

(4) Not having or used to have business relationship with the Company, holding company, subsidiary company, associated company, major shareholder or controlling person of the Company, in a way which may prevent independent judgment, as well as not being or used to be the significant shareholder or controlling person of the entity having business relationship with the Company, holding company, subsidiary company, associated company, major shareholder or controlling person of the Company, except having been out of the above position for at least two years prior to the appointment.

The business relationships mentioned above include usual commercial transaction, rental or lease of real estates, provisions concerning assets or services or offering or receiving financial assistance with obtaining loans or guarantees to assets pledged as collateral for liabilities. Prohibition also covers other similar circumstances, which make the Company or its contract parties liable for debt payment amounting at least 3 (three) per cent of the net tangible assets of the company, or at least 20 (twenty) million baht, whichever is lower. The calculation of such indebtedness shall follow the method used in calculating the value of the connected transaction relatively in pursuance of the Notification of The SET Board of Governors regarding Disclosure of Information and Operations of Listed Companies Concerning the Connected Transactions. However, such debt must be considered a sum in the total debt incurred during a year before a business relationship with the person exists.

(5) Not being or used to be the auditor of the Company, holding company, subsidiary company, associated company, major shareholder or controlling person of the Company, and not being significant shareholder, controlling person or managing partner of the audit firm with staff being the auditor of the Company, holding company, subsidiary company, associated company, major shareholder or controlling person of the Company in the firm, except having been out of the above position for at least two years prior to the appointment.

(6) Not being or used to be the service provider in any professions including legal advisor or financial advisor receiving the service fee exceeding Baht 2 million per year from the Company, holding company, subsidiary company, associated company, major shareholder, or controlling person of the Company, and not being significant shareholder, controlling person or partner of the such professional service provider, except having been out of the above position for at least two years prior to the appointment.

(7) Not being the director who has been appointed as the representative of the Company, major shareholder or shareholder whom is related to the major shareholder of the company.

(8) Not being an entrepreneur in any business similar to or material competing with the Company or its subsidiary company or not being the material partner in partnership, executive director, employee, staff, advisor who receives salary or holds no more than 1 percent of total number of shares with voting right of the company similar to or material competing with the Company or its subsidiary company.

(9) Having no other characteristic which may prevent from giving independent opinions concerning with the business operation of the Company.

After being appointed as an independent director with qualifications in accordance with (1) to (9) as mentioned above, the independent director may be assigned by the Board of Directors to make a decision in the operational affairs of the Company, parent company, subsidiaries, affiliates, ventures similar to subsidiary, major shareholders or

controlling person of the Company. Any decision must be made in the form of collective decision.

If the person appointed as an independent director has or used to have a business relationship, or offer or used to offer professional service with compensation exceeding the amount determined under paragraph (4) or (6) as mentioned above, he/she will receive a waiver of the prohibition upon the conclusion of the Board to ensure that the appointment of such a person has no impact on the performance and the independence of commentary. Following facts and information must be disclosed in the notice of the General Meeting of Shareholders of which agenda includes the appointment of independent directors.

(a) Nature of the business relationship or professional service of such persons that are not in accordance with the procedure.

(b) Reasons and necessity to maintain the appointment of such persons as independent directors.

(c) Opinions of the board of directors for proposing for the appointment of such person as the independent director.

#### **Leadership and Independence of Directors**

(1) The Board of Directors has a role in defining the vision and policies and govern the management to perform accordingly. The Board is independent in its decision making with a purpose to offer maximum benefit for the Company's operation, all parties concerned, and stakeholders.

(2) The Board of Directors, under the leadership of Chairman, can control the operation of the management efficiently and effectively, with the clear segregation of roles among Chairman, Chief Executive Officer or Managing Director.

(3) The Board of Directors shall consist competent Independent Directors recruited from outside. The independent directors can access financial and other business information sufficiently to be able to express their opinions freely. They must safeguard the interests of those involved and attend meetings regularly. They must prepare a report certifying their independence when appointed which will be disclosed in the Company's Annual report (Form 56-1 One Report).

(4) The Chairman is independent from any relationship with the management and not a Chairman or member of any committee or sub-committee.

(5) Independent Directors must be qualified as independent as notified by the SEC and SET. They must have other qualifications as set by the Company for the position that has to take care of the interests of all shareholders equally, and of performances to avoid conflicts of interest among the company and the executives or major shareholders, or other companies whose executives/major shareholders belong to the same group. In addition, an Independent Director must be able to give comments to the meetings independently.

#### **7.2.2 Responsibilities of the Board of Directors**

The Board of Directors has the authority and responsibility to manage the Company, in line with relevant laws and the Company's regulations and objectives, including the legal resolutions of the general meeting of shareholders. It must work with integrity and be careful to protect the interests of the Company. Its powers, duties, and responsibilities are summarised, as follows:

(1) Providing the Company with policies, directions, goals, business plans and budgets. Must oversee the management for efficiency and effectiveness so as to maximise the economic value and stability to the Company and the shareholders. Significant duties of the Board of Directors are as follows:

(a) Determine the Company's organisation structural with a management and operational systems for the maximum efficiency and effectiveness.

(b) Approve the annual work plan and budget within 30 days of the end of each year for the management to carry on the administration through the yearly plan and budget as approved by the Board of Directors.

(c) Approve investment and expansion projects, or a project to downsize the entity that is seen most beneficial to both short- and long-term operations of the Company. This does not include items that are required approval from shareholders as defined by the Securities and Exchange Commission and The Stock Exchange of Thailand.

(d) Approve the Company's financial plan, as well as financing loans and business credit to be sufficient and appropriate to the operations of the Company periodically.

(e) Provide the Company's balance sheet and income statement as at the end of the accounting period for the auditor, appointed by the shareholders, to audit and authentication before the general meeting of shareholders to approve on an annual basis.

(f) Consider and screening proposals before present to the general meeting of shareholders to seek their approval case by case, such as dividends, capital increase, capital reduction, the issuance, sale or transfer, purchase or transfer, acquisitions, mergers, and so on.

(g) Determine the Company's policy, direction, goal, vision, mission, value and other principles that are important and may affect the financial condition and the operational results presently or in the future.

(2) Determine and clearly separate roles and responsibilities of the Board of Directors, Sub-committee, and the management. It must disseminate the segregation among such sub-committees, management and the employees on a regular basis.

(3) Provide a control system, internal audit, and appropriate risk management systems that are substantial and effective enough. Follow up the operations regularly by querying in the meeting of the Board of Directors held periodically.

(4) Hold the annual general meeting of shareholders within four months after the end of the accounting period of the Company. And arrange an extraordinary general meeting of shareholders from time to time as necessary to the operation.

(5) Be aware of the importance of the good corporate governance (Good Corporate Governance) principles by holding onto the values including justice and honesty (Fairness and Integrity), responsibility for work (Accountability), and fairness and equity in every function. It is a must to build trust among all stakeholders concerned (Stakeholders), with a commitment to creating value for the Company and its stakeholders for long-term prosperity with stable growth and sustainability in years to come.

In addition, the Board of Directors has duties to oversee the company to operate in compliance with laws relating to securities and securities exchange, as well as notifications and regulations of the Securities and Securities Exchange Commission, and/or the Securities Exchange of Thailand which rule performances such as transactions, acquisition, or disposition of key assets. To comply with laws relating to the company's business in all respects is also essential.

(6) The Board of Directors may delegated one or several directors in sub-committees or any other person to take action on a certain affair on behalf of the Board. The delegate will perform under the supervision of the Board as well as the conditions and duration of the mandate as deemed appropriate and necessary. And it has the power to revoke or modify the authorisation of all matters as considered appropriate.

The delegation as mentioned in the previous paragraph must not be in a manner to authorise a proxy, to consider and approve the transactions with equity or any other conflict of interest with the Company, or its affiliates unless the approval is given for certain matters that are based on policies and guidelines approved by the Board of Directors.

(7) The Board of Directors must provide a meeting at least once every three months and arrange performance evaluation of the Board of Directors annually.

(8) Encourage all employees to have a strong sense of ethics and morality by making a written code of business conduct. So that all employees can understand the ethical standards that the Company uses in the business and recognise the importance of internal control and risk management systems. This will reduce the risk of corruption and abuse of power, including will help prevent illegal acts relating to the Company's business.

(9) The Board of Directors opens an opportunity for all directors to propose an agenda within at least 10 days before the meeting, by sending the proposal to the Company Secretary: E-Mail address: [prapatsorn.k@thaiagroenergy.com](mailto:prapatsorn.k@thaiagroenergy.com) or Fax: 0-2627-3889. The Company Secretary will include the agenda in the next meeting.

(10) Board of Directors shall appoint the Company Secretary and determine its duties and responsibilities to act with responsibility, prudence, and integrity as stated below:

(a) Arrange meeting of shareholders and the Board of Directors to comply with the laws and the company's articles.

(b) Arrange minutes of the General Meeting of Shareholders and of the Board of Directors, as well as to monitor operations to be performed in fully and correctly compliance with the resolutions of the General Meeting and of the Board of Directors.

(c) Make sure that the disclosure of the information and reports that are under the Secretary's care have been accomplished in accordance with the laws and regulatory requirements of the SEC and SET.

(d) Prepare and file documents, including registration, notice of the meeting of the Board of Directors, notice of the Annual Meeting of Shareholders, annual report, and other documents required by laws (if any).

(e) File reports on the interests of directors and management that were given the Company.

(f) Give initial advice to the Board of Directors in terms of rules and regulations of the Company and follow up the operations to be performed in fully and correctly compliance with those rules. And the Secretary also has to report significant changes to the directors.

(g) Oversee activities of the Board and perform other operational functions as required by laws or as assigned by the Board of Directors.

(11) In addition, each director must hold and practice the following tasks:

(a) Must not engage in the business of the same nature and in competition with the Company's business or be a partner in a limited partnership or limited liability partnership, or be a director of a private company or other entities that operate the same nature and in competition with the business of the Company, whether done for the benefit of themselves or others. Exception is applied if the director has informed the shareholders prior to the appointment.

(b) Must notify the company without delay if owning interest, whether direct or indirect, in any contract made by the Company or its affiliates, or hold shares or other securities in the Company or affiliates that are increasing or decreasing.

### **7.2.3 Chairman of the Board of Directors**

Chairman of the Board of Directors is an independent director and not the same person of Chief Executive Officer. The authority and function are separated to counterbalance between the Board and the Management team. No one has absolute power. The Chairman of the Board shall be an independent director, non-executive director and

shall not be associated with management, and shall not hold any corporate shares. Role and Responsibility of the Chairman of the Board are as follows;

- (1) Advising on the Corporate policy and strategy.
- (2) Governing the structure of the Board of Directors to be suitable for business according to good corporate governance
- (3) Overseeing the Board and Sub-committee to participate in creating an ethical corporate culture and good corporate governance to achieve the objectives and main goals of the organization according to the plan effectively and effectiveness
- (4) Supervising all directors to participate in promoting a corporate culture with ethics and good corporate governance.
- (5) Being the leader of the Board and presiding over the meeting of Board of Directors including approving matters to be included in the agenda of the Board of Directors' and there are measures to ensure that directors receive complete and sufficient information prior to the date of Board's meeting as well as allocating sufficient time for discussion of important issues and encouraging directors to exercise discretion carefully and express opinion independently.
- (6) Strengthening good relations between executive directors and non-executive directors and between the Board and management.
- (7) Being a casting vote at the Board of Directors' meeting in the case that the votes are equally.
- (8) Presiding over the Shareholders' meeting and conducting the meeting toward agendas, which is according to the Company's Article of Associations and relevant laws.

**7.2.4 Company Secretary :** The Board of Directors resolved at the meeting of the Board of Directors no. 5/2019 held on May 16, 2019 to appoint Mrs. Prapatsorn Kantawong to the position of the Company Secretary. Duties and responsibilities of the Company Secretary are as follows.

- (1) Supervise and advise the Board of Directors and management on performances that must be compliance with legal requirements, and rules and regulations of the company. To monitor all operations to be implemented properly and consistently is under the Company Secretary's responsibility as well.
- (2) Responsible for arrangement of meetings of the Board of Directors and shareholders, as well as take care of the the resolutions of the conference to be implemented by coordinating with other operating sections.
- (3) Ensuring the disclosure and reporting information in respect of the responsibility to follow the rules and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission as well as relating legal provisions.
- (4) Preparation and storage of the documents as follows.
  - (a) Register of Committee
  - (b) Notice and minutes of board meeting
  - (c) Notice and minutes of meeting of shareholders
  - (d) The Company's annual report
  - (e) Report of executive directors' stakes
- (5) Other actions according to the notification of the Capital Market Commission

### **7.3 Sub-Committee**

#### **7.3.1 Audit Committee**

##### **Composition and Qualification of the Audit Committee**

The Company's Audit Committee consists of at least three independent directors. Each has a term of three years. When some directors complete their term or are unable to hold the office until the end of the term, making the number of directors in the

Audit Committee less than a certain amount required by the Board of Directors, the meeting of shareholders must appoint new directors to fully complete the Committee. This has to be done immediately or not later than three months from the date of member incomplete to ensure continuity of operations. The Audit Committee shall have the following composition and properties.

(1) Must be appointed by the Company's Board of Directors or shareholders. In the event of the nomination of directors, the Company must disclose the nominees' names, credentials, personal data, qualifications, and evidence of independence status by stating in the invitation of the meeting to seek approval and appointment of nominees to become directors of the Audit Committee.

(2) Must be independent directors and not be a director as to be mentioned below:

(2.1) Not a director appointed by the Board of Directors to make decision on the operations of the Company, subsidiaries, affiliates, and ventures similar to subsidiary. This director must not be one of the Company's major shareholders or an authorised body to control the Company or must not represent entities that have conflicts of interests. He/She can make a decision only in the form of a tribunal / Collective Decision.

(2.2) Not a director of a parent company, subsidiary, or venture similar to subsidiary which is listed as a public company.

(3) Must function in a manner as set forth by the Stock Exchange of Thailand under the statement of features and scope of operation of the audit committee.

(4) Must be knowledgeable and experienced enough to serve the Audit Committee. There must be at least one director in the committee who can review the reliability of financial statements. The Company encourages the committee members to be trained and enhance their capability consistently to keep pace with the changes and maximise the overall performance of the Audit Committee.

(5) Audit Committee shall appoint a secretary and an assistant secretary of the Audit Committee. Responsibilities of the secretary and its assistant include arrangement of meetings of the Audit Committee, overseeing activities of the Audit Committee, as well as coordinating in submission of periodical reports to the Board of Directors.

The Company's Audit Committee comprises of 3 members. Mr. Suphachai Kaewfueng is the Secretary of the Audit Committee.

Name-Surname	Position	Audit Committee's Meetings in 2022 (Sessions)
1. Mr. Padetpai Meekun-iam	Audit Committee Chairman	9/9
2. Mr. Virach Aphimeteetamrong*	Audit Committee Member	9/9
3. Mr. Satit Chanchaowakun	Audit Committee Member	9/9
<p><b>Remark:</b> * A director who is competent and experienced enough to review the reliability of the Company's financial statements. Mr. Virach Aphimeteetamrong is a licensed auditor, and works as chairman of an audit firm, namely Dr. Virach and Associates Co., Ltd. He holds a bachelor's degree and master's degree in accounting and a master's degree and doctorate in business administration and finance.</p>		

#### Scope of duties and authority of the Audit Committee

The Audit Committee of the Company has the scope of duties and responsibilities to the Board of Directors on the following matters:

(1) To review that the Company's financial reports are correct and disclosure of information are adequate.

(2) To review that the Company has established appropriate and effective internal control system and internal audit system, and observe the independence of the internal audit unit, as well as to approve the appointment, transfer and dismissal of the head of the internal audit unit or any other units responsible for the internal audit.

(3) To review that the Company abides by the law and regulations of the Securities and Exchange Commission and/or the regulations of the Stock Exchange of Thailand, or any relevant laws governing the Company's business.

(4) To review that the Company abides by the policy and guidelines of the Company's Anti-Corruption measure.

(5) To select and propose for appointment of the Company's auditor and the audit fee, as well as reappointment or removal of continuing auditor based on the trustworthiness, adequacy of the resources and audit work amount by the audit firm, as well as work experience of the personnel assigned to perform the financial audit of the Company; and to attend a meeting with the auditor without the presence of the management at least once a year.

(6) To consider the connected transactions or transactions that may involve conflict of interest and acquisition or disposition of assets in accordance with the laws and regulations of the Securities and Exchange Commission and/or the regulations of the Stock Exchange of Thailand to ensure that such transactions are appropriate and most beneficial to the Company.

(7) To review that the Company has established appropriate and effective Risk Management System.

(8) To review and consent to internal audit plan and procedure of the Internal Audit Department to be fully effective throughout the Company and its subsidiaries or companies within the same group.

(9) To review and proceed that the executives or management responsibility has established a system or procedure for receiving petitions or complaints including appropriate rectification and supervision over each petition or complaint case individually.

(10) To annually assess performance of the Audit Committee and report the assessment results to the Company's Board of Directors for acknowledgment and consideration at least once a year.

(11) To prepare the Report of the Audit Committee over the past year and disclose the report in the Company's Annual Report (Form 56-1 One Report). The Report of the Audit Committee must be signed by the Chairman of the Audit Committee and must at least contain the following information.

- (a) Opinions concerning with the correctness, completeness and trustworthiness of the financial reports of the Company.
- (b) Opinions concerning with the adequacy of the Company's internal control system.
- (c) Opinions concerning with the Company's compliance with the laws and regulations of the Securities and Exchange Commission and/or regulations of the Stock Exchange of Thailand, or any relevant laws governing the Company's business.
- (d) Opinions concerning with the appropriateness of the auditor.
- (e) Opinions concerning with the connected transactions or transactions that may involve conflict of interest and acquisition or disposition of assets as stipulated by the laws.
- (f) The number of the Audit Committee's Meetings and attendance record for each of the Audit Committee Members each year.

(g) Opinions or overall observation that the Audit Committee has received by performing according to the Charter as established by the Board of Directors.

(h) Other reports which should be acknowledged by the shareholders and general investors under the duties and responsibilities as assigned by the Board of Directors of the Company.

(12) To perform other activities as delegated by the Company's Board of Directors with consent from the Audit Committee considering case-by-case.

(13) To periodically present the Report of the Audit Committee to the Company's Board of Directors for at least once every quarter.

➤ The Audit Committee is responsible to the Board of Directors directly. The Board of Directors still has responsibility for the operations of the Company and to outsiders.

➤ In the event of a change in the scope of the Audit Committee's duties, the Board of Directors has to inform the resolution leading to the change and make lists of names and new scope of duties and responsibilities of the committee in a format required by the SET. The report must be delivered to the SET within three days from the date of such changes, in accordance with the requirements of the SET on the report sent through the electronic media.

➤ Within the duties performed by the Audit Committee, should any of the following transactions or actions be found or suspected to have significant impact to the Company's financial status and operating results, the Audit Committee shall report to the Company's Board of Directors so that the matter may be resolved within the time period that the Audit Committee deem appropriate.

(1) Transaction having conflict of interest

(2) Illegal conduct or irregularity or significant deficiency in the internal control system.

(3) Violation of laws relating to the Securities and Exchange, regulations of the Stock Exchange of Thailand or laws relating to Company's business.

Should the Company's Board of Directors or executives did not resolve the matter within the established time period, any one of the Audit Committee members may report of the said transaction or action to the Securities and Exchange Commission (SEC) or the Stock Exchange of Thailand.

➤ To fulfill the duties of the Audit Committee. The Audit Committee shall have the following powers:

(1) Authority in relation to management

The Audit Committee has power to invite management. Managers / Heads or employees of related companies attend the meeting to make comments or submit relevant and necessary documents.

(2) Authority in relation to the internal auditor

(a) It is required that the understanding be aligned between the auditors, Board of Directors and internal audit.

(b) To approve the appointment, removal, transfer, dismissal and consideration of the merits of the head of the internal audit unit.

(c) Guarantee the independence of the internal auditor.

(d) The performance of the internal audit function is under the direct supervision and control of the Audit Committee. (Performance of internal audit units Must have supervision and control. In each year, the internal audit unit will have to work out what to do. Then submit to the Audit Committee for approval or approval. The order for the internal audit unit to perform the duties of the audit plan. Must be under the supervision of



management or Chief Executive Officer. Because the required audit report will need to be corrected immediately. So that the management or chief executive can issue corrective orders in time).

(3) Authority in relation to the auditor.

(a) Review and evaluate the performance of the auditor.

(b) Propose the list of auditors to the Board of Directors. Along with the Annual audit fee. To obtain the appointment from the general meeting of shareholders, and to review and evaluate the performance of the auditor to propose the appointment of the former auditor or to dismiss the former auditor.

(c) Determine the rate of service pay and other consultants that the auditor serve.

(d) Upon receipt of facts from the auditor regarding suspected circumstances, the Chief Executive Officer or the person responsible for the conduct of the offense has committed an offense. The Audit Committee shall report the results of the preliminary examination to the SEC and the auditor within 30 days from the date of receipt of the report from the auditor. In the event that the Audit Committee fails to act as the auditor stated in the preceding paragraph. The auditor shall inform the SEC Office.

(4) Other powers.

The Audit Committee has power to inspect relevant persons and matters within the scope of authority and responsibility of the Audit Committee. It has the authority to hire specialists to consult and discuss opinions as deemed appropriate and appropriate by the Audit Committee. The units shall perform their roles and duties in relation to the Audit Committee as set out in the Attachment to the Charter. This is part of this charter.

### **7.3.2 Risk Management Committee**

#### **Composition and Qualification of Risk Management Committee.**

Risk Management Committee comprises executives from all departments of the company. The committee's members are selected from employees in the manager level, with a number of at least one member from one department. The committee's members must have the following features:

(1) A person who is proficient and experienced with good understanding of features, functions and responsibilities as a member of the Risk Management Committee.

(2) Committee's members must be able to devote sufficient time to operate and should be trained and to enhance their knowledge consistently, in fields related to the implementation of the Risk Management Committee. This will help them to keep pace with the changes and enhance the efficiency of the committee.

(3) Risk Management Committee, as well as its Chairman, has a term lasting for one year. Committee's members, who are retire by rotation, may be re-appointed for another term. Unless retired by then, the members of Risk Management Committee will be retired on:

(a) Death

(b) Termination of an employee of the company

(c) Board of Directors vote for them to leave or be removed

(d) Resignation

In case that a risk management committee's member resign before the end of the tenure, that member shall notify the Company 1 (one) month in advance, along with reasons as for the Board of Directors will appoint another qualified person to replace the resigning member.

(4) The Board of Directors or the Risk Management Committee will appoint suitable persons to be Secretary and Assistant Secretary of the committee. Both positions are responsible to arrange meetings, prepare agendas and documents and deliver all materials to all

committee's members at least seven days before the meeting. The Risk Management Committee will have time to review the papers carefully and may request additional information prior to the meeting. The Secretary and its Assistant shall send the minutes to all members of the Risk Management Committee within seven days after each meeting. Certification of the minutes will be carried out in the next meeting of the committee. In addition, the Secretary is responsible for preparing information to report to the company's Board of Directors and Audit Committee.

(5) Secretary of the committee has not a right to vote unless the Secretary is a member of the committee. The right to vote is regarded as the right of a committee's member.

Risk Management Committee appointed by the Board of Directors is composed of following members:

Name - Surname	Position	RM Committee' Meetings in 2022
(1) Mr.Satit Chanchaowakun	RM Committee Chairman	5/5
(2) Mr. Padetpai Meekun-iam	RM Committee Member	5/5
(3) Mr. Somchai Lovisuth*	RM Committee Member	5/5
(4) Miss Kanyaphat Chinantdej	RM Committee Member	5/5
(5) Mrs.Somrudee Suwannaroop	RM Committee Member	4/5
(6) Mr. Anan Rayarujj	RM Committee Member	5/5
(7) Mr. Watcharin Iamsaard	RM Committee Member	5/5
(8) Miss Wiraporn Tongdech	RM Committee Member	5/5
(9) Miss. Theeranant Kunakasem	RM Committee Member	5/5
Remark : * Mr. Somchai Lovisuth hold the position of Risk Management Committee Member in 2022.		

Mr. Suphachai Kaewfueng is the Secretary of the Committee.

#### Duties and Responsibilities of the Risk Management Committee.

The Risk Management Committee plays an important role with duties as assigned by the Board of Directors as follows.

(1) Define a policy and operational framework to operate risk management of the Company, as well as giving advice to the Board of Directors and the Management regarding the organization's risk management, which must cover 9 categories of risk including Business risk, Production risk, Operation risk, SHE risk, Climate Change & Hazard Risk, Financial Risk, Compliance Risk, Intangible Assets Risk, and Corruption & Fraud Risk.

(2) Monitor and support the organisation's overall risk management (Enterprise Wide Risk Management). Emphasising the importance of risks (Risk Awareness), any operation concerned risk management must bring each factor into consideration before making a decision on what resources and processes to be properly use.

(3) Analyse and evaluate risks and potentials that may occur, including impact to both internal and external operation of the company.

(4) Present a work plan and report on the adequacy of the implementation following the roadmap and the risk control system to the Audit Committee and The Board of Directors at least once every quarter.

(5) Acts as a hub to oversee significant risks.

(6) Perform other duties as assigned by the Board of Directors.

(7) The Risk Management Committee may consult independent experts if necessary at the expense of the company, subject to approval by the Board before proceeding.

(8) The Risk Management Committee is required to hold a meeting, at least once every quarter. The Chairman or members with a number of more than one half of the committee may call an additional meeting as it deems suitable and proper.

(9) To be considered a quorum, each meeting of Risk Management Committee must consist of more than one half of its members attending the meeting by themselves. If the Chairman is not present at the meeting, the committee shall select one of its directors to act as chairman of the meeting.

(10) Voting at the meeting shall be by a majority vote of the meeting. Chairman of the Risk Management Committee has not right of casting vote. Opinions of committee's directors both who agree and disagree to the voting issues must be recorded in the minutes as well.

(11) Any director of the Risk Management Committee has a personal interest in a certain matter or an interest in any matter which is brought into the consideration of the meeting for vote, the director cannot cast his/her vote.

(12) The Risk Management Committee has an authority to invite those involved or who is seen suitable to attend the meeting or to explain the matter involved.

### 7.3.3 The Nomination and Remuneration Committee

The Board of Directors has a resolution in the meeting of the Board of Directors no.12/2015 dated 17 December 2015, approval for the appointment of the Nomination and Remuneration Committee ("NRC") which shall have qualifications, duties and responsibilities as stipulated in the Charter of the Nomination and Remuneration Committee to start functioning on January 1, 2016 onwards.

The NRC held total 3 meetings in year 2022, Mrs.Somrudee Suwannaroop is the Secretary of the Committee. The list of the NRC members are as follows:

Name - Surname	Position	NRC Meetings in 2022 (Sessions)
Mr.Kraisi Sirirungsi	Chairman of NRC	3/3
Mr.Satit Chanchaowakun	NRC Member	3/3
Mr.Somchai Lovisuth	NRC Member	3/3
Mr.Srihasak Arirachakaran	NRC Member	3/3
Mr. Anun Louharanoo	NRC Member	3/3

### Composition and Qualification of the Nomination and Remuneration Committee

(1) NRC consists of at least 3 (three) directors and one, at least, must be an independent director who is not an employee or executive of the Company.

(2) When some directors complete their term or are unable to hold the office until the end of the term, making the number of NRC directors less than three, the Board of Directors must appoint new directors immediately or later than 3 (three) months from the date of member incompleteness to ensure continuity of NRC's operations

(3) The meeting of NRC will consider selection and appointment of one of NRC's directors to become the committee's Chairman.

(4) NRC will appoint an appropriate individual to hold the office of its Secretary. The HR manager will function as the Assistant Secretary. Both positions are responsible for arrangement of the NRC meeting. as well as being coordinator to present reports to the Board of Directors and other agencies involved (if any).

(5) NRC's Secretary and Assistant Secretary are dutiful to attend the NRC meeting, but has not right to vote in any way or in any case.

(6) NRC's directors must devote adequate time for the committee's operations and should be trained and strengthen their proficiency consistently in matters related to

their duties and responsibilities, in order to keep pace with the changes and continuously enhance the NRC's effectiveness.

(7) NRC Directors and Chairman have an office term of 3 (three) years. Upon the expiration of the term, the retired members may be reappointed to the office for another term.

(8) Apart from retiring by rotation, NRC Directors will be retired on:

- Death
- Resignation
- Termination of Directors.
- The Board of Directors vote for them to leave or be removed.
- disqualified or prohibited under this charter.

In case that the a position of the committee is vacant, due to reasons other than retirement by rotation, the Board may appoint a qualified person to be an NRC member to replace the retired person. The new member will be in the position for the duration equal to the remaining time in term of the replaced one.

#### **Duties and responsibilities of Nomination and Remuneration Committee.**

NRC has major duties and responsibilities as assigned by the Board of Directors, according to the Charter, as follows:

(A) Duties and responsibilities in relation to the nomination of directors and executives.

(1) Consider the nomination process for directors to replace ones who are retiring by rotation or proposed for the vacant position and present the proposal to the Board of Directors for consideration to advance into Meeting of Shareholders to consider for appointment.

(2) Consider and nominate suitable candidates to be appointed as members of sub-committees of the Board of Directors, in case that the position is vacant.

(3) Consider the nomination of Chief Executive Officer or Managing Director in case of such a position is vacant for submission to the Board's consideration.

(4) Propose mechanism to evaluate performance of the Board of Directors, CEO, or Managing Director and senior executives and follow-up the assessment to inform the Board of Directors to acknowledge and consider.

(5) Assess the independence of directors on duty and propose ways to improve to the Board of Directors.

(6) Consider the structure and properties of people who are elected as directors of the Board and sub-committees, by taking into account the diversity of skills, experience and expertise that are useful to the company and propose to the Board to consider or undertake amendments.

(7) Determine the appropriateness of the qualifications of independent directors and propose ways of improvement to the Board.

(8) Define and plan the succession process or the CEO and senior management to propose to the Board of Directors for consideration to advance the matter into the Meeting of Shareholders to approve on an individual basis.

(B) Duties and responsibilities in respect of the remuneration

(1) Propose ways and means to pay remunerations to members of the Board of Directors and sub-committees appointed by the Board of Directors.

(2) Propose policy on remuneration to the CEO or managing director and chief executive, in accordance with the results of the company's operations and determine mechanism for actual performance evaluation to (KEY PERFORMANCE INDICATOR) presented before the Board to seek approval.

(3) Consider increase or changes in the budgets or salaries, wages and the money given as annual awards to employees below the executive level, in accordance with the results of the company's operations. It also determine mechanism for actual performance evaluation (KEY PERFORMANCE INDICATOR) before the Board of Directors for approval.

(4) Propose suggestion on the structure of salaries, wages, benefits, and other welfares for directors, management, and employees in the forms of both monetary and non-monetary.

(5) Consider offering of new securities. (Or warrants to purchase shares) to certain directors and employees prior to presentation to the Board of Directors to seek approval.

(C) Duties and responsibilities in general

(1) Report on NRT's operations to the Board of Directors, at least once a year.

(2) Has authority to hire consultants or specialists to consult and discuss or make comments as it deems appropriate and reasonable. The company is responsible for all costs incurred.

(3) Has authority to invite executives and all those involved to attend a meeting or to submit every or all relevant documents as requested.

(4) Perform any other duties as delegated by The Board of Directors.

(5) Hold a meeting of NRC as its Chairman deems appropriate. The Secretary will submit documents for the meeting to the NRC Directors and other participants, at least 7 (seven) days before the meeting to allow time for the participants to consider or call for further information.

In addition, NRC Directors may call a meeting of NRC for issues within the committee's scope of duties and responsibilities as it deems appropriate. The Secretary will operate as mentioned in the preceding paragraph.

(6) NRC Directors, who are ones of stakeholders in any matter that is under the committee's consideration, must not comment and vote on that matter. Names of those directors and their interests must be noted clearly in the meeting documentation.

(7) To be considered a quorum, each NRC meeting must consist of more than one half of the committee's members.

(8) Voting at the NRC meeting must be by majority vote of the meeting. The committee's Chairman has not right to cast arbitrary vote as . Opinions of directors both who vote for and con must be recorded in minutes of the meeting.

#### 7.3.4 The Corporate Governance Committee ("CG Committee")

The Corporate Governance Committee ("CG Committee") comprise of 1 (one) chairman and at least 2 (two) members, include any staffs or executives that was agreed by the CG Committee members to join the committee. The CG Committee shall appoint a suitable person as Secretary. Mrs. Prapatsorn Kantawong is the Secretary of CG Committee. The namelist of the CG Committee members that was appointed by the Board of Directors are as follows.

Name - Surname	Position	CG Committee's Meetings in 2022 (Sessions)
1. Mr. Somchai Lovisuth*	Chairman of CG Committee	2/2
2. Mrs. Somrudee Suwannaroop	CG Committee Member	2/2
3. Ms. Kanyaphat Chinantdej	CG Committee Member	2/2
Remark : * Mr. Somchai Lovisuth hold the position of CG Committee in 2022.		

### Composition and Qualification of CG Committee

#### (1) Office term of CG Committee

(a) The CG Committee members has a three-year term of office each. The member of CG Committee who is retired by rotation maybe re-appointed.

(b) In event that the term of the CG Committee has ended or it can no longer serve until the term ends, resulting in a lesser number of members as specified in (1) above, the Board of Directors shall nominate and appoint new CG Committee member(s) to complete the CG committee immediately or at least within three months after the date with incomplete members as described in (1) above.

(2) The Corporate Governance Committee of which members are executives whom already receive monthly salary and other benefits as the Company's employees; therefore, there are no additional remunerations.

### Authorities, Duties and Responsibilities of the CG Committee

(1) To consider and propose to the Board of Directors to determine the policy, rule and practice guidelines for activities in accordance with corporate governance principles.

(2) To prepare the Corporate Governance Handbook to be adhered and followed by the directors, executives and employees at every level, which must be regarded as important duties to operate in accordance with corporate governance principles and must not be neglected by everyone.

(3) To monitor, improve and promote effective corporate governance culture and practice within the organization.

(4) To consider forms of self-assessment of the performance of the Board of Directors and subcommittees including offering opinions to propose to the Board of Directors for consideration on a yearly basis.

#### (5) Other Duties and Responsibilities.

(a) To regularly report the operation of the CG Committee to the Board of Directors at least once every year for disclosure in Annual Reports (Form 56-1 One Report) in accordance with the good corporate governance.

(b) To have authority to hire consultants or experts to provide advice and/or opinions as deemed appropriate on a case-by-case basis. The Company shall be responsible for the incurred expenses.

(c) To have authority to invite executives and/or relevant persons of any level for briefing meetings or submission of related documents.

(d) To perform any other tasks as assigned by the Board of Directors on a case-by-case basis.

## 7.4 Executive Team

In 2022, there are 5 executives of the Company as follows;

Name-Surname	Position
1. Mr. Somchai Lovisuth	Senior Chief Executive Officer
2. Mrs. Somrudee Suwannaroop	Chief Executive Officer – Administration and Production
3. Ms Kanyaphat Chinantdej	Chief Executive Officer - Commercial
4. Mr. Anan Rayaruji	Production and Engineering Director
5. Ms. Wiraporn Tongdech	Deputy Director of Production and Engineering

As of December 31, 2022, there are 5 executives in accordance with the definition of the Securities and Exchange Commission (SEC) (The first 4 executive positions followed by the manager and all 4<sup>th</sup> equivalent positions) as follows;

Name-Surname	Position
1. Mrs. Somrudee Suwannaroop	Chief Executive Officer – Administration and Production
2. Ms. Kanyaphat Chinantdej	Chief Executive Officer - Commercial
3. Mr. Anan Rayaruji	Production and Engineering Director
4. Ms. Wiraporn Tongdech	Deputy Director of Production and Engineering
5. Ms. Theeranant Kunakasem	Accounting and Finance Department Manager

#### 7.4.1 Responsibilities of Chief Executive Officer

##### General Authority

(1) Chief Executive Officer (“CEO”) supervises and directs the Company’s management effectively and in accordance with the resolutions made by the meeting of shareholders / the Board of Directors. Any performance must respond to the Company’s objectives and regulations for the best interest of the Company with both short- and long-term benefit.

(2) CEO needs to prepare an operational plan, budget income, book of staffing employees, budget plans for hiring employees and annual investment to submit into the Board of Directors’ consideration for approval annually.

(3) CEO must operate the business in line with policies defined by the Board of Directors and in accordance with the Company’s budget, revenues, expenditures and investment budget as approved by the Board of Directors.

(4) CEO must report the Company’s operations to the Board of Directors on a regular basis/once a month, and present a report summary to the Board of Directors on a quarterly basis/once every quarter.

(5) CEO must follow the laws related to the Company as well as perform in compliance with contractual obligations which are binding the Company to government agencies and other outsider individuals.

(6) CEO must handle the financial management in accordance with the Company’s financial plan as approved by the Board of Directors and in line with the contractual obligations which are binding the Company to all creditors.

(7) CEO must operate and/or carry on any other matters as assigned by the Board of Directors on case by case basis.

##### Financial Authority

(1) CEO is authorised to make approval on daily expenditure in accordance with the expenditure and staff employees hiring budgets as approved by the Board of Directors. Besides, CEO can handle the expenses under contractual obligations which are binding the Company to government agencies and outsider individuals, or as required by law.

(2) CEO is authorized to purchase/hire outsiders to make a fixed asset and/or pay for objects that are not included in the normal operational expenses of the Company. The expenditure must be within the budget approved by the Board of Directors with an amount not exceeding 200,000 baht per order or per transaction.

(3) CEO has authority to take on a loan to expend in the Company’s operation. The loan amount must be within the limits and under the terms and conditions as approved by the Board. And in the case of using the assets of the Company to guarantee the loan, CEO must seek approval from the Board every time prior to loan procession. Exception

is provided for the following items which are considered normal and CEO has authority to approve in all cases.

(a) Open Letter of Credits (L/C), Trust Receipt and Shipping Guarantee for procurement / outsourcing of work from overseas enterprises.

(b) Preparation of financial guarantees for commercial banks and/or financial institutions as collateral for the fulfillment of contractual obligations which are binding the Company to government agencies and other outsider individuals.

(c) Contracts to hedge foreign currency such as the Forward Exchange Contracts, etc. only for cases that the company has agreements or obligations that must be paid or pay in foreign currencies.

(4) CEO has authority to approve for employees to borrow cash as a margin to carry out the following tasks beneath the Company's operation:

(a) Expenses as bound by contractual obligations, or as required by law or approved by the Board of Directors to borrow cash to use according to actual payment, such as costs on real estate, electricity and other utilities, and taxation etc.

(b) Other expenses in addition to the above (a) can be approved at a time or a list of up to one million baht.

(5) CEO has authority to set provision and/or write off bad debt of the Company at not more than Baht 50,000 each time or per item during each financial year, and not exceeding Baht 1,000,000 overall in the financial year, and report the matter to the Board of Directors once every quarter.

(6) CEO has authority to sell and write off inventory and/or damaged or lost assets, and/or make compensation at not more than Baht 50,000 each time and not more than Baht 1,000,000 overall in the financial year, and report the matter to the Board of Directors once every quarter.

(7) CEO has authority to set aside reserve for depreciation of every type of assets, and/or outdated or deteriorated inventories in accordance with relevant accounting standards, and report the matter to the Board of Directors at the earliest opportunity.

#### **Production Authority**

(1) CEO must set goals and production plan each year to be in line with the market demand, and according to the contractual obligations of the Company made to all customers, and propose the matter to seek approval from the Board of Directors on an annual basis.

(2) CEO has authority to approve for purchasing / procurement raw materials for use in the Company's business within the budget and in accordance with the rules and conditions as approved by the Board of Directors.

(3) CEO must plan and implement production according to working plans and targets as approved by the Board of Directors, with the lowest cost. In the case of change to differ from plans and goals, the matter must be raised to seek approval from the Board of Directors prior to or at the first opportunity to do so.

(4) CEO must plan and/or propose policies, or directions of doing business that are beneficial for of the Company to maximize its commercial, production, and sales potential in the future, and to enable the Company to expand and/or achieve sustainable growth in the long term.

#### **Sale Authority**

(1) CEO must set targets, working plan, and strategies each year in accordance with market demand and to meet contractual obligations of the Company made with all customers, and propose the matters into the Board of Directors' consideration for approval on an annual basis.



(2) CEO must plan and accomplish sales operation according to the scheme and goal approved by the Board to maintain or increase its market share as well as raising revenue or profit as much as possible. In case of change to differ from the plans and goals, CEO must propose the matter into the Board of Directors consideration for approval prior to or at the first opportunity to do so.

(3) CEO must undertake distribution of products and services to meet the price and conditions prescribed by the Board or contractual obligations of the Company made to all customers.

(4) CEO has authority to purchase/hire and/or order imported goods for sale as an effort to enable the company to maintain or increase its Market Share as well as to increase revenue or profit as much possible. The matter is subjected to the approval of the Board of Directors before proceeding.

(5) CEO has authority to sell products and services for both domestic and international market on contracts binding for a period of not more than one year.

#### **Staff Authority**

(1) CEO has authority to determine the number of staffs to be appropriate to the Company's operations, the salaries, wages, remuneration and reward for all employees at all levels. The task must be in line with capacity of staff employees and staff hiring budget as approved. Any determination on employees in the level of director or above must be approved by the Board of Directors.

(2) CEO has authority to hire, designate, transfer, revoke, and lay off employees at all levels, except for those in director level and above which must be approved by the Board of Directors prior to determination.

(3) CEO has authority to impose rules and regulations relating to working conditions and welfares of the employees. The operation must be in accordance with the terms and the budget as confirmed or approved by the Board of Directors.

#### **Authority to deal with lawsuits and legal contracts**

(1) CEO has authority to make a legal contract binding the Company only on the routine operation within the budget approved by the Board of Directors, of which duration does not exceed one year.

(2) CEO has authority of litigation and the defense on the interests of the Company. CEO must report the matter to the Board of Directors at every meeting and when the lawsuit arose.

#### **Authority in respect of project**

(1) CEO must consider and carry out feasibility study of the preliminary project that will benefit the Company's future business operations and/or provide a good return in the long term operation.

(2) CEO can consider hiring a consultant on various projects within the budget approved by the Board of Directors.

(3) CEO must present details of the project, after completion of the preliminary study and conclusion of possibility of the project to seek approval from the Board of Directors before proceeding.

(4) For projects that have been approved for implementation, CEO has authority in response to the project as follows

(a) Set plans and budgets for project to achieve the target or Internal Rate of Return within the framework as presented to the Board of Directors.

(b) Contact authorities to negotiate and sign a Memorandum of Understanding on co-financing in a primary stage for a period not exceeding one year.

- (c) Propose Shareholder Agreement and the establishment of Joint Venture Company to the Board of Directors for approval before proceeding.

(5) Report the progress of projects approved for proceeding to the Board of Directors at every meeting.

#### **Other responsibilities**

(1) Matters that are required for confirmation or approval from the Board of Directors, CEO must consider every matter as to screen or agree to propose to the Board of Directors.

(2) Matters beyond the scope of duties and responsibilities of CEO, as defined above, must be propose to the Board of directors to seek their approval before proceeding.

(3) CEO may delegate the duties to employees in any position or any staff member within the scope of their duties and responsibilities in accordance with the appropriateness on the case by case basis.

Delegation of authority and responsibility of the Board of Directors, Sub-committees, Directors, or management of one or many people must not be in the form of authorization or delegating for the appointees to make approval on matters that are the Company's stakes, or potential conflict of interest, its subsidiaries or affiliates, unless the transactions are in the normal course of business that the scope of the mandate is clear.

#### **7.4.2 Remuneration Policy for Executives**

The Company has a policy and criteria for determining remuneration which is relevant to the Company's performance in the form of Key Performance Indicators as well as evaluating the performance of the executives every year. Chief Executive Officer shall consider the appropriateness in determining the remuneration and annual wage adjustment that reflects the performance management of each executive according to the work which is in line with the vision, mission and strategy of the Company as well as the guidelines and standards of other listed companies with similar size of business.

The remuneration of Chief Executive Officer has been defined appropriately. The guidelines are clear, transparent, fair and reasonable, taking into account the responsibilities and performance. The Board of Directors has assigned the Nomination and Remuneration Committee to determine the annual remuneration of Chief Executive Officer and present to the Board of Directors for consideration. In the event that Chief Executive Officer also holds the position of Director, the Chief Executive Officer also receives remuneration and benefits as the highest top management of the Company besides receiving as a director.

**Executive Remuneration** : In 2022, the Company paid executives remuneration in the form of salary and annual bonus which will vary according to the performance of the Company also the provident fund, total Baht 15.89 million. The comparative data from 2020-2022 is as follows:

Year	Number of executives * (persons)	Amount of remuneration (million baht)
2020	5	17.99
2021	5	14.77
2022	5	15.89

**Other Remuneration :** In 2022, In addition to monetary compensation, the Company does not pay any other form of remuneration.

## 7.5 Employee Data

**7.5.1 Number of Staff :** The Company has a total of 253 employees as of December 31, 2022, consisting of 186 males and 67 females with the following details:

Segmentation	Male(Person)	Female(Person)	Total(Person)
<b>1. By age range</b>			
1.1 Less than 30 years old	64	12	76
1.2 30-50 years old	109	52	161
1.3 Over 50 years old	13	3	16
	<b>186</b>	<b>67</b>	<b>253</b>
<b>2.By position</b>			
2.1 Operating Level	177	60	237
2.2 Executive Level	7	4	11
2.3 Senior Executives	2	3	5
	<b>186</b>	<b>67</b>	<b>253</b>

**7.5.2 Labour Disputation :** None

### 7.5.3 Employee Compensation

(a) Compensation in Cash : In the years 2020, 2021, and 2022, the Company paid compensation to employees (excluding 5 executives) totally Baht 76.51 million, Baht 77.26 million, and Baht 71.62 million respectively as compensation in the form of salaries, bonuses, overtime, contributions to the fund, and house rental. Employee compensation for 2022 amounted to Baht 71.62 million. The compensation for male employees is Baht 49.60 million and female employees are Baht 22.02 million. With a total of 65 employees who are members of provident fund, the Company paid contributions to the provident fund totaling Baht 3.14 million.

(b) Other compensations : None

**7.5.4 The number of employees who have been injured at work** to the point of stopping work for 1 day or more in 2022 : None

## 7.6 Other Important Information

### Auditor

The auditor of the Company for the year 2022 is Miss Patcharawan Koonarangsri, certified public accountant no. 6650 from EY Office Limited. The audit fees paid by the Company to EY Office Limited are as follows;

Details (Unit: baht)	Paid remuneration	
	2021	2022
(1) Annual audit fee	680,000	680,000
(2) Verification fee for quarter financial report (Total 3 quarters )	450,000	450,000
(3) Total remuneration of auditor	1,130,000	1,130,000

(1) The audit fee for year 2022 at Baht 1,130,000 is the same as the audit fee of year 2021.

(2) During the past year 2022, the Company used audit services, without using any non-audit services from the audit company employing the auditor and related person or business with the auditor or the audit company employing the auditor.

(3) The financial auditor mentioned above has independence in the audit and opinions to the Company's financial statements, without having any relationship or other stakes or interests whatsoever with the Company/subsidiary companies/executives/major shareholders or relevant persons to the above parties.

(4) The financial auditor proposed above has been endorsed by the SEC to audit the listed companies, with the shareholders' meeting having appointed EY Office Limited as the Company's financial auditor for the past 17 years from 2005 to 2022. Accordingly, the Company has strictly complied with the regulation regarding the Auditor Rotation as stipulated by the SEC, by not using the same financial auditor consecutively for more than 5 years.

## **8. REPORT OF KEY PERFORMANCE ON GOOD GOVERNANCE**

### **8.1 Summary of the Board's Performance in the Past Year**

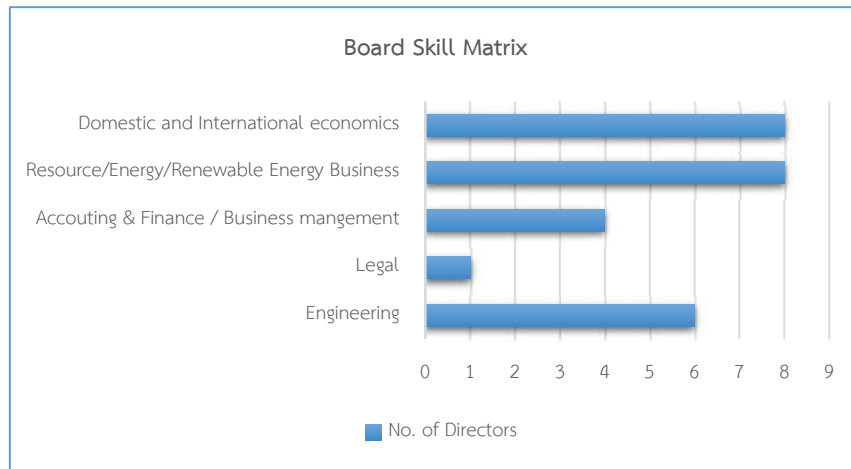
The Company requires directors to Follow the Code of Best Practices in accordance with the guidelines of the Stock Exchange of Thailand. The Board of Directors must understand and acknowledge their roles, duties and responsibilities and must comply with the law, the Company's objectives and regulations, as well as the resolutions of the Shareholders' Meeting with integrity and consideration of the interests of the Company and its shareholders. The Board of Directors determines the Company's policies, business goals, business plans, and budgets and supervises the management to comply with the defined policy, plans and budgets effectively for the best interests of the Company and its shareholders as a whole.

#### **8.1.1 Nomination and Appointment of the Directors**

The Nomination and Remuneration Committee has determined the criteria of directors selection by considering the nature of the business and the strategy of the Company, therefore, has defined the qualifications of the directors to be appropriate and consistent with the business strategy of the Company by considering the necessary skills that are still lacking and the Board Diversity in professional skills, specialized expertise, knowledge including work experience to determine the appropriate person with experience, knowledge and ability that will benefit the Company to become a director.

The Company has established a Board Skill Matrix and reviewed the Board Diversity annually and considered the performance evaluation of the current committee in order to review the structure of the Board which is used as information for consideration of nomination of directors to ensure that the Board of Directors is qualified in accordance with the Company's business direction. The person who is appointed to be the director or executive must be fully qualified according to Section 68 of the Public Company Act B.E. 2535 (including the amendments) and the SEC's announcement and must not have

prohibited characteristics as Securities Act B.E. 2535 (Including additional amendments), other laws and related regulations.



The Board of Directors currently consists of 8 members, which is suitable for the business. All directors have work experience or have ever worked as the top management positions of government agencies and business sectors. Most of directors have experience in the energy industry that are beneficial to the Company. Most of directors graduated in engineering and have knowledge in business management. There is a director who has graduated in law as well. The current Board of Directors is composed of qualified persons with experience, expertise from a variety of professions.

#### **8.1.2 Meeting of the Board of Directors**

According to the policy, the Company's Board of Directors holds a meeting at least once every three months, with additional meetings to be held as necessary. The Company has scheduled Board of Directors meetings throughout the year in advance so that directors can plan and allocate time for meetings in unison. Each meeting is completed with a clear agenda and the meeting notice sent to those involved seven days in advance. This will help the Board of Directors member have time for study all information prior to meeting. The minutes of the meeting are recorded in writing and the original minutes approved by the Board of Directors are kept together with the invitation letter and supporting documents in electronic format for convenience and can be reviewed by the Board of Directors and related parties.

In addition, video conference facilities are provided so that directors can attend board meetings and sub-committees to express their opinions or give useful suggestions to the Company's management.

In 2022, the Board of Directors held 13 meetings, each of which was attended by the Board of Directors in the following details:

Name of Director	Position	No. of attendance in 2021	No. of attendance of meeting in 2022 Of total 13 meetings		
			In person	Online	Total
(1) Mr. Virach Aphimeteetamrong	Chairman and member of Audit Committee	13/13	12	1	13/13
(2) Mr. Kraisi Sirirungsi	Vice Chairman and Authorised Signatory	13/13	11	1	12/13
(3) Mr. Anun Louharanoo	Director and Authorised Signatory	13/13	11	1	12/13
(4) Mr. Srihasak Arirachakaran	Director and Authorised Signatory	13/13	4	9	13/13
(5) Mr. Somchit Limwathanakura	Director and Authorised Signatory	13/13	12	-	12/13
(6) Mr. Somchai Lovisuth	Director, Authorised Signatory and Senior Chief Executive Officer	13/13	11	2	13/13
(7) Mr. Padetpai Meekun-im	Director and Chairman of Audit Committee	13/13	1	11	12/13
(8) Mr. Satit Chanchaowakun	Director and member of Audit Committee	12/13	7	6	13/13
<b>Remark:</b> Directors No. (2)-(4) are directors who are representatives of Lanna Resources Public Company Limited.					

### 8.1.3 Remuneration of Directors

According to the Public Companies Act B.E. 2535, Article 90, First Paragraph provides that "Prohibits the Company to pay money or assets to its directors except for remuneration compensation as per the regulations of the Company" and The Company's Article 30 stipulates that "the directors are entitled to receive remuneration from the company in the form of meeting allowance, pension, bonus payments, or other benefits, in accordance with the regulations or by the consideration of the Meeting of Shareholders. This could be defined as an exact amount, or a criteria, that will be set forth from time to time, or until it is changed. In addition, directors may receive allowances and welfares, according to the Company's rules". Herewith, the Board of Directors would like to clarify the structure of directors' remuneration which consisted of the following items:

#### Composition of the Remuneration

(1) The Board of Directors receives the following remuneration:

(1.1) Fixed monthly remuneration, with the Chairman receiving Baht 45,000 per month and the Directors receiving Baht 30,000 per month each. This format has been used since the 2013 onwards without any changes whatsoever until present.

(1.2) Omit the Annual remuneration for year 2022.

(2) Subcommittees receive remunerations, in addition to (1), as follows:

(2.1) The Audit Committee members each receive fixed monthly remuneration. The Chairman of the Audit Committee receives Baht 20,000 per month, with the other Audit Committee Members receiving Baht 15,000 per month per person. The composition and scope of authority of the Audit Committee will be disclosed in the 2022 Annual Report under the topic "7.3.1. Audit Committee", which is published on the Company's website.

(2.2) The Nomination and Remuneration Committee shall receive compensation by each occasion of attended meeting, Baht 15,000 per attended meeting for Chairman and Baht 10,000 per attended meeting for other members. The above remuneration rates have been used since January 1, 2016 without any changes. The

composition and scope of authority of the Nomination and Remuneration Committee will be disclosed in the 2022 Annual Report under the topic "7.3.3 Nomination and Remuneration Committee", which is published on the Company's website.

(2.3) the Risk Management Committee shall receive compensation by each occasion of attended meeting, Baht 15,000 per attended meeting for Chairman and Baht 10,000 per attended meeting for other members. Executives whom already receive monthly salary and other benefits as the Company's employees; therefore, there are no additional remunerations. The above remuneration rates have been used since year 2018 without any changes.

(2.4) The Corporate Governance Committee of which members are all executives whom already receive monthly salary and other benefits as the Company's employees; therefore, there are no additional remunerations.

The Company does not provide any other remuneration or offer any other privileges to the Directors other than what mentioned in (1) and (2) above.

The Company has set remuneration for directors and executives at an appropriate level and rate. The remuneration is sufficient to maintain quality management members without excessive payment and at a level comparable to other companies in the same industry or business. Factors used for consideration include experience, obligations, extent of their roles and responsibilities. In respect of the remuneration of executives, the consideration would adhere to the principles and policies set by the Board of Directors, which is determined by obligations and responsibilities, performance of each executive, and results of the Company's operations.

In 2022, the Company paid compensation to directors in the form of fixed monthly remuneration and annual remuneration as follows;

#### (1) Monetary Remuneration

Name-Surname	Position	Unit: Baht per year	
		Remuneration	Total
(1) Mr.Virach Aphimeteetamrong	Chairman of the Board, Audit Committee	540,000 180,000	720,000
(2) Mr.Kraisi Sirirungsi	Vice Chairman Chairman of the Nomination and Remuneration Committee	360,000 45,000	405,000
(3) Mr.Anun Louharanoo	Director Nomination and Remuneration Committee	360,000 30,000	390,000
(4) Mr.Somchit Limwathanagura	Director	360,000	360,000
(5) Mr.Srihasak Arirachakaran	Director Nomination and Remuneration Committee	360,000 30,000	390,000
(6) Mr.Somchai Lovisuth	Director Nomination and Remuneration Committee	360,000 30,000	390,000
(7) Mr.Padetpai Meekun-iam	Independent Director Audit Committee Chairman Risk Management Committee	360,000 240,000 50,000	650,000
(8) Mr. Satit Chanchaowakun	Independent Director Audit Committee Nomination and Remuneration Committee Chairman of Risk Management Committee	360,000 180,000 30,000 75,000	645,000
<b>Total</b>		<b>3,950,000</b>	<b>3,950,000</b>

#### (2) Other remuneration : None

### **8.1.4 Potential Development of Directors and Executives**

#### **Orientation for Newly Appointed Directors**

Persons appointed as new directors will be guided and explained the Company's objectives, vision, mission, corporate values. The Company has prepared handbook and arranged orientation for newly appointed directors to provide useful information for use in the performance of duties as well as recommending the nature of business operation, goals and operational guidelines. The Company has a policy to encourage directors to attend training to develop, promote and support the performance of duties, such as courses from the Thai Institute of Directors Association (IOD), etc.

#### **Development of Directors and Executives**

The Company has a policy to encourage each director to have knowledge and understanding about their roles and responsibilities, nature of business operations and laws related to business operations. Company Secretary is tasked to propose new requirements, rules and laws relating to the performance of directors' duties. And the business operation at the Board of Directors' meetings is ongoing.

For executives development, the Company has a policy to encourage executives to develop skills, knowledge and ability by considering the curriculum and speakers that it deems appropriate both individually and subgroups for executives to apply in their work.

#### **Succession plan and executive development**

To ensure the continuity of business operations. The Company has a policy to supervise the succession plan in order to prepare successors for senior and middle management positions in order to prepare both quantitative and qualitative manpower to create continuity in management in key positions by establishing criteria and guidelines for succession plans when there is a vacancy or there is a new higher position.

For the recruitment of executives and individual development prior to taking the position, the plan will be formulated in advance of retirement or early retirement, which will be in accordance with the rules and guidelines of the succession plan according to the recruitment process that will consider both internal and external persons, as well as to comply with the requirements of the law and standards for listed companies on the Stock Exchange of Thailand.

#### **Performance Evaluation of the Board of Directors**

The Corporate Governance Committee (CG Committee) is responsible for assessment process of the Board of Directors by applying the assessment form of the Stock Exchange of Thailand to be adapted to suit the nature and structure of the Board of Directors in which the assessment forms will be reviewed annually in order to be used as a framework for monitoring the performance of the Board of Directors. The assessment results will be further considered for the suitability of the Board composition. In this regard, the performance assessment of the Board of Directors has the following topics as follows;

- (1) Structure and Qualification of the Board of Directors
- (2) Role and Responsibility of the Board
- (3) Board Meeting
- (4) Directors' Duties
- (5) Relation with management
- (6) Self-development of directors and executive



### Performance Evaluation of Sub-committees

The Board of Directors requires that the sub-committees, consisting of the Audit Committee, the Risk Management Committee, the Nomination and Remuneration Committee and the Corporate Governance Committee shall have a self-assessment of their performance and shall report the assessment results to the Board of Directors meeting every year to review the performance of the subcommittee. The evaluation form of the sub-committee is prepared in accordance with the scope of authority, duties and responsibilities in accordance with the charter of each sub-committee and reference to the form from the Stock Exchange of Thailand, which has topics about the structure, and qualifications of sub-committees, roles, duties and responsibilities of sub-committees.

In 2022, the Board of Directors and all sub-committees have performed their duties with knowledge, ability, according to the scope of authority and responsibility assigned by the Charter and in accordance with the best practices of the regulatory authorities. The Company Secretary has summarized the evaluation results of the Board of Directors both the entire Board and individual including the evaluation results of each sub-committee and reported to the Board of Directors Meeting No. 2/2023 on February 16, 2023. The assessment results of the Board of Directors are as follows;

Committee	Score (%)
<b>Board of Directors</b>	
• As a whole assessment	97.28
• Individual assessment	97.28
<b>Sub-committees</b>	
• The Audit Committee	99.00
• The Risk Management Committee	94.02
• The Nomination and Remuneration Committee	95.67
• The Corporate Governance Committee	97.50

### Performance Evaluation of the Chief Executive Officer (CEO)

Nomination and Remuneration Committee to evaluate the performance of the Chief Executive Officer (CEO) annually to be used in determining the remuneration of the Chief Executive Officer using the norms agreed in advance with the Chief Executive Officer in accordance with concrete criteria. This includes financial performance, contributions to the implementation of long-term strategic objectives executive development. The above assessment results will be presented to the Board of Directors for approval and the Chairman of the Nomination and Remuneration Committee together with the Chairman of the Board of Directors, who is an independent director, communicate the results of the consideration to the Chief Executive Officer (CEO) for acknowledgement and provide feedback.

#### 8.1.5 Compliance with Corporate Governance policy and practices

The Board of Directors attaches great importance to the good corporate governance principles by prescribing related policies and practices in the Corporate Governance policy and business Code of Conduct and promoting practicality to build confidence among all stakeholders.

In 2022, the Company has complied with the good corporate governance principles covering the following matters: Shareholder rights protection, Equitable treatment of Shareholders, Responsibility to all stakeholders covering in these areas; Employment,

Human Rights, Health, Safety and Environment, Social Responsibility, Community, Environment and Compliance with the rules and regulations of the governing bodies. The results showed that the Company had completely followed the guidelines for each issue. In addition, the Company has followed to achieve the good corporate governance in the following main areas;

#### **Conflicts of Interest Prevention**

The Board of Directors has set the policy regarding conflicts of interest and related transactions between the Company and connected persons according to the definition of the Office of the Securities and Exchange Commission (SEC). Considerations of any transactions including the approval of such transaction are subject to normal business conditions with the best interest of the Company and Shareholders. The Company requires those who have a conflict of interest or connected with the considering transaction to report the Company regarding their relationship or connected person before considering the agenda of the Board of Directors' Meeting and be recorded in the minutes and not participate any meeting of such approval, and have no authority to approve such transaction. The Audit Committee is responsible for overseeing any conflicts of interests to be corresponding with the policy by concerning requirements, procedures and disclosure of transactions that may cause conflict of interest properly.

In the meeting of the Board of Directors no. 13/2022 held on December 15, 2022, the Board considered and reviewed the Related Transactions and Connected Transaction policy to be suitable and consistent with the principles of good corporate governance and considered that the directors and top executives have to prepare their conflict of interests in relation report and submit to the Company Secretary annually.

#### **Exploitation of Internal Information**

The Board of Directors has established the the use of internal information policy in the Corporate Governance handbook and Business Ethics in order to comply with the securities laws and transparency in the business. The directors, executives and employees are prohibited from using the Company's internal information for personal benefit or disclosing information to the third parties for securities trading. The Company has disclosed the aforementioned policy on the website for Shareholders' reference. Details are summarized as follows;

- Directors and executives, as defined by the SEC, are responsible to report changes in the Company's securities holding to the SEC within 3 working days as required by the SEC. In this regards, the Company requires directors and top executives to notify the Company Secretary 1 day in advance of securities trading in order to inform the Board of Directors meeting.

- Directors, Executives and Employees related to information. (Including spouses and underage children of such persons) are prohibited from securities trading the during the 1-month period (Blackout Period) before disclosing quarterly financial statements and annual financial statements or other information that may affect the stock price of the Company and do not trade securities until such information has been disclosed to the public.

- The Company Secretary is responsible to prepare a report on the change in securities holding for the directors to certify and endorse before the Board's meeting on a monthly basis and disclose such report along with details of changes during the year in Appendix in Form 56-1 One Report / Annual Report.

In 2022, the Board of Directors and Executives had not traded in securities by using inside information.

### **Anti-Corruption**

In order to be in line with the business intention and as a guideline for Directors, Executives and Employees to strictly adhere to their operations. In 2022, the Company communicated to its business partners and invited them to join the Thai Private Sector Collective Action Coalition against Corruption. The Board of Directors Meeting no. 13/2022 on December 15, 2022 reviewed the Anti-Corruption Policy to be appropriate and consistent with current business operations. The section on "Hiring Government Employees" has also been included in the policy. The Company has published an Anti-Corruption policy on the topic "Corporate Governance" in Form 56-1 One Report / Annual Report 2022 and on the Company's website ([www.thaiagroenergy.com](http://www.thaiagroenergy.com))

The Company has been officially certified as a renewal member of "Thailand's Private Sector Collective Action Coalition Against Corruption" continues from 2017 to 2023. In order to comply with the Anti-Corruption policy, the Company has taken action as follows;

- **Business Risk Assessment**

In 2022, Risk Management Committee, management level, assessed the potential risk of corruption according to risk management plan and overseen the operation to be in line with risk assessment, then, reported to the Risk Management Committee to formulate policies, govern and control risk management and report to the Board of Directors respectively.

- **Practices on governance, prevention and monitoring risk from corruption**

The Company prescribes anti-corruption practices regarding governance and monitor risk from corruption as follows;

- Internal Audit department provides examination process, the internal control system assessment, risk management covering important work system such as procurement system, sales system, accounting system, payment system etc. These are to prevent and monitor risk from corruption including provide appropriate opinion on solving guidelines.
- Provide channels for receiving information on complaints. The Company determine the policy to protect the whistleblower and keep the information of the whistleblower as confidential including having measure to investigate. The Company also imposes disciplinary action and relevant legal penalties.
- The head of the relevant department is responsible for monitoring the implementation or improvement of defects (if any) and report to the supervisor.

## **8.2 Report of the Audit Committee**

The Board of Directors defined that Audit Committee is independent from the executives to review the key points, also held meetings with financial auditors, internal auditor and relevant executives to give further information and clarification which focus on good corporate governance and effective internal audit system.

During the year 2022, the Audit Committee held a total of 9 meetings. The number of attendance of each member of the Audit Committee are as follows:

Name	Position	No. of attendance / No. of meeting in 2022
Mr. Padetpai Meekun-iam	Chairman of the Audit Committee	9/9
Mr. Virach Aphimeteetamrong	Audit Committee Member	9/9
Mr. Satit Chanchaowakun	Audit Committee Member	9/9

The Audit Committee reported its performance to the Board of Directors every quarter. The key results of the Audit Committee's operation are as follows.

(1) Reviewing the Company's quarterly and annually financial statements for year 2022. It was agreed that they were accurate and reliable. They were duly prepared in conformity with the generally accepted accounting standards with sufficient and appropriate disclosure of information.

(2) Considering the internal control system for the year 2022, covering significant risks as well as anti-corruption practices and the adequacy of the Company's internal control system. In this regard recommendations have been given to the management to improve and to correct all errors for more circumspective and appropriateness.

(3) Reviewing and attach importance to adhering to the good corporate governance in compliance with the laws relating to the business operation of the Company and the Anti-Corruption practices during the year 2022. It emphasizes the accuracy and completeness of information disclosed to all stakeholders fairly and equally, can be referenced and verified in a transparent manner.

(4) Reviewing of acquisition and disposition of assets including connected transactions or the transactions which might cause conflict of interests occurred during the year 2022, the transaction is considered as the usual commercial price and conditions in general, taking into account fairness and in the best interests of the Company and approved by an authorized person who is not a stakeholder. Information is disclosed and treated correctly in accordance with the announcements of the Capital Markets Regulatory Commission and other relevant laws.

(5) Reviewing the risk management system and anti-corruption practices during the year 2022. In this regard recommendations have been given to the management to improve and to correct all errors for more circumspective and appropriateness.

(6) Reviewing the progress of lawsuit during the year 2022. Recommendations have been given to the management to improve the legal proceeding and outstanding accounts receivable follow up for more circumspective and appropriateness.

(7) Reviewing the management's procedures regarding whistleblowing. In 2022, no complainants were made through designated whistleblowing channels.

(8) Conducting self-assessment on a panel and individual basis in year 2022 by specifying strengths, weaknesses, as well as areas for improvement and rectification. It jointly considered the self-assessment results and formulated the guidelines for improving and rectifying work to enhance its efficiency and effectiveness in the following year.

(9) Considering the appointment of the auditors and the audit fees from the EY Office Limited as the Company's auditors for the year 2023 and proposed to the Board of Directors for further approval at the Annual General Meeting of Shareholders for the year

2023 to appoint Ms. Patcharawan Koonarungsri, certified public account no. 6650, and/or Ms. Sathida Rattananuruk, certified public accountant no. 4753, and/or Ms. Siriwan Nitdamrong, certified public account no. 5906 of the EY Office Limited, whom are qualified to be the financial auditor of the listed companies as established by the Stock Exchange of Thailand and the Securities and Exchange Commission to be the financial auditor for year 2023 to be the Company's financial auditors The audit fee for the year 2023 for the Company amounted to 1,330,000 baht.

(10) Considering the internal audit plan and scope for the year 2023 as well as the human resources and staff skills development of the internal audit unit to be adequate in order to handle the workload of duties and responsibilities effectively.

In 2022 Audit Committee was independently performed various tasks as assigned. The Board of Directors and management emphasize the administration that is based on the principles of corporate governance, business ethics. With a focus on risk factors that may affect the Company, all functions must be carried out in compliance with legal requirements. Preparation of financial reports must be accurate and reliable, according to generally accepted accounting standards, with disclosure of information and operational transparency, and a suitable system of internal controls. The reviews found no significant defect at all.

### **8.3 Sub-committee report**

#### **Report of the Risk Management Committee**

The Board of Directors has established the Risk Management Committee or "RMC" comprising of 9 directors with Company's director and top executives, who are authorized to consider risk factors that may possibly impact the operations of the Company by establishing prevention measures and focus on effective risk management in every aspect of operations according to the good corporate governance principles in order to minimize the risks and mitigate their impacts. Resources are used effectively for evaluation and manage risk in the overall to be in accordance with the current situation and ever-changing circumstances.

During year 2022, the Risk Management Committee held 5 meetings altogether in order to consider and assess risks, as well as monitor the risk management of all departments that might significantly impact the business operation of the Company in order to establish risk prevention measures and mitigate impacts or opportunities of risk in various aspects to be suitable with the current and future economic conditions and business environment of the Company. The report can be summarized as follows:

(1) The Risk Management Committee has considered the risk management process and plan in accordance with the policies and objectives approved by the Board of Directors in order to ensure that the risk management is effective and efficient in acceptable risk level and appropriately and concisely in line with the operations of the Company according to the good corporate governance.

(2) The Risk Management Committee has considered the risk factors, including monitoring and supervision of the risk management of the Company by convening the Risk Management Committee's Meeting periodically to encourage efficiency of the risk management process, as well as providing suggestions which are beneficial to the risk management presently and for the future.

(3) The Risk Management Committee has regularly reviewed risks at all levels by assessing and analyzing risk factors to cover and in line with the strategic plan in terms of production, marketing, personnel development, as well as laws and other matters that might affect the business operation of the Company. The risks are categorized into a risk requiring urgent rectification (Red Risk) and the risk requiring close monitoring (Orange Risk) which might be a risk factor in the future.

(4) The Risk Management Committee and the Management has required a review and self assessment on the risks concerning corruption of all departments in order to apply the risk assessment results to amend the regulations and orders regarding day-to-day operations to appropriately and concisely cover such risks.

(5) The Risk Management Committee has prepared a performance summary report to present to the Board of Directors and the Audit Committee for acknowledgment periodically to take comments and/or suggestions for improving the risk management to be more effective.

(6) The Risk Management Committee has determined rules and prepared self-assessment as a whole committee and individual for year 2022 for the assessor to indicate strengths, weaknesses and matters that needed improvements. The Risk Management Committee together considered the results of the assessment and established guidelines for achieving more effective operation in the following year.

(7) The Risk Management has reviewed and amended the Risk Committee Charter to comply with the corporate governance principles.

(8) The Risk Management Committee has disclosed the details of the significant risk management of the Company within the the Annual Report Year 2022 (Form 56-1 One Report).

The operation of the Risk Management Committee in the year 2022, the risks in various aspects were able to be controlled to the level which incurred no significant impact to the Company's operations by responsibly and carefully performing assigned duties for the best interest of the Company and every group of stakeholders.

### **Report of the Nomination and Remuneration Committee**

The Nomination and Remuneration Committee ("NRC") has been appointed by the Board of Directors, comprise of 5 Company's directors, having authorities, duties and responsibilities including nomination of executives and determination of remunerations for directors, executives, and employees of the Company, as well as other duties as assigned by the Board of Directors on a case by case basis. The NRC held 3 meetings in year 2022, which can be summarized as follows.

(1) The NRC has considered nomination of directors in place of directors retired by rotation at the Annual General Meeting of Shareholders Year 2023, having established method and procedures for the nomination as follows:

(1.1) The NRC acknowledged the name list of directors retired by rotation and name list of outsiders being proposed for appointment to director positions in place of the directors retired by rotation.

(1.2) The NRC considered and selected persons who are suitable for the director positions from the proposed name list. Qualifications being considered include skills,

experience, and expertise from various occupation that are beneficial to the operation of the Company. The persons must also be eligible for the director position of a listed company in compliance with the Company's regulations and related laws. The performance during the past year (if any) of the Director of the Company is also considered.

(1.3) The NRC selected and proposed the name list of suitable persons for the director positions in place of the directors retired by rotation to the Board of Directors for further proposal to the Annual General Meeting of Shareholders Year 2023 for its consideration.

(2) The NRC has acknowledged the opening of opportunity for the shareholders to propose meeting agenda and nomination of new directors in accordance with good corporate governance principles by submitting written proposals by mail or facsimile (FAX) to the Company Secretary from October 1, 2022 to December 31, 2022. It appeared that no shareholders proposed any meeting agenda or new director nomination for the Annual General Meeting of Shareholders Year 2023.

(3) The NRC has considered the remuneration for the Board of Directors and sub-committees as follows:

(3.1) Remuneration must be suitable and in accordance with the duties and responsibilities of each director.

(3.2) Remuneration must be comparable to remuneration of other companies of the same industry within the Stock Exchange of Thailand of similar performance levels. In addition, remuneration must be in level that will provide incentive to attract and retain quality directors.

(3.3) Remuneration must be in line with the Company's overall performance. The NRC has considered the remunerations and has proposed to the Board of Directors for approval at the Annual General Meeting of Shareholders.

(4) The NRC has considered rules for the Key Performance Indicators (KPI) of the Company to be used for evaluation of annual salary adjustment and yearly bonus for the Company's employees. The NRC has evaluated the Company's performance based on the budget, operational targets as well as market and economic situations in each year.

(5) The NRC has determined rules for salary increase of year 2023 and annual bonus year 2022 of employees including the Chief Executive Officer and high ranking executives by considering Company's overall operating results and the performance of the year 2022 which is correct and appropriate in accordance with the rules and conditions as approved by the Board of Directors with comparison of information with other companies in the same industry as surveyed by the independent organizations and for further proposal to the Board of Directors for approval.

(6) The NRC has considered the organization structure, manpower and wage budget of the Company for year 2023, which are deemed appropriate and corresponding to the Company's operation, including the allocation of resources of the Company to be efficiently and effectively used and for further proposal to the Board of Directors for consideration and approval.

(7) The NRC has reviewed the NRC Charter once a year to ensure compliance with the Corporate Governance Principles.

(8) The NRC has reviewed and made Self-Assessment of its performance for the whole committee and individual during year 2022 to comply with the Corporate Governance Principles. According to the results of the self-assessment, the NRC has operated effectively and in accordance with the assigned duties and responsibilities.

(9) The NRC regularly reports the operation to the Board of Directors for acknowledgment and consideration at least once a year for disclosure in the Annual Report 2022 (Form 56-1 One Report Year 2022).

The NRC is independent in performing their duties according to the scope of duties and responsibilities as assigned by having discussions with relevant executives regularly in order to make the nomination and remuneration for directors, executives and employees of the Company to be appropriate and in line with the operating results of the Company and at the same level with the companies in the same industry.

### **Report of the Corporate Governance Committee**

The Corporate Governance Committee (“CGC”) of Thai Agro Energy Public Company Limited comprise of 3 members from the executives by position and 1 secretary, having authorities and responsibilities to supervise the Company’s operation regularly in accordance with the principles of good corporate governance as well as supervise the operation of Corporate Social, Community and Environment Responsibility according to related laws & regulations. During year 2022, the CG Committee held 2 meetings according to the authorities and responsibilities determined in the charter of the CG committee, which can be summarized as follows.

(1) The CGC has revised and improved on the Good Corporate Governance Handbook (CG Handbook) in accordance with the good corporate governance best practices and business code of conduct, which have been disseminated on the Company’s website and intranet.

(2) The CGC has monitored and supervised that the employees adhere to the CG Handbook and the Business Code of Conduct so that it will developed into the Company’s culture, which have included as part of the orientation program of new employees and development training of Company’s employees. Related documents and leaflets have been given out to the employees for their acknowledgment and practice.

(3) The CGC has reviewed and improved on the performance self-assessment forms of the Board of Directors and sub-committees once a year and revising the forms as appropriately for the Company. In 2022, self-assessment of performance of the Board of Directors and sub-committees were conducted as a whole and as individual, having objectives as follows.

(3.1) To acknowledge the problems and obstacles preventing achievements of established targets during the past year.

(3.2) To achieve more effective operation of the Company’s Board of Directors and subcommittees as their roles, duties and responsibilities are clearly specified.

(3.3) For improvement of relationship between the Board of Directors and the Management in order to good cooperate.

The Board of Directors and each of the sub-committees offered opinions and recommendations on improvement for more effective operation of each committee for the best interest of the Company.

(4) The CGC has reviewed and amended the Company’s rules and regulations and instruction that relate to daily operation of every unit to be deprived of corruption and to have the concisely internal control.




(5) The CGC has reviewed the Corporate Governance Committee Charter in accordance with good corporate governance principles to define roles, scope of authorities and responsibilities of the CGC in order to propose to the Board of Directors for consideration and approval as well as adhering to the guidelines.

(6) The directors, executives and employees of the Company have participated in the following training programs in year 2022,

(6.1) Training program of “Anti-Corruption and Social responsibilities Supervision Committee”

(7) The CGC has acknowledged awards and recognitions received in Year 2022 as follows.

(7.1) The Company was placed in a “Very Good” level or 4 stars (  ) for the assessment of Corporate Governance (“CGR”) Year 2022 by the Thai Institute of Directors Association, having received a score of 87 percent, higher than the average score of the listed company in year 2022 with the score of 84 percent.

(7.2) The Company received 100 score or “Excellent” level on the Annual General Meeting Quality Assessment of the Listed Companies (“AGM Checklist”) Year 2022 conducted by the Thai Investors Association, higher than the average score of the listed companies in year 2022 with 95.55 score.

The CGC shall focus on the development of good corporate governance within the organization in order for the Company to manage its businesses effectively, building trust and be acceptable by all stakeholders.

## 9. INTERNAL CONTROL AND RELATED TRANSACTIONS

### 9.1 Internal Control

The Board of Directors recognizes the importance of internal control systems according to international standards - The Committee of Sponsoring Organizations of the Treadway Commission 2013 (COSO2013) by applied in risk management and internal control to make the design of management structures and operating processes efficient and effective to build credibility with financial reports and other related reports, as well as to ensure that the Company fully complies with applicable laws and commitments.

#### 9.1.1 Adequacy and appropriateness of the internal control system

In 2022, the Audit Committee has considered the results of the evaluation of the adequacy of the internal control system in accordance with the assessment guidelines of the Securities and Exchange Commission (SEC). The management and the auditor reviewed the Company's internal control system that was sufficient and appropriate for the Company's business operations. The objectives of the control system can be achieved in all 5 areas.

#### Control Environment

The Company provides an organizational management structure that is suitable for business conditions and effective for the company's operations. A business ethics manual has been prepared and policy has been set for directors, executives and employees strictly adhere to and practices, including avoiding operations in a manner that may cause conflicts of interest. It also ensures that transactions are justified, whether it is treating each other between employees themselves or transactions made with sellers, customers, and as well as related parties.

#### Risk Management

The Company provides risk management processes at all levels of the organization. The Company has a process for analyzing risk factors from both internal and external factors, risk opportunities, risk impacts, and designed to have a process of monitoring compliance

with risk management plans to ensure effective implementation and continuous improvement of the implementation of the operational plan.

### **Control Activities**

The Company has established a regulation on the authority of executives to approve any action, which will provide a framework that ensures that the limits and methods of approval of each type of executive are clearly specified at each level. This is to ensure that the approval of transactions is properly approved by people with the right skills and knowledge. It takes into account the principle of segregation of duties in order to be properly reviewed. In addition, the Company has proper control over information technology in both general control and system-specific control.

### **Information and Communication System**

At each meeting of the Board of Directors, sub-committees and working groups, the agenda will be packed and the information, documents and agenda materials will be provided to help with adequate decision-making. The Company has recorded the opinions and observations of the participants in the minutes of the meeting and stored them so that the stakeholders can check the appropriateness of the director's duties. The Company collects and maintains financial information and documentation in both information form and the storage of important documents.

### **Monitoring System**

The Company has an independent internal audit agency to monitor, consult and evaluate compliance with the internal control measures of each work system so that the performance of the operations are in accordance with the policies and practices under a clear control system. Recommendations from the audit are followed.

#### **9.1.2 Significant internal control defects**

In 2022, the Company has no significant internal control defects as the agencies have followed the internal control measures of each system as required.

## **9.2 Related Transaction and Conflict of Interest**

### **9.2.1 Measures and procedure concerning the approval of related transaction and conflict of interest**

The Company has established measures and procedure concerning the approval of connected transaction and transaction concerning acquisition or disposal of the assets of the Company in compliance with the regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand, as well as related laws within the Corporate Governance Handbook, which can be summarized as follows.

(9.2.1.1) Directors, The Company's executives and employees are prohibited operate businesses similar to the Company's business or businesses that compete with the Company and avoid making connected transactions that may cause conflicts of interest with the Company.

If there is a need to make connected transactions that may have a conflict of interest, criteria must be approved in clause (9.2.1.2) – (9.2.1.4) as follows;

(9.2.1.2) The stakeholder or person who may have conflict of interest may not approve the transaction that is connected to oneself.

(9.2.1.3) The establishment of price or compensation must be based on normal business and general commercial terms with consideration on the best interest of the Company.

(9.2.1.4) The Audit Committee has to consider and provide comments prior to making such transaction. If the Audit Committee lacks expertise in a particular matter or transaction, an independent expert must be engaged to provide comments to the Audit Committee as part of the consideration before proposing to the Board of Directors and/or the Shareholders Meeting for further consideration and approval.

(a) In case that such transaction is a trade agreement of similar nature to agreements that a reasonable person would engage with another party in similar circumstances; with trade negotiating power in absence of influences from own positions as directors, executives, or related persons, whichever the case; or of normal business transactions or normal supporting transactions with general trade conditions such agreement must be approved by the Board of Directors, or be approved in principle by the Board of Directors, prior to engagement in such transaction. This is comply with the Securities and Exchange Act.

(b) The Company must disclose the information on such transaction in accordance with the regulation and procedure as established by the SEC and the SET as well as disclosed in the Annual Report (Form 56-1 One Report).

### 9.2.2 Details of related transaction and conflict of interest

(1) In 2022, there are no related business items or interests between the Company and its directors and or executives.

(2) In 2022, the Company has no significant business transactions with a company or related juristic person by holding shares and having directors together. Such items are subject to the conditions and criteria agreed upon as usual in business, which can be summarized as follows:

**(1) Type of transaction :** Wood Pellet Sale and Purchase

#### **Related parties**

**Seller :** SRT Power Pellet Co., Ltd. (“SRT”)

**Buyer :** Thai Agro Energy Public Co., Ltd. (“TAE”)

#### **Connected Relationship**

(A) Lanna Resources Public Company Limited directly holds 51 percent of paid-up capital in TAE, having three joint representatives, namely, Mr. Kraisi Sirirungsi, Mr. Anun Louharanoo, and Mr. Srihasak Arirachakaran.

(B) Lanna Resources Public Company Limited directly holds 99.9997 percent of paid-up capital in Lanna Power Generation Co., Ltd., having three joint representatives namely, Mr. Kraisi Sirirungsi, Mr. Anun Louharanoo, and Mr. Srihasak Arirachakaran

(C) Lanna Power Generation Co., Ltd. directly holds 99.9998 percent of paid-up capital in SRT Power Pellet Co., Ltd., having three joint representatives, namely, Mr. Kraisi Sirirungsi, Mr. Anun Louharanoo, and Mr. Srihasak Arirachakaran.

#### **Reasons and Necessities**

The transactions were considered under normal course of business with general commercial term and basis, having each authorized party independent of the other party, which TAE uses wood pellet as fuel for ethanol production.

Transaction	Unit	Year 2022	Year 2021
Wood pellet volume	Metric Ton	-none-	398.33
Wood pellet value	Baht	-none-	1,204,202
Balance Amount as at end of year	Baht	-none-	-none-



# PART 3

## Financial Statements

## Report of the Board of Directors' Responsibilities for Financial Statements

The financial statements of Thai Agro Energy Public Company Limited for the year 2022 are prepared in accordance with the notification of the Department of Business Development Re: Prescribing the Acquisition Requirement in the Financial Statements which is in compliance with the Accounting Act BE 2000 and has complied with accounting standards prescribed in the Accounting Profession Act BE 2004.

The Board of Directors is responsible for the financial statements of Thai Agro Energy Public Company Limited for the purpose of ensuring the financial position. The actual and reasonable results of the operations and cash flows are accurately recorded. The financial statements have been prepared in accordance with generally accepted accounting principles, taking into account the appropriate accounting policy and consistency with the Company. We also consider the sufficiency of provisioning for uncertain items. Or it could have a significant impact on future business by disclosing important information in notes to the financial statements. And auditors have expressed their views in the auditor's report.

In this regard, the Board of Directors has appointed the Audit Committee consisting of independent and non-executive directors, which have fully qualified by the Securities and Exchange Commission (SEC) to review the financial statements. Ensure compliance with accounting standards, Review the internal control system, internal audit and risk management systems are appropriate and effective. To operate transparently in accordance with the company's regulations. And in accordance with the provisions of the various laws. To involve and supervise the conflict of interest, as well as to consider and propose the appointment of the Company's auditors. The Audit Committee has expressed the opinion in the report of the Audit Committee as shown in the Annual Report for the year 2022.

March 16, 2023

On behalf of the Board of Directors of Thai Agro Energy Public Company Limited



(Mr. Virach Aphimeteetamrong)

Chairman of the board



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## Independent Auditor's Report

To the Shareholders of Thai Agro Energy Public Company Limited

### Opinion

I have audited the accompanying financial statements of Thai Agro Energy Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2022, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thai Agro Energy Public Company Limited as at 31 December 2022, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

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

### Key Audit Matters

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

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond is described below.

#### *Revenue recognition*

Major revenue of the Company is derived from production and distribution of ethanol. The Company recognised revenue, based on the contractual price, when control of goods is transferred to the customer, generally on delivery goods. The price is based on the market price with adjusted by other factors . Revenue from sales is a significant account because the amount of revenue from sales is material and directly affects the Company's profit or loss. In addition, selling prices are based on the fluctuated market price and current demands. I therefore gave significant attention to the revenue recognition of the Company.

I have examined the revenue recognition of the Company by assessing and testing the Company's IT system and its internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls, applying a sampling method to select sales agreements to assess whether revenue recognition was consistent with the conditions of the relevant agreement, and whether it was in compliance with the Company's policy, on a sampling basis, examining supporting documents for actual sales transactions occurring during the year and near the end of the accounting period, reviewing credit notes that the Company issued after the period-end and performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

#### **Other Information**

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

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

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

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

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

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

In preparing the financial statements, management is responsible for assessing the 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 Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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



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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

I am responsible for the audit resulting in this independent auditor's report.



Patcharawan Koonarangsri  
Certified Public Accountant (Thailand) No. 6650

EY Office Limited  
Bangkok: 13 February 2023

**Thai Agro Energy Public Company Limited**

**Statement of financial position**

**As at 31 December 2022**

		(Unit: Baht)	
	<u>Note</u>	<u>2022</u>	<u>2021</u>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	21,941,749	36,738,750
Trade and other receivables	8	185,631,819	197,906,175
Inventories	9	143,345,214	104,564,199
Advance payments for purchase of goods	10	540,341,029	286,970,759
Other current financial asset		1,073,752	1,068,806
Other current assets		22,567,165	9,404,515
<b>Total current assets</b>		<u>914,900,728</u>	<u>636,653,204</u>
<b>Non-current assets</b>			
Biological assets	11	15,168,924	11,577,452
Property, plant and equipment	12	2,617,745,794	2,702,002,858
Right-of-use assets	17	17,711,938	25,266,110
Intangible assets	13	1,990,244	2,244,888
Deferred tax assets	21	40,100,010	19,701,818
Other non-current financial assets		789,139	795,940
<b>Total non-current assets</b>		<u>2,693,506,049</u>	<u>2,761,589,066</u>
<b>Total assets</b>		<u>3,608,406,777</u>	<u>3,398,242,270</u>

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

**Thai Agro Energy Public Company Limited**  
**Statement of financial position (continued)**  
**As at 31 December 2022**

		(Unit: Baht)	
	<u>Note</u>	<u>2022</u>	<u>2021</u>
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Short-term loans from financial institutions	14	1,303,948,048	763,613,321
Trade and other payables	15	78,745,915	67,786,841
Current portion of lease liabilities	17	6,883,030	7,088,240
Current portion of long-term loans	16	243,707,250	243,707,250
Provision for short-term employee benefits	18	957,973	2,258,753
Other current liabilities		5,336,773	8,861,686
<b>Total current liabilities</b>		<u>1,639,578,989</u>	<u>1,093,316,091</u>
<b>Non-current liabilities</b>			
Lease liabilities - net of current portion	17	12,415,197	19,283,227
Long-term loans - net of current portion	16	328,445,692	572,152,942
Provision for long-term employee benefits	18	10,390,858	8,212,160
<b>Total non-current liabilities</b>		<u>351,251,747</u>	<u>599,648,329</u>
<b>Total liabilities</b>		<u>1,990,830,736</u>	<u>1,692,964,420</u>

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

**Thai Agro Energy Public Company Limited**  
**Statement of financial position (continued)**  
**As at 31 December 2022**

	<u>Note</u>	<u>2022</u>	<u>2021</u>
(Unit: Baht)			
<b>Liabilities and shareholders' equity (continued)</b>			
<b>Shareholders' equity</b>			
Share capital			
Registered			
1,000,000,000 ordinary shares of Baht 1 each		1,000,000,000	1,000,000,000
Issued and fully paid up			
1,000,000,000 ordinary shares of Baht 1 each		1,000,000,000	1,000,000,000
Share premium		188,795,985	188,795,985
Capital reserve for share-based payment transactions		556,451	556,451
Retained earnings			
Appropriated - statutory reserve	19	100,000,000	100,000,000
Appropriated - general reserve		192,000,000	192,000,000
Unappropriated		136,223,605	223,925,414
<b>Total shareholders' equity</b>		<b>1,617,576,041</b>	<b>1,705,277,850</b>
<b>Total liabilities and shareholders' equity</b>		<b>3,608,406,777</b>	<b>3,398,242,270</b>
		-	-

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

**Thai Agro Energy Public Company Limited**

**Statement of comprehensive income**

**For the year ended 31 December 2022**

		(Unit: Baht)	
	<u>Note</u>	<u>2022</u>	<u>2021</u>
<b>Profit or loss:</b>			
<b>Revenues</b>			
Revenue	22	2,003,976,143	2,207,296,626
Other income		<u>1,589,103</u>	<u>597,181</u>
<b>Total revenues</b>		<u>2,005,565,246</u>	<u>2,207,893,807</u>
<b>Expenses</b>			
Cost of sales	20	1,917,949,255	2,142,485,971
Selling and distribution expenses		17,949,223	20,566,994
Administrative expenses		<u>130,355,450</u>	<u>81,485,369</u>
<b>Total expenses</b>		<u>2,066,253,928</u>	<u>2,244,538,334</u>
<b>Operating loss</b>		(60,688,682)	(36,644,527)
Finance income		36,714	39,045
Finance cost		<u>(45,175,018)</u>	<u>(36,777,569)</u>
<b>Loss before income tax</b>		(105,826,986)	(73,383,051)
Income tax	21	<u>19,943,589</u>	<u>14,967,619</u>
<b>Loss for the year</b>		<u>(85,883,397)</u>	<u>(58,415,432)</u>
<b>Other comprehensive income:</b>			
<i>Other comprehensive income not to be reclassified</i>			
<i>to profit or loss in subsequent periods</i>			
Actuarial loss		(2,273,015)	-
Less: Income tax effect	21	<u>454,603</u>	<u>-</u>
<i>Other comprehensive income not to be reclassified</i>			
<i>to profit or loss in subsequent periods - net to income tax</i>			
		<u>(1,818,412)</u>	<u>-</u>
<b>Other comprehensive income for the year</b>		<u>(1,818,412)</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u>(87,701,809)</u>	<u>(58,415,432)</u>
<b>Loss per share</b>			
Basic loss per share	23		
Loss for the year		<u>(0.086)</u>	<u>(0.058)</u>
Weighted average number of ordinary shares (shares)		<u>1,000,000,000</u>	<u>1,000,000,000</u>

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

Thai Agro Energy Public Company Limited  
Statement of changes in shareholders' equity  
For the year ended 31 December 2022

(Unit: Baht)

	Note	Issued and fully paid up share capital	Share premium	Capital reserve for share-based payment transactions	Retained earnings			Total
					Statutory reserve	Appropriated	General reserve	
<b>Balance as at 1 January 2021</b>		1,000,000,000	188,795,985	556,451	100,000,000	192,000,000	317,340,437	1,798,692,873
Loss for the year		-	-	-	-	-	(58,415,432)	(58,415,432)
Other comprehensive income for the year		-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	-	(58,415,432)	(58,415,432)
Dividend paid	26	-	-	-	-	-	(34,999,591)	(34,999,591)
<b>Balance as at 31 December 2021</b>		1,000,000,000	188,795,985	556,451	100,000,000	192,000,000	223,925,414	1,705,277,850
<b>Balance as at 1 January 2022</b>		1,000,000,000	188,795,985	556,451	100,000,000	192,000,000	223,925,414	1,705,277,850
Loss for the year		-	-	-	-	-	(85,883,397)	(85,883,397)
Other comprehensive income for the year		-	-	-	-	-	(1,818,412)	(1,818,412)
Total comprehensive income for the year		-	-	-	-	-	(87,701,809)	(87,701,809)
<b>Balance as at 31 December 2022</b>		1,000,000,000	188,795,985	556,451	100,000,000	192,000,000	136,223,605	1,617,576,041

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

**Thai Agro Energy Public Company Limited**
**Statement of cash flows**
**For the year ended 31 December 2022**

	(Unit: Baht)	
	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities</b>		
Loss before tax	(105,826,986)	(73,383,051)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	170,232,294	170,904,521
Reduction of inventories to net realisable value (reversal)	(672,015)	672,015
Gain on disposals of equipment	(464)	-
Loss from write off of equipment, intangible assets and right-of-use assets	1,462	-
Unrealised gain on change in value of investment in open-end fund	(4,946)	(4,043)
Provision for long-term employee benefits	848,903	1,136,722
Finance income	(36,714)	(39,045)
Finance cost	45,319,966	36,796,983
Profit from operating activities before changes in operating assets and liabilities	109,861,500	136,084,102
Operating assets (increase) decrease		
Trade and other receivables	12,274,276	(18,827,022)
Inventories	(38,109,000)	19,320,077
Advance payment for purchase of goods	(253,370,270)	(105,794,521)
Other current assets	(13,162,282)	77,563
Other non-current assets	6,801	(27,180)
Operating liabilities increase (decrease)		
Trade and other payables	8,924,900	(55,909,319)
Other current liabilities	(3,533,538)	(6,139,237)
Provision for long-term employee benefits	(2,244,000)	(867,390)
Cash used in operating activities	(179,351,613)	(32,082,927)
Cash received from interest income	36,794	38,934
Cash paid for interest expenses	(44,589,574)	(36,153,330)
Cash received from (paid for) income tax	(368)	5,153,084
<b>Net cash from operating activities</b>	<u>(223,904,761)</u>	<u>(63,044,239)</u>

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



**Thai Agro Energy Public Company Limited**

**Statement of cash flows (continued)**

**For the year ended 31 December 2022**

	(Unit: Baht)	
	<u>2022</u>	<u>2021</u>
<b>Cash flows from investing activities</b>		
Acquisitions of Mangium sprout and planting cost	(3,591,472)	(5,118,771)
Acquisitions of property, plant and equipment	(75,805,569)	(81,371,118)
Acquisitions of intangible assets	(328,136)	(1,627,655)
Proceeds from disposals equipment	467	-
<b>Net cash used in investing activities</b>	<u>(79,724,710)</u>	<u>(88,117,544)</u>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans from financial institutions	540,334,727	(151,716,460)
Cash received from long-term loans	-	499,365,000
Cash paid for long-term loans	(244,000,000)	(144,000,000)
Cash paid for principal portion of lease liabilities	(7,073,240)	(7,086,982)
Cash paid for interest expense of lease liabilities	(429,017)	(585,083)
Cash paid for dividend	-	(34,578,136)
<b>Net cash from financing activities</b>	<u>288,832,470</u>	<u>161,398,339</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(14,797,001)	10,236,556
Cash and cash equivalents at beginning of year	<u>36,738,750</u>	<u>26,502,194</u>
<b>Cash and cash equivalents at end of year (Note 7)</b>	<u><u>21,941,749</u></u>	<u><u>36,738,750</u></u>
<b>Supplemental cash flows information</b>		
Non-cash related transaction from investing activities		
Accounts payables from purchases of plant and equipment	2,904,065	869,891

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

## **Thai Agro Energy Public Company Limited**

### **Notes to financial statements**

**For the year ended 31 December 2022**

#### **1. General information**

##### **1.1 Corporate information**

Thai Agro Energy Public Company Limited (“the Company”) was incorporated as a limited company and domiciled in Thailand and was transformed to be a public limited company under Thai laws on 18 October 2007. Its parent company is Lanna Resources Public Co., Ltd., which is a public limited company incorporated in Thailand. The Company operates in Thailand and is principally engaged in production and distribution of ethanol for fuel. The registered office of the Company is at 888/114, Ploenchit Road, Lumpini, Pathumwan, Bangkok.

#### **2. Basis of preparation**

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

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

#### **3. New financial reporting standards**

##### **3.1 Financial reporting standards that became effective in the current year**

During the year, the Company has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements.

However, the Company has adopted the temporary reliefs in accordance with TFRS 9 Financial Instruments and TFRS 7 Disclosure of Financial Instruments, which apply to transactions directly affected by interest rate benchmark reform, including changes to contractual cash flows or hedging relationships arising from the replacement of the referenced interest rate benchmark with an alternative benchmark rate.

The adoption of these temporary reliefs does not have any significant impact on the Company's financial statements.

### **3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2023**

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company believes that adoption of these amendments will not have any significant impact on the Company's financial statements except the following standard which involves changes to key principles, summarised below.

#### **TAS 16, *Property, Plant and Equipment***

The amendment prohibits entities from deducting from cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

When the Company first applies the amendment, it applies the amendment retrospectively only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented.

The management of the Company is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

#### **4. Significant accounting policies**

##### **4.1 Revenue and expense recognition**

###### *Sales of goods*

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting discounts to customers.

###### *Interest income*

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

###### *Finance cost*

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

##### **4.2 Cash and cash equivalents**

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

##### **4.3 Inventories**

Finished goods and work in process are valued at the lower of cost (under the weighted average method) and net realisable value. Such cost includes all production cost and attributable factory overheads.

Raw materials and supplies are valued at the lower of cost (under the weighted average method) and net realisable value and are charged to production costs whenever consumed.

Net realisable value is selling price in the ordinary course of business less the estimated costs of completion and the estimated cost necessary to make sale.

#### 4.4 Agriculture

The Company's biological assets consist of Mangium and Black Wattle which was measured at its fair value less costs to sell. The fair value of Mangium and Black Wattle is determined based on discounted cash flows reference to price of Mangium and Black Wattle at the point of harvest. Gains or losses on changes in fair value of biological asset is recognised in profit or loss.

In case the fair value cannot be measured reliably, this biological asset shall be measured at its cost less any accumulated depreciation and any accumulated impairment losses. Once the fair value of such a biological asset becomes reliably measurable, the Company shall measure it at its fair value less costs to sell. The agricultural produce is included in inventories.

#### 4.5 Property, plant and equipment and depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of buildings and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings and amenities	5 - 30	years
Machinery and equipment	5 - 30	years
Office equipment	3, 5, 15	years
Motor vehicles	5	years

No depreciation is provided for land, land improvement, and assets under construction and installation.

Depreciation is included in determining income.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

#### 4.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### 4.7 Government grants related to assets

Government grants are recognised when there is reasonable assurance that the grants will be received and all attached conditions will be complied with. Government grants related to assets are presented as a deduction to the value of the related assets and are recognised in profit or loss over the useful life of the assets as a reduced depreciation expense.

#### 4.8 Intangible assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	3, 5, 10 years

#### 4.9 Leases

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

### **The Company as a lessee**

The Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Company recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

#### ***Right-of-use assets***

Right-of-use assets are measured at cost, less any accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Building	2 - 7 years
Machinery and equipment	5 years
Office equipment	5 years
Motor vehicles	2 - 5 years

If ownership of the leased asset is transferred to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

#### ***Lease liabilities***

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Company discounted the present value of the lease payments by the interest rate implicit in the lease or the Company's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

#### ***Short-term leases and leases of low-value assets***

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

#### **4.10 Related party transactions**

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

#### **4.11 Foreign currencies**

The financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

#### **4.12 Impairment of non-financial assets**

At the end of each reporting period, the Company performs impairment reviews in respect of property, plant and equipment, right-of-use assets and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.



#### 4.13 Employee benefits

##### **Short-term employee benefits**

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

##### ***Post-employment benefits***

###### *Defined contribution plans*

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

###### *Defined benefit plans*

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as defined benefit plans.

The obligations under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

#### 4.14 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### 4.15 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

##### **Current tax**

The Company provides income tax in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legalisation. Corporate income tax rate is 20 percent for non-promoted operations and exemption from corporate income tax for promoted operations.

**Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

**4.16 Financial instruments**

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

**Classification and measurement of financial assets**

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

**Financial assets at amortised cost**

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

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

#### **Financial assets at FVTPL**

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in the profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Company has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in profit or loss.

#### **Classification and measurement of financial liabilities**

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

#### **Regular way purchases and sales of financial assets**

Regular way purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace are recognised on the trade date, i.e., the date on which the Company commits to purchase or sell the asset.

#### **Derecognition of financial instruments**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has transferred control of the asset.

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

**Impairment of financial assets**

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Company considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

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

**Offsetting of financial instruments**

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

#### 4.17 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measures fair value using valuation techniques that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

#### 5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

##### **Leases**

##### **Determining the lease term with extension and termination options**

In determining the lease term, the management is required to exercise judgement in assessing whether the Company is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Company to exercise either the extension or termination option.

### Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate (IBR) to discount lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

### **Allowance for expected credit losses of trade receivables**

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Company's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

### **Allowance for diminution in inventory value**

In determining an allowance for diminution in inventory value, the management needs to make judgement in estimating loss from slow moving and deteriorated inventories including the effect from declining in net realisable value of inventories.

### **Property, plant and equipment and depreciation**

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimated useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

### Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

### Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

## 6. Related party transactions

During the years, the Company had significant business transactions with related parties. Such transactions, which are summarised below, were concluded on agreed upon between the Company and those related parties.

	<u>2022</u>	<u>2021</u>	(Unit: Baht) <u>Transfer Pricing Policy</u>
<u>Transactions with parent company</u>			
Dividend paid	-	17,850,000	Declared rate
<u>Transactions with related companies</u>			
Purchase of goods	-	1,204,202	Market price

As at 31 December 2022 and 2021, there are no outstanding balance between the Company and related companies.

### Directors and management's benefits

During the years ended 31 December 2022 and 2021, the Company had employee benefit expenses payable to its directors and management as below.

	(Unit: Baht)	
	<u>2022</u>	<u>2021</u>
Short-term employee benefits	19,574,108	19,368,353
Post-employment benefits	266,490	572,730
Total	<u>19,840,598</u>	<u>19,941,083</u>

## 7. Cash and cash equivalents

	(Unit: Baht)	
	<u>2022</u>	<u>2021</u>
Cash	59,737	38,030
Bank deposits	<u>21,882,012</u>	<u>36,700,720</u>
Total	<u>21,941,749</u>	<u>36,738,750</u>

As at 31 December 2022, bank deposits in savings accounts carried interests at the rates between 0.20 and 0.35 percent per annum (2021: between 0.05 and 0.125 percent per annum).

## 8. Trade and other receivables

	(Unit: Baht)	
	<u>2022</u>	<u>2021</u>
Trade receivables	178,330,798	188,910,310
Other receivables	7,300,817	8,995,581
Interest receivable	<u>204</u>	<u>284</u>
Total trade and other receivables	<u>185,631,819</u>	<u>197,906,175</u>

The outstanding balances of trade receivables as at 31 December 2022 amounting to Baht 178.3 million (2021: Baht 188.9 million) are undue trade receivables.

## 9. Inventories

	(Unit: Baht)					
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Finished goods	35,507,750	20,052,656	-	(672,015)	35,507,750	19,380,641
Work in process	18,039,162	16,653,963	-	-	18,039,162	16,653,963
Raw materials	68,366,349	50,508,403	-	-	68,366,349	50,508,403
Supplies	<u>21,431,953</u>	<u>18,021,192</u>	<u>-</u>	<u>-</u>	<u>21,431,953</u>	<u>18,021,192</u>
Total	<u>143,345,214</u>	<u>105,236,214</u>	<u>-</u>	<u>(672,015)</u>	<u>143,345,214</u>	<u>104,564,199</u>

During the year, the Company reversed the write-down of cost of inventories by Baht 0.7 million, and reduced the amount of inventories recognised as expense during the year (2021: the Company reduced cost of inventories by Baht 0.7 million, to reflect the net realisable value, which was included in cost of sales).





As at 31 December 2022, the Company had an outstanding balance of the construction of Wastewater Evaporation Plant amounting to Baht 392.4 million (2021: Baht 387.1 million). The construction has been financed with loans from a financial institution. Borrowing costs amounting to Baht 2.7 million were capitalised during the year (2021: Baht 4.2 million). The weighted average rate of 2.1 to 3.3 percent per annum has been used to determine the amount of borrowing costs eligible for capitalisation (2021: 2.1 to 2.3 percent per annum).

The Company has mortgaged part of its land and construction thereon and machinery with net book value as at 31 December 2022 amounting to approximately Baht 1,216.2 million (2021: Baht 1,314.3 million) as collateral for short-term and long-term loans and credit facilities granted by a commercial bank as discussed in Note 14 and 16.

As at 31 December 2022, certain machineries and equipment, office equipment and motor vehicles have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 206.3 million (2021: Baht 316.2 million).

### 13. Intangible assets

The net book value of intangible assets which are computer software as at 31 December 2022 and 2021 is presented below.

	(Unit: Baht)	
	<u>2022</u>	<u>2021</u>
Cost	11,043,118	11,067,701
Less: Accumulated amortisation	<u>(9,052,874)</u>	<u>(8,822,813)</u>
Net book value	<u>1,990,244</u>	<u>2,244,888</u>

A reconciliation of the net book value of intangible assets for the years 2022 and 2021 is presented below.

	(Unit: Baht)	
	<u>2022</u>	<u>2021</u>
Net book value at beginning of year	2,244,888	1,246,132
Additions	328,136	1,627,655
Amortisation for the year	(582,752)	(628,899)
Write-off	(28)	-
Net book value at end of year	<u>1,990,244</u>	<u>2,244,888</u>

**14. Short-term loans from financial institutions**

(Unit: Baht)

	Interest rate (percent per annum)		<u>2022</u>	<u>2021</u>
	<u>2022</u>	<u>2021</u>		
Promissory notes	3.00 - 3.90	2.67 - 2.88	<u>1,303,948,048</u>	<u>763,613,321</u>
Total			<u>1,303,948,048</u>	<u>763,613,321</u>

Movements in the short-term loans during the year ended 31 December 2022 are summarised below.

	(Unit: Baht)
<b>Balance as at 1 January 2022</b>	763,613,321
Add: Additional borrowings	3,024,106,946
Less: Repayment during the year	<u>(2,483,772,219)</u>
<b>Balance as at 31 December 2022</b>	<u>1,303,948,048</u>

Credit facilities of short-term loans from financial institutions is secured by the mortgage of part of the Company's land and construction thereon and machinery as discussed in Note 12.

As at 31 December 2022, the short-term credit facilities of the Company which have not yet been drawn down amounted to Baht 56.1 million (2021: Baht 996.4 million).

**15. Trade and other payables**

(Unit: Baht)

	<u>2022</u>	<u>2021</u>
Trade payables - unrelated parties	55,331,439	53,385,446
Other payables - unrelated parties	19,827,409	10,868,999
Dividend payables - unrelated parties	<u>3,587,067</u>	<u>3,532,396</u>
Total trade and other payables	<u>78,745,915</u>	<u>67,786,841</u>

## 16. Long-term loans

(Unit: Baht)

No.	Credit facilities (Million Baht)	Interest rate (percent per annum)	Repayment schedule	As at 31 December	
				2022	2021
1	418.0	3M BAYBIBOR + 1.97 (2021: 3M THBFIX + 1.95)	The loan is repayable within 6 years and is repayable the first installment in the last day of the eighteenth month since the subsidiary withdrew the loan (8 June 2018). The principal is payable in 10 semi-annually installments of Baht 42 million during the first to ninth installment, remaining balance is repayable in the tenth installment and interest is repayable every 3 months.	112,680,012	196,591,262
2	300.0	3M BAYBIBOR + 1.97 (2021: 3M THBFIX + 1.95)	The loan is repayable within 5 years and is repayable the first installment in the last day of the sixth month since the Company withdrew the loan (15 November 2018). The principal is repayable in 10 semi-annually installments of Baht 30 million each and interest is repayable every 3 months.	59,932,915	119,855,915
3	500.0	3M BAYBIBOR + 2.22	The loan is repayable within 5 years and is repayable the first installment in the last day of the sixth month since the Company withdrew the loan (16 August 2021). The principal is repayable in 10 semi-annually installments of Baht 50 million each and interest is repayable every 3 months.	399,540,015	499,413,015
Total				572,152,942	815,860,192
Less: Current portion				(243,707,250)	(243,707,250)
Long-term loans, net of current portion				328,445,692	572,152,942

Movements in the long-term loans account during the year ended 31 December 2022 are summarised below.

	(Unit: Baht)
Balance as at 1 January 2022	815,860,192
Add: Amortisation of transaction costs during the year	292,750
Less: Repayment during the year	<u>(244,000,000)</u>
Balance as at 31 December 2022	<u>572,152,942</u>

The loan is secured by the mortgage of a part of the Company's land and construction thereon and machinery as discussed in Note 12.

Such loan agreements contain covenants that, among other things, require the Company to maintain certain financial ratios according to the agreement such as debt to equity and debt service coverage ratios at the rate prescribed in the agreement.

As at 31 December 2022 and 31 December 2021, the Company could not maintain certain financial ratio as specified in the loan agreement. However, the Company had negotiated with the bank, and had obtained a waiver letter for the condition to maintain certain financial ratios from that bank on 3 November 2022 and 27 October 2021, respectively.

As at 31 December 2022, the long-term credit facilities of the Company which has not yet been drawn down amounted to Baht 11.2 million (2021: Baht 11.2 million).

## 17. Leases

### The Company as a lessee

The Company has lease contracts for various items of assets used in its operations. Leases generally have lease terms between 5 - 7 years.

#### 17.1 Right-of-use assets

Movements of right-of-use assets for the year ended 31 December 2022 and 2021 are summarised below.

	(Unit: Baht)				
	Building	Machinery and equipment	Office equipment	Motor vehicles	Total
At 1 January 2021	17,747,308	618,901	263,769	14,676,593	33,306,571
Depreciation for the year	<u>(3,501,070)</u>	<u>(172,836)</u>	<u>(94,400)</u>	<u>(4,272,155)</u>	<u>(8,040,461)</u>
At 31 December 2021	14,246,238	446,065	169,369	10,404,438	25,266,110
Depreciation for the year	<u>(3,432,101)</u>	<u>(172,836)</u>	<u>(76,210)</u>	<u>(3,873,013)</u>	<u>(7,554,160)</u>
Write-off	<u>(2)</u>	<u>-</u>	<u>(8)</u>	<u>(2)</u>	<u>(12)</u>
At 31 December 2022	<u>10,814,135</u>	<u>273,229</u>	<u>93,151</u>	<u>6,531,423</u>	<u>17,711,938</u>

**17.2 Lease liabilities**

	(Unit: Baht)	
	<u>2022</u>	<u>2021</u>
Lease payments	19,822,228	27,324,485
Less: Deferred interest expenses	<u>(524,001)</u>	<u>(953,018)</u>
Total	19,298,227	26,371,467
Less: Portion due with one year	<u>(6,883,030)</u>	<u>(7,088,240)</u>
Lease liabilities, net of current portion	<u>12,415,197</u>	<u>19,283,227</u>

Movements of lease liabilities for the year ended 31 December 2022 and 2021 are summarised below.

	(Unit: Baht)	
	<u>2022</u>	<u>2021</u>
Balance at beginning of year	26,371,467	33,458,449
Accretion of interest	429,017	585,083
Payments during the year	<u>(7,502,257)</u>	<u>(7,672,065)</u>
Balance at end of year	<u>19,298,227</u>	<u>26,371,467</u>

A maturity analysis of lease payments is disclosed in Note 30 to the financial statements under the liquidity risk.

**17.3 Expenses relating to leases that are recognised in profit or loss**

	(Unit: Baht)	
	<u>2022</u>	<u>2021</u>
Depreciation expenses of right-of-use assets	7,554,160	8,040,461
Interest expenses on lease liabilities	429,017	585,083
Expenses relating to short-term leases	748,810	1,015,700
Expenses relating to leases of low-value assets	24,000	24,000
Variable lease payments that do not depend on an index or a rate	5,445	10,890

#### 17.4 Others

The Company had total cash outflows for leases for the year ended 31 December 2022 of Baht 8.3 million (2021: Baht 8.7 million), including the cash outflow related to short-term lease, leases of low-value assets and variable lease payments that do not depend on an index or a rate.

#### 18. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensations payable to employees after they retire, was as follows:

	<u>2022</u>	<u>2021</u>
		(Unit: Baht)
<b>Provision for long-term employee benefits at beginning of year</b>	10,470,913	10,201,581
Included in profit or loss:		
Current service cost	714,236	998,320
Interest cost	134,667	138,402
Included in other comprehensive income:		
Actuarial (gain) loss arising from:		
Demographic assumptions changes	2,143,992	-
Financial assumptions changes	(1,184,143)	-
Experience adjustments	1,313,166	-
Benefits paid during the year	<u>(2,244,000)</u>	<u>(867,390)</u>
<b>Provision for long-term employee benefits at end of year</b>	<u>11,348,831</u>	<u>10,470,913</u>
<b>Provision for long-term employee benefits</b>		
Current	957,973	2,258,753
Non-current	<u>10,390,858</u>	<u>8,212,160</u>
	<u>11,348,831</u>	<u>10,470,913</u>

In 2022, the Company expects to pay Baht 1.0 million of long-term employee benefits during the next year (2021: Baht 2.3 million).

As at 31 December 2022, the weighted average duration of the liabilities for long-term employee benefit is 10 years and 13 years (2021: 12 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)	
	<u>2022</u>	<u>2021</u>
Discount rate	2.82, 3.21	1.64
Salary increase rate	5.0, 6.0	5.0, 6.0
Turnover rate	2.9 - 34.4	2.9 - 34.4

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2022 and 2021 are summarised below:

	(Unit: Baht)	
	As at 31 December 2022	
	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>
Discount rate	(473,515)	510,864
	<u>Increase 1.0%</u>	<u>Decrease 1.0%</u>
Salary increase rate	993,887	(874,164)
	<u>Increase 20.0%</u>	<u>Decrease 20.0%</u>
Turnover rate	(1,666,897)	2,227,018
	(Unit: Baht)	
	As at 31 December 2021	
	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>
Discount rate	(375,059)	405,856
	<u>Increase 1.0%</u>	<u>Decrease 1.0%</u>
Salary increase rate	862,159	(752,020)
	<u>Increase 20.0%</u>	<u>Decrease 20.0%</u>
Turnover rate	(1,755,672)	2,567,744



**19. Statutory reserve**

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of its registered share capital. The statutory reserve is not available for dividend distribution. Presently, the Company has fully set aside a statutory reserve.

**20. Expenses by nature**

Significant expenses classified by nature are as follows:

	(Unit: Baht)	
	<u>2022</u>	<u>2021</u>
Raw materials and consumables used	1,685,665,164	1,851,667,465
Changes in inventories of finished goods and work in process	(16,840,293)	(11,143,232)
Depreciation and amortisation	170,090,918	170,787,784
Salaries, wages and other employee benefits	84,603,665	91,356,058
Electricity and fuel expenses	54,607,482	54,229,538
Repair and maintenance expenses	21,905,402	17,889,354
Distribution expenses	17,910,181	20,406,939

**21. Income tax**

Income tax for the years ended 31 December 2022 and 2021 are made up as follows:

	(Unit: Baht)	
	<u>2022</u>	<u>2021</u>
<b>Current income tax:</b>		
Current income tax charge	-	-
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	<u>(19,943,589)</u>	<u>(14,967,619)</u>
<b>Income tax reported in the profit or loss</b>	<u>(19,943,589)</u>	<u>(14,967,619)</u>

The amounts of income tax relating to each component of other comprehensive income for the years end 31 December 2022 and 2021 are as follows:

	(Unit: Thousand Baht)	
	<u>2022</u>	<u>2021</u>
Deferred tax on actuarial loss	<u>(454,603)</u>	<u>-</u>

The reconciliation between accounting loss and income tax is shown below.

	(Unit: Baht)	
	<u>2022</u>	<u>2021</u>
Accounting loss before tax	<u>(105,826,986)</u>	<u>(73,383,051)</u>
Applicable tax rate	20%	20%
Accounting loss before tax multiplied by income tax rate	(21,165,397)	(14,676,610)
Effects of:		
Non-deductible expenses	1,299,866	434,671
Additional expense deductions allowed	(46,669)	(119,110)
Previously unrecognised temporary differences	-	(952,280)
Others	(31,389)	345,710
Total	<u>1,221,808</u>	<u>(291,009)</u>
Income tax reported in the profit or loss	<u>(19,943,589)</u>	<u>(14,967,619)</u>

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Baht)	
	Statements of financial position as at 31 December	
	<u>2022</u>	<u>2021</u>
<b>Deferred tax assets</b>		
Government grants	3,382,535	4,049,879
Allowance for diminution in value of inventories	-	119,086
Lease liabilities	3,859,645	4,918,488
Property, plant and equipment	8,550,640	3,397,359
Provision for short-term employee benefits	191,594	214,233
Provision for long-term employee benefits	2,078,172	1,642,432
Unused tax loss	28,573,516	13,088,067
Total	<u>46,636,102</u>	<u>27,429,544</u>
<b>Deferred tax liabilities</b>		
Accumulated depreciation - Machineries	2,993,704	3,149,007
Accumulated depreciation - Right-of-use	3,542,388	4,578,719
Total	<u>6,536,092</u>	<u>7,727,726</u>
<b>Deferred tax assets, net</b>	<u>40,100,010</u>	<u>19,701,818</u>

## 22. Promotional privileges

The Company has received the promotional privileges under the Investment Promotion Act B.E. 2520 as approved by the Board of Investment as follows:

Certificate No.	2078(9)/2551	62-0394-1-04-1-0
Date	19 November 2008	22 April 2019
1. Promotional privileges for	Manufacture of ethanol (99.5%)	Manufacture of alcohol
2. Significant privileges		
2.1 Exemption from corporate income tax on income derived from the promoted operations (commencing from the date of earning operating income) and exemption from income tax on dividend paid from the income of the promoted operations throughout the period in which the corporate income tax is exempted.	8 years (expired on 1 April 2020)	3 years or not exceed 50 percent of the investment (expired on 22 April 2022)
2.2 Allowance to carry-forward the annual loss from promoted operations incurred during the corporate income tax exemption period to offset with net income incurred thereafter (after exemption period in 2.1).	5 years	5 years
2.3 Exemption from import duty on raw and essential materials or products used for manufacture for export commencing from the first import date.	1 year	-
3. Date of first earning operating income	2 April 2012	23 April 2019

As a promoted company, the Company has to comply with certain conditions and restrictions provided for in the promotional certificates.

The Company's operating revenues for the years ended 31 December 2022 and 2021 were domestic sales, divided between promoted and non-promoted operations, are summarised below:

	(Unit: Baht)	
	<u>2022</u>	<u>2021</u>
Revenues from sales		
Promoted operations	340,281,585	606,997,550
Non-promoted operations	1,663,694,558	1,600,299,076
Total	<u>2,003,976,143</u>	<u>2,207,296,626</u>

**23. Loss per share**

Basic loss per share is calculated by dividing loss for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

**24. Segment information**

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Company is organised into business units based on its products and recognised revenue at the point in time. The Company has two reportable segments, which consist of ethanol segment and soil conditioner segment. However, at present the operation of soil conditioner segment is insignificant.

For the year 2022, the Company has revenue from 3 major customers in amount of Baht 922 million, Baht 567 million and Baht 297 million (2021: revenue from 3 major customers in amount of 1,037 million, Baht 992 million and Baht 141 million).

**25. Provident fund**

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 2 to 15 percent of basic salary. The fund, which is managed by Bank of Ayudhaya Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2022 amounting to approximately Baht 3.1 million (2021: Baht 3.6 million) were recognised as expenses.

**26. Dividend paid**

Dividends	Approved by	Total Dividends (Baht)	Dividend per share (Baht)	Paid on
<b><u>2021</u></b>				
Interim dividends in respect of operation income from BOI promoted operation for the period from 1 July 2020 to 31 December 2020	Annual General Meeting of the shareholders on 22 April 2021	24,999,994	0.025	21 May 2021
Interim dividends in respect of operation income from BOI promoted operation for the period from 1 January 2021 to 30 June 2021	Board of Directors' meeting on 19 August 2021	9,999,597	0.010	17 September 2021
Total		34,999,591	0.035	

**27. Commitment and contingent liabilities****27.1 Capital commitments**

As at 31 December 2022, the Company had capital commitments of approximately Baht 10.5 million, relating to the construction of Vinasse Evaporation Reservoirs and other projects (2021: Baht 13.0 million).

**27.2 Lease and service commitments**

- a) The Company has entered into several leases of low-value assets, short-term lease agreements and other services. As at 31 December 2022 and 2021, the Company had future lease and other service payments as below.

	(Unit: Million Baht)	
	<u>2022</u>	<u>2021</u>
Payable:		
In up to 1 year	2.8	3.4
In over 1 year and up to 5 years	0.1	0.2

- b) The Company entered into a power supply agreement with the Provincial Electricity Authority for a period of one year and being automatically renewed for every one-year period. The Company shall pay power supply at the rate as stipulated in the agreement.

### **27.3 Guarantees**

As at 31 December 2022, there were outstanding bank guarantees of approximately Baht 20.7 million issued by the bank on behalf of the Company to guarantee contracted performance under the agreement for rice supply agreement with the Public Warehouse Organization Ministry of Commerce and using of electric to the Provincial Electricity Authority (31 December 2021: Baht 5.0 million).

### **28. Litigation**

On September 2011, a company sued the Company for its alleged non-compliance with the cassava chip purchase agreement, claiming a compensation for damage of Baht 186.9 million. The Company submitted the testimony and countersued that company, claiming a compensation for damage of Baht 82.4 million. Both parties defended in three courts. The case has been finished on 17 April 2019 by the Supreme Court affirmed the judgment of the Civil Court and the Appeal Court to order that company to make payments for purchases of cassava chip that the Company paid in advance of Baht 6.9 million which together with interest expense of 7.5 percent per annum, calculated from 8 November 2011 (the countersue date) until completion of payment.

In addition, on 18 May 2018, the Company sued that company for bankruptcy case. The Bankruptcy court passed the judgment on 29 May 2019 that the case was thrown out as that company has the right to claim with a debtor which is a government agency then that company has not become insolvent yet. The Company has already made attachment of the claim.

On 13 August 2019, the Company received partial payment of Baht 0.2 million. In addition, on 21 January 2022, the court ordered the debtor, a government agency, to submit the funds as they had been withheld to the Company. In October 2022, the Company proceeded with an enforcement action by filing an application requesting to attach the debtor's bank deposits in full in accordance with the writ of execution, and the bank already remitted the fully funds that had been withheld to enforcement officers. In December 2022, while the Company was waiting for the preparation of its account and the payment receipt, the debtor filed a petition for revocation of attachment of claims. Currently, the case is pending and awaiting court hearing on the petition. However, the Company recorded allowance for impairment in advance paid to that company for a whole amount.

## 29. Fair value hierarchy

As at 31 December 2022 and 2021, the Company had the assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Baht)			
	As at 31 December 2022		As at 31 December 2021	
	Level 2	Total	Level 2	Total
<b>Assets measured at fair value</b>				
Investments in open-end fund	1,073,752	1,073,752	1,068,806	1,068,806

## 30. Financial instruments

### 30.1 Financial risk management objectives and policies

The Company's financial instruments principally comprise cash and cash equivalents, other current financial assets, trade and other receivables, trade and other payables, lease liabilities and short-term and long-term loans from financial institutions. The financial risks associated with these financial instruments and how they are managed is described below.

#### **Credit risk**

The Company is exposed to credit risk primarily with respect to trade and other receivables, deposits with banks and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statements of financial position.

#### Trade receivables

The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Credit term provided to customers normally is between 15 days and 45 days.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if subject to enforcement activity, such trade receivables will be reviewed by the management or the Company's Board of Directors or the Company's Executive Committee.



### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the management or the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the management or the Company's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

### **Market risk**

There are significant two types of market risk comprises interest rate risk and currency risk.

#### **Foreign currency risk**

The Company assumes no foreign currency risk from purchase and sale transactions since most of the transactions are denominated in Thai Baht.

#### **Interest rate risk**

The Company's exposure to interest rate risk relates primarily to its interest-bearing bank deposits, short-term loans and bank overdrafts, lease liabilities, and long-term loan. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

The Company manages its interest rate risk by providing loans with both fixed and variable interest rates, which must be approved by the management or the Board of Directors. The Company has an interest rate risk management policy by closely monitoring and controlling interest rate risk. Also, monitoring the economic situation, money market and capital market conditions and direction of interest rates that may cause interest rate risk factors. If there is a fluctuation in market interest rates or future direction that will affect the operating results and cash flows, the Company will consider using an interest rate swap contract in order to exchange difference interest amounts between fixed interest rates and variable rates by referencing principal value of the contract at specified intervals.

As at 31 December 2022 and 2021, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	As at 31 December 2022						Effective interest rate (% per annum)
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	
	Within 1 year	Over 1 - 5 years	Over 5 years				
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	2.5	19.4	21.9	0.20 - 0.35
Trade and other receivables	-	-	-	-	185.6	185.6	-
Other current financial assets	-	-	-	-	1.1	1.1	-
	-	-	-	2.5	206.1	208.6	
<b>Financial liabilities</b>							
Short-term loans from financial institutions	1,303.9	-	-	-	-	1,303.9	3.00 - 3.90
Trade and other payables	-	-	-	-	78.7	78.7	-
Lease liabilities	6.9	12.4	-	-	-	19.3	0.58 - 5.71
Long-term loans from financial institution	-	-	-	572.2	-	572.2	3M BAYBIBOR + 1.97, 3M BAYBIBOR + 2.22
	1,310.8	12.4	-	572.2	78.7	1,974.1	

(Unit: Million Baht)

	As at 31 December 2021						Effective interest rate (% per annum)
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	
	Within 1 year	Over 1 - 5 years	Over 5 years				
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	36.6	0.1	36.7	0.05 - 0.125
Trade and other receivables	-	-	-	-	197.9	197.9	-
Other current financial assets	-	-	-	-	1.1	1.1	-
	-	-	-	36.6	199.1	235.7	
<b>Financial liabilities</b>							
Short-term loans from financial institutions	763.6	-	-	-	-	763.6	2.67 - 2.88
Trade and other payables	-	-	-	-	67.8	67.8	-
Lease liabilities	7.1	19.3	-	-	-	26.4	0.27 - 5.71
Long-term loans from financial institution	-	-	-	815.9	-	815.9	3M THBFX + 1.95, 3M BAYBIBOR + 2.22
	770.7	19.3	-	815.9	67.8	1,673.7	

***Interest rate sensitivity***

The following table demonstrates the sensitivity of the Company's profit before tax and equity to a reasonably possible change in interest rates on that portion of floating rate borrowings from affected as at 31 December 2022 and 2021.

	2022		2021	
	Increase/ decrease (% p.a.)	Effect on profit before tax (Thousand Baht)	Increase/ decrease (% p.a.)	Effect on profit before tax (Thousand Baht)
Loans from in Baht	+0.5	(2,861)	+0.5	(4,079)
	-0.5	2,861	-0.5	4,079

***Liquidity risk***

The Company monitors the risk of a shortage of liquidity through the use of bank overdrafts, loans from financial institutions and lease contracts. The Company has liquidity risk management policy, which must be approved by the management or the Board of Directors, to ensure that the Company maintains sufficient future cash flows for its business activities. By using cash flow projections, these reports will be used to monitor and control liquidity risks. The Company also determined the liquidity ratio at appropriate level. In addition, there is supervision and monitoring of the net cash flow in each interval to ensure that the Company can manage liquidity risk effectively.

The table below summarises the maturity profile of the Company's non-derivative financial liabilities and derivative financial instruments as at 31 December 2022 and 2021 based on contractual undiscounted cash flows:

	(Unit: Thousand Baht)			
	As at 31 December 2022			
	Less than 1 year	1 to 5 years	Over 5 years	Total
<b>Non-derivatives</b>				
Short-term loans from financial institutions	1,303,948	-	-	1,303,948
Trade and other payables	78,746	-	-	78,746
Lease liabilities	7,152	12,670	-	19,822
Long-term loans from financial institutions	244,000	328,807	-	572,807
<b>Total non-derivatives</b>	<b>1,633,846</b>	<b>341,477</b>	<b>-</b>	<b>1,975,323</b>

(Unit: Thousand Baht)

	As at 31 December 2021			
	Less than		Over	
	1 year	1 to 5 years	5 years	Total
<b>Non-derivatives</b>				
Short-term loans from financial institutions	763,613	-	-	763,613
Trade and other payables	67,787	-	-	67,787
Lease liabilities	7,517	19,807	-	27,324
Long-term loans from financial institutions	244,000	572,807	-	816,807
<b>Total non-derivatives</b>	<b>1,082,917</b>	<b>592,614</b>	<b>-</b>	<b>1,675,531</b>

### 30.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

### 31. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2022, the Company's debt-to-equity ratio was 1.23:1 (2021: 0.99:1).

### 32. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors of the Company on 13 February 2023.



THAI AGRO ENERGY PUBLIC COMPANY LIMITED

A photograph of an industrial facility, likely a refinery or chemical plant, featuring several tall distillation columns, a complex network of pipes, and metal walkways. The scene is set against a clear sky. The image is framed by a blue geometric overlay on the left side.

PART 4

Appendix

## Information Certification

The Company has reviewed this Form 56-1 One report / Annual Report 2022 disclosure document with caution and certified that the information disclosed herewith is complete, accurate and truthful to the best of its knowledge. The Company believes that it has not omitted any material information that needs to be disclosed. Moreover, the Company also certifies that:

(1) The Financial Statement and other financial details that are summarized in this Form 56-1 One report / Annual Report 2022 represent complete and accurate information regarding the financial performance and the cash flow of the Company.

(2) The Company maintains an effective disclosure system that should assure it discloses true and complete information on the Company as required for ensuring compliance.

(3) The Company maintains an effective internal control system and for ensuring compliance. The Company has communicated the internal control assessment as of December 31, 2022 to the external auditor and the Audit Committee; this assessment included any default, change or misconduct which may affect the reporting of the Company's financial statements.

Therefore, as evidence that these documents have been certified by the Company, the Company has authorized Mr. Somchai Lovisuth Senior Chief Executive Officer and/or Mrs. Somrudee Suwannaroop Chief Executive Officer Administration and Production to initial all pages. If any page is without Mr. Somchai Lovisuth and/or Mrs. Somrudee Suwannaroop initials, the Company does not certify that the information given is the true copy.

### Authorized director who can sign to bind the company

Name	Position	signature
Mr. Somchai Lovisuth	director	
Mr. Srihasak Arirachakaran	director	

### Delegate

Name	Position	signature
Mr. Somchai Lovisuth	Senior Chief Executive Officer	
Mrs. Somrudee Suwannaroop	Chief Executive Officer Administration and Production	

**Attachment 1**

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**Details of Directors, Executives, Controlling Persons and Company Secretary**



## Profile of Director

**1. Full name** : Mr. Virach Aphimeteetamrong  
**Position** : Chairman of the Board, Independent Director  
 and Audit Committee Member

**Nationality** : Thai

**Age** : 79 years old

**Education :**

- Ph.D. in Finance, University of Illinois, U.S.A.
- M.A.S. University of Illinois, U.S.A.
- M.B.A. University of Gothenburg, Sweden
- Bachelor of Accountancy (Second Class Honors), Chulalongkorn University
- Curriculum of Director Accreditation Program of Institute of Director (IOD)
  - Director Accreditation Program (DAP) 2/2003
  - M-DLB : Director Luncheon Briefing 1/2009
  - M-AGM : Annual General Meeting 1/2009
  - R-SS : Special Seminar 1/2010
  - Anti-Corruption for Executive Program (ACEP) 4/2012
  - R-CF : Chairman Forum “Chairman Role in Building Independence across the Board” 1/2014 and 1/2015
  - CGI : Corporate Governance for Capital Market Intermediaries 5/2015



**Duration of Director:** Member of the Board of Directors, Thai Agro Energy Public Company Limited effective from August 1, 2013, totaling 9 years.

**The Board of Directors Meeting Attendance:** 13 of 13 times

**Number of Company's Share on January 1, 2022:** None

**Number of Company's Share on December 31, 2022:** None

**Shares held by other persons:** None

**Direct and Indirect Interest in Company and Subsidiaries:** None

**Relationship with Directors and Management:** None

**The Punishment from the offense under The Securities Exchange Act B.E 2535 or the Derivatives Act B.E 2546 in the 5 Preceding Years:** None

**Working Experiences related to company's business in the 5 Preceding Years (on December 31, 2022)**

- 2020 to present, Chairman of the Board, Thai Agro Energy Plc.
- 2013 to present, Audit Committee, Thai Agro Energy Plc.

**Number of Business as Directors / Executives**

LISTED COMPANIES	NON-LISTED COMPANIES	POSITIONS IN COMPETITIVE BUSINESS / RELATED BUSINESS OF THE COMPANY
5	3	-None-

**Details of director / executive positions in other businesses**

(1) Current positions as director/executive at listed companies for 4 companies as follows:

Period Year	Last Position	Company Name	Type of Business
Present	Director	Supalai Plc.	Property
Present	Director	Metro System Corporation Plc.	Information & Communication Technology
Present	Director	Asia Plus Group Holdings Plc.	Financial
Present	Director	Bangkok Chain Hospital Plc.	Hospital

(2) Current positions as director/executives at companies (Not listed companies as indicated in (1) above) for 3 companies as follows:

Period Year	Last Position	Company Name	Type of Business
Present	Chairman of the Board	Dr. Virach & Associates Office Co., Ltd.	Services
Present	Director	TRIS Corporation Limited (Previous named as Thai Rating and Information Services Co., Ltd.)	Services
Present	Director	TRIS Rating Co.,Ltd.	Services

## Profile of Director

**2. Full name** : Mr. Kraisi Sirirungsi

**Position** : Vice Chairman , Authorized Director and Chairman of Nomination and Remuneration Committee

**Nationality** : Thai

**Age** : 72 years old

**Education:**

- Bachelor of Engineering (Mining Engineering)
- Diploma of National Defence, Thailand National Defence College (NDC), No. 4212
- Curriculum of Director Accreditation Program of Institute of Director (IOD)
  - Director Accreditation Program (DAP) 39/2005

**Duration of Director:** Member of the Board of Directors, Thai Agro Energy Public Company Limited effective from October 18, 2007, totaling 15 years

**The Board of Directors Meeting Attendance:** 12 of 13 times

**Number of Company's Share on January 1, 2022:** 41,200,000 shares

**Number of Company's Share on December 31, 2022:** 41,200,000 shares and Spouse 4,100,000 shares Total amount 45,300,000 shares or 4.53 percent of the paid-up capital

**Shares held by other persons:** None

**Direct and Indirect Interest in Company and Subsidiaries:** None

**Relationship with Directors and Management:** None

**The Punishment from the offense under The Securities Exchange Act B.E 2535 or the Derivatives Act B.E 2546 in the 5 Preceding Years:** None

**Working Experiences related to company's business in the 5 Preceding Years (on December 31, 2022)**

- 2007 - Present, Vice Chairman of Thai Agro Energy Plc.
- 2016 - Present, Chairman of the Nomination and Remuneration Committee, Thai Agro Energy Plc.

### Number of Business as Directors / Executives

LISTED COMPANIES	NON-LISTED COMPANIES	POSITIONS IN COMPETITIVE BUSINESS / RELATED BUSINESS OF THE COMPANY
2	5	-None-

### Details of director / executive positions in other businesses

(1) Current positions as director/executive at listed companies for 1 company as follows:

Period Year	Last Position	Company Name	Type of Business
1992 – Present	Director and Management Advisor	Lanna Resources Plc.	Energy & Utilities

(2) Current positions as director/executives at companies (Not listed companies as indicated in (1) above) for 5 companies as follows:

Period Year	Last Position	Company Name	Type of Business
2020-Present	Chairman	SRT Power Pellet Co.,Ltd.	Alternative Energy
2016-Present	Chairman	Lanna Power Generation Co., Ltd.	Energy & Utilities
2008-Present	Director	PT. Singlurus Pratama	Energy & Utilities
1998-Present	Director	PT. Lanna Harita Indonesia	Energy & Utilities
1996-Present	Director	United Bulk Shipping Pte Ltd.	Ocean Freight Shipping



## Profile of Director

**3. Full name :** Mr. Anun Louharanoo

**Position :** Director, Nomination and Remuneration Committee and Authorized Director.

**Nationality:** Thai

**Age :** 69 years old

**Education:**

- Bachelor of Accounting, Thammasat University
- Bachelor of Law, Thammasat University
- Curriculum of Director Accreditation Program of Institute of Director (IOD)
  - Director Accreditation Program (DAP) 1/2003
  - Director Certification Program (DCP) 29/2003
  - Audit Committee Program (ACP) 2/2004
  - DCP Refresh Course (RE.DCP) 2/2006
  - Improving the Quality of Financial Reporting (QFR) 2/2006
  - Monitoring the Internal Audit Function (MIA) 1/2007
  - Monitoring the System of Internal Control and Risk Management (MIR) 1/2007
  - Role of compensation Committee Program (RCC) 7/2008
  - Corporate Governance Workshop Board Performance Evaluation Year 2007
  - R-ACF Audit Committee Forum (R-ACF 1/2016)
  - Board Nomination and Compensation Program Class 10/2020 (BNCP 10/2020)
- Certificates: The Stock Exchange of Thailand
  - CG Forum 4/2014: Performance Assessment of the Board of Directors and Remuneration of Directors Forum
  - CG Forum 1/2015: CG in Substance Corporate Culture and Corporate Governance
  - CG Forum 3/2015: Risk Oversight: High Priority Roles of the Board
  - CFO in the New Financial World by the Securities and Exchange Commission Year 2015
  - Responsibilities of Directors and the Management in Internal Control Year 2015
  - M&A and Directors' Duties Year 2015



**Duration of Director:** Member of the Board of Directors, Thai Agro Energy Public Company Limited effective from October 18, 2007, totaling 15 years

**The Board of Directors Meeting Attendance:** 13 of 13 times

**Number of Company's Share on January 1, 2022:** 4,771,895 shares

**Number of Company's Share on December 31, 2022:** 4,771,895 shares and Spouse 2,622 shares Total amount 4,774,517 shares or 0.48 percent of the paid-up capital

**Shares held by other persons:** None

**Direct and Indirect Interest in Company and Subsidiaries:** None

**Relationship with Directors and Management:** None

**The Punishment from the offense under The Securities Exchange Act B.E 2535 or the Derivatives Act B.E 2546 in the 5 Preceding Years:** None

**Working Experiences related to company's business in the 5 Preceding Years (on December 31, 2022)**

- January 1 – December 31, 2019, Acting Chief Executive Officer, Thai Agro Energy Plc.
- 2007 to present, Director of Thai Agro Energy Plc.

### Number of Business as Directors / Executives

LISTED COMPANIES	NON-LISTED COMPANIES	POSITIONS IN COMPETITIVE BUSINESS / RELATED BUSINESS OF THE COMPANY
3	4	-None-

**Details of director / executive positions in other businesses**

(1) Current positions as director/executive at other listed companies for 2 companies as follows:

<b>Period Year</b>	<b>Last Position</b>	<b>Company Name</b>	<b>Type of Business</b>
2005 -Present	Independent Director, Audit Committee Member and Nomination and Remuneration Committee Member	Diamond Building Products Plc. (Previous named as Diamond Roofing Tiles Plc.)	Construction Materials
1985 -Present	Director and Financial Adviser	Lanna Resources Plc.	Energy & Utilities

(2) Current positions as director/executives at companies (Not listed companies as indicated in (1) above) for 5 companies as follows:

<b>Period Year</b>	<b>Last Position</b>	<b>Company Name</b>	<b>Type of Business</b>
2020 - Present	Director	SRT Power Pellet Co.,Ltd.	Alternative Energy
2016 - Present	Director	Lanna Power Generation Co.,Ltd.	Energy & Utilities
2008 – Present	Director	PT. Singlurus pratama	Energy & Utilities
1998 – Present	Director	PT.Lanna Harita Indonesia	Energy & Utilities

## Profile of Director

**4. Full name:** Mr. Srihasak Arirachakaran

**Position :** Director, Authorized Director and Nomination and Remuneration Committee

**Nationality :** Thai

**Age :** 63 years old

**Education:**

- Ph.D., Petroleum Engineering, University of Tulsa, Oklahoma, U.S.A
- M.Sc., Petroleum Engineering, University of Tulsa, Oklahoma, U.S.A
- B.Sc., Petroleum Engineering (with honor) University of Tulsa, Oklahoma, U.S.A

**- Curriculum of Director Accreditation Program of Institute of Director (IOD)**

- Director Accreditation Program (DAP) Class 107/2014
- Director Certification Program (DCP) Class 198/2014
- The Power of Culture from Performance Culture to Winning Culture (2016)
- Boards that make a Difference (BMD 5/2017)
- Strategic Board master class (SBM 4/2018)
- Corporate Governance for Execution (CGE) Class 14/2019
- Chairman Forum 2019: "Successful Corporate Culture Change from Policy to Practices"
- IOD National Director Conference 2019 : Board of the Future (2019)
- Risk Management for Corporate Leaders (RCL 20/2020)
- Chairman Forum: "Leading Boardroom Through Disruption: What Directors Should Know?"(2020)
- Chairman Forum: Chairing a Virtual Board Meeting (2021)
- Director Briefing 1/2021 : Governing in Tomorrows World (2021)
- Director Forum 1/2021 : GRC Through the Perfect Storm (2021)
- Director Refreshment Training Program (2021)
- Director's Briefing 5/2021 : Roadmap and action plan for a post-pandemic world (2021)
- Nation Director Conference 2021 : Leadership Behind Closed Door (2021)
- Successful Formulation & Execution of Strategy (2021)
- Anti-Corruption, CAC Change Agent Program, CAC, (2021)
- Director Refreshment Training Program (2022)
- Director Forum 1/2022: From "Net-Zero" to "Set-Zero"..reimagining business landscape (2022)
- Director's Briefing: What Director Should Know about Quantum? (2022)
- Director's Briefing 2/2022 : Workplace Health & Safety : New Priorities for Board (2022)
- Director's Briefing 4/2022 : Building 21<sup>st</sup> Century Companies in Asia (2022)
- Director's Briefing 5/2022 : Leadership that Shapes the Future (2022)
- Director's Briefing 6/2022 : Reimagining Boardroom in the Web 3.0 Era (2022)
- Independent & Chartered Director Forum 2022 : "Navigate Board's Challenges in Defining Governance vs. Management Role" (2022)
- Disrupt Corruption with Power of Business Unity (2022)
- Wisdom for Future : Harmonizing the Diverse Boards & Notice of Privacy policy and Privacy statement (2022)
- Director's Briefing 9/2022 : Geopolitical Risk and Opportunity (2022)
- IOD Refreshing Course – Outbound Investment (2022)



- **Other training courses**

- Operating Transparency Business in Asia Collective Action Coalition, CAC (Year 2016)
- CEO and IR Talk, Thai Listed Company Association, 2018
- Capital Market Academy: Leadership Program Class 26, 2018
- Translating Strategy into Execution, PacRim Group, 2019
- Exponential Manufacturing Singularity University Thailand Summit 2019, The Federation of Thai Industries, 2019
- TIIP Open House “U.S.-China Trade War: Impact on Thailand”, 2019
- The Stock Exchange of Thailand: CEO Club 2019 “Business Agility and Intrapreneurship”
- Translating Strategy into Execution, PacRim Group, 2019
- Thailand Import Export Data and Economic Outlooks, 2019
- The 4 Essential Roles of Leadership & 6 Critical Practices for Leading A Team, Pacrim Group (2020)
- 2021 Content & Communication Trend, 2021
- CEO Club 2/2021 “Biotechnology Expanding Business in the New S-Curve”, 2021
- CEO Club 1/2021 “International Trade Disputes Risks”, 2021
- ASEW Webinar Series #8 Renewable Energy for Thailand Data Centers, Electric Vehicle Association of Thailand, 2021
- BCG Energy, Materials and Chemicals: Challenges & Solution, National Science and Technology Development Agency (NSTDA), 2021
- Empowering Thai Companies to Win in the Vietnam Market Through M&A, Bangkok Bank Public Co., Ltd., Vietnam Branch, 2021
- Exclusive Virtual Sharing: Create a Workforce of Self-leaders to Power your Organization, Special Education Advisory Committee (SEAC), 2021
- Lessons Learned: Application and Practices of Rendanheyi Model in Large and Complex Organizations, Special Education Advisory Committee (SEAC), 2021
- Management Model Design: How to Improve Your Organization’s Performance From The Core, Special Education Advisory Committee (SEAC), 2021
- Rebuilding and Rethinking for 2021, Special Education Advisory Committee (SEAC), 2021
- Executive Briefing LIVE-Online: Executing Your Business Plans amidst Uncertainty, PacRim Group, 2021
- Exponential Path to Net Zero: Bangchak 100x - 100 Ideas for Sustainable World, Bangchak Corporation Public Co., Ltd., 2021
- Go Green: Megatrend for a Green World, Krungthep Turakij Media Co., Ltd., 2021
- The Role of Political Parties in Thailand and their Place in Thai Democracy, Institute for Southeast Asian Studies. (ISEAS), 2021
- TLCA HU Transformation LAB, PacRim Group, 2021
- Trade and Development Regional Forum 2021, International Institute for Trade and Development, 2021
- Webinar series: Challenges in Increasing Share of Renewable Energy in Thailand, Chulalongkorn University, 2021
- Adaptation of the Thai Industrial Sector in the Era of Energy Transition to Sustainability, Federation of Thai Industries, 2021
- Ways to Survive Thailand from COVID-19 Crisis, Office of the Election Commission of Thailand (ECT), 2021
- Thai Power Industry’s Transition towards the Net Zero Goal, Thansettakij Multimedia Co., Ltd., 2021
- Energy Symposium 2022 “Adaptation and Survival of the Thai Industrial Sector to the global energy crisis”, Institute of Industrial Energy The Federation of Thai Industries (2022)
- Future-proofing shipping: The decarbonization game-changer, DNV GL (Thailand) Co.ltd. (2022)
- Jump-start Your Leaders to Accelerate Transformation, Special Education Advisory Committee (SEAC) (2022)

- The 17th NSTDA Annual Conference: NAC2022 entitled “Revitalizing Thai Economy through BCG Research and Innovation”, The National Science and Technology Development Agency (NSTDA) (2022)
- The role of biofuels in Thailand's net zero greenhouse gas emissions policy, Chulalongkorn University (2022)
- Monitoring Progress towards CE with Circularity Performance Assessment, The National Science and Technology Development Agency (NSTDA) (2022)
- Geo-political Conflicts and Thailand's Path in the Next World Order, The Permanent Mission of Thailand to the World Trade Organization and the World Intellectual Property Organization (2022)
- Challenges of Thai entrepreneurs on the new global rules on climate change, Thai Renewable Energy Association (RE100) (2022)
- CMA Extension Program (CMA-X): China 2022 Challenges and Opportunities, Capital Market Academy (2022)
- Alternative ship fuels – status and outlook, DNV GL (Thailand) Co.,Ltd. (2022)
- CMA Extension Program (CMA-X): Sustainability – Business wins Social evolution / Craving Leadership – Ways Forward for Our Better Society, Capital Market Academy (2022)
- ESG Webinar Series no. 2/2565 “CE – The path to reducing greenhouse gas emissions in the business sector”, The Stock Exchange of Thailand (2022)
- CMA Extension Program (CMA-X): How Blockchain may Reshape Capital Markets/ Digital Asset and Neo Finance, Capital Market Academy (2022)
- ACMA Talk no. 1/2565 “Live Platform: Opportunities and Challenges: New Chapter of Thai Capital Market”, Association of Capital Market Academy (2022)
- Toward 2065 Thailand Net Emissions Goal, Business France (2022)
- Carbon Dynamics and Forest Ecology: Are Thai Forest a Source or a Sink for Carbon? Petroleum Institute of Thailand (2022)
- Business opportunity survival discussion, Association of Capital Market Academy (2022)
- TH SEC Series 1: Implementation of TCFD Checklist for Listed Companies in the Non-Financial Sector Webinar, The Securities and Exchange Commission (2022)
- TH SEC Series 2: Climate Scenario Analysis and Risk Management Application for Listed Companies in the Non-Financial Sector, The Securities and Exchange Commission (2022)

**Duration of Director:** Member of the Board of Directors, Thai Agro Energy Public Company Limited effective from October 18, 2007, totaling 15 years

**The Board of Directors Meeting Attendance :** 13 of 13 times

**Number of Company's Share on January 1, 2022 :** 45,940 shares.

**Number of Company's Share on December 31, 2022:** 45,940 shares or 0.0046 percent of the paid-up capital.

**Shares held by other persons :** None

**Direct and Indirect Interest in Company and Subsidiaries :** None

**Relationship with Directors and Management :** None

**The Punishment from the offense under The Securities Exchange Act B.E 2535 or the Derivatives Act B.E 2546 in the 5 Preceding Years :** None

**Working Experiences related to company's business in the 5 Preceding Years (on December 31, 2022)**

- 2007 to present, Director of Thai Agro Energy Plc.
- 2016 to present, Nomination and Remuneration Committee, Thai Agro Energy Plc.

**Number of Business as Directors / Executives**

LISTED COMPANIES	NON-LISTED COMPANIES	POSITIONS IN COMPETITIVE BUSINESS / RELATED BUSINESS OF THE COMPANY
2	5	-None-



### Details of director / executive positions in other businesses

(1) Current positions as director/executive at listed companies for 1 company as follows:

Period Year	Last Position	Company Name	Type of Business
2016 – Present	Director and Chief Executive Officer	Lanna Resources Plc.	Energy & Utilities

(2) Current positions as director/executives at companies (Not listed companies as indicated in (1) above) for 6 companies as follows:

Period Year	Last Position	Company Name	Type of Business
2020 - Present	Director	SRT Power Pellet Co.,Ltd.	Alternative Energy
2016-Present	Director and Acting Managing Director	Lanna Power Generation Co., Ltd.	Energy & Utilities
2015-Present	President Director	PT. Lanna Harita Indonesia	Energy & Utilities
2015-Present	President Director	PT. Singlurus Pratama	Energy & Utilities
2015-Present	Director	United Bulk Shipping Pte, Ltd.	Ocean Freight Shipping

## Profile of Director

**5. Full name** : Mr. Somchit Limwathanakura  
**Position** : Director and Authorized Director  
**Nationality** : Thai  
**Age** : 85 years old



### Education:

- Bachelor of Engineering, Mechanism, Technique University, Germany
- Curriculum of Director Accreditation Program of Institute of Director (IOD)
  - Director Accreditation Program (DAP) 107/2014

**Duration of Director:** Member of the Board of Directors, Thai Agro Energy Public Company Limited effective from October 18, 2007, totaling 15 years

**The Board of Directors Meeting Attendance:** 12 of 13 times

**Number of Company's Share on January 1, 2022** : 27,500,000 shares

**Number of Company's Share on December 31, 2022** : 27,500,000 shares or 2.75 percent of the paid-up capital

**Shares held by other persons:** None

**Direct and Indirect Interest in Company and Subsidiaries:** None

**Relationship with Directors and Management:** None

**The Punishment from the offense under The Securities Exchange Act B.E 2535 or the Derivatives Act B.E 2546 in the 5 Preceding Years:** None

**Working Experiences related to company's business in the 5 Preceding Years (on December 31, 2022)**

- 2007 to present, Director of Thai Agro Energy Plc.

### Number of Business as Directors / Executives

LISTED COMPANIES	NON-LISTED COMPANIES	POSITIONS IN COMPETITIVE BUSINESS / RELATED BUSINESS OF THE COMPANY
1	1	-None-

### Details of director / executive positions in other businesses

(1) Current positions as director/executive at listed companies for –none- company as follows:

Period Year	Last Position	Company Name	Type of Business
-	-	-	-

(2) Current positions as director/executives at companies (Not listed companies as indicated in (1) above) for 1 company as follows:

Period Year	Last Position	Company Name	Type of Business
2001 - Present	International Affair Advisor	UT International Co., Ltd.	Chemical

## Profile of Director

**6. Full name :** Mr. Somchai Lovisuth

**Position :** Director, Authorized Director, Nomination and Remuneration Committee, Risk Management Committee, Chairman of the Corporate Governance Committee and Senior Chief Executive Officer

**Nationality :** Thai

**Age :** 75 years old

**Education:**

- Master in Production Management & Manufacturing Technology, University of Strathclyde, U.K.
- Bachelor of Engineering (Mechanics) Chulalongkorn University
- Curriculum of Director Accreditation Program of Institute of Director (IOD)
  - Director Accreditation Program (DAP) 80/2009
  - Director Certification Program (DCP) 198/2014



**Duration of Director:** Member of the Board of Directors, Thai Agro Energy Public Company Limited effective from October 18, 2007, totaling 15 years

**The Board of Directors Meeting Attendance:** 13 of 13 times

**Number of Company's Share on January 1, 2022:** 2,036,400 shares

**Number of Company's Share on December 31, 2022:** 2,036,400 shares or 0.20 percent of the paid-up capital.

**Shares held by other persons:** None

**Direct and Indirect Interest in Company and Subsidiaries:** None

**Relationship with Directors and Management:** None

**The Punishment from the offense under The Securities Exchange Act B.E 2535 or the Derivatives Act B.E 2546 in the 5 Preceding Years:** None

**Working Experiences related to company's business in the 5 Preceding Years (on December 31, 2022)**

- January 1, 2022 to present, Risk Management Committee and Chairman of the Corporate Governance Committee, Thai Agro Energy Plc.
- December 1, 2021 to present, Senior Chief Executive Officer
- 2016 to Present, Nomination and Remuneration Committee, Thai Agro Energy Plc.
- 2007 to present, Director of Thai Agro Energy Plc.
- 2016 to 2018, Risk Management Committee and Chairman of the Corporate Governance Committee, Thai Agro Energy Plc.
- 2007 to 2018, Chief Executive Officer of Thai Agro Energy Plc.

**Number of Business as Directors / Executives**

LISTED COMPANIES	NON-LISTED COMPANIES	POSITIONS IN COMPETITIVE BUSINESS / RELATED BUSINESS OF THE COMPANY
1	1	-None-

**Details of director / executive positions in other businesses**

(1) Current positions as director/executive at listed companies for –none- company as follows:

Period Year	Last Position	Company Name	Type of Business
-	-	-	-

(2) Current positions as director/executives at companies (Not listed companies as indicated in (1) above) for 1 company as follows:

Period Year	Last Position	Company Name	Type of Business
Present	Director	Biomed Technology Holdings (Thailand) Co.,Ltd.	Import and distribute medical supplies and supplementary.

## Profile of Director

**7. Full name** : Mr. Padetpai Meekun-iam

**Position** : Independent Director and Chairman of Audit Committee and Risk Management Committee

**Nationality** : Thai

**Age** : 78 years old

**Education** :

- Master of Engineering, Mechanism, Georgia Institute of Technology U.S.A.
- Bachelor of Engineering, Mechanism (Second Class Honors), Chulalongkorn University
- Curriculum of Director Accreditation Program of Institute of Director (IOD)
  - Director Certification Program (DCP) 22/2002
  - Audit Committee Program (ACP) 42/2013
  - Curriculum of Monitoring the Quality of Financial Reporting (MFR) 17/2013
  - Curriculum of Monitoring the System of Internal Control and Risk Management (MIR) 14/2013
  - Curriculum of Monitoring Fraud Risk Management (MFM) 10/2013
  - Curriculum of Monitoring the Internal Audit Function (MIA) 15/2013



**Duration of Director:** Member of the Board of Directors, Thai Agro Energy Public Company Limited effective from October 18, 2007, totaling 15 years

**The Board of Directors Meeting Attendance:** 12 of 13 times

**Number of Company's Share on January 1, 2022:** None

**Number of Company's Share on December 31, 2022:** None

**Shares held by other persons:** None

**Direct and Indirect Interest in Company and Subsidiaries:** None

**Relationship with Directors and Management:** None

**The Punishment from the offense under The Securities Exchange Act B.E 2535 or the Derivatives Act B.E 2546 in the 5 Preceding Years:** None

**Working Experiences related to company's business in the 5 Preceding Years (on December 31, 2022)**

- June 2020 to present, Risk Management Committee, Thai Agro Energy Plc.
- 2007 to present, Chairman of Audit Committee, Thai Agro Energy Plc.

### Number of Business as Directors / Executives

LISTED COMPANIES	NON-LISTED COMPANIES	POSITIONS IN COMPETITIVE BUSINESS / RELATED BUSINESS OF THE COMPANY
1	1	-None-

### Details of director / executive positions in other businesses

(1) Current positions as director/executive at listed companies for –none- company as follows:

Period Year	Last Position	Company Name	Type of Business
-	-	-	-

(2) Current positions as director/executives at companies (Not listed companies as indicated in (1) above) for 1 company as follows:

Period Year	Last Position	Company Name	Type of Business
Present	Independent Director and Chairman of Audit Committee	MBK Resort Plc.	Golf course

## Profile of Director

**8. Full name** : Mr. Satit Chanchaowakun  
**Position** : Independent Director, Audit Committee, Nomination and Remuneration Committee and Chairman of the Risk Management Committee

**Nationality** : Thai

**Age** : 74 years old

**Education :**

- Master in Business Management, Thammasat University
- Master in Textile Technology, University of Leeds, U.K.
- Industrial Engineering, Chulalongkorn University
- Curriculum of Director Accreditation Program of Institute of Director (IOD)
  - Board Nomination and Compensation (BNCP) 7/2019
  - Corporate Governance for Capital Market Intermediaries (CGI) 7/2015
  - Director Certification Program (DCP) 83/2007
  - Director Accreditation Program (DAP) 39/2005
- Other training courses
  - Course of Private and Political Sectors (Class 14), National Defence College of Thailand.
  - Certificate Top Executive Program (Class 5), Capital Market Academy(CMA)

**Duration of Director:** Member of the Board of Directors, Thai Agro Energy Public Company Limited effective from August 1, 2013, totaling 9 years

**The Board of Directors Meeting Attendance:** 13 of 13 times

**Number of Company's Share on January 1, 2022:** None

**Number of Company's Share on December 31, 2022:** None

**Shares held by other persons:** None

**Direct and Indirect Interest in Company and Subsidiaries:** None

**Relationship with Directors and Management:** None

**The Punishment from the offense under The Securities Exchange Act B.E 2535 or the Derivatives Act B.E 2546 in the 5 Preceding Years:** None

**Working Experiences related to company's business in the 5 Preceding Years (on December 31, 2022)**

- 2013 to present, Audit Committee, Thai Agro Energy Plc.
- 2016 to Present, Nomination and Remuneration Committee, Thai Agro Energy Plc.
- 2016 to Present, Chairman of the Risk Management Committee, Thai Agro Energy Plc.

**Number of Business as Directors / Executives**

LISTED COMPANIES	NON-LISTED COMPANIES	POSITIONS IN COMPETITIVE BUSINESS / RELATED BUSINESS OF THE COMPANY
4	1	-None-

**Details of director / executive positions in other businesses**

(1) Current positions as director/executive at listed companies for 3 company as follows:

Period Year	Last Position	Company Name	Type of Business
2009 - Present	Chairman	SNC Former Plc.	Industrial Goods
2009 – Present	Director	Crown Seal Plc.	Industrial Goods
2009 - Present	Director	Lalin Property Plc.	Property & Construction

(2) Current positions as director/executives at companies (Not listed companies as indicated in (1) above) for 1 company as follows:

Period Year	Last Position	Company Name	Type of Business
1991- Present	Director	SPC Home Idea Co., Ltd.	Decoration



## Profile of Company's Executive

**1. Full name** : Mrs. Somrudee Suwannaroop  
**Position** : CHIEF EXECUTIVE OFFICER – Administration and Production and Chief Financial Officer

**Nationality** : Thai

**Age** : 54 years old

### Education :

- Bachelor in Accounting, Dhurakij Bandit University
- Curriculum of Effective Minutes Recording, Thai Chamber of Commerce, 2009
- Curriculum of Mergers and Acquisitions Financial, Legal, and Tax Strategies and Planning 2014, OMEGA WORLD CLASS
- Curriculum of Director Accreditation Program of Institute of Director (IOD)
  - Company Secretary Program (CSP) 54/2013
  - Anti-Corruption: The Practical Guide (ACPG) 20/2015
  - Strategic CFO in Capital markets Program 1/2015

**Duration of Chief Executive Officer – Administration and Production Position:** Since January 1, 2020

**Number of Company's Share on January 1, 2022:** 100,000 shares

**Number of Company's Share on December 31, 2022:** 100,000 shares, or 0.01 percent of the paid-up capital.

**Shares held by other persons:** None

**Direct and Indirect Interest in Company and Subsidiaries:** None

**Relationship with Directors and Management:** None

**The Punishment from the offense under The Securities Exchange Act B.E 2535 or the Derivatives Act B.E 2546 in the 5 Preceding Years:** None

### Working Experiences related to company's business in the 5 Preceding Years (on December 31, 2022)

- 2020 to present, Chief Executive Officer – Administration and Production, Thai Agro Energy Plc.
- 2016 to present, Secretary of the Nomination and Remuneration Committee, Thai Agro Energy Plc.
- 2016 to present, Risk Management Committee, Thai Agro Energy Plc.
- 2016 to present, Corporate Governance Committee, Thai Agro Energy Plc.
- 2018 to 2019, Chief Financial Officer, Thai Agro Energy Plc.
- 2014 to 2019, Company Secretary, Thai Agro Energy Plc.
- 2014 to 2018, Administrative Officer Director, Thai Agro Energy Plc.

### Number of Business as Directors / Executives

LISTED COMPANIES	NON-LISTED COMPANIES	POSITIONS IN COMPETITIVE BUSINESS / RELATED BUSINESS OF THE COMPANY
1	1	-None-

### Details of director / executive positions in other businesses

NO.	TYPE OF COMPANY	TYPE OF DIRECTOR	POSITION	COMPANY
1	Limited Company	Director	Director	NICHA WELL CO.,LTD.



## Profile of Company's Executive

**2.Full name** : Miss Kanyaphat Chinantdej

**Position** : CHIEF EXECUTIVE OFFICER - Commercial

**Nationality** : Thai

**Age** : 57 years old

**Education :**

- Master of Business Administration,  
University of Technology, Sydney, Australia (John Crawford Scholarship)
- Bachelor of Science Program in Chemical Engineering,  
Chulalongkorn University (Second-Class Honors)



**Duration of Chief Executive Officer – Commercial Position** : Since January 1, 2020

**Number of Company's Share on January 1, 2022:** 30,000 shares

**Number of Company's Share on December 31, 2022:** 30,000 shares or 0.003 percent of the paid-up capital.

**Shares held by other persons:** None

**Direct and Indirect Interest in Company and Subsidiaries:** None

**Relationship with Directors and Management:** None

**The Punishment from the offense under The Securities Exchange Act B.E 2535 or the Derivatives Act B.E 2546 in the 5 Preceding Years:** None

**Working Experiences related to company's business in the 5 Preceding Years (on December 31, 2022)**

- 2020 to present, Chief Executive Officer - Commercial, Thai Agro Energy Plc.
- 2016 to present, Risk Management Committee, Thai Agro Energy Plc.
- 2016 to present, Corporate Governance Committee, Thai Agro Energy Plc.
- 2018 to 2019, Chief Commercial Officer, Thai Agro Energy Plc.
- 2009 to 2018, Marketing and Supply Director, Thai Agro Energy Plc.

**Number of Business as Directors / Executives**

LISTED COMPANIES	NON-LISTED COMPANIES	POSITIONS IN COMPETITIVE BUSINESS / RELATED BUSINESS OF THE COMPANY
1	-None-	-None-

## Profile of Company's Executive

**3. Full name** : Mr. Anan Rayaruji  
**Position** : Production and Engineering Director  
**Nationality** : Thai  
**Age** : 48 years old

**Education :**

- Master in Business Administration, Ramkhamhaeng University
- Bachelor of Engineering (Chemical Engineering), Srinakharinwirot University

**Duration of Current Position** : Since January 1, 2021

**Number of Company's Share on January 1, 2022:** None

**Number of Company's Share on December 31, 2022:** None

**Shares held by other persons:** None

**Direct and Indirect Interest in Company and Subsidiaries:** None

**Relationship with Directors and Management:** None

**The Punishment from the offense under The Securities Exchange Act B.E 2535 or the Derivatives Act B.E 2546 in the 5 Preceding Years:** None

**Working Experiences related to company's business in the 5 Preceding Years (on December 31, 2022)**

- 2019, Assistant Chief Production Officer (1) , Thai Agro Energy Plc.
- 2018 to 2019, Chief Operation Officer, Thai Agro Energy Plc.
- 2011 to 2018, Assistant Plant Director, Thai Agro Energy Plc.

**Number of Business as Directors / Executives**

LISTED COMPANIES	NON-LISTED COMPANIES	POSITIONS IN COMPETITIVE BUSINESS / RELATED BUSINESS OF THE COMPANY
1	-None-	-None-





## Profile of Company's Executive

**4. Full name** : Miss Wiraporn Tongdet  
**Position** : Deputy Director of Manufacturing and Engineering  
**Nationality** : Thai  
**Age** : 43 years old  
**Education** :



- Bachelor of Engineering, Suranaree University of Technology

**Duration of Current Position** : Since January 20, 2022

**Number of Company's Share on January 1, 2022**: None

**Number of Company's Share on December 31, 2022**: None

**Shares held by other persons**: None

**Direct and Indirect Interest in Company and Subsidiaries**: None

**Relationship with Directors and Management**: None

**The Punishment from the offense under The Securities Exchange Act B.E 2535 or the Derivatives Act B.E 2546 in the 5 Preceding Years**: None

**Working Experiences related to company's business in the 5 Preceding Years (on December 31, 2022)**

- 2021, Assistant Production and Engineering Director, Thai Agro Energy Plc.
- 2018 to 2020, production manager, Thai Agro Energy Plc.

### Number of Business as Directors / Executives

LISTED COMPANIES	NON-LISTED COMPANIES	POSITIONS IN COMPETITIVE BUSINESS / RELATED BUSINESS OF THE COMPANY
-None-	-None-	-None-

## Profile of Company's Executive

**5. Full name** : Miss Theeranan Khunakasem  
**Position** : Accounting and Finance Manager  
**Nationality** : Thai  
**Age** : 43 years old

**Education :**

- Master in Business Administration (Accounting), Ramkhamhaeng University
- Bachelor in Business Administration (Accounting), Thanyaburi Rajamankala Technology University

**Duration of Position** : Since 2015 to present, Total 7 years

**Number of Company's Share on January 1, 2022:** None

**Number of Company's Share on December 31, 2022:** None

**Shares held by other persons:** None

**Direct and Indirect Interest in Company and Subsidiaries:** None

**Relationship with Directors and Management:** None

**The Punishment from the offense under The Securities Exchange Act B.E 2535 or the Derivatives Act B.E 2546 in the 5 Preceding Years:** None

**Working Experiences related to company's business in the 5 Preceding Years (on December 31, 2022)**

- 2015 to present, Accounting and Finance Manager, Thai Agro Energy Plc.



### Number of Business as Directors / Executives

LISTED COMPANIES	NON-LISTED COMPANIES	POSITIONS IN COMPETITIVE BUSINESS / RELATED BUSINESS OF THE COMPANY
1	-None-	-None-

## Profile of Company's Executive

**6. Full name** : Mr. Suphachai Kaewfuang  
**Position** : Internal Audit Department Manager  
**Nationality** : Thai  
**Age** : 49 years old  
**Education** :  
 - Bachelor in B.B.A. (Accounting), Thanyaburi Rajamongkala  
 Technology University



**Duration of Position** : Since 2007 to present, Total 15 years

**Number of Company's Share on January 1, 2022**: None

**Number of Company's Share on December 31, 2022**: None

**Shares held by other persons**: None

**Direct and Indirect Interest in Company and Subsidiaries**: None

**Relationship with Directors and Management**: None

**The Punishment from the offense under The Securities Exchange Act B.E 2535 or the Derivatives Act B.E 2546 in the 5 Preceding Years**: None

**Working Experiences related to company's business in the 5 Preceding Years (on December 31, 2022)**

- 2007 to present, Internal Audit Department Manager, Thai Agro Energy Plc.

### Number of Business as Directors / Executives

LISTED COMPANIES	NON-LISTED COMPANIES	POSITIONS IN COMPETITIVE BUSINESS / RELATED BUSINESS OF THE COMPANY
1	-None-	-None-

## Profile of Company Secretary

**7.Full Name** : Mrs. Prapatsorn Kantawong  
**Position** : Legal Department Manager and Company Secretary  
**Nationality** : Thai  
**Age** : 44 years old



### Education :

- Master of Law, Ramkhamhaeng University
- Master of Business Administration (Business Law), Ramkhamhaeng University
- Bachelor of Law, Thammasat University
- Curriculum of Institute of Director (IOD)
  - Company Secretary Program (CSP) 6/2004
  - Effective Minute Taking (EMT) 4/2006
  - Finance for Non-Financial Directors (FND) 2006
- Other training courses
  - Corporate Secretary Development Program 12/2005, Faculty of Commerce and Accountancy, Chulalongkorn University
  - Basic Knowledge of Civil Service, Revenue Department
  - System and Operation in the Stock Exchange, Thailand Securities Institute (TSI)
  - Basic knowledge about financial and capital markets, Thailand Securities Institute (TSI)
  - Certificate in Intellectual Property Law, Judicial Training Institute
  - Barrister, Lawyers Council of Thailand under the Royal Patronage.
  - Advanced Lawyer Course, Taxation, Lawyers Council of Thailand under the Royal Patronage.
  - Notarial Services Attorney Course, Lawyers Council of Thailand under the Royal Patronage.

**Duration of Position:** Company Secretary, Thai Agro Energy Plc. effective from June 1, 2019 to present, total 3 years.

**Number of Company's Share on January 1, 2022:** None

**Number of Company's Share on December 31, 2022:** None

**Shares held by other persons:** None

**Direct and Indirect Interest in Company and Subsidiaries:** None

**Relationship with Directors and Management:** None

**The Punishment from the offense under The Securities Exchange Act B.E 2535 or the Derivatives Act B.E 2546 in the 5 Preceding Years:** None

### Working Experiences related to company's business in the 5 Preceding Years (on December 31, 2022)

- 2019 to Present, Legal Department Manager and Company Secretary, Thai Agro Energy Plc.
- 2015 to 2019, Legal Department Manager and Assistant Company Secretary, Thai Agro Energy Plc.

### Number of Business as Directors / Executives

LISTED COMPANIES	NON-LISTED COMPANIES	POSITIONS IN COMPETITIVE BUSINESS / RELATED BUSINESS OF THE COMPANY
1	-None-	-None-

## **Attachment 2**

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**Details of The Holding position in Related Companies  
of the executives and controlling persons of Company**

**Details of The Holding position in Related Companies of the executives and controlling persons of Company (As of December 31, 2022)**

No.	Name	TAE	Related Companies														total								
			1	2	3	4	5	6	7	8	9	10	11	12	13	14		15	16	17	18	19	20	21	22
1	Mr. Virach Aphimeteetamrong	C,/,A			/,A	/	/,A				/,A						C						/		8
2	Mr. Kraisi Sirirungsi	VC	/	/	/	/	/,A													/		c			7
3	Mr. Anun Louharanoo	/	/,M	M	M				/,A											/		/			7
4	Mr. Somchit Limwathanagura	/							/																2
5	Mr. Srihasak Arirachakaran	/	/,///	/,M	/,M	/													/,M	/					7
6	Mr. Somchai Lovisuth	/																					/		2
7	Mr. Padetpai Meekun-iam	/,A															/,A								2
8	Mr. Satit Chanchaowakun	/,A							/				C												5
9	Mrs. Somrudee Suwannaroop	M																		/					2
10	Miss Kanyaphat Chinantdej	M																							1
11	Mr. Anan Rayarужи	M																							1
12	Miss Wiraporn Tongdet	M																							1
13	Miss Theerananant Kunakasem	M																							1
14	Mr. Supachai Keawfuang	M																							1

**Remarks**      **C = Chairman**  
**/ = Director**

**VC = Vice Chairman**  
**// = Chief Executive Officer**

**A = Audit Committee**  
**M = Management**

**RELATED COMPANIES:**

1. LANNA RESOURCES PLC.
2. PT. LANNA HARITA INDONESIA
3. PT. SINGLURUS PRATAMA
4. UNITED BULK SHIPPING PTE. LTD
5. ASIA PLUS GROUP HOLDINGS SECURITIES PLC.
6. TRIS CORPORATION CO., LTD.
7. UT INTERNATIONAL CO., LTD.
8. BANGKOK CHAIN HOSPITAL PLC.
9. DIAMOND BUILDING PRODUCTS PLC.
10. CROWN SEAL PLC.
11. METRO SYSTEM CORPORATION PLC.
12. LALIN PROPERTY PLC.
13. SUPHALAI PLC.
14. SNC FORMER PLC.
15. AUDIT OFFICE DR. WIRAT AND ASSOCIATES CO., LTD.
16. MBK RESORT PLC.
17. SPC HOME IDEA CO., LTD.
18. NICHA WELL CO.,LTD.
19. LANNA POWER GENERATION CO., LTD.
20. SRT POWER PELLET CO., LTD.
21. BIOMED TECHNOLOGY HOLDINGS (THAILAND) CO., LTD.
22. TRIS RATING CO., LTD.

### **Attachment 3**

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#### **Information of officer and head of internal audit and corporate governance**



## Information of officer and head of internal audit and corporate governance

Name	Age (year)	Shareholding in the Company's (%)	Family Relationships with the executives.	Education / Training	Experiences during the past 5 years		
					Period	Position	Company
<b>1. Suphachai Kaewfuang</b> - Audit Department Manager - Secretary of Audit Committee - Secretary of Risk Management Committee	49	None	None	<p><b>Education</b>                      1993-1994 : University Institute of Technology Tanyaburi Bachelor's degree in B.B.A. (Accounting)                      1991-1992 : Rajamangala Institute of Technology Phanakorn , Advanced Certificate (Accounting)</p> <p><b>Training</b>                      - Anti-Corruption Working Paper course : Federal of Accounting Professions (2018)                      - Professional Internal Audit Service (2018)                      - Systematic Audit : Professional Internal Audit Service (2018)                      - Fraud Risk Management (FRM) : Federation of Accounting Professions (2016)                      - Corporate Fraud Prevention: Federation of Accounting Professions (2016)                      - Certified Professional Internal Audit of Thailand (CPIAT) No.41 : The institution of Internal Auditors of thailand                      - Anti-Corruption The Practical Guide (ACPG 18) : (IOD) (2015)                      - Enterprose Risk Management : OMEGAWORLDCCLASS Research Institute (2014)                      - COBIT 5 For Management : Audit and Control Association Information Systems (2013)                      - Internal Audit Program: Prepared Course for Certified Internal Auditor: Pre - CIA) (2013) : Faculty of Commerce and Accountancy, Chulalongkorn University                      - Audit Fraud Association of Internal Auditors of Thailand (2010)                      - Risk management based on COSO ERM: Association of Internal Auditors of Thailand (2009)</p>	September 20, 2007 - Present	Audit Department Manager	Thai Agro Energy PLC.
				<p><b>The Board Of Directors Of Listed Companies</b>                      -None-</p> <p><b>Special Events(Current)</b>                      -None -</p>			

**Attachment 4**

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**Details of the property appraisal list**

**-None-**

## **Attachment 5**

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### **Policy and practice of corporate governance**

The Company disclosed a Code of Conduct and a Corporate Governance Policy on the Company's website [www.thaiagroenergy.com](http://www.thaiagroenergy.com) under section "Corporate Governance (CG)"

## **Attachment 6**

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**Report of the Audit Committee**  
**Report of the Nomination and Remuneration Committee**  
**Report of the Risk Management Committee**  
**Report of the Corporate Governance Committee**

## Report of the Audit Committee

The Board of Directors defined that Audit Committee is independent from the executives to review the key points, also held meetings with financial auditors, internal auditor and relevant executives to give further information and clarification which focus on good corporate governance and effective internal audit system.

During the year 2022, the Audit Committee held a total of 9 meetings. The number of attendance of each member of the Audit Committee are as follows:

Name	Position	No. of attendance / No. of meeting in 2022
Mr. Padetpai Meekun-iam	Chairman of the Audit Committee	9/9
Mr. Virach Aphimeteetamrong	Audit Committee Member	9/9
Mr. Satit Chanchaowakun	Audit Committee Member	9/9

The Audit Committee reported its performance to the Board of Directors every quarter. The key results of the Audit Committee's operation are as follows.

(1) Reviewing the Company's quarterly and annually financial statements for year 2022. It was agreed that they were accurate and reliable. They were duly prepared in conformity with the generally accepted accounting standards with sufficient and appropriate disclosure of information.

(2) Considering the internal control system for the year 2022, covering significant risks as well as anti-corruption practices and the adequacy of the Company's internal control system. In this regard recommendations have been given to the management to improve and to correct all errors for more circumspective and appropriateness.

(3) Reviewing and attach importance to adhering to the good corporate governance in compliance with the laws relating to the business operation of the Company and the Anti-Corruption practices during the year 2022. It emphasizes the accuracy and completeness of information disclosed to all stakeholders fairly and equally, can be referenced and verified in a transparent manner.

(4) Reviewing of acquisition and disposition of assets including connected transactions or the transactions which might cause conflict of interests occurred during the year 2022, the transaction is considered as the usual commercial price and conditions in general, taking into account fairness and in the best interests of the Company and approved by an authorized person who is not a stakeholder. Information is disclosed and treated correctly in accordance with the announcements of the Capital Markets Regulatory Commission and other relevant laws.

(5) Reviewing the risk management system and anti-corruption practices during the year 2022. In this regard recommendations have been given to the management to improve and to correct all errors for more circumspective and appropriateness.

(6) Reviewing the progress of lawsuit during the year 2022. Recommendations have been given to the management to improve the legal proceeding and outstanding accounts receivable follow up for more circumspective and appropriateness.

(7) Reviewing the management's procedures regarding whistleblowing. In 2022, no complainants were made through designated whistleblowing channels.

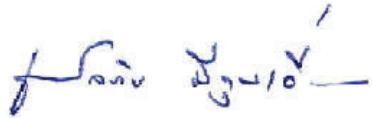
(8) Conducting self-assessment on a panel and individual basis in year 2022 by specifying strengths, weaknesses, as well as areas for improvement and rectification. It jointly considered the self-assessment results and formulated the guidelines for improving and rectifying work to enhance its efficiency and effectiveness in the following year.

(9) Considering the appointment of the auditors and the audit fees from the EY Office Limited as the Company's auditors for the year 2023 and proposed to the Board of Directors for further approval at the Annual General Meeting of Shareholders for the year 2023 to appoint Ms. Patcharawan Koonarungsri, certified public account no. 6650, and/or Ms. Sathida Rattananuruk, certified public accountant no. 4753, and/or Ms. Siriwan Nitdamrong, certified public account no. 5906 of the EY Office Limited, whom are qualified to be the financial auditor of the listed companies as established by the Stock Exchange of Thailand and the Securities and Exchange Commission to be the financial auditor for year 2023 to be the Company's financial auditors The audit fee for the year 2023 for the Company amounted to 1,330,000 baht.

(10) Considering the internal audit plan and scope for the year 2023 as well as the human resources and staff skills development of the internal audit unit to be adequate in order to handle the workload of duties and responsibilities effectively.

In 2022 Audit Committee was independently performed various tasks as assigned. The Board of Directors and management emphasize the administration that is based on the principles of corporate governance, business ethics. With a focus on risk factors that may affect the Company, all functions must be carried out in compliance with legal requirements. Preparation of financial reports must be accurate and reliable, according to generally accepted accounting standards, with disclosure of information and operational transparency, and a suitable system of internal controls. The reviews found no significant defect at all.

On February 13, 2023  
On behalf of the Audit Committee



(Mr. Padetpai Meekun-iam)  
Chairman of the Audit Committee

## Report of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee (“NRC”) has been appointed by the Board of Directors, comprise of 5 Company’s directors, having authorities, duties and responsibilities including nomination of executives and determination of remunerations for directors, executives, and employees of the Company, as well as other duties as assigned by the Board of Directors on a case by case basis. The NRC held 3 meetings in year 2022, which can be summarized as follows.

(1) The NRC has considered nomination of directors in place of directors retired by rotation at the Annual General Meeting of Shareholders Year 2023, having established method and procedures for the nomination as follows:

(1.1) The NRC acknowledged the name list of directors retired by rotation and name list of outsiders being proposed for appointment to director positions in place of the directors retired by rotation.

(1.2) The NRC considered and selected persons who are suitable for the director positions from the proposed name list. Qualifications being considered include skills, experience, and expertise from various occupation that are beneficial to the operation of the Company. The persons must also be eligible for the director position of a listed company in compliance with the Company’s regulations and related laws. The performance during the past year (if any) of the Director of the Company is also considered.

(1.3) The NRC selected and proposed the name list of suitable persons for the director positions in place of the directors retired by rotation to the Board of Directors for further proposal to the Annual General Meeting of Shareholders Year 2023 for its consideration.

(2) The NRC has acknowledged the opening of opportunity for the shareholders to propose meeting agenda and nomination of new directors in accordance with good corporate governance principles by submitting written proposals by mail or facsimile (FAX) to the Company Secretary from October 1, 2022 to December 31, 2022. It appeared that no shareholders proposed any meeting agenda or new director nomination for the Annual General Meeting of Shareholders Year 2023.

(3) The NRC has considered the remuneration for the Board of Directors and sub-committees as follows:

(3.1) Remuneration must be suitable and in accordance with the duties and responsibilities of each director.

(3.2) Remuneration must be comparable to remuneration of other companies of the same industry within the Stock Exchange of Thailand of similar performance levels. In addition, remuneration must be in level that will provide incentive to attract and retain quality directors.

(3.3) Remuneration must be in line with the Company’s overall performance. The NRC has considered the remunerations and has proposed to the Board of Directors for approval at the Annual General Meeting of Shareholders.

(4) The NRC has considered rules for the Key Performance Indicators (KPI) of the Company to be used for evaluation of annual salary adjustment and yearly bonus for the Company’s employees. The NRC has evaluated the Company’s performance based on the budget, operational targets as well as market and economic situations in each year.

(5) The NRC has determined rules for salary increase of year 2023 and annual bonus year 2022 of employees including the Chief Executive Officer and high ranking executives by considering Company's overall operating results and the performance of the year 2022 which is correct and appropriate in accordance with the rules and conditions as approved by the Board of Directors with comparison of information with other companies in the same industry as surveyed by the independent organizations and for further proposal to the Board of Directors for approval.

(6) The NRC has considered the organization structure, manpower and wage budget of the Company for year 2023, which are deemed appropriate and corresponding to the Company's operation, including the allocation of resources of the Company to be efficiently and effectively used and for further proposal to the Board of Directors for consideration and approval.

(7) The NRC has reviewed the NRC Charter once a year to ensure compliance with the Corporate Governance Principles.

(8) The NRC has reviewed and made Self-Assessment of its performance for the whole committee and individual during year 2022 to comply with the Corporate Governance Principles. According to the results of the self-assessment, the NRC has operated effectively and in accordance with the assigned duties and responsibilities.

(9) The NRC regularly reports the operation to the Board of Directors for acknowledgment and consideration at least once a year for disclosure in the Annual Report 2022 (Form 56-1 One Report Year 2022)

The NRC is independent in performing their duties according to the scope of duties and responsibilities as assigned by having discussions with relevant executives regularly in order to make the nomination and remuneration for directors, executives and employees of the Company to be appropriate and in line with the operating results of the Company and at the same level with the companies in the same industry.

February 9, 2023

On behalf of the Nomination and Remuneration Committee



(Mr. Kraisi Sirirungsi)  
Chairman of the NRC



## Report of the Risk Management Committee

The Board of Directors has established the Risk Management Committee or “RMC” comprising of 9 directors with Company’s director and top executives, who are authorized to consider risk factors that may possibly impact the operations of the Company by establishing prevention measures and focus on effective risk management in every aspect of operations according to the good corporate governance principles in order to minimize the risks and mitigate their impacts. Resources are used effectively for evaluation and manage risk in the overall to be in accordance with the current situation and ever-changing circumstances.

During year 2022, the Risk Management Committee held 5 meetings altogether in order to consider and assess risks, as well as monitor the risk management of all departments that might significantly impact the business operation of the Company in order to establish risk prevention measures and mitigate impacts or opportunities of risk in various aspects to be suitable with the current and future economic conditions and business environment of the Company. The report can be summarized as follows:

(1) The Risk Management Committee has considered the risk management process and plan in accordance with the policies and objectives approved by the Board of Directors in order to ensure that the risk management is effective and efficient in acceptable risk level and appropriately and concisely in line with the operations of the Company according to the good corporate governance.

(2) The Risk Management Committee has considered the risk factors, including monitoring and supervision of the risk management of the Company by convening the Risk Management Committee’s Meeting periodically to encourage efficiency of the risk management process, as well as providing suggestions which are beneficial to the risk management presently and for the future.

(3) The Risk Management Committee has regularly reviewed risks at all levels by assessing and analyzing risk factors to cover and in line with the strategic plan in terms of production, marketing, personnel development, as well as laws and other matters that might affect the business operation of the Company. The risks are categorized into a risk requiring urgent rectification (Red Risk) and the risk requiring close monitoring (Orange Risk) which might be a risk factor in the future.

(4) The Risk Management Committee and the Management has required a review and self assessment on the risks concerning corruption of all departments in order to apply the risk assessment results to amend the regulations and orders regarding day-to-day operations to appropriately and concisely cover such risks.

(5) The Risk Management Committee has prepared a performance summary report to present to the Board of Directors and the Audit Committee for acknowledgment periodically to take comments and/or suggestions for improving the risk management to be more effective.

(6) The Risk Management Committee has determined rules and prepared self-assessment as a whole committee and individual for year 2022 for the assessor to indicate

strengths, weaknesses and matters that needed improvements. The Risk Management Committee together considered the results of the assessment and established guidelines for achieving more effective operation in the following year.

(7) The Risk Management has reviewed and amended the Risk Committee Charter to comply with the corporate governance principles.

(8) The Risk Management Committee has disclosed the details of the significant risk management of the Company within the Annual Report Year 2022 (Form 56-1 One Report).

The operation of the Risk Management Committee in the year 2022, the risks in various aspects were able to be controlled to the level which incurred no significant impact to the Company's operations by responsibly and carefully performing assigned duties for the best interest of the Company and every group of stakeholders.

February 6, 2023

On behalf of the Risk Management Committee



(Mr. Satit Chanchaowakun)

Chairman of the Risk Management Committee

## Report of the Corporate Governance Committee

The Corporate Governance Committee (“CGC”) of Thai Agro Energy Public Company Limited comprise of 3 members from the executives by position and 1 secretary, having authorities and responsibilities to supervise the Company’s operation regularly in accordance with the principles of good corporate governance as well as supervise the operation of Corporate Social, Community and Environment Responsibility according to related laws & regulations. During year 2022, the CG Committee held 2 meetings according to the authorities and responsibilities determined in the charter of the CG committee, which can be summarized as follows.

(1) The CGC has revised and improved on the Good Corporate Governance Handbook (CG Handbook) in accordance with the good corporate governance best practices and business code of conduct, which have been disseminated on the Company’s website and intranet.

(2) The CGC has monitored and supervised that the employees adhere to the CG Handbook and the Business Code of Conduct so that it will developed into the Company’s culture, which have included as part of the orientation program of new employees and development training of Company’s employees. Related documents and leaflets have been given out to the employees for their acknowledgment and practice.

(3) The CGC has reviewed and improved on the performance self-assessment forms of the Board of Directors and sub-committees once a year and revising the forms as appropriately for the Company. In 2022, self-assessment of performance of the Board of Directors and sub-committees were conducted as a whole and as individual, having objectives as follows.

(3.1) To acknowledge the problems and obstacles preventing achievements of established targets during the past year.

(3.2) To achieve more effective operation of the Company’s Board of Directors and subcommittees as their roles, duties and responsibilities are clearly specified.

(3.3) For improvement of relationship between the Board of Directors and the Management in order to good cooperate.

The Board of Directors and each of the sub-committees offered opinions and recommendations on improvement for more effective operation of each committee for the best interest of the Company.


(4) The CGC has reviewed and amended the Company’s rules and regulations and instruction that relate to daily operation of every unit to be deprived of corruption and to have the concisely internal control.

(5) The CGC has reviewed the Corporate Governance Committee Charter in accordance with good corporate governance principles to define roles, scope of authorities and responsibilities of the CGC in order to propose to the Board of Directors for consideration and approval as well as adhering to the guidelines.

(6) The directors, executives and employees of the Company have participated in the following training programs in year 2022,

(6.1) Training program of “Anti-Corruption and Social responsibilities Supervision Committee”

(7) The CGC has acknowledged awards and recognitions received in Year 2022 as follows.

(7.1) The Company was placed in a “Very Good” level or 4 stars (  ) for the assessment of Corporate Governance (“CGR”) Year 2022 by the Thai Institute of Directors Association, having received a score of 87 percent, higher than the average score of the listed company in year 2022 with the score of 84 percent.

(7.2) The Company received 100 score or “Excellent” level on the Annual General Meeting Quality Assessment of the Listed Companies (“AGM Checklist”) Year 2022 conducted by the Thai Investors Association, higher than the average score of the listed companies in year 2022 with 95.55 score. The CGC shall focus on the development of good corporate governance within the organization in order for the Company to manage its businesses effectively, building trust and be acceptable by all stakeholders.

February 8, 2023

On Behalf of the Corporate Governance Committee



(Mrs. Somchai Lovisuth)  
Chairman of the Corporate Governance Committee

## **Attachment 7**

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### **Charter**

The Company disclosed Charter of the Board of Directors, Charter of the Audit Committee, Charter of the Nomination and Remuneration Committee, Charter of the Risk Management Committee and Charter of the Corporate Governance Committee on the Company's website [www.thaiagroenergy.com](http://www.thaiagroenergy.com) under section "Corporate Governance (CG)"

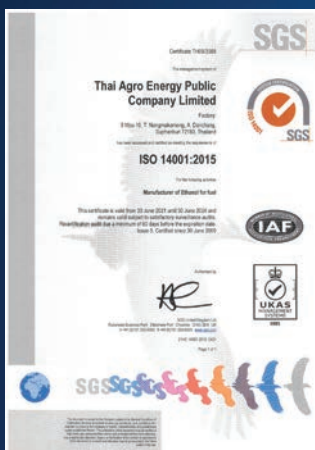


THAI AGRO ENERGY PUBLIC COMPANY LIMITED

# Factory Photo of Thai Agro Energy Public Company Limited. Dan Chang District, Suphanburi Province.



## Certificate of Standards and Systems





บริษัท ไทย อะโกร เอ็นเนอร์ยี่ จำกัด(มหาชน)

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Investors can find more information about Thai Agro Energy Public Company Limited  
on the Company's website : [www.thaiagroenergy.com](http://www.thaiagroenergy.com)