

SERMSANG

POWER CORPORATION



Annual Registration Statements
(form 56-1 One Report)

Annual Registration Statements
(form 56-1 One Report)



Serm sang Power Corporation Public Company Limited

For the year ended 31 December 2021

Message from Chairman



Throughout the year 2021, the Company has continuously developed business operations with the launching of two projects, including the Leo Solar Power Plant Project, Japan and the Wind Power Plant Project, Vietnam. Additionally, the acquisition of a biomass power plant in Thailand has resulted in the Company's continued growth in operating results.

For future business development, the Company is committed to expanding all types of renewable energy businesses. Besides this, the Company realizes the importance of good corporate governance. In 2021, the Company was certified as a coalition member of the Private Sector Collective Action Against Corruption (CAC) from the Committee of Thai Private Sector Collective Action Against Corruption, reflecting our intention for anti-corruption of all forms with transparent management according to the principles of good corporate governance in building confidence among stakeholders of all sectors.

On behalf of the Board of Directors, I would like to extend our thanks to customers, shareholders, financial institutions, business alliances, partners, local communities, relevant government agencies, including all other stakeholders who always convey their trust and continuing support towards the Group's strong business foundation and long-term sustainable growth.

Message from CEO

In 2021, the Group has maintained continuous growth in operating results from the previous year and particularly generated the highest profit ever since our business establishment. The Group had total revenue of 2,698.2 million baht, or an increase of 39.4%, with earnings before interest and depreciation (EBITDA) of 2,023.0 million baht, or an increase of 32.6%, and a core operating profit at the level of 846.7 million baht, or an increase of 21.6%, resulting from the Group's new power plant projects which are capable of continuing commercial operations. As of December 31, 2021, the Group had total assets of 24,063.3 million baht, mainly consisting of lands, buildings, and equipment of power plants.

The year 2021 was another year of our continuous growth, with the opening of two power plants, the Leo Solar Power Plant, Japan and the Wind Power Plant, Vietnam. Meanwhile, the Group has also invested in biomass power plants in Thailand, resulting in the total installed capacity of project groups up to 296 megawatts as of the year end of 2021.

For future business growth, our management is committed to expanding all types of alternative energy businesses in both the five countries currently in operations and other countries with potential for growth in the alternative energy business.

Our success in the past year has resulted from the supports of all parties. On behalf of the management, I would like to express my gratitude to the Board of Directors, shareholders, partners, and employees, including all sectors for their continuing support. The management shall strive for our ongoing business development in compliance with good corporate governance towards a sustainable growth.



Board of Directors



1. Mr. Kamthon Wangudom Independent
(Director, Chairman)



2. Mr. Viwat Kraipisitkul Director
(Chief of Executive Director,
Chief of Risk Committee, Member of
Nomination and Remuneration Committee)



3. Assoc. Prof. Samrieng Mekkiengkrai
(Independent Director, Chief of Audit Committee,
Chief of Nomination and Remuneration Committee)



4. Mr. Dhana Bubphavanich
(Independent Director, Audit Committee)



5. Ms. Thantaporn Kraipisitkul
Director
(Member of Executive Committee,
Member of Risk Committee, Member of Nomination
and Remuneration Committee)



6. Mr. Tanawat Kraipisitkul
(Director, Member of Executive Committee)



7. Mr. Varut Tummavaranukub
(Director, Member of Executive Committee,
Member of Risk Committee)



8. General Phairat Phoubon
(Independent Director)



9. Mrs. Thanyanee Kraipisitkul
(Director)



10. Mr. Monchai Phongsathabodee
(Independent Director)

Management



1. Mr. Varut Tummavarasukub
(Chief of Executive Officer,
Chief of Operation Officer (Acting for))



2. Ms. Thantaporn Kraipisitkul
(Deputy of Chief of Executive Officer)



3. Ms. Sukunya Phokhakul
(Chief Financial Officer)



4. Ms. Phonkamon Hongwilai
(AVP – Account and Treasury)



5. Ms. Sarmornmart Chaiphatikarn
(Company Secretary)

Table of Contents

	Page
Part 1	Structure and operation of the Group Company
1. Policy and the overall business operation	11
2. Risk Management	81
3. Sustainability	93
4. Management Discussion and Analysis	101
5. General Information and Other Information	113
Part 2	Corporate Governance
6. Corporate Governance Policy	130
7. Corporate Governance Structure and information about the Board of Directors, the Sub-committees, the Executives, Employees and others.	139
8. Report of corporate governance	161
9. Internal control and related party transaction	172
Part 3	Financial Statement
	179
Attachment 1	Information of Board of Directors, Executive Directors, Controlling person and Company Secretary
	232
Attachment 2	Information of Directors and Executive Directors in Subsidiaries
	253
Attachment 3	Information of Chief of internal audit
	260
Attachment 4	Information of appraised value asset
	263
Attachment 5	Others
	265

Part 1

Structure and operation of the Group Company

1. Policy and the overall business operation

1.1 Vision Mission Goals and Strategies

1.1.1 Vision

Sernsang Power Corporation Group Company (“Company” or “SSP”) and the Company’s subsidiaries (collectively called “Group Company”) have the business operation vision that is

“The Group Company strives to be the leading energy company in Asia by becoming a sustainable energy producer and supplier along with fostering and promoting a stable clean environment for the best interests of society.”

1.1.2 Mission

The Group Company is committed to empowering people and business organizations to take part in sustainable development of the future by The Group Company applying expertise in the acquisition of appropriate technology and create dynamic resources that can meet energy needs in a sustainable, efficient, and effective manner.

1.1.3 Goals and Strategies

The Group Company aims to be a leader in the production and distribution of electric power using international technology in project development to promote a clean environment that is sustainable and creates the maximum benefit to the society. Some of the key strategies for achieving this goal are detailed as follows:

(1) Committed to investing and developing renewable energy power projects in various forms such as solar energy, wind energy, biogas energy and biomass energy both in domestically and the Asian region. The goal is to expand investment and develop power plant projects totaling 400 MW by 2024.

(2) Promote and support the communities nearby to participate in the development of the Group Company’s power generation projects. This starts with building knowledge and understanding on renewable energy power generation projects as well as encouraging employment from nearby communities from project construction to commercial operation. This is to promote the well-being of neighboring communities through support, and assistance, and to prevent possible environmental impacts together with communities,

(3) giving importance to the development of human resources to develop knowledge and expertise in electric power.

1.2 History and major developments

1.2.1 Important history

ใน 2012, the Kraipisitkul family, the Group Company’s major shareholders, saw a business opportunity in the renewable energy industry from the government’s policy to promote renewable energy production by providing tax incentives as well as Adder on top of base tariff to the Very Small Power Producer (VSPP) and the Small Power Producer (SPP) for the period of 10 years after commercial operation date. The application to sell electricity was submitted to the Electricity Generating Authority of Thailand (“EGAT”) under the name of Sernsang Power Limited Company (“SPN”) and was accepted to enter into the 40.0 megawatts power purchase agreement (“PPA”) with EGAT. SPN entered into the PPA with EGAT on 7 June 2013 (“Sernsang Solar Project”). The Project was completed and commenced commercial operation (COD) on February 2, 2015.

Subsequently, the shareholders’ group established a limited company Sernsang Power Corporation (“SSP”) on 16 June 2015 in order to proceed with the restructuring of the Group Company to be ready for listing on the Market for Alternative Investment (MAI) with the objective that SSP was to operate the business of holding shares in subsidiaries and other companies in the future (Holding Company), which operates the business of generating and distributing electricity from renewable energy and other related businesses. Later, On March 27, 2019, Sernsang Power Corporation Company Public Limited moved from MAI to the Stock Exchange of Thailand (SET) for the first day.

In this regard, from October 2015 to March 2016, the Group Company and the major shareholders have restructured the Group Company by allowing SSP to hold shares in all subsidiaries (that are in the current Group Company).

As of December 31, 2021, Subsidiaries in Sernsang Power Group Corporation Public Company Limited consist of:

Subsidiaries in Thailand

- (1) Sermsang Power Limited (“SPN”)
- (2) Access Energy Limited (“AE”)
- (3) Essential Power Limited (“EP”)
- (4) Plus Energy Limited (“PE”)
- (5) Prestige Group Limited (“PTG”)
- (6) Triple P Renewable Limited (“PPP”)
- (7) Siam Clean Solution Limited (“SCS”)
- (8) Siam Renewable Power Limited (“SRP”)
- (9) Sermsang Solar Limited (“SS”)
- (10) Sermsang Corporation Limited (“SSC”)
- (11) Sermsang International Limited (“SI”)
- (12) Sermsang Infinit Limited (“SN”)
- (13) Uni Power Tech Company Limited (“UPT”)

Overseas Subsidiaries

- (14) S. Global Power Limited¹ (“SGP”)
- (15) Surge Energy Corporation Limited² (“SEG”)
- (16) Access C Management Limited³ (“ACM”)
- (17) Seijo Corporation⁴ (“SJC”)
- (18) Sermsang Sustainable Singapore Private Limited⁵ (“SSSG”)
- (19) Tenunn Gerel Construction LLC⁶ (“TGC”)
- (20) Truong Thanh Quang Ngai Power and High Technology Joint Stock Company⁷ (“TTQN”)
- (21) SEA Sun Energy Partners Pte. Ltd.⁸ (“SSEP”)
- (22) PT Sea Sun Energi⁹ (“SSE”)
- (23) Truong Thanh Tra Vinh Wind Power Joint Stock Company¹⁰ (“TTTTV”)

The operating company (“GK Operator”) under the GK-TK investment structure, where SEG, as a TK investor, also entered into the TK Agreement (“TK Agreement”).

- (24) SS Hidaka No Mori G.K.¹¹ (“SSH”)
- (25) G.K GSSE¹² (“GSSE”)
- (26) Zouen Energy G.K.¹³ (“ZOUEN”)
- (27) Ashita Power 1 G.K.¹⁴ (“ASP1”)
- (28) Ashita Power 2 G.K.¹⁵ (“ASP2”)

¹ Established in Hong Kong Special Administrative Region with SI as a shareholder holding 100% of the shares.

² Established in Hong Kong Special Administrative Region with SGP as a shareholder holding 100% of the shares.

³ Established in Hong Kong Special Administrative Region with AE as s shareholder holding 100% of the shares.

⁴ Established in Japan with ACM as a shareholder holding 100% of the shares.

⁵ Established in Singapore with SI as a shareholder holding 100% of the shares.

⁶ Established in Mongolia with SSSG as a shareholder holding 75% of the shares.

⁷ Established in Vietnam with as a shareholder holding 87% of the shares.

⁸ Established in Singapore with SI as a shareholder holding 95% of the shares.

⁹ Established in Indonesia with SSEP as a shareholder holding 100% of the shares.

¹⁰ Established in Vietnam with SSP as a shareholder holding 80% of the shares.

¹¹ Established in Japan with SEG investing in Hidaka project as a TK investor under GK-TKstructure at the rate of 86.9% according to the proportion of TK investment.

¹² Established in Japan by SEG investing in Yamaga project as TK investor. under GK-TKstructure at the rate of 90% according to the proportion of TK investment.

¹³ Established in Japan by SEG investing in SOEN project as TK investor. under GK-TKstructure at the rate of 100% according to the proportion of TK investment.

¹⁴ Established in Japan by SEG investing in Leo1 project as TK investor. under GK-TKstructure at the rate of 100% according to the proportion of TK investment.

¹⁵ Established in Japan by SEG investing in Leo2 project as a TK investor under GK-TKstructure at the rate of 100% in proportion to TK investment.

As of December 31, 2021, the Group Company has power plant projects divided by their location and status as follows:

- Solar power plant projects in Thailand.

Projects that commercial operations have begun.

- Sernsang Solar Project, which is operated by SPN, started its commercial operation in the first quarter of 2015. It has 52 megawatts installed capacity and 40 MW contracted capacity of PPA. The plant is located in Lopburi province.
- 7 Solar Rooftop Projects under SN operation,
- SNNP1 Project, which started commercial operation in the first quarter of 2018. It has 0.04 MW installed capacity. The project entered into a PPA with Srinanaporn Marketing Co., Ltd. and located in Samutsakorn Province.
- SNNP2 project, which started commercial operation in the first quarter of 2018. It has 1.0 MW installed capacity. the project entered into a PPA with Srinanaporn Marketing Co., Ltd. and located in Ratchaburi Province.
- SNNP3 project, which started commercial operation in the second quarter of 2019. It has 0.4 MW installed capacity. the project entered into a PPA with Srinanaporn Marketing Co., Ltd. and located in Samutsakorn Province
- DoHome projects consisting of 5 sub-projects (branches Bang Bua Thong, Rama 2, Nakhon Ratchasima, Khon Kaen and Chiang Mai) opened for commercial operation in Q3 2018. It has 3.0 MW installed capacity. the project entered into a PPA with DoHome Company Public Limited Company
- SNNP4 project, which started commercial operation in the first quarter of 2020. It has 0.3 MW installed capacity. the project entered into a PPA with Srinanaporn Marketing Co., Ltd. and located in Samutsakorn Province
- The PRC project, which started commercial operation in the second quarter of 2020. It has 0.962 MW installed capacity. the project entered into a PPA with PRC Plast (Thailand) Co., Ltd. and located in Nontaburi Province.
- The TAPACO project, which started commercial operation in the second quarter of 2020. It has 0.885 MW installed the project entered into a PPA with Tapaco Public Company Limited and located in Chonburi and Prachinburi Provinces.
- WVO Solar Power Plant Project, under the joint investment between The War Veterans Organization of Thailand (WVO) and SS. It has 5.0 MW installed and contracted capacity of PPA, located in Ratchaburi Province.

- Biomass power plant project in Japan

Projects that commercial operations have begun.

- UPT Project, which is operated by UPT operation, started its commercial operation in the second quarter of 2019. It has 9.9 megawatts installed capacity and 8.0 MW contracted capacity of PPA. The plant is located in Nakhon Ratchasima province.

- Solar power plant project in Japan

Projects that commercial operations have begun.

- Hidaka Project, under SSH operation, opened for commercial operation in Q1 2018 with an installed capacity of 21.0 MW and a production capacity under the power purchase agreement of 17.0 MW, located in Hidaka, Japan.
- Zouen Project, under ZOUEN operation, opened for commercial operation in Q3 2018 with an installed capacity of 8.0 MW and a production capacity under the power purchase agreement of 6.0 MW, located in Mashiki, Japan.
- Yamaga Project under GSSE operations, it will be in commercial operation in Q2, 2020 with an installed capacity of 34.5 MW. and a production capacity under the power purchase agreement of 30.0 MW, located in Yamaga, Japan.
- Leo 1 project, under the operation of Ashita Power 1 GK, opened for commercial operation in Q3 2021 with an installed capacity of 26.0 MW and a production capacity under the power purchase agreement of 20.0 MW, located in Minami-Izu, Japan.

Projects under construction and development

- Project Leo 2, under the Ashita Power 2 GK operation, is currently under development and is expected to be commercially operational by 2023 with an installed capacity of 22.0 MW. and a production capacity under the power purchase agreement of 17.0 MW, located in Shimoda, Japan.

- Solar power plant project in Vietnam

The Group Company invests in the Binh Nguyen Solar project in Vietnam which is operated through TTQN with an installed capacity of 49.61 MW and has a production capacity under the power purchase agreement of 40.0 MW, located in Quan Ngai, Vietnam. The project has commenced commercial operations in the second quarter of 2019.

- Wind power plant project in Vietnam

Project Tra Vinh Wind Power, under TTTV operation, opened for commercial operation in Q4 2021 with an installed capacity of 48.0 MW. and a production capacity under the power purchase agreement of 48.0 MW, located in Tra Vinh, Vietnam.

- Solar power plant project in Mongolia

The Group invests in the Khunsight Kundi project in Mongolia. which is operated through TGC with an installed capacity of 16.4 MW and has a production capacity under the power purchase agreement of 15.0 MW, located in Ulaanbaatar, Mongolia. The project Commenced commercial operations in the third quarter of 2019.

- Solar Rooftop Project in Indonesia

Solar Rooftop Project in Indonesia started commercial operation from 2018 until 2021 with a total installed capacity of approximately 19.18 MW. The project entered into a power purchase agreement with industrial users. The nature of the service

1.2.2 Important development

2019	• In the first quarter of 2019, the Group Company has made a significant development. as follows: - The company moved its securities from the Market for Alternative Investment (MAI) to the Stock Exchange Thailand (SET) on March 27, 2019. • In the second quarter of 2019, the Group Company has made a significant development. as follows: - The Group Company entered into a joint venture agreement with SEA Sun Energy Partners Pte. to engage in an investment and development of solar rooftop projects in Indonesia. The Group Company has a shareholding proportion of 83.9% - Solar Rooftop SNNP 3 project commenced commercial operation in April 2019. - Binh Nguyen Solar Project began its commercial operation at the end of May 2019, electricity is sold to Vietnam Electricity (EVN) according to the contract of 40.0 MW (49.6 MW of installed capacity). • In the third quarter of 2019, the Group Company has made a significant development. as follows: - Khunsight Kundi project commenced commercial operation in July 2019, selling electricity to National Dispatching Center (NDC) Mongolia. - The Company entered into a joint development agreement with the TTVN Group to jointly develop the Tra Vinh Wind Power wind farm project, with the Group Company holding 80% of the shares.
2020	• In the first quarter of 2020, the Group Company has made a significant development. as follows: - Solar Rooftop SNNP 4 project commenced commercial operation in March 2020

	• In the second quarter of 2020, the Group Company has made a significant development. as follows: - Solar Rooftop PRC Project commenced commercial operation in April 2020 - Solar Rooftop TAPACO Project commenced commercial operation in April 2020. - Yamaga Project commenced commercial operation in May 2020, electricity is sold to Kyushu Electric Power Co., Inc. (KYUDEN) under contract of 30.0 MW (34.5 MW installed capacity). • In the third quarter of 2020, the Group Company has made a significant development. as follows: - The Company signed an EPC contract and commenced the construction of the Tra Vinh Wind Power Wind Farm in July 2020.
2021	• In the third quarter of 2021, the Group Company has made a significant development. as follows: - Acquisition of UPT biomass in July 2021. - Leo 1 Project commenced commercial operation in July 2021. • In the fourth quarter of 2021, the Group Company has made a significant development. as follows: - TTTV Project commenced commercial operation in October 2021.

1.3 Nature of business

1.3.1 Business overview and revenue structure

The Company operate business by holding shares in other companies (Holding Company) that operate the business of generating and distributing electricity from renewable energy and other related businesses, both domestically and internationally.

As of 31 December 2021, the Company and its subsidiaries have projects that have commenced the commercial operation, projects under construction, and development as follows:

Projects that have commenced commercial operation with total installed capacity of 296.5 MW are:

- (1) SPN project (in Thailand) with installed capacity of 52.0 MW, commenced commercial operation in the first quarter of 2015.
- (2) The Hidaka Project (in Japan) with installed capacity of 21.0 MW, commenced commercial operation in first quarter of 2018.
- (3) Zouen Project (in Japan) with installed capacity is 8.0 MW, commenced commercial operation in third quarter of 2018.
- (4) Solar Rooftop Project (in Thailand), total installed capacity of 6.9 MW are namely SNNP1 project, SNNP2 project (commenced commercial operation in first Quarter of 2018) DoHome project (commenced commercial operation in third quarter of 2018) SNNP3 project (commenced commercial operation in second Quarter, 2019) SNNP4 Project (commenced commercial operation in first Quarter of 2020) Project TAPACO (commenced commercial operation in second Quarter of 2020) and PRC project (commenced commercial operation in second quarter of 2020)
- (5) WVO solar project with the installed capacity of 5.0 MW commenced commercial operation in fourth quarter of 2018.
- (6) Binh Nguyen Solar project, which is operated through TTQN (in Vietnam) with the installed capacity of 49.6 MW commenced commercial operation in second quarter of 2019.
- (7) Khunsight Kundi project (in Mongolia) with installed capacity of 16.4 MW commenced commercial operation in third quarter of 2019.
- (8) Solar Rooftop Project (in Indonesia) with a total installed capacity of 2.5 MW gradually commenced the commercial operation since in fourth quarter of 2019.
- (9) Yamaga Project (in Japan) with the installed capacity of 34.5 MW commenced commercial operation in second quarter of 2020.
- (10) UPT project with the installed capacity of 9.9 MW commenced commercial operation in second quarter of 2019.
- (11) Leo Project (Ashita Power 1) (in Japan), total installed capacity of 48.0 MW commenced commercial operation in third quarter of 2021.
- (12) Wind project (in Vietnam) contracted capacity of 48.0 MW commenced commercial operation in fourth quarter of 2021.

Projects under construction and development with total installed capacity of 22.0 MW, are including

(1) Leo Project (Ashita Power 2) (in Japan), total installed capacity of 22.0 MW

The business of the Group Company can be divided into 3 groups as follows:

(1) Solar power plant investment and development business is divided into

- Solar farm business in Thailand which consists of (1) SPN project, Lopburi province. and (2) WVO Solar projects, Ratchaburi province.
- Solar Farm business in foreign countries, comprised projects in Japan, which are (1) Hidaka Project (2) Yamaga Project (3) Zouen Project (4) Leo project (5) Projects in Mongolia includes Khunsight Kundi project, and (6) Projects in Vietnam, including Binh Nguyen Solar Project,
- Solar Rooftop business in Thailand, comprises of (1) SNNP1 project (2) SNNP2 project (3) DoHome project (4) SNNP3 project (5) SNNP4 project. (6) PRC project and (7) TAPACO project
- Solar Rooftop business in foreign countries are Solar Rooftop Project in Indonesia.

(2) Business of investment and development of wind power plants in Vietnam.

(3) Business of investment and development of other renewable energy power plants such as biogas power plant biomass power plant and waste-to-energy power plants etc.

In this regard, Revenue Structure of the Group Company for the fiscal year ended December 31, 2019, 2020 and 2021 can be summarized as follows:

Revenue structure	Consolidated financial statements of the Group Company for the fiscal year ended 31 December					
	2018		2019		2020	
	Amount (million baht)	%	Amount (million baht)	%	Amount (million baht)	%
Revenue from electricity sale in Thailand	940.6	63.4	1,197.8	53.4	1,194.2	44.3
Revenue from electricity sale in Japan	348.2	23.4	620.9	27.7	930.6	34.5
Revenue from electricity sale in Vietnam	120.6	8.1	206.4	9.2	316.7	11.7
Revenue from electricity sales in Mongolia	52.0	3.5	113.4	5.1	114.3	4.2
Revenue from electricity sales in Indonesia	0.3	0.0	3.0	0.1	23.2	0.9
Revenue from electricity sales	1,461.7	98.4	2,141.4	95.6	2,579.1	95.6
Revenue from solar roof construction services (EPC revenue)	11.9	0.8	25.0	1.1	18.0	0.7
Other revenues ¹	12.0	0.8	75.1	3.3	101.1	3.7
Total revenues	1,485.6	100.0	2,241.6	100.0	2,698.2	100.0

note: ¹Other revenue such as service income Taxes and duties for importing machinery Interest income gain (loss) from exchange rate and the Income from Power Development Fund etc.

1.3.2 Business operations and product lines

1.3.2.1 Products or services

(1) Solar Farm Business

Solar Farm Business in Thailand

SPN project

SPN has entered into the PPA with EGAT for 40 MW contracted capacity on Non-Firm basis (meaning there is no minimum amount of electricity required to be sold to EGAT) with a 5-year contract term. The contract can be renewed for a period of 5 years at a time, upon expiration of the agreement. The Project obtained Adder at the rate of 6.5 baht per kilowatt-hour on top of base tariff for a period of 10 years from the commercial operation date. The Group Company has a policy to renew the contract after the expiration of 5 years until the end of the project's life, which in general, a project will last for approximately 25 years.

SPN projects had key details as follows:

Topic	Detail
Project company	SPN
Shareholding by the Company	100%
Project location	Khok Samrong District Lopburi province. Thailand
Area size	889-0-55 rai
Installed capacity / Contracted capacity	52/40 MW

Topic	Detail
Off-taker	Electricity Generating Authority of Thailand
Tariff rate	Base tariff plus Ft and Adder at 6.5 baht per kilowatt-hour
Project status	Commenced the commercial operation
Commercial Operation Date	February 02, 2015
Solar panel technology	Thin Film Silicon

WVO solar project, Ratchaburi province.

WVO solar project is invested through SS, a subsidiary company established in Thailand as a joint venture partner with the War Veterans Organization of Thailand as the owner of the project under the ground-mounted solar power generation project for government agencies and agricultural cooperatives in 2017

Topic	Detail
Project company	SS
Shareholding by the Company	100%
Project location	in Ratchaburi Province.
Area size	51 Rai
Installed capacity / Contracted capacity	5/5 MW
Off-taker	Provincial Electricity Authority
Tariff rate	Feed-in tariff, amounting to 4.12 baht per kilowatt-hour (over a period of 25 years).
Project status	Commenced the commercial operation
Commercial Operation Date	November 30, 2018
Solar panel technology	Poly Crystalline Silicon

Overseas Solar Farm Businesses

The investment in solar farm businesses overseas currently includes investments in Japan, Mongolia, and Vietnam as follows:

Solar Farm business in Japan

In investing in Japan, the Company has made investments through the GK-TK structure, with summarized information as follows.

Project	Hidaka	Yamaga	Zouen	Leo
Project company	SSH	GSSE	ZOUEN	Ashita Power 1 and Ashita Power 2
Investment Proportion by the Group Company	86.9%	90%	100%	100%
Type of business	Solar Farm	Solar Farm	Solar Farm	Solar Farm
Location	Hokkaido prefecture	Kumamoto prefecture	Kumamoto prefecture	Shizuoka Prefecture
Installed capacity	21.0 MW	34.5 MW	8.0 MW	48.0 MW
Contracted capacity	17.0 MW	30.0 MW	6.0 MW	37.0 MW
PPA term	20 years	20 years	20 years	20 years
Scheduled COD	Commenced commercial operation in the first quarter of 2018.	Commenced commercial operation in the second quarter of 2020.	Commenced commercial operation in the third quarter of 2018.	Leo 1 commenced commercial operation in the third quarter of 2021.

Solar Farm Business in Vietnam

At present, the company has invested in 1 solar farm project in Vietnam with the following summary

Project	Binh Nguyen Solar
Project company	Truong Thanh Quang Ngain Power and High Technology Joint Stock Company (TTQN)
Investment Proportion by the Group Company	87%
Type of business	Solar Farm
Location	Quan Ngai, Vietnam
Installed capacity	49.6 MW
Contracted capacity	40.0 MW
PPA term	20 years
Scheduled COD	Commenced commercial operation in the second quarter of 2019.

Solar Farm business in Mongolia

At present, the company has invested in 1 solar farm project in Mongolia, with the summary as follows:

Project	Khunshight Kundi
Project company	Tenuun Gerel Construction LLC (TGC)
Investment Proportion by the Group Company	75%
Type of business	Solar Farm
Location	Khunshight, TUV, Mongolia (about 40km south of Ulanbaatar, Mongolia's capital)
Installed capacity	16.4 MW
Contracted capacity	15.0 MW
PPA term	12 years (according to the current purchase agreement)
Scheduled COD	Commenced commercial operation in the third quarter of 2019

(2) Wind farm Business

Project	TTTV
Project company	Truong Thanh Tra Vinh Wind Power Joint Stock Company (TTTV)
Investment Proportion by the Group Company	80%
Type of business	Wind Farm
Location	Tra Vinh, Vietnam
Installed capacity	48.0 MW
Contracted capacity	48.0 MW
PPA term	20 years
Scheduled COD	Commenced commercial operation in the fourth quarter of 2021

(3) Biomass Business

Project	UPT
Project company	Uni Power Tech Company Limited
Investment Proportion by the Group Company	99%
Type of business	Biomass
Location	Sikhio , Nakhon Ratchasima, Thailand
Installed capacity	9.9 MW
Contracted capacity	8.0 MW
PPA term	5 year and can be renewed for a period of 5 years at a time
Scheduled COD	Commenced commercial operation in the second quarter of 2019

(4) Solar Rooftop Business

Solar Rooftop Business in Thailand

At present, the company has invested 7 Solar Rooftop projects with the following summary.

Project	SNNP 1	SNNP 2	DoHome	SNNP 3
Project company	SN			
Proportion of shares held by SSP	100%	100%	100%	100%
Type of business	Solar Rooftop	Solar Rooftop	Solar Rooftop	Solar Rooftop
Location	Samutsakorn Province	in Ratchaburi Province.	5 branches (Bang Bua Thong, Rama 2, Nakhon Ratchasima, Khon Kaen and Chiang Mai)	Province Samut Sakhon
Installed capacity	384 kilowatts	998 kilowatts	Total 3,000 kilowatts	384 kilowatts
PPA term	25 years	25 years	25 years	25 years
Scheduled COD	Commenced commercial operation in the first quarter of 2018	Commenced commercial operation in the first quarter of 2018	Commenced commercial operation in the third quarter of 2018	Commenced commercial operation in the first quarter of 2019

Zouen project contracted capacity of 6.0 MW at Kumamoto Japan.
(on commercial operation)



Yamaga Project contracted capacity of 30 MW. at Kumamoto Japan.
(on commercial operation)



SNNP1 project with an installed capacity of 384 kilowatts. at Samutsakorn Province Thailand
(on commercial operation)



SNNP2 project with an installed capacity of 998 kilowatts.at Ratchaburi Province. Thailand
(on commercial operation)



DoHome project, total installed capacity of 3,000 kilowatts (5 branches)
(on commercial operation)



SNNP4 project with an installed capacity of 307 kilowatts. at Samutsakorn Province Thailand
(on commercial operation)



TAPACO project, total installed capacity of 884 kilowatts. (2 branches)
(on commercial operation)



PRC project, total installed capacity of 962 kilowatts. at Nontaburi Province. Thailand
(on commercial operation)



Binh Nguyen Solar project contracted capacity of 40 MW.at Quang Ngai Province, Vietnam
(on commercial operation)



Khunsight Kundi project contracted capacity of 15 MW. at Tuv Province, Mongolia
(on commercial operation)



UPT project contracted capacity of 8.0 MW at Nakhon Ratchasima Province. Thailand
(on commercial operation)



Leo project contracted capacity of 20.0 MW at Shizuoka, Japan.
(on commercial operation)



TTTV project contracted capacity of 48.0 MW at Tra Vinh, Vietnam.
(on commercial operation)



1.3.1.1 Price structure

SPN projects

For SPN project, as SPP and EGAT have entered into Non-Firm PPA with details of the tariff as follows:

(1) Energy Payment Rate

Energy Payment rate that EGAT purchases from the Group Company consists of 2 parts including

- Bas Tariff: the wholesale tariff at the voltage level of 115 kV that EGAT charges to the Electricity Distribution Authorities, according to the period of use (Time of Use or "TOU"), the said rate varies according to the time of use, reflecting the difference from the cost of electricity for each period. The TOU rate is divided into 2 rates, including Peak rate (Monday - Friday, 9:00 a.m. - 10:00 p.m.) and Off-peak rate (Monday - Friday, 10:00 p.m. - 9:00 a.m., Saturday, Sunday, and 2 hours on public holidays).
- Fuel Tariff: the electricity cost calculation according to the automatic average wholesale tariff adjustment formula (Average Wholesale Ft or "Ft"), the Ft value is calculated from 2 variables, including the cost of fuel used in electricity generation of EGAT and the cost of electricity purchased from private producers and neighboring countries.

In this regard, The Energy Regulatory Commission ("ERC") will appoint a subcommittee to supervise the tariff and service charges and to consider and approve the Ft value and propose to ERC for approval and announcing for public hearings before the revised Ft value is announced every 4 months.

(2) Adder

SPN project receives an additional purchase price of electricity at the rate of 6.5 baht per kilowatt-hour for a period of 10 years from the COD.

WVO solar project, Ratchaburi province.

For the WVO solar project, under the ground-mounted solar power generation project for government agencies and agricultural cooperatives in 2017, SS which is a joint venture partner in the project has entered into PPA with the Provincial Electricity Authority (“PEA”) receiving Feed-in Tariff (FiT) at the rate of 4.12 baht per kilowatt-hour over a period of 25 years.

Solar power plant projects in Japan

For solar power plant projects in Japan, at present, all projects of the Group Company have been granted a project licenses from the Ministry of Economy Trade and Industry (“METI”), which the licenses have a fixed rate for the purchase of electricity in the form of constant FiT throughout the purchase period of 20 years from the commencement of the commercial operation. Details of the electricity purchase from the solar power plant projects in Japan of the Group Company are as follows:

Topic	Hidaka Project	Yamaga Project	Zouen Project	Leo Project
FiT rate	40 Yen Per kilowatt-hour	36 Yen Per kilowatt-hour	36 Yen Per kilowatt-hour	36 Yen Per kilowatt-hour
Contracted capacity of PPA	17.0 MW	30.0 MW	6.0 MW	37.0 MW
Off-taker	Hokkaido Electric Power Company Limited	Kyushu Electric Power Co., Inc	Kyushu Electric Power Co., Inc	Tokyo Electric Power Company Holdings, Inc

Solar power plant project in Mongolia

The Khunsight Kundi Project has entered into a PPA with the National Dispatching Center (NDC), a Mongolian governmental enterprise, for a 12-year term with a FIT at a rate equivalent to USD 0.162 per kilowatt-hour over a period of 12 years.

Solar power plant project in Vietnam

TTQN project has entered into a PPA with Vietnam Electricity (EVN), a Vietnamese government enterprise, for a 20-year term with FIT at the rate equivalent to USD 0.0935 per kilowatt-hour. over a period of 20 years.

Nearshore wind farm project in Vietnam

TTTV project has entered into a PPA with Vietnam Electricity (EVN), a Vietnamese government enterprise, for a 20-year term with a FIT at the rate equivalent to USD 0.0980 per kilowatt-hour. over a period of 20 years.

UPT project, Nakhon Ratchasima province

UPT project has entered into a PPA with Provincial Electricity Authority (“PEA”), receiving Feed-in Tariff (FiT) at the rate of 4.57 baht per kilowatt-hour (include premium of 0.3 baht per kilowatt-hour for 8 years) with a 5-year contract term. The contract can be renewed for a period of 5 years at a time

Solar Rooftop Projects in Thailand

For Solar Rooftop projects in Thailand, the Group Company will enter into power purchase agreements with interested industrial users, with the nature of the service agreement being a long-term contract. of about 20-25 years and to define a clear electricity purchase rate.

In presently Sermsang Infinite (SN) has entered into 4 PPAs with Srinanaporn Marketing Co., Ltd. for SNNP1, SNNP2, SNNP3 and SNNP4 projects, 5 PPA with DoHome Public Company Limited 5 branches of DoHome projects (including Bang Bua Thong, Rama 2, Nakhon Ratchasima, Khon Kaen and Chiang Mai) 1 PPA with PRC Plast (Thailand) Co., Ltd., and 1 PPA with Tapaco Public Company Limited. All contracts mentioned are valid for 25 years and have a rate of electricity purchase in the form of electricity tariff rate based on retail base tariff (retail TOU charge) from PEA and average retail Ft.

Solar Rooftop projects in Indonesia

For Solar Rooftop Project in Indonesia, the Group Company will enter into agreements with interested industrial users, with the nature of the service agreement being a long-term contract. of about 20-30 years and to define a clear electricity purchase rate. The electricity purchase rate is based on the Indonesia base tariff.

1.3.3 Power generation process

The electricity generation process of the Group Company's solar power plant project can be summarized as follows:

- (1) When the sunlight strikes each solar panel circuit, the surface of each solar panel is transformed into a conductive carrier and separates the positive and negative electric charges to the low voltage direct current (DC).
- (2) The power is passed through the String Combiner Box to combine the electric current and forwarded to an inverter to convert low voltage direct current into low voltage alternating current (AC).
- (3) The low-voltage AC power is passed through the transformer to increase the voltage.
- (4) The current that has been added to the voltage will be sent through a cutout device (Switch Gear), which is responsible for disconnecting the electricity sales to the grid system of the buyer. The electric current is then passed through to the electricity meter of the project and of the power purchaser respectively, to distribute the current further to the purchaser.

The diagram shows the process of generating electricity from solar energy using the Photovoltaic method.



In this regard, In the case of the electricity generation process of the Solar Rooftop Project, the current that is added to the voltage through the transformer may be transmitted to the customer's system directly through the project's power unit meter without passing through the grid system.

SPN project, Lopburi Province

SPN project Solar, uses the process technology to generate electricity using solar panels or photovoltaics. ("Photovoltaic"), which is the conversion of solar energy into electrical energy by using solar cells or Photovoltaic Cell. In this regard, SPN project uses Thin Film Silicon solar panels to produce photovoltaic power.

In the production of solar power, SPN project the primary equipment that have received product warranty are Solar panel (PV Module), inverting system and other equipment from a turnkey contractor for a period of 5-10 years, according to the type of primary equipment. If the warranted equipment is defected within the warranty period, the turnkey contractor is required to fix, repair or replace in order for the equipment to function without any charges. In addition, the project is also

guaranteed the DC power generation performance from solar panels (PV Panel Output Warranty) for a period of 25 years from a turnkey contractor,

WVO project, Ratchaburi province

For WVO solar project, Ratchaburi province. use in solar panel or photovoltaic electric power generation technology (Photovoltaic) and uses Poly-crystalline Silicon type of solar panel to generate power and has been guaranteed the quality of the main equipment (Product Warranty), which are solar panels (PV modules), inverter system and other devices from a turnkey contractor, for a period of 10 years according to the type of main equipment. In addition, the project is backed by a 25-year PV Output Warranty from a turnkey contractor.

Solar power plant project in Japan

For solar power plant projects in Japan uses process technology to generate electricity using solar panels or photovoltaics, the same with SPN project. Solar in Thailand in this regard, The Hidaka Project and the Yamaga Project use solar panels the type of Poly-crystalline Silicon. Zouen project and Leo project use solar panels the type of Monocrystalline Silicon in power generation with details of the electricity generation process similar to the electricity generation process in Thailand,

The Hidaka Project, Zouen Project, and the Yamaga which the commercial operation has begun and has been guaranteed the quality of the structure, system and main equipment of the project. The photovoltaic modules (PV modules), the inverter and transformer are guaranteed for 2 years, and the solar panels are guaranteed for 10 years. For the Hidaka and Yamaga projects and a period of 2 years for Zouen project by turnkey contractors and / or equipment manufacturers (Manufacturer Warranty), including a 25-year warranty for the DC power generation performance from the photovoltaic modules for the Hidaka Project and the Yamaga Project. and a period of 20 years for Zouen project

for The Leo project, which is under construction, is guaranteed the quality of the main structure system and equipment of the project whereby the photovoltaic modules (PV modules), inverter system and transformer are guaranteed for a period of 2 years, solar panels are guaranteed for a period of 15 years, including a 25-year warranty for the DC power generation performance from solar panels.

Solar power plant project in Mongolia

For the Khunshight Kundi project in Mongolia, which has begun commercial operation, the product warranty is obtained solar panels (PV modules), inverter system and other devices from a turnkey contractor for a period of 10, 5, and 2 years depending on the type of main equipment. The project is also backed by a 20-year PV Output Warranty.

Solar power plant project in Vietnam

For the Binh Nguyen project in Vietnam, which has begun commercial operation, the product warranty is obtained solar panels (PV modules), inverter system and other devices from a turnkey contractor, for a period of 10 years, 5 years and 2 years. according to the type of main equipment. The project is also covered by a 25-year PV Output Warranty.

Near-shore wind farm projects in Vietnam

For the Tra Vinh Power Plant project in Vietnam, has obtained a guarantee of the quality of the main equipment (Product Warranty), for equipment including the wind turbine power generator from the manufacturer. for a period of 2 years in addition, the project is guaranteed the construction results from the contractor for a period of 2 years.

Solar Rooftop Projects in Thailand

For Solar Rooftop Projects in Thailand Uses process technology to generate electricity using solar panels or photovoltaics, the same with SPN project in Thailand

Solar Rooftop projects in Indonesia

Solar Rooftop Project in Indonesia uses process technology to generate electricity using solar panels or photovoltaics, the same with SPN project in Thailand

1.3.4 Operation and Maintenance Process

SPN project

PN currently hires a service provider for operational and maintenance services for SPN Project for a period of 10 years from COD with an important scope of work including

(1) Take any action to ensure that solar power plants can generate and distribute electricity on a daily basis. such as Manage the security of the projects Liaise with the government agencies involved in the daily operations. Manage waste collection and / or sewage caused by activities in the project area etc.

(2) Maintain the power plant according to the maintenance plan. The Group Company and the service provider on operational and maintenance will jointly formulate an implementation and maintenance plan, as well as the annual maintenance budget. In the preparation of annual operating and maintenance plans, the Group Company and the operating and maintenance service providers will jointly make and improve the operational and maintenance plan annually to increase operational efficiency. The above maintenance is divided into

- Routine Maintenance means Daily maintenance to inspect the general condition of equipment and power plant environment Visually (Visual Inspection) by a team of operational and maintenance service providers.
- Planned Maintenance means maintenance of equipment as specified in the master maintenance Plan. The plan will determine the time to inspect the equipment. On a weekly basis, monthly, quarterly, or 6 months etc. depending on the suitability of each type of equipment.
- Unplanned Maintenance means Maintenance repair and / or replacement of each type of equipment other than planned maintenance, warranty repair and elective maintenance.
- Warranty Repair means maintenance the equipment is guaranteed under a turnkey contractual contract and the operation and maintenance service provider will repair the equipment. This includes the separation and assembly of the equipment. etc.
- Elective Maintenance means maintenance of important equipment parts apart from routine maintenance, planned maintenance, unplanned maintenance, and warranty repair.

Each year, the operational and maintenance service provider draws up an elective maintenance plan which is an annual plan, and will submit the said plan together with the annual operation and maintenance plan to the Group Company. The Group Company will be responsible for the cost of maintenance only if necessary (Elective Maintenance).

WVO solar project, Ratchaburi province and Solar Rooftop Projects.

For the WVO solar projects (Ratchaburi Province) and Solar Rooftop projects, both in Thailand and Indonesia, The Group Company are the service providers of operations and maintenance for the projects. However, the Group Company may consider hiring an outsourcing service provider to provide operation and maintenance services on behalf of the Group Company, depending on suitability. In this regard, The Group Company There is a policy to operate and maintain the project according to common industry standards to ensure that the project can be operated continuously and at full efficiency.

Solar power plant project in Japan

The Group Company Operation and Maintenance Service Provider was contracted for the Hidaka Zouen and Yamaga Project that has begun commercial operations, the scope and duties of the Operations and Maintenance Service Provider will be in accordance with the standards of business operation in the industry and will cover any actions to ensure that solar power plants can generate and distribute electricity on a daily basis. Solar panel cleaning work Grass cutting Take care of

the areas within the project area Electrical system inspection work Prepare reports for the performance and maintenance of power plants according to the maintenance plan.

In this regard, The Asset Management Company is the one to monitor and ensure that the Operational and Maintenance Service Providers perform their contract duties for the best benefit of the project and GK Company.

Solar power plant project in Vietnam

For the Binh Nguyen solar power plant project in Vietnam, the project companies will conduct the operation and maintenance of the project by themselves.

Solar power plant project in Mongolia

For the Khunsight Kundi solar power plant project in Mongolia. the project companies will conduct the operation and maintenance of the project by themselves.

1.3.5 Monitoring process

Following up on project implementation in Thailand

SPN project, Lopburi province.

For SPN project of the Group Company Follow up on the project performance closely by the Group Company's Project Operations Department officer, who is responsible for monitoring the performance of the Operational and Maintenance service providers through (1) Computer System: Supervisory Control and Data Acquisition ("SCADA") (2) report the performance results on a regular basis as agreed in the Operational and Maintenance Service Provider Agreement, which is produced by the Operations and Maintenance Service Provider; and (3) Meeting with operations and maintenance service providers to discuss, review and analyze. Regular performance reports as agreed in the Operational and Maintenance Service Provider Agreement.

in at present, SPN Project has a procedure for monitoring the operation and maintenance together with the service and maintenance service providers as follows:

(1) Operational level of the operating team based at the power plant - The operating team of the operation department based at the power plant closely monitors the operation and maintenance team with the operations team of the operating and maintenance service provider.

(2) Control level of operations at the head office - The control team of the operations department at the head office controls and monitors the operation and maintenance of the power plant by using SCADA system non-stop on a daily basis to quickly resolve any problems that may arise with minimal operational impact. such as in the event of a problem with the power generation system, an alarm will be sent through the SCADA system.

(3) Management Level – The management meets with Operational and Maintenance Service Providers weekly and monthly to improve operational and maintenance processes.

The Operational and Maintenance service providers will deliver Operation and Maintenance Report on a regular basis according to the agreed period of time to the Group Company with details of important information in the. performance and maintenance report including Power generation efficiency, Amount of electric power sold to EGAT, and unusual events that occurred (if any), etc.

WVO solar project, Ratchaburi province.

WVO solar project, Ratchaburi province. The commercial operations commenced at the end of the fourth quarter of 2018. The Group Company plans to monitor the project performance closely in the same manner as SPN project in Thailand.

Solar Rooftop Projects in Thailand and Indonesia.

The Group Company operations are planned to clearly define steps and measures to monitor performance, such as There is an arrangement of personnel of the Group Company to monitor the performance of the power plants etc. so that both the Group Company and the employer can closely follow up on the project performance.

Monitoring of project implementation in Japan.

For solar power plant projects in Japan The Group Company Establish procedures and measures for monitoring the performance of the operation and maintenance service provider contract as follows: (1) Arrange to have a personnel to monitor the performance of the power plant for the period specified in the contract through SCADA system (2) Prepare reports on the performance and maintenance on a regular basis as specified in the contract to submit to the operating company and (3) To have regular audits as stipulated in the contract whereby the mentioned audit will be determined by a licensed engineer as required by law

Monitoring of project implementation in Mongolia and Vietnam.

The Group Company Plan to monitor the performance of the project by establishing steps and measures to closely monitor the performance of Project Company and maintenance service providers.

Policy on innovation and dissemination of innovations derived from operating with responsibility towards the society, environment, and stakeholders.

The Group Company There is a policy to adopt the concept of social responsibility and explorations to create business innovations that create benefits and competitiveness for business and society. The Group Company The various processes of the current business operation will be inspected to see whether they pose risks or have negative impacts on society and the environment, and study solutions to mitigate such impacts along with creating sustainable profits and business growth. In addition, in the event that the Group Company operates and creates business innovations that create benefits and competitiveness for business and society, the Group Company will disclose the innovations that are found to benefit the society and the environment to encourage businesses and other entrepreneurs to follow.

1.4 Marketing and Competition

1.4.1 Competition strategy

The Group Company There is a strategy to compete and expand the business of generating and distributing electricity from renewable energy and other related businesses. These include (1) improving the efficiency of existing projects (2) Self-develop new renewable energy power plants and (3) Acquisition / Merger. as follows:

(1) Develop the efficiency of existing projects for maximum return on investment.

- Technology selection: The Group Company Selecting quality technology and equipment suitable for the investment project in order to generate stable and consistent electricity. For the Group Company's solar power plants at present, The Group Company the Group Company selects solar panels from the world's leading panel manufacturers with expertise in the production and development of solar power plants and has long, reliable industry experience. In this regard, the mentioned panel manufacturing company also provides panel quality assurance and DC power generation performance guarantee from the solar panels (PV Output Warranty).
- Choosing the project site: The Group Company Consider selecting the project site by taking into account various factors including (1) solar intensity, which the Group Company will select a project site with an appropriate level of light intensity in order to achieve the return of the project and return to the shareholders that are worthwhile and satisfactory for the Group Company (2) Topography, such as slope of the area, The solidity characteristics of the soil, the height of the area above sea level and risks from natural disasters (3) Climate and such as temperature and (4) The site is located in an area where

there is no restriction in connection with the grid system in order to control project development costs.

- Selection of a turnkey contractor and Operations and Maintenance Service Providers: The Group Company The focus is on selecting a turnkey contractor and leading operational and maintenance service provider with experience, reliability, financial stability, as well as a reasonable bidding price to ensure that the Group Company's power plants are able to generate electricity according to its target and achieve the expected return on investment.
- Performance Monitoring: The Group Company The operation of the solar power plant is closely monitored and the performance is reported on a regular basis as specified in the contract of the operating and maintenance service provider.

(2) Growth from the self-developed new renewable energy power plant project (Organic Growth)

- Domestic projects: The Group Company Ensure readiness in terms of personnel and finance to be able to invest in new projects in the country when there is a business opportunity, including monitoring government policies related to the development of renewable energy power projects and business opportunities that may formed according to the Thailand Power Development Plan (PDP) and the Renewable and Alternative Energy Development Plan (AEDP).
- Overseas projects: The Group Company There is a Business Development team with experience and expertise in the renewable energy industry with a study of information and investment feasibility, business opportunities in renewable energy projects in foreign countries that are continuously supported by government policies, such as Solar power plant project in Japan Mongolia, and Vietnam as well as other countries made in Southeast Asia etc.

(3) Growth from acquisitions / mergers domestically and internationally (Inorganic Growth)

- The Group Company the Company considers acquiring e all or part of the business in renewable energy power plant projects, both domestically and internationally, that are either under development, construction process, or has commenced commercial operation, to enable the Group Company to Grow rapidly in the business of generating and distributing electricity from renewable energy. In this regard, such acquisitions are subject to suitability and business opportunities by focusing essentially on the best interests of the Group Company and its shareholders.

1.4.2 Target customers

In presently The Group Company The business of producing and distributing electricity from solar energy, targeting customers for this business is a government agency that is a power purchaser in Thailand, such as such as Electricity Generating Authority of Thailand. ("EGAT") and the Provincial Electricity Authority ("PEA"), etc. Industrial User Electricity business operator in Japan such as Hokkaido Electric Power Company, Limited Kyushu Electric Power Co., Inc and Tokyo Electric Power Company Holdings, Inc, a state-owned enterprise that is a power purchase agency in Vietnam Including Vietnam Electrivty and Mongolia i.e., National Dispatch Center etc.

In addition, In expanding the renewable energy power plant business of the Group Company in the future, the Group Company will focus on entering into medium to long term contracts with power buyers who are reliable and financially stable like the such as Government agencies, Industrial users or a private company that receives a concession from the government in the country in which the Group Company operates to ensure that the Group Company will have stable income in the long term under limited risks.

1.4.3 Sales and distribution channels

SPN projects is classified as a Small Power Producer (SPP) that produces electricity for distribution to EGAT, which has distribution channels through the electric unit meter at the electrical outlets. These are the same point as the electrical system connection point that connects to EGAT's electricity transmission system. For the WVO Solar project, it is connected to the power transmission system of PEA.

For Japan, the Group Company Distribution of electricity by linking electricity from the power plant to the transmission line of the private electricity operator in the region where the power plant is located, whereby the amount of electricity sold is measured

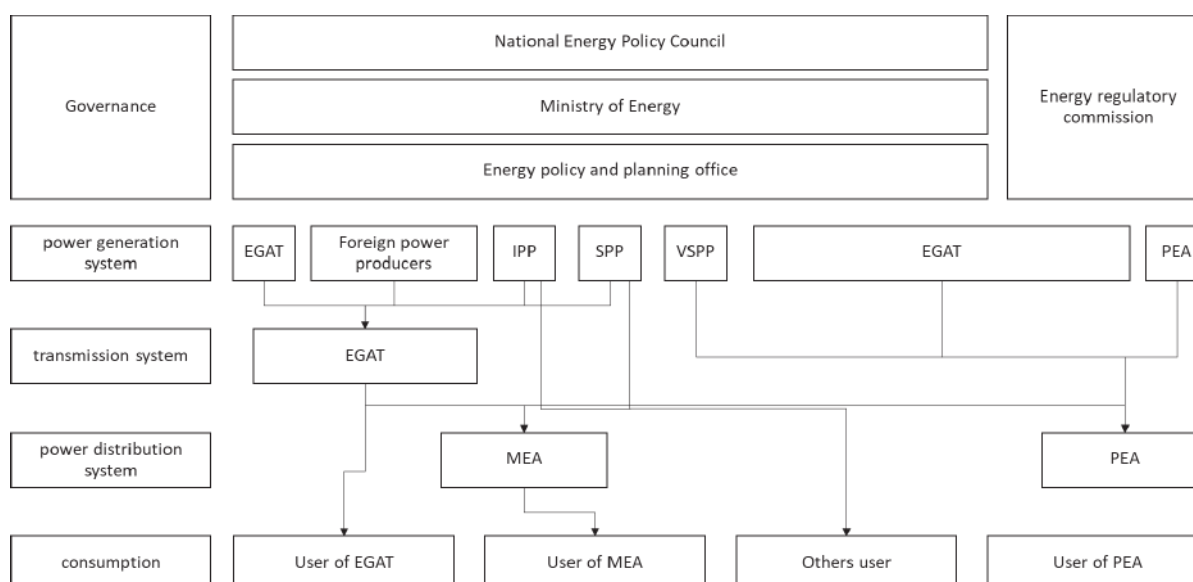
from the power unit passed through the meter in at the electrical distribution point of the project.

For solar power plant projects in Mongolia and in Vietnam The Group Company The electricity is distributed by linking electricity from the power plant to a substation of the National Dispatching Center of Mongolia and Vietnam Electricity of Vietnam, respectively, which are government agencies that play the role of a contract party to an inter-government power purchase agreement with the private sector.

1.4.4 Industry conditions and competition

Industry condition and competition in Thailand¹⁶

(1) (1) Thailand electricity business structure



The electricity industry structure in Thailand has 3 main stakeholders consisting of (1) power generation system (2) transmission system and (3) power distribution system. In this regard, currently, the electricity business structure in Thailand is Enhanced Single-Buyer (ESB) structure, with EGAT being the power producer, distributor, and the sole buyer (Single Buyer). EGAT distributes electricity via Electric transmission (Transmission) to the MEA and PEA to distribute electricity to users and sell directly to some large power consumers.

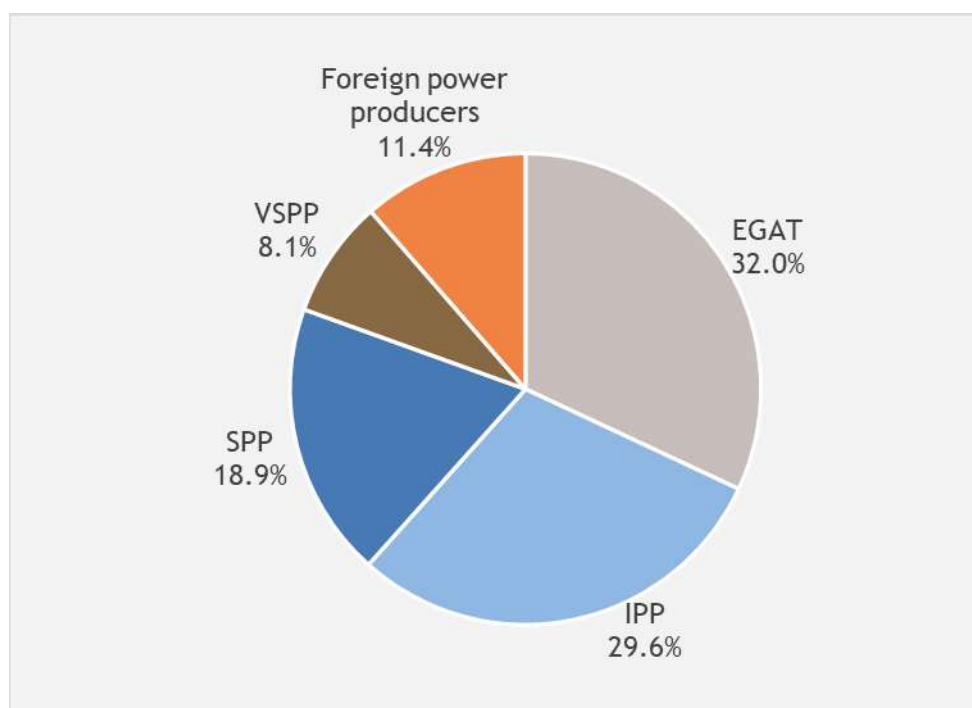
(1.1) Power generation system

In December 2021, the electricity generating system in Thailand has a total contracted capacity of 50,167.2 MW from producers that can be divided into five main groups. including

- (1) Electricity Generating Authority of Thailand (EGAT)
- (2) Large private power producer (Independent Power Producer or "IPP")
- (3) Small Power Producer ("SPP")
- (4) Very Small Power Producer ("VSPP") and
- (5) Foreign power producers.

¹⁶ Industry conditions information in this section has been compiled from publicly available documents and / or publications of the public sector, such as ERC, EGAT and Bank of Thailand, as well as publicly available industry resources. Some numeric data in this section of the document have been rounded to the nearest whole number. In addition, the forecast and estimate information in this section is collected from public sources and / or publications of the public sector. This information is subject to change according to the conditions used by the data source to make predictions. The Group Company and the financial advisors do not certify that the aforementioned sources are correct as the Group Company and the financial advisors have not received any formal approval from such sources.

The diagram shows the power generating capacity by type of power supplier. in Month December 2021



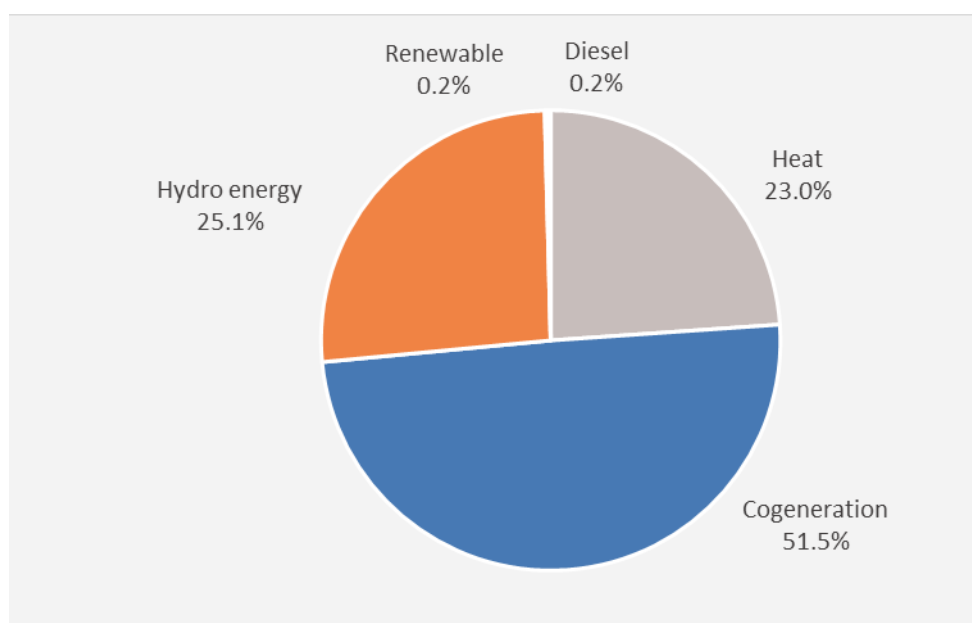
Source: EGAT (www.egat.co.th), ERC (www.erc.or.th)

note: Production capacity of the Electricity Generating Authority of Thailand Large power plant Small power plant Very small power plant and Foreign electricity producers. in Month December 2020

(1) Electricity Generating Authority of Thailand (EGAT)

EGAT is a state enterprise agency under the supervision of the Ministry of Energy. In December 2021, EGAT had a total contracted capacity from commercially operated power plants of 16,037.3 MW (32.0% of total system capacity), making it the largest power producer in Thailand. The types of power plants can be categorized as follows:

The diagram shows the production capacity by type of power plant of EGAT as of December 2021



Source: EGAT (www.egat.co.th), ERC (www.erc.or.th)

note: Capacity by type of power plant of EGAT as of Month December 2021

(2) the Independent Power Producer (IPP)

IPP is a private producer with a contracted capacity of more than 90 MW. As of December 2021, there are 11 IPP projects with a total contracted capacity of 14,873.5 MW (29.6% of the total power generation system capacity).

During 2021-2024, there will be additional 4 IPPs which already signed PPA with EGAT and have the scheduled COD during the period, totaling contracted capacity at approximately 5,000 MW.

(3) Small Power Producer (SPP)

SPP is private producer with a contracted capacity from 10 - 90 MW. As of December 2021, there are 157 SPPs with a total contracted capacity of 9,470.9 MW 18.9% of the total power generation system capacity with details as follows:

Topic	Project type	Contract type		
		Firm	Non-Firm	Total
Number of projects (project)	Cogeneration	76	6	82
	Renewable	18	57	75
	Total	94	63	157
Contracted capacity (MW)	Cogeneration	6,317.0	278.0	6,595.0
	Renewable	352.6	2,523.3	2,875.9
	Total	6,669.6	2,801.3	9,470.9

Source: EGAT (www.egat.co.th)

As of December 2021, there are 7 SPPs that uses solar energy to generate electricity with total contracted capacity of 436.0 MW as follows:

Project	Contracted capacity
EA Solar Lampang Co., Ltd.	(MW)
EA Solar Pitsanulok Co., Ltd.	90.0
EA Solar Nakonsawan Co., Ltd.	90.0
Natural Electricity Development Co., Ltd.	90.0
SPP Six Co., Ltd.	55.0
Sermsang Palang Ngan Co., Ltd.	41.0
BCPG Co., Ltd.	40.0
Total	30.0

According to the Power Development Plan of Thailand BE 2018 - 2037 (PDP 2018): In 2018-2025, there will be an increase in the purchase of electricity from the SPP of 85 projects with contracted capacity of approximately 3,665.5 MW with details as follows:

Project type	Number of projects (project)	Contracted production capacity (MW)
Cogeneration	17	1,391.5
Cogeneration ¹	25	704.0
SPP Hybrid Firm	17	300.0
Renewable	26	1,269.96
Total	85	3,665.46.0

Source: PDP 2018

note: ¹It is an extension of the contract after it expires.

(4) Very Small Power Producer (VSPP)

VSPP is private producer with contracted capacity of less than 10 MW. As of December 2020, there are 982 VSPP power plants with a total contracted capacity of 4,064.9 MW (equivalent to 8.1 percent of the total power generation system capacity).

As of December 2021, there are 554 VSPPs that uses solar energy to generate electricity with total contracted capacity of 2,280.4 MW

According to the PDP 2018 stipulates that during the year 2018-2022 there will be a total of 944.3 MW of electricity purchased from VSPP, which can be divided into (1) Renewable power plant and projects according to the government's promotion policy, the total contracted capacity of 927.5 MW and (2) the Cogeneration with total contracted capacity of approximately 16.8 MW.

(5) Foreign power producers.

In addition to generating electricity from EGAT's power plants and purchasing from the above 3 groups of domestic private power producers (IPP, SPP and VSPP), EGAT also purchases electricity from foreign power producers which are the Lao People's Democratic Republic ("Lao PDR") and the Federation of Malaysia ("Malaysia") with a total of 8 projects.

In December 2021, all 8 projects had a total contracted capacity of 5,720.6 MW (11.4% of the total power generation capacity). According to PDP 2018, there will be 4 projects to be signed PPA with EGAT with scheduled COD during the year 2018-2022, totaling approximately 2,357.3 MW contracted capacity.

(1.2) Transmission system

The transmission system is an important part of the transmission of electrical energy from the generating source to the electricity consumers. The transmission system has two important components: the high-voltage transmission line and the sub-station.

Transmission line transports electricity from the generating source to various points with substations as the link between power lines. The substation converts the voltage level from the high voltage transmitted through the transmission line to the low voltage before sending it to the consumers.

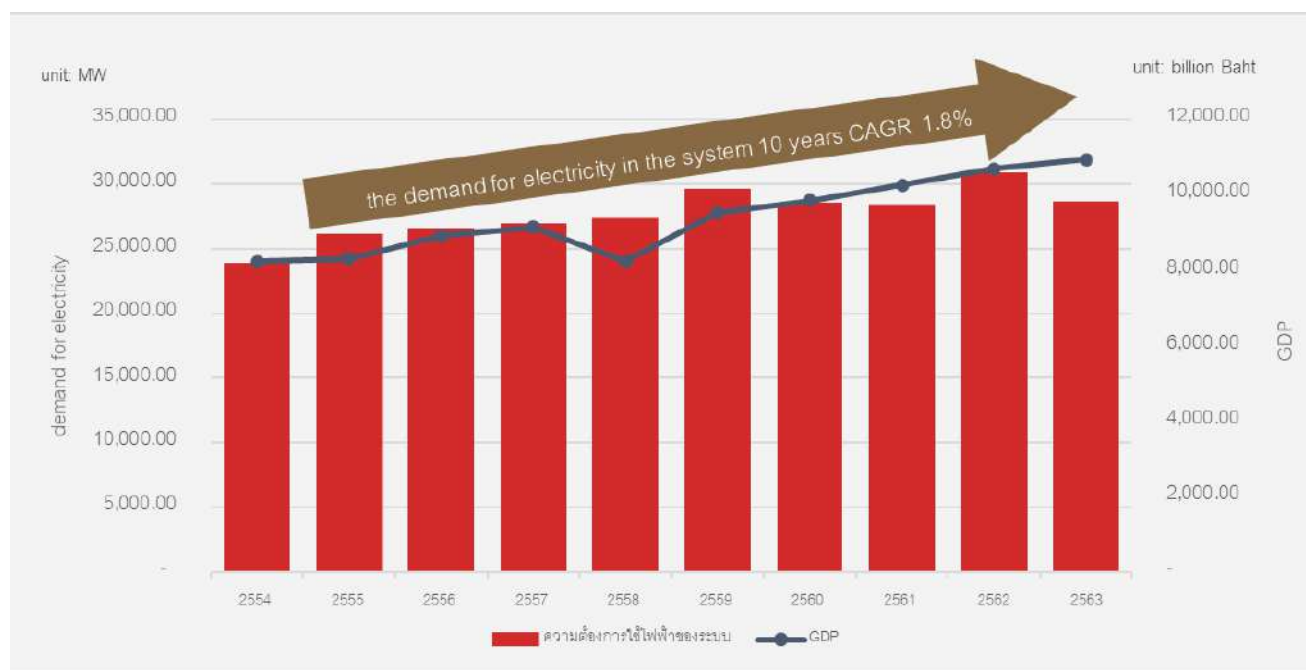
In Thailand EGAT operates the power transmission system and distributes electricity from power plants, both from EGAT's power plants and purchased from other power producers, to PEA and electricity consumers who purchase directly EGAT. Through EGAT transmission network.

(1.3) Distribution system.

In Thailand MEA (responsible for distributing electricity to electricity users in Bangkok, Nontaburi and Samutprakan) and PEA (responsible for distributing electricity to the rest of the country) maintains and manages the electricity distribution system, including retail services, where most of the power that EGAT produced and transmit will be distributed to the MEA and PEA for further distribution to consumers.

(2) Demand for electricity in Thailand

A diagram showing the demand for electricity and gross domestic product, 2011–2020.

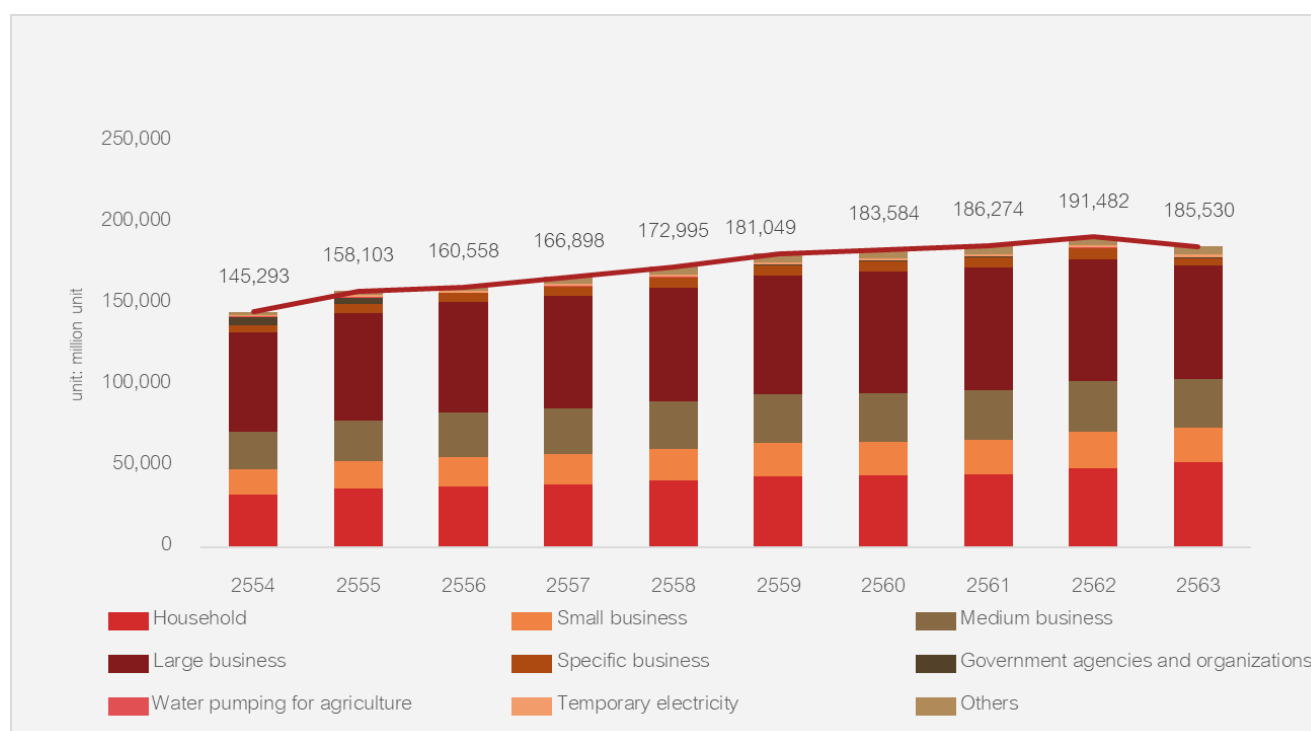


Source: EGAT (www.egat.co.th), Bank of Thailand (www.bot.or.th)

note: Compound Annual Growth Rate (CAGR)

When compared Thailand's electricity demand data with the gross domestic product (GDP) during 2011-2020, it was found that the demand for electricity continued to increase in line with the GDP increase. In 2020, the electricity demand was 28,636.7 MW, an increase from 2011 (in 2011, the electricity demand was 23,900.2 MW), representing an average growth rate of 1.8% per year compared to the average GDP growth rate at 2.1% per year.

Diagram showing the proportion of electricity consumption by user type 2011 - 2020 from MEA and PEA



Source: Annual Report 2020 of MEA (MEA Annual Report 2020) PEA Annual Report 2020 (PEA Annual Report 2020)

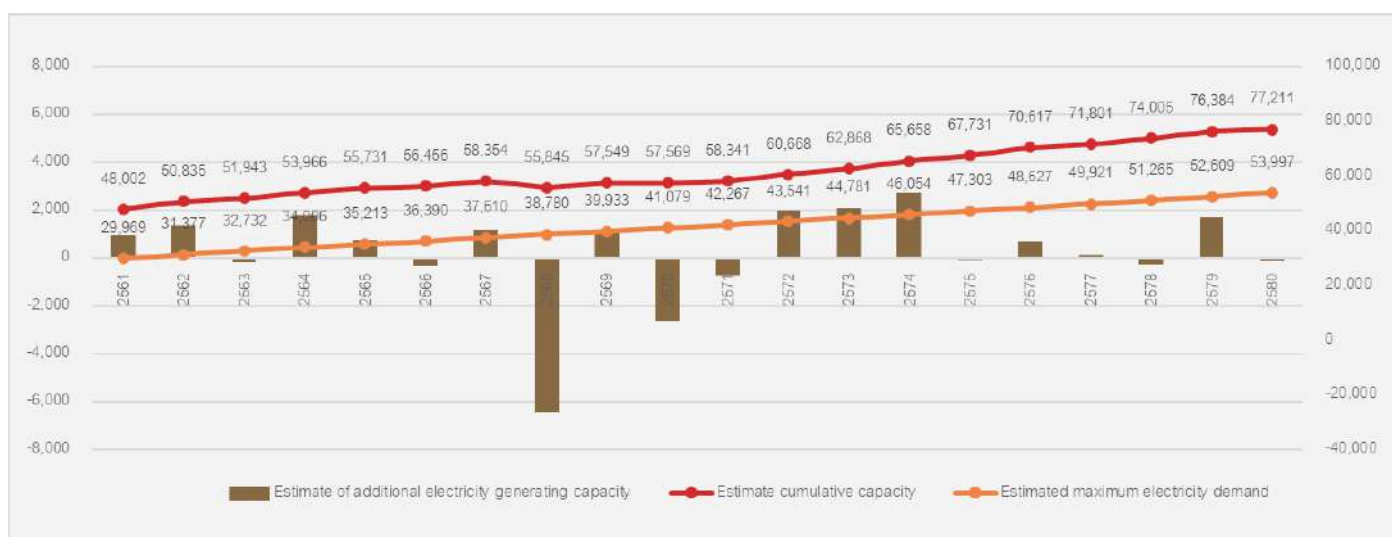
From data on the electricity consumption by user type in the years 2011 - 2020 from the MEA and PEA, it was found that the industrial sector had the highest electricity consumption (the electricity consumption of the industrial sector had increased from 99,662.3 million units in 2011 to 120,823.1 million units in 2020 or equivalent to an average annual growth rate of approximately 2.2% per year), followed by the household sector. In 2020 under the management of the MEA and PEA Industrial and household sectors accounted for 65.1% and 28.5% of electricity consumption, respectively.

(3) The trend of the power generation industry in Thailand

Energy Policy and Planning Office, Ministry of Energy, who plans, manages, and oversees the development of power generation capacity in Thailand, places great importance to the energy security of the country in order to support economic growth, population growth and the expansion of urban and community areas, including the appropriate allocation of the fuel used to generate electricity, by aligning and responding to the demand for electricity in accordance with the National Economic and Social Development Plan.

Thailand PDP 2018 estimates the average annual growth rate of the peak demand for electricity at 3.1 percent per year. By 2037, the peak demand for electricity is estimated at 53,997.0 MW.

The diagram shows the forecast of power generation capacity and energy demand Year 2018 - 2037



Source: Thailand Electricity Capacity Development Plan (PDP 2018 Revision 1)

Therefore, PDP2018 Revision 1 sets out guidelines for the allocation of major power plants in different regions as necessary and sufficient to maintain power system stability, which is supervised by EGAT. It also promotes the production of renewable energy in accordance with the government's promotion policy, with the goal of annual purchase and buying at a price not exceeding Grid Parity in order to maintain the level of retail electricity prices not to rise. The contracted capacity is estimated from the estimated capacity of the contract in 2018 at 48,002 MW to 77,211 MW. At the end of the 2037 PDP plan, or equivalent to the average contracted capacity growth rate of 2.5% per annum. In this regard, the contracted capacity at the end of the PDP is estimated from an increase in contracted capacity from New power plants totaling 56,431 MW net, with a decrease in contract capacity from old power plants that expired during 2018 - 2037 of 25,310 MW.

from the increase in new contracted capacity during the year. 2018–2037 will be the highest percentage of renewable energy plant contract capacity, accounting for 33.4% of total new contracted capacity.

(4) Trends in the electricity generating from renewable energy industry in Thailand

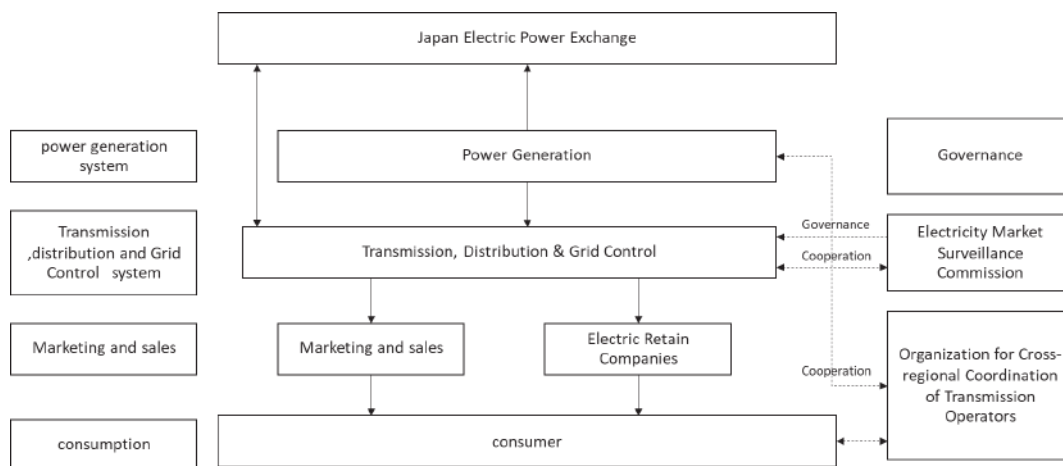
Draft of Renewable Energy and Alternative Energy Development Plan 2018-2037 (AEDP2018)					
Renewable energy	AEDP 2015		AEDP 2018		Change 2018-2015
	Target	Status	Target	Total Target	
Solar (MW)	6,000	2,849	9,290	12,139	6,139
Floating solar energy (MW)	-	-	2,725	2,725	2,725
Biomass (MW)	5,570	2,290	3,500	5,790	220
Wind (MW)	3,002	1,504	1,485	2,989	-13
Biogas (Waste / water) (MW)	1,280	382	1,183	1,565	285
MSW (MW)	500	500	400	900	400
Industrial waste (MW)	50	31	44	75	25
Small hydro (MW)	376	239	69	308	-68
Large hydro (MW)	2,906	2,920	-	2,920	14
Total (MW)	19,684	10,715	18,696	29,411	9,727

Source: Draft Renewable Energy and Alternative Energy Development Plan (AEDP 2018)

Note: * Only the target in AEDP2018 is the Installed Capacity. Others are the Contract Capacity.

Following the support measures from the Ministry of Energy since 1989, which has a policy to promote and support the private sector to have a role in electricity generation, especially the generation of electricity from renewable energy, resulting in the higher production of electricity from renewable energy that constantly increases from the new draft of Renewable Energy and Alternative Energy Development Plan (AEDP) to be comply with the PDP 2018 plan, of which the power generation target has been adjusted. The target value is set to the contracted capacity instead of the installed capacity of renewable energy power plants, from 19,684 MW to 29,411 MW, accounting for 20% and 34%, respectively of the total electricity generating capacity in that year, in line with the goals set out in the AEDP plan.

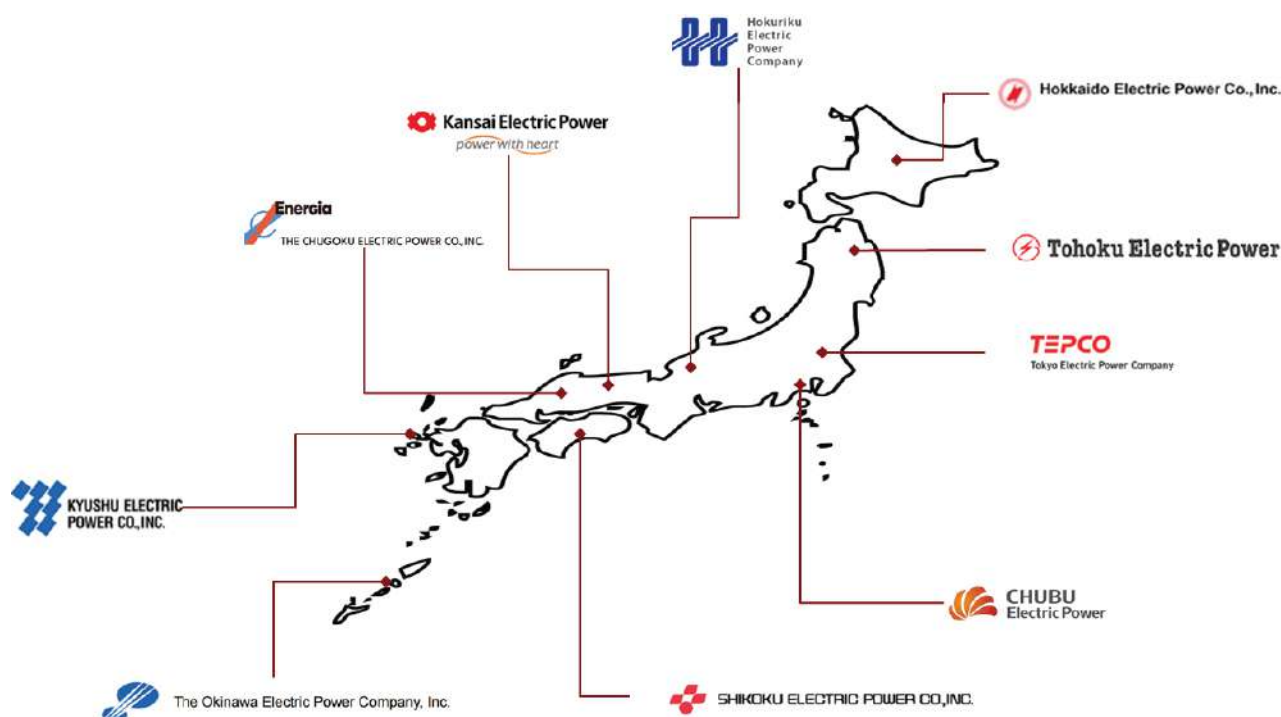
(1) Structure of the industry enterprise in Japan



source: Electricity Review Japan 2016, The Federation of Electric Power Companies of Japan (www.fepc.or.jp)

¹⁷ Industry information in this section has been prepared from publicly available documents and / or government publications, such as The Federation of Electric Power Companies of Japan and the Ministry of Economy, Trade and Industry, as well as publicly available industry resources. Some of the numerical information in this section of the document has been rounded off. Additionally, the forecast and the estimation in this section is gathered from public sources and / or government publications. The information is subject to change in accordance with the conditions used for making predictions. The company group does not warrant that such source of information is correct.

Since 1995, the Japanese government has continuously conducted the liberalization of electricity industry for the strengthened energy in the country by promoting fair and transparent competition under the principle that electric entrepreneurs have to integrate 3 main structures, which are (1) power generation system (2) distribution system and power network management, and (3) marketing and sales as vertical integration. At present, there are 10 private entrepreneurs operating and providing services for the above 3 main structures. Each private entrepreneur is the power supplier and responsible for the transmission system from the power generation system to the electricity users, which the company is responsible for in each region.



source: Electricity Review Japan 2016, The Federation of Electric Power Companies of Japan (www.fepc.or.jp)

In regulating the electrical industry, the Ministry of Economy, Trade and Industry (“METI”) established the Electricity Market Surveillance Commission in the year 2015 to act in the regulations and supervise the operations as a neutral organization to provide power transmission and distribution systems, as well as to manage power networks to be transparent and fair.

In the development of electric industry, METI has established an organization for Cross-regional Coordination of Transmission Operators (“OCCTO”) in the year 2015 to be an intermediary in the development of distribution system and management of the power networks of electric industry in Japan.

The Japan Electric Power Exchange (“JEPX”) is a wholesale market for electricity, both Spot and Forward, which was established in 2003 following a joint investment between electric entrepreneurs in Japan. The objective is to create price indicators for determining the risks associated with investment in the electricity industry and a central market for electric entrepreneurs with excess and deficient sources of electricity industry to be able to trade and exchange electric energy.

(2) Trends in electricity generating from renewable energy industry in Japan

In the wake of the 2011 earthquake and tsunami, nearly all nuclear power plants in Japan had to be shut down for safety tests. The shutdown of nuclear power plants has changed the percentage of fuel used to generate electricity. As a result, the electricity bills in Japan have almost doubled due to the import of fossil fuels from abroad to replace nuclear fuels. Also, the Energy Self-Sufficiency Rate decreased from 20% to 6.0%.

To solve the aforementioned problems, the Japanese government has released various policies and measures to create energy security and stability in both normal and crisis situations by distributing the countries where the fuel is imported and developing domestic energy sources. One of the important policies and measures for development of domestic energy resources is to promote the use of renewable energy by developing the power system networks with relevant regulatory support, as well as research and development to reduce operating costs, etc.

In 2012, the Japanese Legislature introduced the Act on Purchase of Renewable Energy Sourced Electricity by Electric Utilities. The Act sets an electricity purchase framework as Feed-in Tariff (FiT) for renewable energy, which requires the electricity entrepreneurs to purchase electricity from renewable energy at a price and a period specified by METI.

Since the Japanese government announced the adoption of an electricity purchase framework in FiT format 2012, this has resulted in the Compound Annual Growth Rate (CAGR) of electricity generating capacity from renewable energy to be increased from 6.4% per year between 2006 and 2012 to 30.5% per year between 2012 and 2015. In 2015, the total renewable energy generation capacity was 48.7 gigawatts, an increase of 26.8 gigawatts from 2012. It has a total generating capacity of 21.9 gigawatts of electricity generated from renewable energy, which is an increase from 25.6 gigawatts of solar power generation capacity.

METI has set a preliminary goal to increase the proportion of electricity generation from renewable energy to 22.0-24.0% of the total electricity generation capacity in 2030 to optimize the proportion of fuel used in electricity generation. The proportion of electricity generated from renewable energy in 2030 is expected to come from solar energy 7.0%, wind power 1.7%, biomass 3.7- 4.6%, geothermal power 1.0 - 1.1%, and hydropower 8.8% - 9.2%.

(3) Competition trends in the solar power industry in Japan

According to the Japan's Energy Strategic Plan 2014 (Strategic Energy Plan 2014), it has a policy to support solar energy generation under the framework of electricity purchase as FiT METI, which sets the solar energy purchase rates for the projects submitted each year as follows:

Period submitted	Feed-in Tariff (Tax excluded) (Yen per kilowatt-hour)
1 July 2012 - 31 March 2013	(เยนต่อกิโลวัตต์-ชั่วโมง)
1 April 2013 - 31 March 2014	40
1 April 2014 - 31 March 2015	36
1 April 2015 - 30 June 2015	32
1 July 2015 - 31 March 2016	29
1 April 2016 - 31 March 2017	27
1 April 2017 - 31 March 2018	24
1 April 2018 - 31 March 2019	21
1 April 2017 - 31 March 2020	18
1 April 2018 - 31 March 2021	19

Source: Ministry of Economy, Trade and Industry (www.meti.go.jp)

After the adoption of the electricity purchase framework as FiT in 2012, the solar energy generation capacity has continued to increase. The solar energy generation capacity from power plants registered under the FiT framework increased from 4.7 gigawatts in 2012 to 80.8 gigawatts in 2016. Whereas, the number of power plants that were in commercial operation increased from 0.8 gigawatts in 2012 to 32.0 gigawatts in 2016.

However, following the rapid increase in solar energy generation, some private electricity entrepreneurs have begun to face with limitations on the capacity of power network system to obtain electrical energy and the inability to balance the amount of electricity production and electricity demand in the region for which they are responsible. Thus, it affects the stability of the power network system.

As a consequence, in early 2015 the Agency for Natural Resources and Energy (“ANRE”), Japan has announced a royal decree and relevant operating guidelines to revise guidelines for purchasing electricity from renewable energy by electric enterprises. This includes limiting the amount of electricity purchased (Curtailment). Before the revision, projects with limited power purchase (Curtailment Target) are solar and wind power plants, with a capacity of 500 kW or more and limit the amount of electricity purchase without compensation (Shift of Time Controlled Rules) on a daily basis. The maximum purchase limit is 30 days per year.

However, after the revision which comes into effect from January 26, 2015 onwards, projects that are limited for electricity purchase are power plants of all sizes (for solar power plants, limited from power plants with a capacity of 10 kW or more first), which limit electricity purchase without compensation on hourly basis, under a maximum purchase limit of 360 hours per year for solar power plants, and 720 hours per year for wind power plants (source : Revisions of FiT Scheme to Promote Usage of Renewable Electric Energy by Anderson Mori and Tomotsune, February 2015) In addition, the law also stipulates that private electric entrepreneurs can limit the amount of electricity purchased with unlimited curtailment. The electricity entrepreneurs must officially announce the schedule that expected to limit the purchase.

(4) GK-TK investment structure in Japan

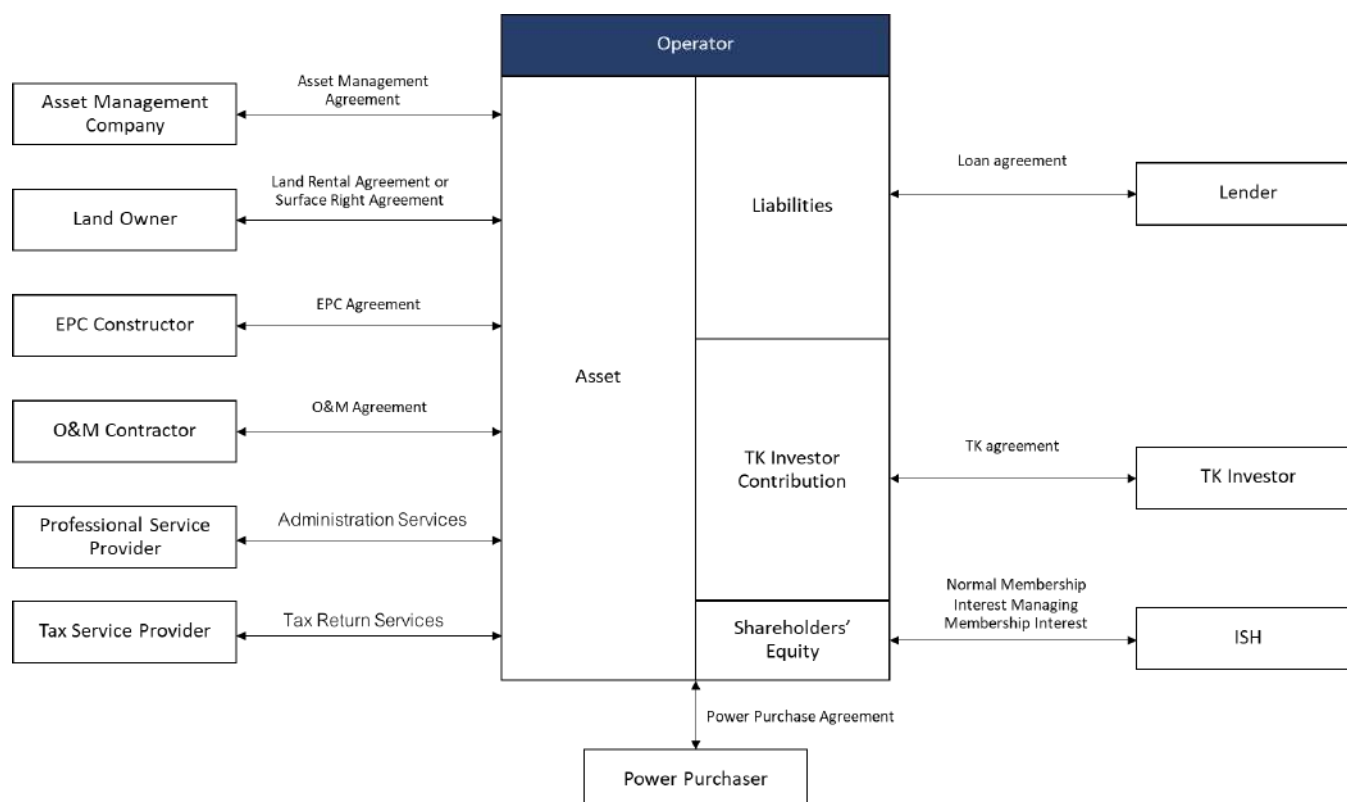
The GK-TK investment structure is a type of investment by TK investors and GK Company (GK), which is a juristic individual of a company limited. In the TK agreement, GK Company acts as an operator and TK investor is an investor who has no involvement in managing the TK investment (or Silent Partner). The TK investment contract is made in accordance with the Commercial Code of Japan.

TK investors will not participate in the management or the general day to day operations. It also has no power to act on behalf of and has no voting rights in matters related to management and operations.

However, in the enterprise of solar power plants, investors can identify key activities involved in the development, clearly with construction and operation of the project. When the commercial operation is started, the project owner can supervise and monitor the performance by identifying the scope of those important activities through the terms of related contracts. Therefore, the setting of investment objectives as well as all important activities involved during the project development phase shall be extremely important to control and manage the project when it launches for commercial operations towards a success.

Those involved in the GK-TK investment structure of the Group can be detailed as follows:

Diagram of those involved in the GK-TK investment structure of the Group



(1.1) GK or Operator

The operator has the rights and duties according to the law in conducting enterprise and operating a solar power plant. The operator has duties and responsibilities to TK investors according to the terms of contract stipulated in the TK Investment. Under the TK investment contract, the operator is responsible for the interests of TK investors and shall be the recipient of the rights and obligations under the law of management and administration of investment.

The operator can consider hiring a property manager, turnkey contractor, operation and maintenance service provider, and other service providers for the enterprise under the agreement stipulated in the TK Investment Contract. The operator shall register as a juristic individual of a company limited, so called GK (Godo Kaisha) Company under the Companies Act of Japan.

When there is profit from project management, the operator shall allocate profit sharing to TK investors. In the event of a loss from management and administration of investment, TK investors have to also bear the loss. However, the loss must not exceed the portion that TK investors has invested.

(1.2) TK Investor

TK investor is an investor in the operator's equity. TK Investors have the rights to receive a share of the profits derived from the enterprise of the operator as specified in the TK Agreement, under Section 536 (Contribution by Silent Partner and Right and Obligations), according to the Commercial Code of Japan. TK investors are assigned the role of only investors not involved in management (Silent Investor) and have no power to act on behalf, with no voting rights in matters related to management and administration of investment. Therefore, TK investors are not required to accept any rights or obligations occurring in connection with investment.

Under Section 539 (Inspection of Balance Sheet and of the Status of Business and Property) of the Commercial Code of Japan, investors who have the rights to request a review of management and administration results of the operator at the end of business year of each year. When there is a reasonable ground and an order from the Japanese court, TK Investors can request further examination of the investment management results of the operator according to terms stipulated in the TK Investment Contract.

(1.3) Trustee (ISH)

Trustee is a shareholder of Normal Membership Interest and / or Managing Membership Interest in the operator. In general, a trustee does not manage to operate in a self-employed company, but an individual to sign various contracts related to the operator.

(1.4) Power Purchaser

The private power purchaser is a person who buys electricity from an operator. The electricity purchase rate is as stipulated in the METI Approval to operate the power plant project, with the purchase period as specified in the Power Purchase Agreement made between the operator and the private power purchaser company.

(1.5) Asset Management Company

The asset management operator is an operator of the solar power plant under the terms and scopes set in the Asset Management Agreement, which is a contract between the operator and the asset management company.

(1.6) Land Owner

The landowner owns the area where the solar power plant is located. The operator will consider entering a Land Rental Agreement or a Surface Right Agreement with the land owner, depending on the suitability to be used as the location of a solar power plant.

(1.7) EPC Contractor

EPC contractor provides design, equipment procurement, and construction of the solar power plant. The service contracts may differ depending on the case, such as a turnkey contract which ranges from design and procurement of equipment to construction and pre-testing before handed-over, or a separate contract which divides the design, equipment procurement, and construction segments.

(1.8) O&M Contractor

QM contractor operates and maintains solar power plants under the terms and scopes stipulated in the operating and maintenance service provider contract, which is a contract made between the operator and the operating and maintenance service company.

(1.9) Professional Service Provider

General accounting and management service provider is a professional service provider in administration services to the operator.

(1.10) Tax Service Provider

Tax service provider is a service provider in tax return services to the operator.

(1.11) Lender

The lender provides loans to finance the development and construction of solar power plant. The operator will enter a loan agreement with the lender, with various terms for lending, such as a credit line, interest rate, installment, etc.

However, those who are involved in the GK-TK investment structure for the investment in solar power project in Japan of other investors and / or other companies may differ from the structure invested by the Group Company.

Industry and competition in Vietnam¹⁸

(1) Structure of electricity industry in Vietnam

In 2021, the Vietnam Electricity Market is regulated by the Vietnamese government. The Vietnam Electricity (EVN) and its subsidiaries are the center of business sector, with total authority over five ((b) to (f)) of the eight entities involved in the Vietnam Electricity Industry, which are legally enacted in Vietnam as follows:

- (1) Electricity-generating Units
- (2) Electricity-transmitting Units
- (3) Electricity-distributing Units
- (4) Electricity-wholesaling Units
- (5) Electricity-retailing Units
- (6) National Electric System-regulating Units
- (7) Electricity Market Transaction-administering Units
- (8) Customer

The Vietnamese government has liberalized and enacted regulations to encourage and encourage non-governmental organizations to participate in the electricity-generating units.

(2) Trends in the electricity generating from renewable energy industry in Vietnam

The Vietnamese government has released the National Power Development Plan; PDP) every 10 years to guide the legislation of various regulations. The current plan for the period 2021 - 2030 is the 8th edition of the National Energy Development Plan (PDP 8), which the summarized objectives as follows:

- (1) Encourage all economic entities to take part in the development of national electricity system, especially private organizations.
- (2) Give priority to the development of renewable energy sources.
- (3) Promote the development of modern electrical systems or smart grid systems in the country.
- (4) Build a power system that connects to neighboring countries.

It is evident that the government continues to focus on the development of renewable energy unit in succession from the 7th Revised Development Plan (PDP 7 Revised), as well as the policy to attract more foreign investors into the power generation industry from more renewable energy sources.

¹⁸ Industry information in this section has been prepared from publicly available documents and / or government publications, such as Vietnam Electricity, as well as publicly available industry resources. Some of the numerical information in this section of the document has been rounded off. Additionally, the forecast and the estimation in this section is gathered from public sources and / or government publications. The information is subject to change in accordance with the conditions used for making predictions. The company group does not warrant that such source of information is correct.

(3) Competition trends in the solar power industry in Vietnam

During this past year, the Vietnamese government has given high importance to the development of electricity generation from renewable energy sources. It also aims to have a total capacity of 5,500 MW of the installed renewable energy power plants by the end of 2019, as well as the enacting of new regulations to promote the development of power plant projects from renewable energy sources, such as the Verdict 13/2020 / QD-TTg of mechanisms to promote the development of solar power systems in Vietnam, announced by the Prime Minister of Vietnam on April 4, 2020, which enforced after 22 May 2020 onwards, for the new feed-in tariff (FiT) system as follows:

- (1) 8.38 US Cents per kWh for rooftop solar power project
- (2) 7.69 US Cents per kWh for floating solar power project
- (3) 7.09 US Cents per kWh for ground solar power project

Private investment, especially foreign investment, continues to increase in the form of BOT (Build-Operate-Transfer) or construction projects, which have undergone a period of time and handed over to the Vietnamese government on May 2063. The EVN announced that Vietnam has 31,570 rooftop solar power projects with a total capacity of 657.88 MW peak.

Industry and competition in Mongolia¹⁹

(1) Overview of the electricity generation industry in Mongolia

Diagram of energy system zoning in Mongolia



The Energy Sector of Mongolia consists of five independent electric power systems. (WES, AES, CES, SES, EES)

Power distribution system is divided by region into 5 systems as follows: (1) Central Energy System (2) Western Energy System (3) Eastern Energy System (4) Southern Energy System (5) Altai-Uliastai Energy System

When comparing the proportion of producers from alternative energy, it is divided into 72.3% wind energy, 16.8% hydro energy, and 10.9% solar energy. The Mongolian Ministry of Energy has the National Renewable Energy Center as an agency responsible for alternative energy, which conducts the Mongolia Sustainable Development Vision 2030, with a target to increase electricity generation from alternative energy by 2020 – 2030, aiming to increase alternative energy which accounts for 25-30 percent of Mongolia's total energy consumption.

¹⁹ Industry information in this section has been prepared from publicly available documents and / or government publications, such as Ministry of Energy and Energy Regulatory Commission of Mongolia, as well as publicly available industry resources. Some of the numerical information in this section of the document has been rounded off. Additionally, the forecast and the estimation in this section is gathered from public sources and / or government publications. The information is subject to change in accordance with the conditions used for making predictions. The company group does not warrant that such source of information is correct.

(2) Trends in the electricity generating from renewable energy industry in Mongolia

The Mongolian government is committed to the development of renewable energy system and has set goals as follows:

a. Stage 1 2015 – 2023

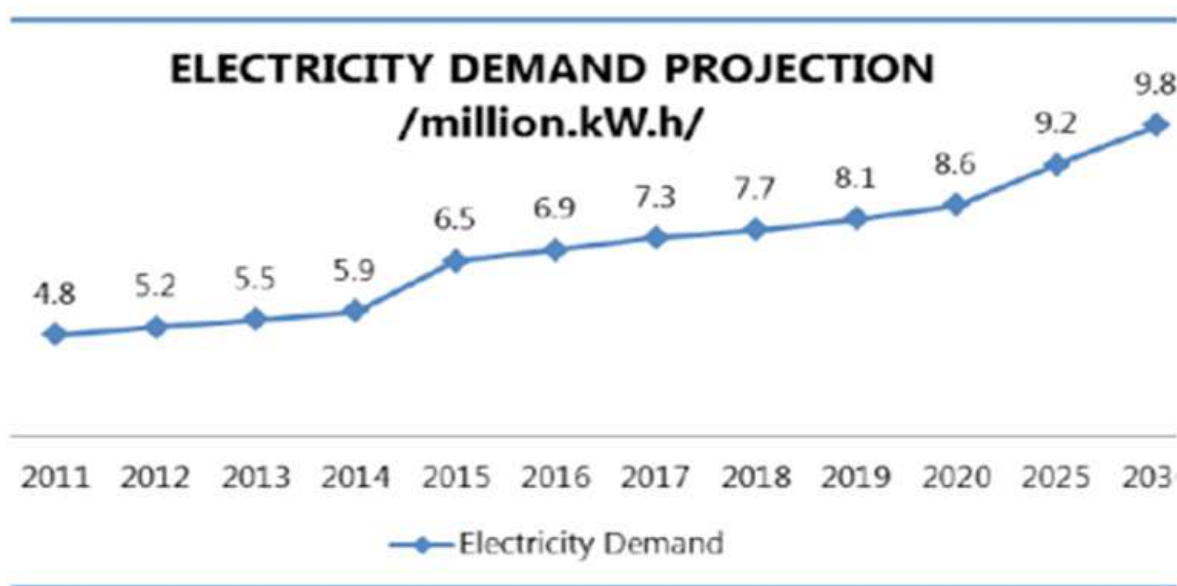
Focus on improving the safety of energy resources and reserve capacity, while laying the foundation for the development of renewable energy, along with improving the document system and legal environment.

b. Stage 1 2024 – 2030

Aim for electricity generation from alternative energy to have a 30% share of total energy, connecting the region with high capacity transmission lines, while turning an energy company into a public company and having electricity delivery services to be a more competitive market.

(3) Competitive trends in solar power industry in Mongolia

Due to the continuing growth of Mongolia's economy, the government has forecast that Mongolia will have a continual increase in demand for electric power.



1.5 Procurement of products or services

The group of companies put great importance to the process of procuring products or services for the development of solar power plants. This is so that the solar power plants can generate electricity efficiently and safely, with an appropriate return on investment. The Board of Directors and / or the Executive Committee of the company shall consider and approve investments in various projects according to the approval authority. Then, the group of companies shall appoint a working group to be responsible for further related operations.

The working group regularly report on the progress of the project development studies, as well as the operating results when the projects open for commercial operations to the Board of Directors and / or the Executive Committee of the company. There are important steps as follows:

1.5.1 Location selection and land acquisition

In determining the areas for construction of the projects, the group of companies has established land selection criteria in accordance with the Group's competitive strategy. There are important criteria to consider, such as location in an area with appropriate solar intensity or annual average wind speed, ability to manage risks from natural disasters within reasonable costs, and capability to connect to the transmission line of the private electricity operators in that region, by considering the connection point from the suitability and the cost of investment, etc. The Group may consider buying or renting land or renting over-the-ground rights (depending on each case).

1.5.2 Procurement and obtaining relevant licenses

For projects in Thailand, the group of companies has established a working group to carry out work related to the application for a license to ensure the ability to obtain a license for project operation, accurately and completely, in which each area in charge of each country has different responsible units.

For overseas projects, the group may consider hiring specialists and / or related advisors in countries where the group has investment, to prepare documents related to obtaining licenses, without contravention to regulations and / or governing laws. The project owner or the operator of each project will apply for a license.

1.5.3 Selection of turnkey contractors

The group of companies has a comprehensive policy for selecting contractors. The main objective is to be able to control project development costs. In considering the selection of a turnkey contractor, the group of companies will consider the financial status, past performance, specifications, standard equipment, and delivery time. In addition, the group of companies reviews the reputation and reliability to ensure the acceptance from financial institutions which support credit for project construction.

For projects in Japan Vietnam, and Mongolia, the project owner selects a turnkey contractor as a turnkey contract and may consider hiring a designer, procurement and / or construction separately if they consider that such undertaking is appropriate.

1.5.4 Selection of service providers for operation and maintenance

The group of companies selects an operating and maintenance service provider, starting from project development which considers financial status, past performance, scope of work, and delivery time. In addition, the group of companies shall review the reputation and reliability to ensure the acceptance from financial institutions that support credit for the construction projects.

For projects in Thailand, the group has an engineering department at power plants, which always work in conjunction with the operating and maintenance service providers. This is so that the employees of the group is passed on skills, knowledge, and expertise In operations and maintenance from an operation and maintenance service provider. For projects in Japan, Vietnam, and Mongolia, the project owner is personally responsible for the operation and maintenance.

Impact to environment

For solar power plant projects in Thailand, the Group strictly operates in accordance with the environmental laws to apply for a construction permit and operate a solar power plant project of the Group. The solar power plant is a project or enterprise that does not qualify for a report of Environmental Impact Assessment or "EIA". The terms for licensing general renewable energy power plants are as follows:

	Code of Practice (CoP), measures to prevent, correct, and monitor environmental impact	Environmental & Safety Assessment (ESA)
Applying for a license	Electricity production license	Factory license to operate a power plant (Ror Ngor 4, Factory No. 88)
Technology type	All types of technology	All types of technology
Fuel type	All types of fuel and energy sources	All types of fuel and energy sources
The scope of installed production capacity	- 1000 kilowatts or more but less than 10 MW (for a thermal power plant which is not required to submit EIA report) - From 1,000 kilovolt amperes and above (for a power plant without burning fuel, such as solar, wind, hydro power plants)	From 5 MW or more but less than 10 MW
Background / Objectives	Operators must - Follow the preventive, corrective measures that ERC has set as the same minimum standard for all projects. - Performing public participation to allow stakeholders to express their opinions from the beginning of the project. In addition, issues, comments, and concerns that have been considered must be included as an additional appropriate measure in the annex of the environmental checklist.	Operators must - Study the impact on the environment and analyze the dangers that may arise from the operation. - Propose preventive and corrective measures to reduce the effect and provide a safety management system for the ESA working group of the Department of Industrial Works for approval. The results of the study and the measure of each project may be different.
	Entrepreneurs can use the minimum CoP measures as a preliminary proposal in the ESA report by setting additional measures for specific projects or activities based on the results of studies and comments / opinions.	
Exception	None	Factories located in industrial estates or in an investment promotion area where an environmental impact assessment report has been prepared.
Time of preparation	Operation is divided into 3 phases: Before submitting an application for a license, Monitoring of environmental impact during operation, and rehabilitation of the area when the operation is discontinued.	Before submitting an application for a license

Source: Handbook for obtaining an electricity enterprise license - a license for electricity generation enterprise, electricity distribution system, and distribution of electricity by the Energy Regulatory Commission, License Department

The types of environmental and safety reports that need to be prepared classified by type of power plants and installed capacity can be summarized as follows:

Installed capacity	Type of power plants	
	Thermal	No fuel burning
10 MW (MW) or more	EIA/EHIA	CoP
5-10 MW (MW)	CoP + ESA	CoP + ESA
1000 kilovolts (kV) or more	CoP	CoP

Source: Handbook for obtaining an electricity enterprise license - a license for electricity generation enterprise, electricity distribution system, and distribution of electricity by the Energy Regulatory Commission, License Department

At present, Sermsang Solar project and WVO projects, which have been in commercial operations, must be operated in accordance with the Code of Practice (CoP) standard for prevention, corrective actions, with monitoring of environmental impacts only, not having to prepare reports on studies, preventive, and corrective measures, impacts on quality, environment, and safety (Environmental & Safety Assessment (ESA)).

In the area of waste and disposal management, such as solar panels and other equipment, which are defective or out of lifetime, the operation and maintenance service providers will perform the actions.

For solar power plant projects in Japan, Vietnam and Mongolia, the Group has undertaken strict environmental actions in accordance with relevant laws in order to apply for a construction permit and operate a solar power plant business of the group. Regarding the environment, as applicable laws vary from country to country and region, the Group has established a work team to study and operate in relation to the implementation of environmental impact measures to ensure that the group of companies correct and complete actions necessary to conduct the enterprise.

Work not yet delivered

-None-

1.6 Assets used for operations

1.6.1 Fixed assets used for operations

As of 31 December 2021, fixed assets used in the operations of the group of companies have net value after deducting accumulated depreciation and provision for various impairment as shown in the consolidated financial statements of the company are equal to 15,522.3 million baht with details as follows:

No.	List of assets	Net book value as of December 31, 2021 (million baht)	Proprietary	Obligation
1	Land	268.7	Owner and tenants	Partial mortgage
2	Land improvement	2,443.1	Owner and tenants	Partial mortgage
3	Office buildings and building improvements	97.5	Owner	Partial mortgage
4	Power plant	1,275.3	Owner	Partial mortgage
5	Solar roof system	487.2	Owner	Without any obligation
6	Machinery, equipment, and spare parts	10,825.5	Owner	Partial mortgage
7	Equipment, tools, utensils and decorations	110.8	Owner	Without any obligation
8	Vehicle	7.6	Owner	Without any obligation
9	Work in progress	6.6	Owner	Partial mortgage
รวม		15,522.3		

The list of fixed assets of the group as shown above, can be classified by type of assets and company as follows:

1.6.2 Land

Ownership company	Location	Area size (Rai-Ngan-Wa)	Holding purpose	Net book value as of December 31, 2021 (million baht)	Proprietary	Obligation
SPN	Wang Khon Khang Subdistrict, Khok Samrong District, Lopburi Province	879-2-18	To use as a project location	155.1	Owner	mortgage obligation as collateral with financial institutions
SPN	Wang Khon Khang Subdistrict, Khok Samrong District, Lopburi Province	9-2-37		1.7	Owner	Without any obligation
SJ	Shizuoka, Japan	558-0-4	To use as a project location	72.7	Owner	Without any obligation
UPT	Nakhon Ratchasima, Thailand	259-0-93	To use as a project location	39.2	Owner	mortgage obligation as collateral with financial institutions
Total				268.7		

1.6.3 Land improvement

Ownership company	Location	Holding purpose	Net value as of December 31, 2021 (million baht)	Proprietary	Obligation
SPN	Wang Khon Khang Subdistrict, Khok Samrong District, Lopburi Province	To use as a project location	100.3	Owner	mortgage obligation as collateral with financial institution
SSH	Hokkaido, Japan	To use as a project location	67.3	Owner	mortgage obligation as collateral with financial institution
ZOUEN	Kumamoto, Japan	To use as a project location	9.0	Owner	mortgage obligation as collateral with financial institution
SS	Rang Bua Subdistrict, Chom Bueng District, Ratchaburi Province	To use as a project location	20.7	-	-
TGC	Fides Tower, Room 1202 Khan-Uul district, 15th khoroo. Ulaanbaatar, Mongolia	To use as a project location	16.7	Tenant	mortgage obligation as collateral with financial institution
TTQN	92 Le Loi Street, Chanh Lo Ward, Quang Ngai City, Vietnam	To use as a project location	40.8	Tenant	mortgage obligation as collateral with financial institution
GSSE	4-2-3 Akasaka, Minato, Tokyo 107-0052, Japan	To use as a project location	629.6	Tenant	mortgage obligation as collateral with financial institution
Ashita Power 1	1-1-7 Moto Akasaka, Minato-Ku, Tokyo, Japan	To use as a project location	1,499.0	Tenant	-
UPT	Sikhio , Nakhon Ratchasima, Thailand	To use as a project location	34.3	Tenant	mortgage obligation as collateral with financial institution
TTTV	Ap Nha Mat, Truong Long Hoa, Duyen Hai, Tra Vinh	To use as a project location	25.4	Tenant	-
Total			2,443.1		

1.6.4 Office building and building improvement

Ownership company	Location	Holding purpose	Net value as of December 31, 2021 (million baht)	Proprietary	Obligation
SPN	Office buildings and building improvements of the project	To be used as the office location of the project	3.7	Owner	mortgage obligation as collateral with financial institution
SS	Tambon Rang Bua, Amphoe Chom Bueng, Ratchaburi Province	To be used as project location	2.8	Owner	Without any obligation
TGC	Fides Tower, Room 1202 Khan-Uul district, 15th khoroo. Ulaanbaatar, Mongolia	To be used as project location	22.4	Tenant	mortgage obligation as collateral with financial institution
UPT	Office buildings and building improvements of the project	To be used as project location	54.2	Owner	mortgage obligation as collateral with financial institution
SSP	Office buildings and building improvements of the project	To be used as project location	0.5	Tenant	-
TTTV	Ap Nha Mat, Truong Long Hoa, Duyen Hai, Tra Vinh	To be used as project location	13.9	Tenant	-
Total			97.5		

1.6.5 Power plants

Ownership company	Location	Holding purpose	Net value as of December 31, 2021 (million baht)	Proprietary	Obligation
SPN	The solar power plant of the Sermsang Solar project	For use in the production of electricity	355.8	Owner	mortgage obligation as collateral with financial institution
SS	The solar power plant of the project	For use in the production of electricity	20.5	Owner	Without any obligation
HIDAKA	The solar power plant of the project	For use in the production of electricity	174.2	Owner	mortgage obligation as collateral with financial institution
ZOUEN	The solar power plant of the project	For use in the production of electricity	25.9	Owner	mortgage obligation as collateral with financial institution
TTQN	The solar power plant of the project	For use in the production of electricity	70.7	Owner	mortgage obligation as collateral with financial institution
GSSE	The solar power plant of the project	For use in the production of electricity	180.3	Owner	mortgage obligation as collateral with financial institution
Ashita Power 1	The solar power plant of the project	For use in the production of electricity	391.5	Owner	mortgage obligation as collateral with financial institution
UPT	The power plant of the project	For use in the production of electricity	27.9	Owner	mortgage obligation as collateral with financial institution
TTTV	The power plant of the project	For use in the production of electricity	28.5	Owner	mortgage obligation as collateral with financial institution
Total			1,275.3		

1.6.6 Solar roof system

Ownership company	Location	Holding purpose	Net value as of December 31, 2021 (million baht)	Proprietary	Obligation
SN	Solar roof system	For use in the production of electricity	133.0	Owner	Without any obligation
SSE	Solar roof system	For use in the production of electricity	354.2	Owner	Without any obligation
Total			487.2		

1.6.7 Machinery, equipment, and spare parts

Ownership company	Location	Holding purpose	Net value as of December 31, 2021 (million baht)	Proprietary	Obligation
SPN	machinery, equipment and spare parts of the project	For use in the production of electricity	1,642.2	Owner	mortgage obligation as collateral with financial institution
SSH	machinery, equipment and spare parts of the project	For use in the production of electricity	1,110.9	Owner	mortgage obligation as collateral with financial institution
ZOUEN	machinery, equipment and spare parts of the project	For use in the production of electricity	412.8	Owner	mortgage obligation as collateral with financial institution
SS	machinery, equipment and spare parts of the project	For use in the production of electricity	83.5	Owner	mortgage obligation as collateral with financial institution
TGC	machinery, equipment and spare parts of the project	For use in the production of electricity	426.4	Owner	mortgage obligation as collateral with financial institution
TTQN	machinery, equipment and spare parts of the project	For use in the production of electricity	983.0	Owner	mortgage obligation as collateral with financial institution
GSSE	machinery, equipment and spare parts of the project	For use in the production of electricity	1,685.4	Owner	mortgage obligation as collateral with financial institution
Ashita Power 1	machinery, equipment and spare parts of the project	For use in the production of electricity	952.1	Owner	mortgage obligation as collateral with financial institution

Ownership company	Location	Holding purpose	Net value as of December 31, 2021 (million baht)	Proprietary	Obligation
UPT	machinery, equipment and spare parts of the project	For use in the production of electricity	455.8	Owner	mortgage obligation as collateral with financial institution
TTTV	machinery, equipment and spare parts of the project	For use in the production of electricity	3,073.4	Owner	mortgage obligation as collateral with financial institution
Total			10,825.5		

1.6.8 Equipment, tools, appliances, and decorations

Ownership company	Location	Holding purpose	Net value as of December 31, 2021 (million baht)	Proprietary	Obligation
SSP	Equipment, tools, appliances and decorations	To support Business operation	0.4	Owner	Without any obligation
SPN	Equipment, tools, appliances and decorations	To support Business operation	0.2	Owner	Without any obligation
PPP	Equipment, tools, appliances and decorations	To support Business operation	0.0	Owner	Without any obligation
SI	Equipment, tools, appliances and decorations	To support Business operation	0.4	Owner	Without any obligation
SSC	Equipment, tools, appliances and decorations	To support Business operation	0.001	Owner	Without any obligation
SN	Equipment, tools, appliances and decorations	To support Business operation	0.4	Owner	Without any obligation
SSH	Equipment, tools, appliances and decorations	To support Business operation	3.8	Owner	Without any obligation
ZOUEN	Equipment, tools, appliances and decorations	To support Business operation	5.1	Owner	Without any obligation
TGC	Equipment, tools, appliances and decorations	To support Business operation	0.8	Owner	Without any obligation
SS	Equipment, tools, appliances and decorations	To support Business operation	0.1	Owner	Without any obligation
TTQN	Equipment, tools, appliances and decorations	To support Business operation	0.8	Owner	Without any obligation

Ownership company	Location	Holding purpose	Net value as of December 31, 2021 (million baht)	Proprietary	Obligation
TTTV	Equipment, tools, appliances and decorations	To support Business operation	0.9	Owner	Without any obligation
GSSE	Equipment, tools, appliances and decorations	To support Business operation	66.8	Owner	Without any obligation
Ashita Power 1	Equipment, tools, appliances and decorations	To support Business operation	29.8	Owner	Without any obligation
SJ	Equipment, tools, appliances and decorations	To support Business operation	0.03	Owner	Without any obligation
UPT	Equipment, tools, appliances and decorations	To support Business operation	1.3	Owner	Without any obligation
Total			110.8		

1.6.9 Vehicle

Ownership company	Location	Holding purpose	Net value as of December 31, 2021 (million baht)	Proprietary	Obligation
SSC	Car	To support Business operation	0.0	Leasing	Without any obligation
SI	Car	To support Business operation	0.0	Leasing	Without any obligation
TGC	Car	To support Business operation	0.9	Leasing	Without any obligation
Total			0.9		

1.6.10 Work in progress

Ownership company	Location	Holding purpose	Net value as of December 31, 2021 (million baht)	Proprietary	Obligation
SSP	Others	-	3.6	-	-
SN	Solar Rooftop Project	For use in the business of generating and distributing electricity from solar energy in Thailand	1.0	Owner	Without any obligation
TTTV	Production and distribution of wind energy	For use in the business of generating and distributing electricity from solar energy in Thailand	1.4	Owner	Without any obligation
UPT	Production and distribution of biomass energy	For use in the business of generating and distributing electricity from solar energy in Thailand	0.6	Owner	mortgage obligation as collateral with financial institution
Total			6.6		

1.6.11 Intangible assets

As of 31 December 2021, the majority net book value of intangible assets in the consolidated financial statements of the company can be detailed as follows:

Ownership company	Net book value as of December 31, 2021 (million baht)
SSH	174.9
GSSE	286.5
SPN	20.3
SSP	0.01
PPP	0.0
SI	0.1
SN	1.2
ZOUEN	40.1
Ashita Power 1	238.2
Ashita Power 2	19.8
TGC	41.5
WVO	1.7
TTQN	208.2
TTTV	199.9
UPT	0.07
Total	1,232.5

The intangible assets consist of (1) rights to connect the power distribution system, (2) computer programs, (3) external communication and electricity distribution systems, and (4) rights to use the power transmission system (Please see details of intangible assets in Management's Analysis and Explanation section).

1.6.12 Business and property insurance

The Group has policies in place to undertake insurance at an appropriate level and in line with industrial practice to prevent damages that may occur to the group's core assets. The group of companies have a policy to renew various insurances when expired.

For projects under construction, the Group has an insurance policy, or requires relevant parties to have insurance to cover possible damages, such as LEO and wind power projects. During the contract negotiation process, the group assigns a comprehensive contractor to be the insurer during the construction period. The insurance limit covers most of the assets of the project. However, such terms have been specified in the details of contract to hire a turnkey contractor.

The details of major insurance coverage are as follows:

Project/ Country	Type and amount of insurance		Assured	Insurance period
SPN/Thai	<u>Industrial All Risk Insurance</u>			2 Feb 2021 - 2 Mar 2022
	• All risk insurance Property Damage and Machinery Breakdown	1,917.0 million baht	• SPN • O&M Contractor • Creditors of Financial Institutions	
	• Business Interruption	775.0 million baht	• SPN • Creditors of Financial Institutions	
	<u>Public and Product Liability Insurance</u>			
	• Third party liability insurance • Liability insurance due to pollution • Product liability insurance	Total US\$45.0 million	• SPN and / or subsidiaries and / or affiliates	
WVO/Thai	<u>Industrial All Risk Insurance</u>			1 Apr 2021 - 1 Apr 2022
	• Property Damage and Machinery Breakdown	140.0 million baht	• SS • O&M Contractor	
	• Business Interruption	29.0 million baht	• SS	
	<u>Public and Product Liability Insurance</u>			
	• Third party liability insurance • Liability insurance due to pollution • Product liability insurance	Total US\$3.0 million	• SS	

Project/ Country	Type and amount of insurance		Assured	Insurance period
SNNP1/Thai	<u>Industrial All Risk Insurance</u>			1 Jul 2021
	• Property Damage and Machinery Breakdown	15.0 million baht	• SN	- 1 Jul 2022
SNNP2/Thai	<u>Industrial All Risk Insurance</u>			1 Jul 2021
	• Property Damage and Machinery Breakdown	29.0 million baht	• SN	- 1 Jul 2022
SNNP3/Thai	<u>Industrial All Risk Insurance</u>			1 Jul 2021
	• Property Damage and Machinery Breakdown	11.1 million baht	• SN	- 1 Jul 2022
SNNP4/Thai	• Property Damage and Machinery Breakdown	8.1 million baht	• SN	1 Jul 2021 - 1 Jul 2022
DoHome/Thai	<u>Industrial All Risk Insurance</u>			3 Feb 2021
	• Property Damage and Machinery Breakdown	95.0 million baht	• SN	- 31 Dec 2021
PRC/Thai	<u>Industrial All Risk Insurance</u>			27 Mar 2021
	• Property Damage and Machinery Breakdown	22.0 million baht	• SN	- 5 Feb 2022
TAPACO/Thai	<u>Industrial All Risk Insurance</u>			
	• Property Damage and Machinery Breakdown	13.0 million baht	• SN	1 May 2021 - 27 Jan 2022
	• Property Damage and Machinery Breakdown	7.5 million baht	• SN	11 Jun 2021 - 11 Jun 2022

Project/ Country	Type and amount of insurance		Assured	Insurance period
Hidaka/Japan	<u>Industrial All Risk Insurance</u>			29 Feb 2021 - 28 Feb 2022
	• Property Damage and Machinery Breakdown	5,793.1million yen	• SSH	
	• Business Interruption	953.7 million yen	• SSH	
	<u>Public and Product Liability Insurance</u>			
	• Third party liability insurance	500 million yen / accident	• SSH	
Zouen/Japan	<u>Industrial All Risk Insurance</u>			31 Jul 2021 - 31 Jul 2022
	• Property Damage and Machinery Breakdown	1,766.5million yen	• Zouen	
	• Business Interruption	333.0 million yen	• Zouen	
	<u>Public and Product Liability Insurance</u>			
	• Third party liability insurance	500 million yen / accident	• Zouen	
Yamaga/ Japan	<u>Industrial All Risk Insurance</u>			30 May 2021 - 30 May 2022
	• Property Damage and Machinery Breakdown	8,740.9 million yen	• GSSE	
	• Business Interruption	1,368.5 million yen	• GSSE	
	<u>Public and Product Liability Insurance</u>			
	• Third party liability insurance	500 million yen / accident	• GSSE	
Binh Nguyen/ Vietnam	<u>Industrial All Risk Insurance</u>			22 Jul 2021 - 21 Jul 2022
	• Property Damage and Machinery Breakdown	US\$ 38 million	• TTQN / SI	
	• Business Interruption	US\$ 7 million	• TTQN / SI	

Project/ Country	Type and amount of insurance		Assured	Insurance period
Khunsight Kundi/ Mongolia	<u>Industrial All Risk Insurance</u>			5 Aug 2021 - 4 Aug 2022
	• Property Damage and Machinery Breakdown	US\$ 18.6 million	• TGC • Creditors of Financial Institutions	
	• Business Interruption	US\$ 4 million	• TGC	
	<u>Public and Product Liability Insurance</u>			
	• Third party liability insurance • Liability insurance due to pollution • Product liability insurance	US\$ 1 million / accident	• TGC	
Wind Farm/ Vietnam	<u>Industrial All Risk Insurance</u>			1 Dec 2021 - 30 Nov 2022
	• Property Damage and Machinery Breakdown	US\$ 84.9 million	• TTTV	
	• Business Interruption	US\$ 18.7 million	• TTTV	
UPT/Thailand	<u>Industrial All Risk Insurance</u>			24 Jun 2021 - 23 Jun 2022
	• Property Damage and Machinery Breakdown	729 million baht	• UPT	
	• Business Interruption	212.5 million baht		
	• Public and Product Liability Insurance	100 million baht	• UPT	

1.6.13 Investment Promotion Benefits

The project of Sernsang Power Corporation Public Company Limited has been granted a certificate of investment promotion under the Investment Promotion Act B.E. 2520 in the operation of electricity production from solar energy. The important details of the project are as follow

Project	SPN	WVO	SNNP1	SNNP2	SNNP3	SNNP4	PRC
Promotion certificate recipient	SPN	SS	SN				
Promotion card number	2645(1)/2556	61-070508-1-00-1-0	61-0246-1-00-1-0	60-1446-1-00-1-0	62-0029-1-00-1-0	62-0922-1-00-1-0	63-0040-1-00-1-0
Project to be promoted	Electricity generation from solar energy						
Opening date for implementation according to the investment promotion certificate	19 Nov 2017	3 May 2021	19 Mar 2018	20 Dec 2017	9 Jan 2022	28 Aug 2022	13 Jan 2023
Exemption from corporate income tax on net profits derived from the promoted business for a period of 8 years, starting from the date of commencement of income following the business operations	✓	✓	✓	✓	✓	✓	✓
Exemption of dividends from promoted businesses following the computation of the dividends from promoted businesses for income tax during the period when promoted persons are exempt from corporate income tax	✓	✓	✓	✓	✓	✓	✓
Receive a corporate income tax reduction at a percentage 50 of the normal rate for a period of 5 years from the date of the expiration of the corporate income tax exemption period for the first 8 years	✓	✗	✗	✗	✗	✗	✗
Doubled deduction of the cost for transportation, electricity and water supply during a period of 10 years from the date of first earning income from the operation	✓	✗	✗	✗	✗	✗	✗
Exempted from import duty on machinery as approved by the Board	✗	✓	✓	✓	✓	✓	✓

Project	Do Home					TAPACO	
Recipient of promotion certificate	SN						
Branch/Province	Khon Kaen	Korat	Chiang Mai	Rama 2	Bang Bua Thong	Prachin Buri	Chon Buri
Promotion card number	61-0798-1-00-1-0	61-0799-1-00-1-0	61-0797-1-00-1-0	61-0800-1-00-1-0	61-0796-1-00-1-0	63-0042-1-00-1-0	63-0041-1-00-1-0
Project to be promoted	Electricity generation from solar energy						
Opening date for implementation according to the investment promotion certificate	5 Jul 2021	5 Jul 2021	5 Jul 2021	5 Jul 2021	5 Jul 2021	13 Jan 2023	13 Jan 2023
Exemption from corporate income tax on net profits derived from the promoted business for a period of 8 years from the date of commencement of income from the business operations	✓	✓	✓	✓	✓	✓	✓
Exempted dividends from promoted businesses following the computation of the dividends from promoted businesses for income tax during the period when promoted persons are exempt from corporate income tax	✓	✓	✓	✓	✓	✓	✓
Receive a corporate income tax reduction at a percentage 50 of the normal rate for a period of 5 years from the date of the expiration of the corporate income tax exemption period for the first 8 years	✗	✗	✗	✗	✗	✗	✗
Doubled deduction of the cost for transportation, electricity and water supply during a period of 10 years from the date of first earning income from the operation	✗	✗	✗	✗	✗	✗	✗
Exempted from import duty on machinery as approved by the Board	✓	✓	✓	✓	✓	✓	✓

1.6.14 Investment Policy In subsidiaries and associates

The company has a policy to invest in subsidiaries and / or associated company consistent with the group's vision and growth plan, which will make the group of companies have higher operating results or profits, or invest in a business that benefits (Synergy) to increase the competitiveness of the group towards the goal achievement to become a leading operator in the group's core business.

In this regard, the company, its subsidiaries and / or associates may consider investing in other businesses if it is a business with potential for business growth, or beneficial to the business of the group which can generate good return on investment. The consideration of the company's investment, its subsidiaries and / or associates must be accepted and / or approval from the Board of Directors meeting, or the shareholders' meeting of the company (depending on each case).

At present, the company as a parent company has invested in the solar power plant and the solar rooftop projects in Thailand, Japan, Mongolia, Vietnam, and Indonesia, as detailed in Item 2 (Nature of Business)

1.6.15 Power purchase agreement

Solar power plant project in Thailand

At present, the group has invested in solar power plant projects in Thailand, having started commercial operation in 9 projects, total contracted capacity of 51.9 MW, 40 MW of SPN, 5.0 MW of WVO, as well as 6.9 MW of SN from 7 solar rooftop projects. The above mention projects have entered into PPA with major term as follows:

1. SPN has entered a power purchase agreement as a small power producer (SPP) with the details as follows:

Topic	Important details
Project	SPN project
Location	Wang Khon Khang Subdistrict, Khok Samrong District, Lopburi Province
Off-taker	EGAT
COD	2 February 2015
Contract period	The contract is effective from the date of signing the contract. The contract will be valid from the first month of electricity sold to EGAT for a period of 5 years. When the contract expires. if the other party wishes to renew the contract, that party must notify the other party at least 30 days in advance in writing before the expiration of the contract. The contract then lasts for another 5 years at a time.
Contracted Capacity	40.0 MW at level of 115 kV
Adder	6.5 baht / kW-hour for a period of 10 years from the date of COD

2. WVO has entered a power purchase agreement as a very small power producer (VSPP), with important details in the agreement as follows:

Topic	Important details
Project	WVO Solar Project
Location	Tambon Rang Bua, Amphoe Chom Bueng, Ratchaburi Province
Off-taker	PEA
COD	30 November 2018
Contract period	25 years from the date of COD
Contracted Capacity	5 MW at level 22 kV
Tariffs	Feed-in Tariff at 4.12 baht / kWh throughout the contract

3. SN has entered into 7 PPA, with the important details in the contract as follows:

Topic	Important details						
Project	SNNP1	SNNP2	SNNP3	SNNP4	Do Home	TAPACO	PRC
Installed production capacity (MW)	0.384	0.998	0.384	0.307	3.0	0.885	0.962
Location	Samut Sakhon province	Ratchaburi province	Samut Sakhon province	Samut Sakhon province	5 branches (Bang Bua Thong, Rama 2, Nakhon Ratchasima, Khon Kaen, and Chiang Mai)	Chonburi province and Prachinburi province	Nonthaburi province
Off-taker	Srinanaporn Marketing Company Limited			Do Home Public Company Limited		Tapaco Public Company Limited	PRC Plast (Thailand) Company Limited
Contract period	25 years from the date of commercial operation						
Tariffs	Reference to the electricity tariffs of the Provincial Electricity Authority, with a discount at the rate that the parties have mutually agreed in the contract						
Minimum power purchase volume	Determine the minimum amount of electricity that the power purchaser has to purchase from the electricity supplier according to the contract, with varying factors, including light intensity, availability cost, and the performance of the system, etc.						
Termination	If either party does not comply with any of the contracts, the other party shall make a written notice for that party to take corrective action. If not corrected, the other party has the rights to terminate the contract.						

Solar power plant projects in Japan

As of December 31, 2021, there are 4 projects that have a PPA and started commercial operations, namely the Hidaka Project, Zouen Project, Yamaga Project and Leo project. SSH has entered into PPAs with important details as follows:

Topic	Important details
Project	Hidaka project
Off-taker	Hokkaido Electric Power Co., Ltd.
Contract period	20 years from the start of commercial operation
Contracted Capacity	17.0 MW
Tariffs	Feed-In Tariff at 40 yen/kilowatt-hour

ZOUEN has entered a power purchase agreement with important details as follows:

Topic	Important details
Project	ZOUEN project
Off-taker	Kyushu Electric Power Inc.
Contract period	20 years from the start of commercial operation
Contracted Capacity	6.0 MW
Tariffs	Feed-In Tariff at 36 yen/kilowatt-hour

GSSE has entered a power purchase agreement with important details as follows:

Topic	Important details
Project	Yamaga project
Off-taker	Kyushu Electric Power Inc.
Contract period	20 years from the start of commercial operation
Contracted Capacity	30.0 MW
Tariffs	Feed-In Tariff at 36 yen/kilowatts-hour

ASP has entered a power purchase agreement with important details as follows:

Topic	Important details
Project	Leo 1
Off-taker	Kyushu Electric Power Inc.
Contract period	20 years from the start of commercial operation
Contracted Capacity	20.0 MW
Tariffs	Feed-In Tariff at 36 yen/kilowatts-hour

Solar power plant project in Vietnam

As of 31 December 2021, TTQN has entered into a PPA and commenced commercial operations on May 31, 2019, with contract details as follows:

Topic	Important details
Project	Binh Nguyen Solar Project
Off-taker	Vietnam Electricity (EVN)
Contract period	20 years from the start of commercial operation
Contracted Capacity	40 MW
Tariffs	Feed-In Tariff at US\$ 0.0935 /kilowatt-hour

Solar power plant project in Mongolia

As of 31 December 2021, TGC has entered into a PPA and commenced commercial operations on July 6, 2019, with contract details as follows:

Topic	Important details
Project	Khunsight Kundi Project
Off-taker	National Dispatch Center (NDC)
Contract period	20 years from the start of commercial operation
Contracted Capacity	15 MW
Tariffs	Feed-In Tariff at US\$ 0.162 /kilowatt-hour

Biomass power plant project in Thailand

As of 31 December 2021, UPT has entered into a PPA and commenced commercial operations on May 24, 2019, with contract details as follows:

Topic	Important details
Project	UPT Project
Off-taker	Provincial Electricity Authority (PEA)
Contract period	20 years from the start of commercial operation
Contracted Capacity	8 MW
Tariffs	Feed-in Tariff at 4.57 baht / kWh (include premium of 0.3 baht / kWh for 8 years)

Wind power plant project in Vietnam

As of 31 December 2021, TTTV has entered into a PPA and commenced commercial operations on October 25, 2021, with contract details as follows:

Topic	Important details
Project	TTTV Project
Off-taker	National Dispatch Center (NDC)
Contract period	20 years from the start of commercial operation
Contracted Capacity	48 MW
Tariffs	US\$ 0.098 /kilowatt-hour

1.6.16 Land lease as location of the project

At present, the lands that the group uses for various projects as ownership and tenants are in all of the 5 projects, namely (1) Binh Nguyen Solar Project, Vietnam with a total leasing period of 49 years since the construction, (2) Khunsight Kundi Project, Mongolia with a total leasing period of 30 years, (3) Hidaka Project, Japan with a total leasing period of 20 years, (4) Yamaga Project, Japan with a total leasing period of 20 years from the start of commercial operation, (5) Zouen Project, Japan with a total leasing period of 21 years and 6 months from the date of contract signed.

1.7 Future projects

As of 31 December 2021, the company has the projects under construction and development as follows:

1. One projects in Japan
 - a. LEO 2 Project (Ashita Power 2) with installed capacity of 22.0 MW

The main of each project are as follows: (1) LEO 2 Project (Ashita Power 2)

Subject	Details
Project	LEO 2 (LEO)
Project company	ASP2 G.K. or ASP2 as the operator
Proportion of investment	SSP holds shares in SEG at a percentage of 100 (including direct and indirect holding) and SEG invests as a TK investor at a proportion of 100% of the total investment of TK, with return of investment according to the proportion in TK investment contract.
Investment structure	Investment structure of GK-TK • The operator is ASP2 G.K.(ASP2). • TK Investor is SEG with investment proportion of 100 of total TK investment.
Project status	Under project development
Off-taker	Tokyo Electric Power Company Holdings, Inc., as a private electricity entrepreneur in Tokyo
Location	Shimoda City, Japan
Area	756 rai
Schedule for commercial operation	The group expects that the LEO2 project shall be able to open commercial operations during 2023.
Technology	Solar panel of Polycrystalline Silicon
Installed capacity	22.0 MW
Contracted capacity	17.0 MW
Purchase period	20 years
Curtailement)	Limited Curtailement
Tariff	Feed-in Tariff (Fit) at 36 yen/kilowatt- hour

Name	Nature of business	Country	Direct and indirect shareholding (percentage)	Joint venture (if any)
TTQN	Producing and distributing electricity from solar energy, including the Binh Nguyen Solar project, located in Vietnam (In commercial operation)	Vietnam	87	Truong Thanh Vietnam Group Joint Stock Company ("TTVN")
SSE	Producing and distributing electricity from Solar Rooftop in Indonesia	Indonesia	95	Xurya Pte. Ltd.
TTTV	Producing and distributing electricity from wind power, located in Vietnam (In commercial operation)	Vietnam	80	Truong Thanh Vietnam Group Joint Stock Company ("TTVN")
UPT	Producing and distributing electricity from biomass power, located in Thailand (In commercial operation)	Thailand	99	-

(2) Subsidiaries with shareholding in other companies

Name	Nature of business	Country	Direct and indirect shareholding (percentage)	Joint venture (if any)
AE	Shareholding in companies operating in the business of generating and distributing electricity from renewable energy and other related businesses in overseas	Thailand	100	-
SI	Shareholding in companies operating in the business of generating and distributing electricity from renewable energy and other related businesses in overseas	Thailand	100	-
SGP	Shareholding in companies operating in the business of generating and distributing electricity from renewable energy and other related businesses in overseas	Hong Kong	100 ¹	-
SEG	Investing in solar power plants in Japan TK investor	Hong Kong	100 ²	-
ACM	Shareholding in companies operating in the business of generating and distributing electricity from renewable energy and other related businesses in overseas	Hong Kong	100 ³	-
SSSG	Shareholding in companies operating in the business of generating and distributing electricity from renewable energy and other related businesses in overseas	Singapore	100 ²	-

Name	Nature of business	Country	Direct and indirect shareholding (percentage)	Joint venture (if any)
SSEP	Shareholding in companies operating in the business of generating and distributing electricity from renewable energy and other related businesses in overseas	Singapore	95 ¹	Xurya Pte. Ltd

(3) “GK Operator” under the GK-TK investment structure at SEG1 as a TK investor with “TK Agreement”

Name	Nature of business	Country	Direct and indirect shareholding (percentage)	Joint venture (if any)
SSH	Operating solar power generation and distribution business in Japan, including 1 project under the GK-TK investment structure, with volume of electricity offered for sale under the contract of 17.0 MW, located in Hidaka District, Hokkaido, Japan (Hidaka Project) (in commercial operation)	Japan	87	Smart Solar Co. Ltd. And other companies in Japan
GSSE	Operating solar power generation and distribution business in Japan, including 1 project under the GK-TK investment structure, with volume of electricity offered for sale under the contract of 30.0 MW, located in Yamaga District, Kumamoto, Japan (Yamaga Project) (under construction)	Japan	90	Smart Solar Co. Ltd.
ZOUEN	Operating solar power generation and distribution business in Japan, including 1 project under the GK-TK investment structure, with volume of electricity offered for sale under the agreement of 6.0 MW, located in Mashiki District, Kumamoto, Japan (Zouen Project) (in commercial operation)	Japan	100	-
Ashita Power 1	Operating solar power generation and distribution business in Japan, including 1 project under the GK-TK investment structure, with volume of electricity offered for sale under the contract of 20.0 MW, located in Minamiizu City, Shizuoka, Japan (LEO 1 Project) (under construction)	Japan	100	-

Name	Nature of business	Country	Direct and indirect shareholding (percentage)	Joint venture (if any)
Ashita Power 2	Operating solar power generation and distribution business in Japan, including 1 project under the GK-TK investment structure, with volume of electricity offered for sale under the contract of 10.0 MW, located in Shimoda City, Shizuoka, Japan (under project development and not yet started construction (LEO 2 Project))	Japan	100	-

(4) Subsidiaries operating the business of producing and distributing electricity from renewable energy, without significant operation

Name	Nature of Business	Country	Direct and Indirect Shareholding (percentage)
EP	Generating and distributing electricity from renewable energy and other related businesses (Not yet operated)	Thailand	100
PE	Generating and distributing electricity from renewable energy and other related businesses (Not yet operated)	Thailand	100
PTG	Generating and distributing electricity from renewable energy and other related businesses (Not yet operated)	Thailand	100
PPP	Generating and distributing electricity from renewable energy and other related businesses (Not yet operated)	Thailand	100
SCS	Generating and distributing electricity from renewable energy and other related businesses (Not yet operated)	Thailand	100
SRP	Generating and distributing electricity from renewable energy and other related businesses (Not yet operated)	Thailand	100
SSC	Generating and distributing electricity from renewable energy and other related businesses (Not yet operated)	Thailand	100
SJC	Operating other related businesses with renewable energy power plants in Japan	Thailand	100

1.9 Relationship with major shareholders

The major shareholders have shareholding in energy businesses as follows:

1.9.1 T.K.H Wood Power Company Limited (“TKH”)

At present, the Kraipisitkul family hold a 100% stake in TKH, which operates the business of producing, supplying, and selling fuel from chopped pieces of wood and bark to biomass power plants, including the one operated by UPT, in which the Kraipisitkul family is a major shareholder. The details of the chopped-wood factory operated by TKH are as follows:

Subject	Details
Nature of business	Production, procurement, and distribution of fuel from chopped pieces of wood and bark to the biomass power plants
Type of raw material	Wood chip
Production capacity	40.0 tones/hour
Location	Nakhon Ratchasima Province

TKH's major shareholder and the company agree to set the scope of business operation. TKH operates the business of producing, procuring, and selling fuel from chopped pieces of wood and bark to biomass power plants operated by UPT and third parties, without expanding or increasing the production capacity of TKH. At present, TKH has 100.0 percent of the production capacity to be sold to UPT.

In addition, TKH and TKH's major shareholders agree to enter an agreement with the company to determine the scope of business operation of TKH and the group of companies as clearly described above.

1.9.2 Absolute Products Company Limited ("ASP")

At present, the Kraipisitkul family holds a 100% stake in ASP, which operates a palm oil extraction and biogas power plant businesses, with the amount of electricity offered for sale under agreement of 0.8 MW. The power plant generates power from the by-product of palm oil extraction that is not related to the business of the group of companies and not competitive with the group's business. ASP does not operate a competitive business with the group of companies. In the future, ASP may consider investing in biomass power plants by using raw materials from the by-products of ASP's production process or other businesses of the family, which can be used to generate and sell electricity. The power plant of ASP can be detailed as follows:

Subject	Details
Type of project	Biogas Power Plant
Type of fuel	Wastewater from palm oil factory
Contracted capacity	0.8 MW
Installed capacity	0.999 MW
Off-taker	Provincial Electricity Authority (PEA)
Contract period	Duration of 5 years and continuously for 5 years each time automatically
Location	Nakhon Si Thammarat Province
Project status	Commercial operation

The major shareholder of ASP and the group of companies agrees to define the scope of the power generation and distribution business, where ASP operates and / or expands the power plant business only the ones that generate electricity from by-products of the production process of ASP or other businesses of the family with the by-products that can produce can sell electricity only. ASP will not operate and / or expand the stand-alone power plant business.

In addition, the major shareholders of ASP and ASP enter an agreement with the company to determine the scope of business of ASP and the group of companies as clearly described above.

TKH, and ASP have issued a letter of confirmation that their business operations are in accordance with the contract they have signed and the company has already presented to the Board of Directors for acknowledgment in the meeting No. 1/2019 on February 28, 2019.

1.10 Shareholders

List of major shareholders of the company as reference information according to the closing of the shareholder register book on January 12, 2022 can be summarized as follows:

List of Shareholders	As of January 12, 2022	
	Number of shares (share)	Shareholding Proportion (Percent)
1. Prime Energy Company Limited ("PME") ¹	322,076,500	30.1
2. Unity I. Capital Limited ("UNITY") ²	106,937,306	10.0
3. Mr. Viwat Kraipisitkul	62,708,272	5.9
4. Mr. Pongsak Thummathoucharee	49,800,000	4.6
5. Mr. Piyawat Kraipisitkul	44,210,950	4.1
6. Miss Thanthaphon Kraipisitkul	38,955,788	3.6
7. SCB Securities Company Limited SPECIAL S_INVEST SET01	36,432,453	3.4
8. Mr. Sura Khanittaweekul	31,112,000	2.9
9. Mr. Attapol Phianphensiriwong	20,946,700	2.0
10. Mr. Chawin Amares	18,062,090	1.7

Note: ¹PME is a company incorporated in Thailand. The shareholders are Mr. Viwat Kraipisitkul, Miss Thanthaphon Kraipisitkul, Mr. Piyawat Kraipisitkul, and Mr. Thanawat Kraipisitkul.

²UNITY is a company incorporated in Hong Kong. The shareholders are Mr. Viwat Kraipisitkul, Miss Thanthaphon Kraipisitkul, Mr. Piyawat Kraipisitkul, and Mr. Thanawat Kraipisitkul.

Shareholder Agreement

-None-

Restrictions on the transfer of shares of the company

The company's shares are transferable without restrictions, unless the transfer of shares causes foreign shareholders to hold shares in the company more than 49.0 percent of the total issued shares of the company.

1.11 Issuance of other securities

Debt securities

a)

Issuer	Sernsang Power Corporation Public Company Limited
Name of the debenture	Debenture of Sernsang Power Corporation Public Company Limited No. 1/2020, maturity year 2022
Type of debenture	Name-Registered debenture, unsubordinated bond, non-insurance, having a bondholder representative
Number and value of the bonds offered for sale	800,000 (Eight hundred thousand) units
Total value of the bonds offered for sale	800,000,000 (Eight hundred million) baht
value per unit	1,000 (one thousand) baht
Offering price per unit	1,000 (one thousand) baht
Interest rate of debentures	The interest rate is fixed at 4.60 percent (four points, six zero) per year over the life of the bond.
Year of debentures	1 (one) year and 6 (months) from the issuance date
Issuance date	4 December 2020
Maturity date of debentures	4 June 2022
Early redemption of debentures	None
Status of debentures	Debentures are debts of all issuers of equal legal status. They are unsubordinated debentures. The bondholders have the rights to receive debt repayment, not inferior to the rights to receive debt repayment of current and future ordinary creditors of the debenture issuers. Unless those debts protected by law to receive payment before, the issuer has no rights to redeem the debentures before the maturity date.
Debenture Registrar	Bank of Ayudhya Public Company Limited or the person duly appointed to act as a debenture registrar
Representative of Debenture Holders	Asia Plus Securities Company Limited or the person duly appointed to act as the bondholders' representative
Credit rating	The issuer of the bond has been confirmed its credit rating "BBB" by TRIS Rating Company Limited on October 6, 2020.
Requirements for maintaining financial ratios	Maintain ratio "Interest Baring Debt" to "Shareholder Equity" in the consolidated financial statements not exceed 3.0: 1 at the end of each accounting period over the life of the debentures.

b)

Issuer	Sermsang Power Corporation Public Company Limited
Name of the debenture	Debenture of Sermsang Power Corporation Public Company Limited No. 1/2021, maturity year 2024
Type of debenture	Name-Registered debenture, unsubordinated bond, non-insurance, having a bondholder representative
Number and value of the bonds offered for sale	600,000 (Eight hundred thousand) units
Total value of the bonds offered for sale	600,000,000 (Eight hundred million) baht
value per unit	1,000 (one thousand) baht
Offering price per unit	1,000 (one thousand) baht
Interest rate of debentures	The interest rate is fixed at 4.80 percent (four points, eight zero) per year over the life of the bond.
Year of debentures	2 (two) year and 6 (months) from the issuance date
Issuance date	23 July 2021
Early redemption of debentures	None
Debenture Registrar	Bank of Ayudhya Public Company Limited or the person duly appointed to act as a debenture registrar
Representative of Debenture Holders	Asia Plus Securities Company Limited or the person duly appointed to act as the bondholders' representative
Credit rating	The issuer of the bond has been confirmed its credit rating "BBB" by TRIS Rating Company Limited on September 6, 2021.
Requirements for maintaining financial ratios	Maintain ratio "Interest Baring Debt" to "Shareholder Equity" in the consolidated financial statements not exceed 3.0: 1 at the end of each accounting period over the life of the debentures.

Bill of exchange

As of December 31, 2021, the company has bill of exchange 300 million Baht.

1.12 Amount of registered capital and paid-up capital

Sermsang Power Corporation Public Company Limited is a listed company on the Stock Exchange of Thailand. As of January 19, 2022, the company has a registered capital of 1,419,169,638 baht, divided into 1,419,169,638 ordinary shares with a par value of 1.0 baht and a paid-up capital of 1,101,583,690 baht, divided into 1,101,583,690 ordinary shares with a par value of 1.0 baht.

1.13 Issuance and offering of debt instruments to the general public

Purpose of spending money	Estimated amount of money spent	Estimated time spent	Details
To be used to repay short-term debt to financial institutions and / or as capital for business expansion	800 million baht	Within 1 year from the date of issuance of debt securities	Sernsang Power Corporation Public Company Limited ("the Company") has issued and offered "Debentures of Sernsang Power Corporation Public Company Limited No. 1/2020 due to be matured in 2022" ("Debentures"), with total offering value of 800,000,000 baht on December 4, 2020. The objective is to use the proceeds from the debenture issuance and offering for repayment of short-term debts with financial institutions and / or as capital and supporting the business expansion of the company. On December 4, 2020 the company has already used the proceeds from the said bond offering to repay short-term debts with financial institutions in the amount of 668,329,763 baht. On March 31, 2021 the company has already used the proceeds from the said bond offering to repay short-term debts with financial institutions in the amount of 131,670,237 baht.
Business expansion	600 million baht	Within 1 year from the date of issuance of debt securities	Sernsang Power Corporation Public Company Limited ("the Company") has issued and offered "Debentures of Sernsang Power Corporation Public Company Limited No. 1/2021 due to be matured in 2024" ("Debentures"), with total offering value of 600,000,000 baht on July 22, 2021. The objective is to use the proceeds from the debenture issuance and offering for supporting the business expansion of the company. On July 30, 2021 the company has already used the proceeds from the said bond offering to acquire UPT in the amount of 260,000,000 baht. On July 30, 2021 to October 31, 2021 the company has already used the proceeds from the said bond offering to supporting the business in the amount of 340,000,000 baht.

Governing law

Thai Law

1.14 Dividend Policy

(1) The Company's dividend payment policy

The Board of Directors may consider the annual dividend payment of the Company, subject to the approval at the shareholders' meeting. For an interim dividend payment, the Board of Directors has the power to approve the payment of dividends from time to time when it is of the opinion that the company has sufficient profits to do so and report to the shareholders' meeting at the next meeting.

The Company has a policy to pay dividends to shareholders of not less than 40.0% of the net profit according to the separate financial statements of the company, after the reduction of the corporate income tax and all types of reserves required by law and the company in each year. In this regard, the Board of Directors shall consider the dividend payment by taking into account various factors for the benefit of the shareholders mainly, such as the company's financial status, reserve for future investment, reserve for loan repayment or as working capital, with consideration of core operating profit after adjustment and the net profit according to the consolidated financial statements. The dividend payment does not significantly affect the normal operation of the company as the Board of Directors deems appropriate.

(2) Dividend payment policy of subsidiaries in Thailand

The subsidiaries in Thailand have a policy to pay dividends to shareholders of not less than 70.0% of the net profit according to the separate financial statements after deducting corporate income tax and all types of reserves specified by laws and subsidiaries each year. In this regard, the directors of subsidiaries shall consider the dividend payment by taking into account various factors for the benefit of the shareholders mainly, such as the operating results and financial position of the subsidiaries, reserve for future investment, reserve for loan repayment, or as working capital within subsidiaries. The payment of dividends does not have a significant impact on the normal operations of subsidiaries as the Board of Directors deems appropriate.

(3) Dividend payment policy of foreign subsidiaries

The overseas subsidiary companies has a policy to pay dividends to shareholders of not less than 40.0% of the net profit or retained earnings according to the separate financial statements after deducting various amounts as required by law, taking into account various factors for the benefit of the shareholders mainly, such as the operating results and financial status of the subsidiaries, reserve for future investment, reserve for loan repayment, or as working capital within subsidiaries. The payment of dividends does not have a significant impact on the normal operations of subsidiaries as the Board of Directors deems appropriate.

2. Risk Management

2.1 Risk Management Policies

The Company has set risk management policies for the entire organization by appointing a risk management committee to carry out the duties of reviewing policies and assessing various risks created from external factors and internal factors. Additionally, the committee is tasked with the establishment of guidelines towards the management of risk for the purpose of maintaining acceptable levels, and with the communication and arrangement of operations training seminars for officers, in order to create awareness on the importance of risk management. The risk management committee may consider the appointment of persons and/or work groups to proceed with these various work tasks, as assigned and deemed appropriate by the risk management committee. This will allow the aforementioned persons and/or work groups to operate, follow up on, and report to the risk management committee, such that the risk management committee may be informed of the compliance of the Group Company to the risk management policies. Furthermore, the Group Company has the following risk management policies:

1. To endorse a culture of risk management in order to construct understanding, conscience, and mutual responsibility in matters concerning risk, control, and risk impacts on the Group Company, in the administrative and operational processes of the entire Company group. To promote risk management culture to have the same understanding, cultivate consciousness, mutual responsibility in matters concerning risk, control, and impacts on the administration and operation of the Group Company.

1. To have the procedures, guidelines, and methods for risk management that possess universally appropriate and sufficient quality, including the continuous and consistent indication, analysis, evaluation, ordering, management, control, follow-up, reporting, assessment, and communication of risk-related data, operating for the entire Company group.

2. To have risk measurements, both in qualitative aspects, such as the reputation and image of the Group Company, and quantitatively, such as the loss, decrease in revenue, or increase in expenses, calculated from feasibility and impacts. To have risk assessment in both qualitative aspect, such as the reputation and image of the Group Company, and quantitative aspect, such as the profit and loss, decrease in revenue, or increase in expenses. The assessment covers both probability and impact.

3. To implement risk ceilings (Risk Limits) to limit the extent of damage that might occur to be within acceptable levels for the Group Company. This includes the specification of events or risk levels which may serve as warnings (Warning Signs) that will signal workers to proceed in such a way as to prevent risks from exceeding their determined limits.

4. To have a written operating procedure that will guide executives and workers to function under, which will control risks caused by operational activities.

The Group Company's Risk Management Procedure is as follows:

1.1 Setting the policies and criteria for risk management

This is a formulation of the policies, purposes, limits, responsibilities, and methodologies for risk management, such that it is in accordance with the present strategies, targets, plans, and business directions. The Group Company will provide an annual review and arrange this formulation alongside its business plan for the sake of synergy.

1.2 Risk identification

This is an identification of risks that may impact the achievement of goals and targets, bearing in mind the risks that may be caused by internal and external factors, such as by the environment, law, finance, information systems, decision-making information systems, investor satisfaction, invested capital management, fame and image, and security systems. The Group Company will manage risks by prioritizing them before considering control systems: should the risks fall under the "high" and "very high" priorities, the Company will bring these risks under analysis for further management.

1.3 Risk analysis

This is an analysis to assess the levels of remaining risk subsequent to the evaluation of existing control systems, and a prioritization in order of importance of these risks. Should any risks remain in the "high" or "very high" levels, measures for

managing these risks must be immediately established by the responsible high-level executives. Should any risks remain in the “moderate” or “low” levels, management measures will be assigned on the departmental level, or resolved during work operational procedures.

1.4 Risk management

This is a formulation of planning methods to manage significant risks, as prioritized by their levels during the risk analysis procedure. Risk management occurs under many methods, such as control, risk transfer, risk avoidance, risk exploitation, or risk acceptance.

1.5 Results monitoring and review

These are steps for the review of risk management results which were made under the specified plans. They include the evaluation of results from risk management, which the risk management committee will monitor and report to the high-level management and the board of directors.

2.2 Risk Factors

The risks specified below contain several which are significant, and may have negative impacts to business, financial status, operational results, business opportunities, and ultimately the ordinary shares of the Group Company. Furthermore, other risks may exist which the Group Company has currently yet to anticipate, or may be risks which the Group Company has considered and has deemed as having no significant impact on the business operations of the Group Company.

The important risks factors for the Group Company are categorized as (1) Risks caused by being a company that does business by holding shares in other companies (Holding Company), (2) Risks from business operations, (3) Management risks, (4) Financial risks, (5) New project investment risks, and (6) Risks related to the Company's ordinary shares, for which the details are given as follows:

(1) Risks caused by being a company that does business by holding shares in other companies (Holding Company)

Since the Company has primary income stemming from holding shares in other companies, and does not significantly operate its own businesses that generate income, the Company's operating results and dividend payments will depend on the operational results and dividend payments of its subsidiaries. Thus, the Company's turnover and dividend payments will depend on the operational results and dividend payments of its subsidiary companies. Currently, the Company holds shares in 27 subsidiary companies located both in Thailand and in foreign countries, of which 5 solar power project companies invested through the GK-TK structure in Japan.

The subsidiary companies in Thailand have dividend payment policies with rates no less than 70% of their net profit after income taxes and legal reserve. The foreign country subsidiary companies have dividend payment policies with rates no less than 40% of their net profit, or retained earnings after required legal reserves. Nevertheless, the subsidiary companies might not be able to pay dividends to shareholders due to certain limitation, such as dividend restrictions in loan agreement with commercial banks, capital expenditure requirements for business expansion as well as significant changes in law of the countries in which the Company operates its businesses. These aforementioned cases may cause the decrease in dividend income of the Company and would negatively impact the operational results and financial status of the Company.

Furthermore, as of December 31, 2021, Serm Sang Palang Ngan Company Limited (SPN), which is a subsidiary company that operates the business of solar power plants in Thailand (the “Serm Sang Solar Project”), is obliged under the loan agreement with commercial banks to pay the loan installment and maintain certain financial ratios before declaration of dividend payment to shareholders. Thus, the Company possesses risk should SPN become unable to pay its dividends, if SPN is unable to repay its loans, maintain its financial ratios, or proceed in accordance with the aforementioned contract stipulations. Nevertheless, since the start of its commercial operations, SPN has displayed sufficient operating results and liquidity, and has been continuously able to retain its financial ratios while operating in accordance with these aforementioned contract stipulations, which has allowed a consistent payment of dividends to shareholders.

As for the power plant projects in Japan, Mongolia and Vietnam, the project finance loans have similar conditions which must also be complied with prior to dividend payments.

For solar rooftop projects in Thailand, the Group Company has invested through SN with the Company's fund, and has not used loans from commercial banks. Thus, SN still does not have any limitations in the payment of its dividends from loan stipulations made with commercial banks. Nevertheless, there is a risk that SN is unable to pay its dividends, should the project turnover proceed in unexpected ways, or in the event that SN seeks its project finance which may have the dividend payment restriction same as the Group Company SPN as mentioned above.

(2) Risks from business operations

The Group Company operates the businesses of (1) domestically and internationally producing and distributing electricity from renewable energy resources, and (2) other businesses related to the domestic and international production and distribution of electricity from renewable energy resources.

The business operations of the Group Company have the following risks that might occur:

2.2.1 Business operation risks for solar power plants and wind power plants

2.2.1.1 Risk of irradiation being lower than anticipated

Solar power plants depend on solar irradiation as a main factor for electricity generation. Should the solar irradiation be of an intensity lower than the anticipated levels, operational results might be negatively impacted. During the project's feasibility study stage, the Group Company performed a detailed assessment on the project site location, and statistically analyzed solar irradiation using historical data collected during a period of 25–35 years from reliable sources, such as the Department of Alternative Energy Development and Efficiency, the National Aeronautics and Space Administration (NASA), the New Energy and Industrial Development Organization (NEDO), and data from Metronome. This was done to develop confidence that the areas in which the projects would be developed possess irradiance levels that would produce returns for the Group Company within a satisfactory range. Furthermore, the Group Company has considered hiring technical consultants to carefully assess various factors, such as intensity of solar radiation, soil characteristics, project location, and equipment qualification that are suitable for the project sites, so that the investment decisions of the Group Company may proceed in a suitable manner.

2.2.1.2 Risk of wind speed being lower than anticipated

Wind power plants rely on wind energy as a main factor for electricity generation. Should wind speed is lower than what was anticipated, operational results might be negatively impacted. During the project's feasibility study stage, the Group Company performed a detailed assessment on the project site location and installed wind masts to record wind speed information and other data that might affect the wind power assessment, to a duration of over 1 year. The aforementioned data was used to analyze the correlation between the detailed level data (Microscale) from the wind masts and the moderate level data (Mesoscale) from satellites and international climate models. Historical wind condition data was used at durations no less than project life, or for about 20 years, from reputable sources such as the MERRA-2 climate model from the National Aeronautics and Space Administration (NASA), and ERA-5 climate models from the European Centre for Medium-Range Weather Forecasts (ECMWF). This ensures that the areas in which the projects will be situated possess wind condition levels that would produce returns for the Company within a satisfactory range. Furthermore, the Group Company has considered hiring technical consultants to carefully assess various factors, such as wind speed, project location, and equipment qualifications that are suitable for the projects, so that the investment decisions of the Group Company may proceed in a suitable manner.

2.2.1.3 Risk of solar panel deterioration being faster than anticipated

Solar panel is one of the main equipment used to produce electricity in solar power plants. Should the solar panels deteriorate at a rate faster than normal, the solar power plants might produce reduced levels of electricity. This would

negatively impact the operational results and financial status of the Group Company.

Nevertheless, the Group Company has proceeded to provide the solar power plants of the Group Company with significant insurance from its turnkey contractors and/or the solar panel manufacturers, under the following details:

	Solar panels	PV Output Warranty	Construction quality
Sermsang Solar, Lopburi	10 years	25 years	Main equipment quality 5–10 years
Hidaka, Japan	10 years	25 years	2 years
Zouen, Japan	10 years	20 years	2 years
Solar Rooftop	10 years	25 years	3 years
Solar War Veterans Organization of Thailand, Ratchaburi	10 years	25 years	5 years
Binh Nguyen, Vietnam	10 years	25 years	2 years
Khunsight Kundi, Mongolia	10 years	20 years	3 years
Yamaga, Japan	10 years	25 years	2 years
Leo, Japan	15 years	25 years	2 years

2.2.1.4 Risks related to power generation process efficiency and stability

The main factors affecting the Group Company's power production process efficiency and stability include (1) the efficiency and service life of the key equipment used to generate power, (2) weather conditions, and (3) the cessation of power production in the solar power plant due to internal factors, such as technical issues in the power production process, or external factors, such as the instability or repair of electricity transmission systems.

The Group Company has chosen solar panels that suit the climate in each area; for example, the Sermsang Solar project uses Thin Film Silicon solar panels, while the solar power plants in Japan, Mongolia, and Vietnam use Poly Crystalline solar panels. The Group Company has also chosen wind turbines that suit the wind conditions at their place of installation, referring to the wind condition model simulation data mentioned above, in order to create confidence that the wind turbines can produce electricity at the fullest efficiencies, with absolutely minimized shut down period. due to weather conditions being outside their working range.

In addition, the Group Company manages its risk by (1) arranging 24-hour monitoring of power plant activity results using the computerized Supervisory Control And Data Acquisition (SCADA) system in order to quickly determine and solve any problems that occur, so that the power plant can resume normal electricity distribution; (2) arranging regular power plant inspections and maintenance to ensure that power plant operations proceed effectively; (3) arranging insurance for the key equipment used in electricity generation, to build confidence that the project can operate continuously; and by (4) creating contracts with experienced operations and maintenance service providers, and/or arranging standardized operations and maintenance teams, to reduce these aforementioned risks.

2.2.1.5 Management risks for projects under construction

There exists construction delay risks, which might delay commercial operation from the stated schedule in the power purchase agreement. Furthermore, there are also risks involving construction costs that might be higher than what was estimated.

The Group Company reduces aforementioned risks by hiring turnkey contractors in the design, equipment procurement, and construction of the power plants, and to reduce the risk of dependence on these turnkey contractors, it has established strict turnkey contractor consideration procedures both in Thailand and internationally, which ensures that construction will

proceed in a timely manner and within the specified budgets.

Namely, these selection processes will consider important qualities such as (1) experience and expertise in various related areas, such as design, equipment procurement, or power plant construction; (2) knowledge and specialties in technological fields; and (3) strong and stable financial positions. Furthermore, the limits of work and service guarantees are also considered, in addition to acceptance from the commercial banks that provide project loans.

During the construction period, the Group Company controls and monitors project progress and the continuous disbursement of the project budget. For projects of a large size, technical consultants experienced in construction supervision will also be hired for monitoring purposes.

2.2.1.6 Risk from increased solar power plant operations and maintenance costs

Projects that hire operations and maintenance service providers

- SPN, Hidaka, Zouen, and Yamaga projects

The Group Company has contracted operations and maintenance service providers to operate and maintain the Sermsang Solar Project, and upon expiration of the contract, the Group Company may be at risk should these aforementioned service costs increase significantly. Nevertheless, the Group Company may consider (1) opening auctions to select the best offers from operations and maintenance service providers, or (2) proceed with maintenance using the Group Company's own personnel, as the Group Company currently works closely with these operations and maintenance service providers. Thus, the Group Company is confident that its personnel will have the ability to independently and efficiently perform the above operations.

Projects operated and self-maintained by the Company

- The Solar War Veterans Organization of Thailand, Solar Rooftop, Binh Nguyen Solar in Vietnam, and Khunsight Kundu in Mongolia projects.

For these aforementioned projects, the Company, or the company that owns the project (Project Company), will independently perform operations and maintenance. Thus, their costs can be more effectively assessed and controlled than any externally dependent methods.

2.2.1.7 Risks from expenses incurred from renewal of performance and main equipment of solar power plants warranty

Mainly, solar power plant equipment comprises (1) solar panels (PV Module), (2) an electric current converter system (Inverter), and (3) a transformer. These appliances are included in the warranties of the turnkey contractor and/or equipment manufacturer (depending on each case, and on the business operation standards of the country that the Group Company has chosen to invest in). Should these aforementioned warranties expire, the Group Company might receive increased costs due to equipment warranty extensions, or from increased costs due to appliance self-replacement, should damages occur.

Details on equipment warranties for each project are shown under sections 1.3.3 and 2.2.1.3: Risk of solar panel deterioration being faster than anticipated.

2.2.1.8 Risk from reliance on major customers

In general, the solar power plant projects and rooftop solar power plant (Solar Rooftop) projects of the Group Company have taken medium-term to long-term power purchase agreements contracts with the electricity off-taker, the important details of which are shown below:

Project	Contract (Off-taker)	Contract duration	Contract status	Commercial operation schedule
<u>Projects that have opened for commercial operations</u>				
Project Sermsang Solar	Electricity Generating Authority of Thailand	5 years, extendable in increments of 5 years	Signed	Opened for commercial operations
Project Hidaka	Hokkaido Electric Power Company Limited	20 years	Signed	Opened for commercial operations
Project Zouen	Kyushu Electric Power Co., Inc	20 years	Signed	Opened for commercial operations
Projects SNNP1, SNNP2, SNNP3 and SNNP4	Srinanaporn Marketing Company Limited	25 years	Signed	Opened for commercial operations
Project Do Home	Dohome Public Company Limited	25 years	Signed	Opened for commercial operations
Project PRC	Prc Plast (Thailand) Company Limited	25 years	Signed	Opened for commercial operations
Project TAPACO	Tapaco Public Company Limited	25 years	Signed	Opened for commercial operations
Project Solar War Veterans Organization of Thailand, Ratchaburi	Provincial Electricity Authority	25 years	Signed	Opened for commercial operations
Project Yamaga	Kyushu Electric Power Co., Inc	20 years	Signed	Opened for commercial operations
Project Khunsight Kundi	National Dispatch Center of Mongolia	12 years	Signed	Opened for commercial operations
Project Binh Nguyen Solar	Vietnam Electricity (EVN)	20 years	Signed	Opened for commercial operations
Project Ashita Power 1	Tokyo Electric Power Company Holdings, Inc	20 years		Opened for commercial operations
Project UPT	Provincial Electricity Authority	20 years	Signed	Opened for commercial operations
Project TTTV	Vietnam Electricity (EVN)	20 years	Signed	Opened for commercial operations
<u>Projects under construction and development</u>				
Project Leo (Ashita Power 2)	Tokyo Electric Power Company Holdings, Inc	20 years	Operationally underway	2023

For the Group Company projects shown above, the Group Company may be at risk if the power purchasers terminate their power purchase agreements, which would negatively impact the operational results and financial status of the Group Company at a significant level.

The Group Company, however, possesses strict control and monitoring measures for the solar power plants of the Group Company, in accordance with the terms/conditions of the power purchase agreements, and operates in compliance with international standards and with other stipulations specified by the power purchaser and/or the employers. This was assigned so that the Group Company's solar power plants will have all the qualifications required in the contracts and under related laws.

Furthermore, the Group Company has a policy of seeking additional business expansion opportunities by investing in renewable electricity energy businesses, both in Thailand and internationally, to reduce the reliance risks associated with a small number of customers.

2.2.1.9 Risks from natural disasters or force majeure

Currently, the Group Company operates its businesses of solar power electricity production and distribution in Thailand, Japan, Mongolia, and Vietnam. Should any unanticipated natural disasters or critical events of force majeure occur, such as power systems failures, floods, snowstorms, fire, earthquakes, volcanic eruptions, or sabotage occur in locales where the Group Company's solar power plants are situated, the operations of the Group Company's solar power plants might be halted, or damage might be inflicted on the property of the Group Company, which may negatively affect the operational results and financial status of the Group Company.

For the consideration and preparation of areas in which the projects might be located, the Group Company has studied retrospective statistics on natural disasters in order to create confidence that the projects of the Group Company will be located in areas with low potential for natural disasters. Additionally, arrangements were made to procure insurance to reduce risks and the financial impacts that may occur, for which the insurance policy is set at a comparative level to that of general operators in the industry and proceeding in accordance with the terms set by commercial banks and/or financial institutions (Project Finance lenders).

2.2.2 Other risks associated with business operations

2.2.2.1 Risks from personnel reliance, particularly for high-level executives

Operating the business of electricity production from renewable energy sources, including other related businesses, relies on the knowledge, ability, expertise, and experience of personnel, and in particular, on high-level executives. Should the Group Company be unable to preserve the aforementioned important personnel, or be unable to procure persons with the appropriate qualifications at the same level of these high-level executives to maintain positions in place of these important personnel, this may impact the consistency of work management and operations of the Company.

2.2.2.2 Risk from policy changes in the government sector, and from other related government agencies

Currently, the Group Company possesses power purchase agreements with the government sector both in Thailand and internationally. Changes or cancellations in power purchase conditions by the government sector might negatively impact the Group Company's operational results and financial statements to a significant extent.

The executives and work teams of the Group Company, who comprise personnel possessing knowledge, ability and experience, are tasked with studying and following the news and policies of the government sector and other related government agencies, and with assessing the competitive ability of the Group Company, in order to prepare in advance plans that accommodate change. They must use this aforementioned data to assemble the Group Company's future business plans. Furthermore, the Group Company also studies information and considers its feasibility prospects regarding international investments in renewable energy power plants to mitigate risk.

2.2.2.3 Risk of income loss from electricity purchase restrictions (Curtailment)

Projects in Japan

In general, to carry out solar power plant business operations in Japan, the Group Company must enter into power purchase agreements with private power business operators who service the areas in which each power plant is located. The power purchase contracts have a term of 20 years, and under these aforementioned contracts, the Group Company has no obligations to sell electricity to these private power business operators; however, the private power business operators are obligated to sell all the electricity that each project can produce.

Nevertheless, in early 2015, the Agency for Natural Resources and Energy (“ANRE”) in Japan announced its intent to apply law and operations guidelines to revise the current guidelines regarding the purchase of electricity from renewable energy sources. This includes the implementation of limits on electricity purchases (Curtailment), in which electricity provider companies have the right to limit electricity power purchases from renewable energy sources to a duration no greater than 360 hours per year without needing to compensate for damages incurred. Furthermore, this law also enables specific private electricity operators to restrict quantities of purchased electricity without limit (Unlimited Curtailment), in which the electricity business operator must officially announce its purchase restriction schedule to the private electricity business operator.

Furthermore, the private electricity operators, i.e., the electricity purchase recipients of Project Hidaka, such as Hokkaido Electro Power Company Limited, and the private electricity business operator, i.e., the electricity purchase recipients of Project Yamaga and Project Zouen, namely, Kyushu Electric Power Co., Inc, are in areas that allow unlimited restrictions on electricity purchases (Unlimited Curtailment) for all 3 cases. For these reasons, the Group Company faces a possible risk of lost revenue if the quantity of its electricity purchases becomes restricted.

The Group Company has considered these aforementioned electricity purchase limitations during the feasibility studies for its projects in Japan. The Group Company has the policies of (1) hiring technical consultants to study matters concerning electricity purchase limitations for private electricity business operators who will purchase electricity from each project, and/or (2) coordinating with the private electricity business operators by requesting reports on electricity purchases in each project (if any) for decision-making purposes before investing in these aforementioned projects.

For Project Hidaka, Project Yamaga and Project Zouen, the Group Company has received study results regarding electricity purchase limitations from its technical consultants, and after consideration, has judged that continued investment in these projects is worthwhile and appropriate.

2.2.2.4 Risk of procurement inability for Chief Electrical Engineers to supervise solar power plant operations in Japan

The Electricity Business Act of Japan requires operators to have a Chief Electrical Engineer tasked with the supervision of safety measures during the construction, operation, and maintenance of the power plant, in which the license level of the Chief Electrical Engineer will vary depending on the size of the power plant. Thus, the Company’s solar power plant projects in Japan might face delay risks for the project’s commercial operation start date, or incur additional costs.

Furthermore, the Group Company’s solar power plant projects in Japan have set rules and/or guidelines towards the scope of duties for property managers to proceed in engineer acquisition.

The Group Company has selected property managers who are experienced, are trustworthy, have good past performance, have strong financial positions, and are accepted by banks that provide project loans (Project Finance), creating confidence that the Group Company will be able to work within the scope of services required in its contracts.

2.2.2.5 Risk associated to involvement in operation for solar farm projects in Japan

Currently, the Company has invested in 4 solar power plant projects in Japan through the GK-TK investment structure, which holds the purpose of tax management for investments in Japan. The Company has invested under the GK-TK investment structure by holding shares in SEG, a subsidiary company for which the Company holds shares at a 100% stake, which is located in the Hong Kong Special Administrative Region of the People’s Republic of China. SEG has invested in the aforementioned projects with the status of a TK investor.

Furthermore, under the GK-TK investment structure, SEG, as a TK investor, will be an investor that does not participate in work management (Silent Investor), pursuant to Section 536 (Contribution by Silent Partner and Right and Obligations) under the Commercial Code of Japan. The operating company will hold the right to receive tax benefits through investors investing in Japan from business operations made by the operating company, which are paid to TK investors, and considered as tax expenses of the operating company.

The operating company is required to deduct a withholding tax with a rate of 20.42%, which is the tax burden of the TK investors, from these aforementioned profit shares (TK Distribution).

Although SG holds the status as a TK investor, and has no part in operations management or in Day-to-day operations, the Company, with the status of the parent company, has set guidelines for the supervision of solar power plant projects in Japan by selecting business partners in Japan who are trustworthy and experienced in solar power plant operations. Furthermore, for (1) the TK investment contracts made between SEG, which was designated by the Company as a TK investor company, and the operating companies, and (2) various contracts related to business alliances and/or various service providers, and their operating companies, their scope of investment purposes, operations, and important business activities has been defined during the project development phase. For example, procurement for project development financing, turnkey construction contractors, and property managers were all defined in this stage, which holds high importance for project control and management after the power plants begin commercial operations. This creates confidence that the solar power plant projects will proceed in the best interests of the Company and its shareholders.

Nevertheless, although investments under the GK-TK structure are generally implemented under Japanese law, should SEG, with the status of a TK investor, proceed with any actions that are deemed as having influence over the management or operations of the solar power plants, this might impact its status as a Silent Investor under the GK-TK investment structure, causing potential risk of reclassification (re-characterization) into a limited partnership (NK, or nin-i-kumiai). This may cause the profit shares (TK Distribution) from business operations, paid by the operating companies to SEG, which has the status of a TK investor, to no longer be held as tax expenses, and may cause the operating companies to receive higher tax burdens, and/or penalty fee payments, and/or additional payable tax interest on top of the aforementioned tax assessment. Therefore, should SEG, under the status of a TK investor, be reclassified (re-characterization) as a general limited partner (NK or nin-i-kumiai), this might impact the Company's Return on Investment in Japanese solar power plants to fall to lower rates than what was anticipated by the Group Company.

Currently, the Japanese solar power plant projects have opened in some parts for commercial operations, and have already begun profit share payments (TK Distribution) from business operations made by the Operator to some TK investors.

2.2.2.6 Risk from decreased average electricity tariffs received by the Company group

As the new Company group power plants that have opened for operations collect their electricity fees in the form of Feed-In Tariffs, which are at rates lower than originally supported by the Group Company under the adder format, the Group Company is at risk of receiving lower average tariff rates. Combined with the high interest payment rates required of the Group Company, this may cause certain limitations in the ability of the Group Company to generate profit. Nevertheless, the electricity fees received by the Group Company will be in line with lower power plant construction costs when compared to past costs; this impact on the Company's profitability may only be to a minimal extent.

2.2.3 Management

2.2.3.1 Risk of being controlled by major shareholder votes during the shareholders' meeting

As of January 12, 2022, the Kraipisitkul family holds approximately 54.6% of the total paid-up capital in the Company. Furthermore, the Kraipisitkul family maintains their positions as the executives, directors, and authorized directors of the group. Thus, the Company has given these major shareholders the power to control the Group Company's management, in addition to the ability to control the majority of votes in the shareholders' meeting, including matters concerning the appointment of directors, or requests for authorization on any other matters that require majority votes in the shareholders' meeting, except

for matters involving law or Company regulations, for which the Company requires a vote of no less than three-fourths of the shareholders attending the shareholders' meeting who hold the right to vote. Thus, minor shareholders may not be able to combine their votes to examine and influence matters proposed by the major shareholder group.

Nevertheless, the Group Company has organized its management structure with personnel who are knowledgeable and competent, and the Group Company has clearly and transparently determined the scope of their operations, duties, and responsibilities in its delegation of authority to its directors and executives. Measures have been set for the formulation of items related to the executives, major shareholders, and authorized operations managers, including persons with conflicting interests. These aforementioned persons will not have voting rights in their corresponding authorization items, so that the business operations of the Group Company might proceed in a transparent way.

Furthermore, the board structure of the Company comprises 3 independent directors, who hold rank as the Company's auditors, and 1 additional free director, who holds the rank of the chairman of the board. Furthermore, these independent directors were appointed for the purposes of auditing, balanced decision-making, and the consideration of various items before their presentation at the shareholders' meeting, to create confidence with the minor shareholders and other stakeholders that the Group Company's management structure contains a balance of power, transparently displays its efficient management of operations, and proceeds with all activities and items to the highest benefit of the Group Company.

2.2.4 Financial

2.2.4.1 Risk from interest rate fluctuations

As the Group Company develops its power plant projects through Project Finance loans from commercial banks and various financial institutions, its interest rates depend on the nature of the projects. The interest rates are characterized as fixed interest rates and floating interest rates, and should these interest rates change significantly, the business, operational results, and financial status of the Group Company might be negatively impacted.

The Group Company has the policy of consistently managing and monitoring interest rate trends, and of considering the use of suitable financial instruments to reduce interest rate fluctuation risks. For example, SPN made Interest Rate Swap contracts for the majority of its loans to reduce its interest rate fluctuation risks. The Khunsight Kundi project made fixed interest rate contracts throughout the duration of its loan contracts. Although loan agreements in Japan use floating interest rates, currently the levels are close to 0%, and the Company may consider entering into Interest Rate Swap contracts as appropriate, should this be judged as beneficial to the Company.

2.2.4.2 Risk from foreign exchange rate fluctuations

The Group Company has made foreign investments in US dollars and Japanese yen, and has made certain equipment purchase investments in foreign currencies. Furthermore, foreign investments will receive electricity tariffs in the form of foreign currencies; thus, any significant foreign exchange rate fluctuations might impact the group's operational performance.

The majority of power purchase agreements, however, while paid in local currency, are adjusted according to US dollars. Furthermore, the Group Company has a policy of exchange rate risk management by (1) arranging the proportion of long-term loans to be in the same currency as that of revenue from its various projects (Natural Hedge) to reduce foreign exchange rate fluctuation risks, and (2) using derivative instruments such as Forward Contracts to hedge against exchange rate risks in construction equipment purchases.

2.2.4.3 Risk from debt service capability

For the Group Company's power plant project development, the Group Company's main investment sources comprise Project Finance loans at debt ratios of approximately 70–75% of the projects cost and at approximately 80–90% of the project cost for projects in Japan.

The Group Company is therefore obligated to pay its interest and principal to commercial banks as scheduled, and to operate under the financial terms stipulated in its contracts. Should the Group Company receive operational results that do

not match its financial projections, or should it be unable to comply with the terms of these aforementioned contracts, the Group Company might be at risk of being unable to pay its interest and principal as scheduled, and might be called for an immediate repayment.

Nevertheless, the renewable energy power generation and distribution business creates rather stable operating cash flows, and the Group Company has made long-term financial plans while continuously monitoring its own proceedings. This ensures that the Group Company will have sufficient cash flows to pay its interest and principal, operate in accordance with the stipulated conditions in its loan contracts, and also effectively expand its investments according to its set goals.

2.2.5 Risk from new project investments

2.2.5.1 Risk from underperforming returns on investment

the Group Company has continuously expanded its power plant investments. Furthermore, before entering into investments in any project, the Group Company conducts detailed feasibility studies before deciding to invest, of which the important steps are outlined below:

(1) Select trustworthy business partners who are experienced with renewable energy power plant operations, both domestically and internationally.

(2) Calculate the return on investment by analyzing a Sensitivity Analysis of the project that covers the Worst Case Scenario to study impacts on finance and returns in worst-case situations that the Company might face. Furthermore, for project investment assessments, the Group Company has calculated the reserve investment (Contingency) funds that the Company estimates will sufficiently cover any additional costs should project development costs increase by a certain extent.

(3) Conduct in due diligence and investment feasibility in detail, and possibly arrange for consultation in various areas (depending on the case), such as:

(3.1) Technical consultants/engineers, to (1) evaluate sunlight intensity or wind data by referring to statistical data, (2) perform feasibility studies, (3) provide technical and engineering consultation related to project development, and (4) monitor project development/construction so that it proceeds as planned.

(3.2) Legal consultants, to provide advice pertaining to law and the steps involved with investment, to inspect land titles, project contracts, and related license documents, to provide advice on compliance with relevant laws, and to negotiate additional related contracts to the highest benefit of the Group Company and its major shareholders.

(3.3) Other specialized consultants, such as financial, accounting, and tax consultants, to create confidence that the Group Company possesses reasonable costs in its entries, and correctly and fully operates under the relevant rules and laws.

Furthermore, information from the above studies will be presented to the Executive Committee and/or to the authorizing authorities for the purpose of consideration prior to investment

2.2.5.2 Risk from land acquisition for use in renewable energy production and distribution businesses

To invest in, develop, and construct renewable energy power plants, the Group Company must acquire land to develop its projects. Thus, the Group Company possesses risk regarding land acquisition as stipulated by the power purchase agreement, which must be of a size that is sufficient with its investment plan, and/or risks involving land acquisition costs, which might be higher than anticipated. This would cause delays in the investments of the Group Company, and so the Group Company's power plants might not be able to open for commercial operations within the schedules stipulated in the power purchase agreements.

Nevertheless, the Group Company procures land by selecting knowledgeable and competent personnel to acquire and gather land under the criteria established by the Group Company, so that the Company might acquire quality land for its solar power production and distribution business activities within the appropriate prices. In this way, the Group Company will directly enter into purchasing contracts with the landowner, to ensure that the land prices which the Group Company has gained contracts for will have prices appropriate for business operations.

2.2.5.3 Risk from investing in foreign renewable energy power projects

the Group Company has the policy of investing in foreign renewable energy power projects; thus, the Group Company faces risk from changes in the status of the economy, society, politics, law, and government sector policies related to the renewable energy power plant business in countries that the Group Company might invest in. Furthermore, there are financial risks that might negatively impact the operational results of the Group Company, such as risks involving inflation, exchange rate limitations, and foreign exchange rate fluctuations. the Group Company might also have risks involved with an inability to acquire, as scheduled, personnel with the ability to manage foreign projects.

Nevertheless, the Group Company has performed data and feasibility studies on potential investments in many foreign renewable energy power plants to diversify these aforementioned risks, and carries out preparations for the management of foreign renewable energy power plant projects by hiring consultants throughout the stages of project development. Furthermore, the Group Company possesses a policy of acquiring and developing personnel to support the development of foreign renewable energy power plant projects.

2.2.6 Risks related to the Company's ordinary shares

2.2.6.1 Risk from Thai laws and the Company's Articles of Association, which limit shareholdings by foreign shareholders, for which the above limitation might impact the liquidity and market price of the Company's shares

The Company's Articles of Association limit the total ownership of all sold shares of the Company to foreign persons at a value of 49.0%. Furthermore, Thai law also limits the foreign ownership of shares, under the Foreign Business Act of 1999 (and its additional amendments); thus, the liquidity and market price of the ordinary shares might be negatively impacted, and in particular when the foreign shareholding reaches the specified ceiling. This might prevent Thai shareholders from transferring their own shares to other persons who do not possess Thai citizenship. Furthermore, when the shareholders and purchasers who do not have Thai citizenship have not realized in advance that their shares would fall under the provisions of foreign shareholding limits, in such a scenario, the shares may or may not be able to be registered on behalf of the purchaser, and the registrar may or may not refuse to register the transfer of these shares.

2.2.7 Risk from economic fluctuations caused by the COVID-19 viral outbreak

Due to the outbreak of the COVID-19 virus at the start of 2020, governments in various countries have attempted to enforce various measures to reduce the spread of the virus through the mandated cessation of retail businesses, restaurants, and various service businesses, in addition to requests for citizens to self-quarantine at home. These measures have significantly impacted the nature of worldwide business operations and consumption, which has caused worldwide economic deceleration. Nevertheless, as the main business of the Company is the production and distribution of electricity, which as a concession business facilitated through the use of power purchase agreements (PPA) with domestic and international government sectors, such as the Provincial Electricity Authority, the Electricity Generating Authority of Thailand, the National Dispatching Center (NDC), and Vietnam Electricity (EVN), the Company has not been directly affected by the spread of the COVID-19 virus. The Company has only been affected indirectly in terms of increased operational procedures, and through difficulties in international travel between the countries of the officers and the project developers. This has resulted in only minimal delays to project development. Aside from this, the Company's management continues to closely monitor the progress of the COVID-19 situation to confirm that the Company can immediately change its operational procedures, and has considered the impact of the COVID-19 situation on its financial statement. Thus, the Company has reviewed the value of its assets and estimated liabilities that may have changed significantly due to the COVID-19 situation.

3. Sustainability

Driving a Sustainable Business

Sermsang Power Corporation Public Company Limited and the group of companies that Sermsang Power Corporation Public Company Limited holds the shares have a determination to engage in the sustainable future development by operate the business with the responsibility towards economic, environmental, and social wises as well as the good corporate governance. The Company group intends to be a part in responding to the world's Sustainable Development Goals (SDGs) by implementing the criteria of the organization's sustainability assessment which covers economic, environmental, and social dimensions, as well as paying attention towards the satisfaction of needs and expectations of the stakeholders. The Company, thereby, realizes that there will be an opportunity for the improvement of work processes together with the business operation which covers every dimension of sustainability concerns and corresponds with the goal and international sustainability operating approach.

The Company group operates the work towards sustainability at the policy level in which the Board of Directors considers carrying out approaches, policies, strategies, and business operation frameworks in respect of sustainability, which cover the aspects of economy, social, environment, and governance. The foregoing operation approach is implemented in order to allow the Company to set up a standardized organizational regulation with decent approaches in compliance with its objective to be the organization which aims to build trust and sustainability to every group of stakeholders as well as both internal and external relevant agency units up to international standard. Subsequently, in the management level, there is a group of committees in charge of the corporate sustainability management, operating the work in accordance with the policy and goal set up from the policy level as well as assessing and reporting the operation progress.

Sustainability Policy and Targets

Nevertheless, for the Company group to accomplish their goal in sustainably operate the business, in 2021, they had an arrangement and analysis of key sustainability concerns in relation to business operation through the selection process of key concerns from the needs and expectations of each group of stakeholders together with the key concerns that affect the Company group according to their data of business operation related to sustainability through internal data analysis e.g. sustainability concerns from the operating model and direction of the Company group, and through external data analysis e.g. sustainability concerns of companies in the renewable energy industry, sustainability trends in Thailand and abroad, and sustainability concerns from the reporting guidelines of the Collaborative Organization on Sustainability Reporting Standard Edition (GRI Standards); as well as Sustainable Development Goals of the United Nations (SDGs). The Company group implemented the foregoing sustainability concerns to formulate strategies, policies, and procedures in responding to the key sustainability concerns of the Company group.

The materiality topics regarding sustainability of the Company are divided into 3 dimensions

Economic Dimension

- Direct economic value generated and distributed
- Indirect economic impacts
- Anti-Corruption

Environmental Dimension

- Energy Management
- Greenhouse Gas Management
- Water Management
- Waste Management
- Biodiversity

Social Dimension

- Human Capital Development
- Occupational health and Safety

- Human Rights
- Community Engagement and Social Development
- Customer Privacy

In addition, the Company correspond to the Sustainable Development Goals (SDGs) relevant to the business operations as follows

- SDG 3 Good Health and Well-Being
- SDG 6 Clean Water and Sanitation
- SDG 7 Affordable and Clean Energy
- SDG 8 Decent Work and Economic Growth
- SDG 11 Sustainable Cities and Communities
- SDG 12 Responsible Consumption and Production
- SDG 13 Climate Action
- SDG 15 Life on Land
- SDG 16 Peace, Justice and Strong Institutions

Stakeholder Impact Management Throughout the Value Chain

Business Value Chain

Sernsang Power Corporation Public Company Limited operates its business by holding shares of other companies (Holding Company), whose business is the production and distribution of the electricity generated from the renewable energy, serving those electricity providers both in Thailand and overseas as well as manufactures that consume loads of electricity. According to the Chain Value, it reflects the operation and stakeholders who involve in such operation of the organization by which the Company group recognizes the group of stakeholders affected by the business operation as well as the suitability management towards the activities throughout the business Value Chain.

Process of electricity production and distribution business

1. Project Planning
2. Manufacturing
3. Installation
4. Grid Connection
5. Operation and Maintenance
6. Decommissioning

Stakeholder Analysis

Sernsang Power Corporation Public Company Limited recognizes the importance of building cooperation with stakeholders for the effective performance as to which all parties are provided with the maximum benefit. The Company thereby respects the rights of the stakeholders, treats them fairly and equally, and operates the business with transparency in compliance with the moral ethics respecting the vision of the Company.

The Company adopts an international standard, AA1000 Stakeholder Engagement Standard (AA1000SES), as a standard used to identify the stakeholders, by having Value Chain Relationship analysis together with stakeholders' demand and expectation analysis as well as the assessment and prioritization using criteria from the impact and influence from the stakeholders on the operations of the Company.

The Company classifies the stakeholders into 7 major groups including customers, personnel, shareholders and investors, partners, supervisory units, communities around the factory, and society, to which the process and frequency of bonding as well as the operation to meet their needs and expectations are different

Environmental Management

The Company group has implemented environmental protection policies to ensure the safety of the environment and reduce the impacts on the environment in all business processes and set the following guidelines:

- Surveying the area together with people in the community to evaluate the impact on the environment and prepare an initial environmental impact report (IEE Report) to be used in the assessment before commencing the construction of the project.
- Establishing clear planning and implementation of operating systems and ensuring that they are in line with external agencies to reduce the impact on the environment and the community both directly and indirectly.
- Setting standards for the disposal of hazardous waste such as solar panels, broken or expired equipment. In this regard, the site and disposal methods are chosen according to the standards and regulations required by the law.
- Adopting systematic environmental management, follow-up process for evaluation, and reviewing process for continuous improvement.

The scope sustainability performance in environmental dimension data which include energy, greenhouse gas emissions, water management, and waste management covering a group of subsidiaries located in Thailand, namely:

Solar Farm Business

- Sermuang Power Limited (SPN)
- Sermuang Solar Limited (SS)

Solar Rooftop Business

- Sermuang Infinite Limited (SN)

Biomass Business

- Uni Power Tech Limited (UPT)

Energy Management

The company group operates the business of producing and supplying electricity from renewable energy resources. It is committed to building confidence, stability, and readiness for electricity generation and distribution and has set goals to increase production efficiency and improve energy efficiency including investment expansion in renewable energy business along with taking into account the impact on the environment and the well-being of local communities to enable sustainable development.

In 2021, total sales capacity of electricity from solar energy and biomass energy = 171,871.61 MWh

Greenhouse Gas Management

The severe climate change has significantly affected the world, the Company group is, therefore, focusing on and aware of the disaster that may occur, emphasizing the development and operation of generating electricity from clean energy sources that do not pollute the environment, contributing to promoting a low-carbon society to reduce the severity of climate change at the regional, national and Asian levels. The emission of greenhouse gas reflects a significant impact on the environment by business operations. The Company group has determined to establish socially and environmentally responsible operations that include management approaches according to sustainable business development to invent ways to reduce the use of resources, increase energy efficiency, do a risk assessment, lower impact, protect the environment, and expand investment in the renewable energy business.

The Company group attaches great importance to being a part of the greenhouse gas emission assessment by adopting management guidelines in accordance with the organization's sustainability development policy in order to invent methods to reduce the use of resources and energy and lower greenhouse gas emissions. This includes assessing the risks and impacts of climate change to plan solid and sustainable responses.

Greenhouse Gas Emission Performance จากธุรกิจผลิตและจำหน่ายไฟฟ้าจากพลังงานแสงอาทิตย์และพลังงานชีวมวล มีปริมาณการปล่อยก๊าซเรือนกระจก ดังนี้

- Direct GHG Emission (Scope 1) = 41.02 ton CO₂e
- Energy Indirect GHG Emission (Scope 2) = 5,353.05 ton CO₂e
- Other Indirect GHG Emission (Scope 3) = 3,333.55 ton CO₂e

The Company group is committed to improving operational efficiency by taking into account the reduction of greenhouse gas emissions in studying and improving operational processes, for example, the upgrade of solar panels with higher capacity per installation area and use of LED lighting in offices in order to increase energy efficiency and reduce greenhouse gas emissions.

Water Management

The production and distribution of electricity from renewable energy are business activities that consume a small amount of water in the operations, however, the company group realizes the importance of sharing water resources, cost-effective use of water, maximizing benefit from water use, minimizing the impact that may cause water scarcity as well as complying with the requirements and laws in water management. This commitment can be seen in the design of the project areas of the Company group. At present, the project's design and construction plan have been planned by taking into account the impact on the drainage system that may jeopardize agriculture and consumption of the local community.

Efficient resource management, where SPN and SN companies used 484 m³ and 120 m³ of provincial water supply, respectively, in their operations and cleaning of solar panels in the project. The SS Company implemented the treatment process for pumped-up groundwater prior to using it in the operation process. In this regard, the SS company strictly complied with laws and requirements by notifying the Department of Ground Water Resources on the monthly groundwater pumping volume. In 2021, a total of 710 m³ of groundwater were pumped. On the other hand, the UPT company used 264,527 m³ of surface water since the biomass energy generation process uses a lot of water in the process. By acknowledging the nature of the process, the company constructed a rainwater pond system to reduce the impact on the co-use of water resources with the community and reduce the impact that may cause water shortage problems. Furthermore, the company installed the wastewater treatment system and closely monitored and frequently evaluated the performance. In addition, the company introduced the water treatment guidelines according to the standards of wastewater treatment plants. In 2021, there were no violations of regulations or laws in the aspect of water discharge.

Waste Management

Waste management reflects environmentally responsible operation, the Company group is committed to reducing general waste and disposal of hazardous waste generated from the company's project by adhering to the guidelines for the implementation of the sustainability policy in the cost-effective use of resources, reduction of the impact and compliance with waste disposal laws and regulations as well as endorsement the waste management guidelines by hiring a juristic person with expertise in managing hazardous waste generated from projects such as solar panels, equipment, and containers that are damaged, deteriorated or expired. Each project site has designated hazardous waste storage areas to allow the designated juristic person, who is registered with the authority, to use for disposing of hazardous waste in the proper manner that complies with the required standards and regulations.

Waste management performance

- Non-hazardous waste = 4,202.13 ton
- Hazardous waste = 30.64 ton

2021 is the first year that waste management data has been collected and disclosed, the company group is committed to developing operational guidelines for efficient use of resources, reducing the amount of waste that is disposed by burning or landfill, an operational risk assessment that may cause damage to solar panels in order to focus on the cost-effective use of resources. According to the 3Rs principle comprises of reducing the amount of wasted, reuse, and recycle, or organizing

activities to promote the reduction of the impact on the environment, such as a zero-waste day, plastic reduction campaign, and donate solar panels to communities; which encourages internal and external stakeholders to recognize the importance of waste treatment and advocating drive for recycling, avoiding and reducing impact on the environment and the community, and develop operational efficiency within 2024.

Biodiversity and Ecosystem

The Company group recognizes the importance and be aware of the impacts from operations that may affect the ecosystem and surrounding environment. Although in Thailand, the solar power plant is a non-compulsory business to submit the Environmental Impact Assessment Report (Environmental Impact Assessment: EIA), the Company group establishes strict operating guidelines and practices in environmental aspects in accordance with relevant laws and regulations.

Overseas solar power plants operate strictly in line with the environmental operations regulatory and relevant laws of each country. The Company group has studied and worked for the implementation of measures related to environmental impact assessment, such as implementing operational measures in the project in Japan. In Japan, the surveys, inspections, and assessments of the abundance of ecosystems and the environmental impact of the area were required prior to the project commencement, for example in a mountain crossing, the question of how the project affects the number and species of insects and flowers in that area must be answered. After the establishment of the project, the species and densities of the organisms are assessed quarterly, every season, to ensure that the operation of the project is not affecting the species throughout the project period. In the event that rare species that are near extinction are found, it requires that a study is to be conducted and relocation of that species has to be performed to reduce the impact on and maintain the balance of the ecosystem. If the habitats of rare or endangered species cannot be relocated, the Company group is unable to carry out projects in that area.

Social Management

Human Capital Development

The Company group attaches great importance to its employee relations because employees are a key player in driving the organization forward. Therefore, the Company group has implemented a set of policies for creating a happy working environment for all employees, encouraging employees to accept each other, and treating employees at all levels like family members. The Company group is also committed to treating all employees equally in accordance with human rights principles on a non-discrimination basis.

The Company group has given importance to human resource management in every process in order to maintain the most efficient operation by focusing on the quality from the recruitment process, continuous training to develop the potential of employees at all levels, career advancement management, fair compensation and welfare as well as encouraging employees to express opinions and give feedback. During the COVID-19 pandemic, the Company group performed a survey to acquire any information from its employees concerning the need for additional work guidelines or benefits during the pandemic. This is to promote the creation of a safe and suitable working environment for employees to enable them to have good health and be ready to work for the organization.

Goals and Targets

- Employees are knowledgeable and competent and have the determination to work for the organization.
- Employees receive a 100 percent performance evaluation.
- Reduction of complaints concerning discrimination/human rights violations
- Zero violations of customer privacy
- Providing equal employment opportunities. The Company group provides equal employment opportunities for local communities surrounding the operating sites by considering the knowledge, abilities, and qualifications that must be met with the requirements of the Company.
- Providing opportunities for career advancement to employees according to the appropriate qualifications by conforming

to non-discriminate principles (take the race, religion, skin color, gender, and other restrictions involved out of the promotion process)

- Operating in accordance with good corporate governance principles
- Earning credibility in operations from stakeholders

Performance

- 35 employees or 100% received anti-corruption communication and training.
- In 2021, No complaints related to discrimination/human rights violations had been reported.
- No complaints of customer privacy

Personnel Benefits and Welfares

The Company group is committed to creating a good and happy working environment for all its employees and is obligated to treat employees at all levels equally. In taking care of its employees, the Company group allocates welfare in various aspects as required by law and provides additional subsidies such as life insurance, health insurance, accident insurance, provident fund, vacation days, bonus based on performance, grants for the funeral expenses of the deceased parents, uniforms, etc. to the employees.

In addition to the above benefits, the Company group recognizes that employees should be entitled to child support and it is a children's right to be properly cared for and breastfed at birth. Therefore, all employees both female and male are entitled to maternity and parental leave. This is to encourage male employees to take parental leave to help their wives take care of their children.

Training and Education

Employees are the main engine that drives the Company group to grow sustainably. In order to encourage employees in the Company to continuously develop and grow together with the organization, the Company group implements a set of policies to promote the development of personnel by providing opportunities for employees at all levels to learn and build skills to develop competence in each line of operation plus the opportunity to learn another line of operation according to the needs of the employees. This is to enable employees to cope with the changes and be ready for the growth of the Company by working with professionalism and efficiency

Occupational health and Safety

Sernsang Power Corporation is committed to attaching importance to Occupational Health and Safety. Occupational health and safety are issues that directly affect employees and contractors who are one of the important stakeholders that the Company must pay attention to. The Company implements a set of policies on occupational health to support the operational management of the subsidiaries company to ensure the utmost safety in operations in accordance with the standards. Currently, the Company group has appointed the committee for oversight the occupational health and safety comprising representatives from both management and employee. The committee is responsible for managing the operations in accordance with the safety standards, exchanging critical information from both sides to develop, modify, and review safety procedures.

In addition, the Company group has been promoting safety awareness and occupational health among employees and contractors to raise the level of work safety in the Company's operations aiming to achieve the goal of "Zero Accidents". Moreover, an operational risk assessment has been conducted in every step of the operation for the safe operation to reduce and control the risks in the operation process. The Company group has prepared contingency plans to prevent accidents, identify initial risks as well as review the process to find gaps for improvement and development, find solutions, reduce, and mitigate various risks.

The Company group focuses on preventing accidents that may occur while working. The Company group has set "zero accident" as the goal of occupational accidents. In order for employees to work safely and with good workplace hygiene, the Company group provides training on safety and occupational health for employees and contractors before starting work and implements the follow-up process and measurement to bring improvement, raise safety standards beyond the criteria required

by the law, enhance good conscience while instilling a culture of safety among employees and contractors. The Company group strictly prohibits the operation without safety control measures, safety equipment, and the operation with the lack of safety training that ensures the safety of that particular operation.

In this regard, The Company group organizes training programs for employees and contractors as follows:

1. First aid training including the handling of poisonous snake bite
2. Training of emergency operations team
3. Emergency Evacuation drill 2022
4. Firefighting and fire escape drills

Performance

From occupational safety and health aspects, the Company monitored, measured and collected data, and analyzed the results according to the indicators, such as work Injury (IR), work-related disease (ODR), work-related illness (AR) leave rate, and high-consequence-work-related injuries rate of employees and contractors. The result showed that the Company group achieved the goal of “Zero accident” since no accidents were reported in the past year.

Human Rights

Sernsang Power Corporation Public Company Limited and its subsidiaries have an ideology to conduct and operate the business with integrity by adhering to social responsibility and good governance to all groups of stakeholders. With awareness and emphasis on human rights issues throughout the supply chain, the Company and its subsidiaries commit to treat and take care of all groups of stakeholders in an equal manner in accordance with the Universal Declaration of Human Rights (UDHR), United Nations Guiding Principles on Business and Human Rights (UNGPR) as well as The International Labor Organization’s Declaration on Fundamental Principles and Rights at Work (ILO). In order to express its intention to drive the operation towards human rights, the Company has established policies and approaches regarding human rights, which cover potential groups of people who may be affected. The Company thereby has an intention to prevent violation on human rights in all business activities including investments in any related businesses (merger, acquisition, and joint venture) as well as to create and maintain corporate culture in respecting human rights according to human rights policy, to support partners, and to inform stakeholders in order to have them practice in the same direction.

Performance

- Zero incidents of human rights violations

Community Engagement and Social Development

The Company group attaches importance to business operations that are beneficial to the economy, society and environment as well as taking into consideration the potential impact of the Company’s operation both directly and indirectly. The Company group has a strong determination to operate the business as a role model for the society (Good Corporate Citizen) for sustainable business operations aiming for steady growth. To achieve the goal of stable growth, the Company group needs to be recognized and supported by society and all stakeholders. The community is considered as one of the stakeholders of the Company, therefore, the Company has committed and determined to support the local community around the establishment to improve the quality of life of the people in the community, respond to the needs and expectations of the community, collaborate and coordinate to find solutions to solve community problems. In addition, the Company group is ready to surrender its full capacity in cooperating with the government agencies and other stakeholders to drive forward the local communities around the Company’s establishments to sustainably grow together with the Company.

Goals and Targets

The Company group has a guideline to drive the organization along with sustainable community development. The Company contributes to the community and social development by enhancing the engagement with the community including other related

stakeholders as well as being open to listening to opinions as well as supporting the development of quality of life and cooperating with government agencies and other organizations.

The Company group is committed to conducting business that is beneficial to the economy, society and environment and strictly comply with all relevant rules and regulations. The Company is ready to grow while enhancing the quality of life of the community and protective the environment to move forward sustainably according to the code of conduct in the operation of the organization.

The goals for improving relationships with the communities within 2024 are zero complaints and incidents from local communities, projects or campaign that meets the expectations and demands, local communities survey at least once a year, and compatible communication channels for complaints or suggestions. This will reduce the Company's social and environmental impacts as well as enhance the quality of life of the local communities.

The examples of projects and activities in 2021

- Designing the Company's project site by taking into account the impact on the drainage system that may jeopardize agriculture and water consumption of the local community.
- Collecting and giving grass clippings, weed residues from cuttings within the premise of the power plant areas to farmers in the communities surrounding the establishments for use in animals' husbandry or fertilizer making.
- Giving scholarships to primary school students at Ban Phromthin School, Ban Wang Khon Khwang School, Khok Samrong in Lopburi Province
- Donating money to support Children's Day activity at Huai Pong Subdistrict Administrative Organization for children to enjoy themselves during Children's Day.
- Supporting anti-drug local sports activity at the Wang Khon Khwang Subdistrict Administrative Organization
- Providing playgrounds for communities around the establishment in Japan

Customer Privacy

Technology systems play an important role in the expansion of investment both domestically and internationally and business operations of Sermsang Power Corporation Public Company Limited. The Information technology system is one of the most important infrastructures of the organization that can enable an increase in the efficiency of the operations. In order to upgrade the cybersecurity management and information systems to meet international standards as well as build confidence among the stakeholders of the organization in terms of preventing the impact that may arise from the loss of important information of the Company or cyber-theft of information that may affect the reputation of the Company, the company has established policies and measures to prevent the leakage of important information as well as appropriate improvements, regulations, rules, and assessments of information security risks. The Company also operates its business in compliance with information technology laws, the Personal Data Protection Act B.E. 2562 (2019) to prevent personal data breaches.

Performance

- In the past year, the Company group has not been affected or received any complaints relating to cyber threats or issues concerning personal information.

For additional information, refer to the 2021 Sustainability Report at www.sermsang.com

4. Management Discussion and Analysis

Significant event that has effect to the Group's financial statements.

On 6 July 2021, the Company acquired shares of Uni Power Tech Company Limited from the group of major shareholders, representing 99 % of shareholding. The management of the Group consider that the above acquisition is a business combination under common control using the pooling of interests method. The Company has prepared and presented the consolidated financial statements for the year ended 31 December 2020 to reflect the financial position, the results of operations and cash flows for the period then ended as if the Group's companies had been operating as a single economic unit since before 1 January 2020, although the legal relationship between the Group and this subsidiary occurred afterward.

The analysis on the operating results and financial status of the Company within the duration of the previous 3 years is based on the consolidated financial statements of the Company, for the fiscal years ending on December 31, in 2019, 2020, and 2021.

4.1 Performance overview

For the year 2021, the Group Company made the following significant developments:

1. The commencement of commercial operations for various projects included: the Leo 1 solar power plant project in Japan and Wind project in Vietnam.
2. Acquiring of biomass projects in Thailand.

Operating results in 2021: The Company exhibited continuous growth from the years earlier. The operating results for 2019-2021, ended on December 31, 2018-2020, are shown in the following table:

Consolidated financial statements	2018	2019	2019 (Restated)	2020
(Units: million baht)	1,485.6	1,935.5	2,241.6	2,698.2
Total revenue	556.6	765.4	824.1	929.5
Net profit	545.7	736.3	736.3	859.0
Net profit (to SSP's Shareholders)	612.9	696.2	696.2	846.7

For the fiscal years ending on December 31, 2019, 2020, and 2021, the Company had total revenues to 1,485.6 million baht, 1,935.5 million baht and 2,698.2 million baht, respectively. The revenue growth at 30.3% and 39.4%, respectively, which resulted from the Company's continual opening of new commercial power plants. For example, in 2019, the new projects included the Binh Nguyen project in Vietnam and the Khunsight Kundi project in Mongolia. Furthermore, revenue from EPC Construction of Solar rooftop revenue was also recognized. In 2020, the new projects included the Yamaga project in Japan, and 3 newly Solar Rooftop projects, which were the SNNP4, PRC, and TAPACO projects. In 2021, the new projects included the Leo project in Japan, wind project in Vietnam, Solar rooftop in Indonesia and biomass project in Thailand.

For net profit, the Company had a net profit of 556.6 million baht, 765.4 million baht, and 929.5 million baht in 2019, 2020, and 2021, respectively. The net profit margins were at 37.5%, 39.5%, and 34.4%, respectively, which proceeded according to growing revenue, and as for the net profit (equity holders of the Company), consistent growth was also observed, at net profits (equity holders of the Company) of 545.7 million baht, 736.3 million baht, and 859.0 million baht, in 2019, 2020, and 2021, respectively.

Core Operating Profit was 612.9 million baht, 696.2 million baht, and 846.7 million baht in 2019, 2020 and 2021, respectively. Core Operating Profit is the key performance indicator of management and board of directors to evaluate the company's financial results, and consider, together with dividend policy, for the payment of dividend. The adjustment items (from net profit to core operating profit) for 2019, 2020 and 2021, Deducted unrealized foreign exchange gain from loan from subordinates, total 66.7 million, 40.1 million Baht and 21.0 million Baht respectively. In addition, in 2021, for project in Japan, there is

a write-off restricted deposit around 8.7 million Baht, which is a one-time expense.

Consolidated financial statements (Units: million baht)	2018	2020 (Restated)	2021
Total assets	13,045.1	16,925.4	24,063.3
Total liabilities	9,048.1	12,121.0	17,689.1
Total equity	3,997.0	4,804.4	6,374.2
Total Equity (To SSP's shareholders)	3,777.0	4,205.1	5,884.1

As of December 31, 2019, 2020 and 2021, the Company possessed total assets of 13,045.1 million baht, 16,925.4 million baht, and 17,689.1 million baht, respectively, total liabilities of 9,048.1 million baht, 12,121.0 million baht and 17,689.1 million baht, respectively, and Company's equity (Excluding non controlling interests of subsidiaries) totaling 3,777.0 million baht, 4,205.1 million baht and 5,884.1 million baht, respectively.

4.2 Operating results analysis

Revenue

For the fiscal years ending on December 31, 2019, 2020 and 2021, the Company electricity sale was 1,461.7 million baht, 1,835.5 million baht, and 2,579.1 million baht, respectively. For in the year 2021 electricity sale was increased, compared to the same period of the previous year, mainly due to the full-year revenue recognition of Yamaga projects in Japna and the revenue from mew COD projects ie. Leo Project in Japan, Wind project in Vietnam and the Solar Rooftop Projects in Indonesia.

Revenue Structure	Consolidated Financial Statements For the fiscal years ending on 31 December							
	2019		2020		2020 (Restated)		2021	
	Amount (Million baht)	%	Amount (Million baht)	%	Amount (Million baht)	%	Amount (Million baht)	%
Sales revenue from electricity sale in Thailand	940.6	63.3	891.8	46.1	1,197.8	53.4	1,194.2	44.3
Sales revenue from electricity sale in Japan	348.2	23.4	620.9	32.1	620.9	27.7	930.6	34.5
Sales revenue from electricity sale in Vietnam	120.6	8.1	206.4	10.7	206.4	9.2	316.7	11.7
Sales revenue from electricity sale in Mongolia	52.0	3.5	113.4	5.9	113.4	5.1	114.3	4.2
Sales revenue from electricity sale in Indonesia	0.3	0.0	3.0	0.2	3.0	0.1	23.2	0.9
Total electricity sale revenue	1,461.7	98.4	1,835.5	94.8	2,141.4	95.5	2,579.1	95.6
EPC Construction revenue and service income on Solar rooftop projects	11.9	0.8	25.0	1.3	25.0	1.1	18.0	0.7
Other revenue ¹	12.0	0.8	75.0	3.8	75.1	3.4	101.1	3.7
Total revenue	1,485.6	100.0	1,935.5	100.0	2,241.6	100.0	2,698.2	100.0

Annotation: ¹ 'Other revenue' includes service income, machinery import tax fees, interest income, gain(loss) from foreign exchange rate and income from the Power Development Fund, etc.

The total revenue of the Company in 2019, 2020 and 2021 was at 1,485.6 million baht, 1,935.5 million baht, and 2,698.2 million baht, respectively, and was derived from electricity sales by 98.4%, 94.8%, and 95.6% in 2019, 2020 and 2021, respectively. In addition, other revenues were also received, comprising interest income, income from the Power Development Fund, and income from Solar Rooftop EPC service.

In 2019, electricity sales in Vietnam and Mongolia accounted for 8.1% and 3.5% of total revenue, respectively, while the proportion of electricity sales in Thailand and Japan was at 63.3% and 23.4% respectively. In 2020, revenue from electricity sales in Vietnam and Mongolia accounted for 10.7% and 5.9% of total revenue, respectively, while the proportion of electricity sales in Thailand and Japan was at 46.1% and 32.1%, respectively. In 2021, revenue from electricity sales in Vietnam and Mongolia accounted for 11.7% and 4.2% of total revenue, respectively, while the proportion of electricity sales in Thailand and Japan was at 44.3% and 34.5%

โครงการ	Quantity of distributed electric power (MWh) Fiscal year ending on 31 December		
	2019	2020	2021
Solar Farm power plant projects (SPN, WVO) in Thailand (45 MW in total)	98,533.2	93,692.1	94,343.4
Solar Farm power plant projects (Hidaka & Zouen & Yamaga) in Japan (53 MW in total)	31,491.7	56,163.7	86,312.1
Solar Rooftop power plant projects (SNNP1-4, DoHome, TAPACO & PRC) in Thailand (6.9 MW in total)	6,250.1	7,849.7	8,576.1
Solar Farm power plant projects (Binh Nguyen) in Vietnam (40 MW in total)	40,564.8	70,629.3	65,919.9
Solar Farm power plant project (Khunsight Kundi) in Mongolia (15 MW in total)	13,707.6	23,879.1	27,423.4
Biomass project (UPT) in Thailand (7.9 MW in total)	-	-	34,273.1
Wind project (TTTV) in Vietnam (38.3 MW in total)	-	-	37,734.3
Solar rooftop project in Indonesia (18.2)	-	1,306.9	13,601.0
Total	190,547.3	253,520.8	368,183.2

Project	Average tariff rate(baht/kWh) Fiscal year ending on 31 December		
	2019	2020	2021
Solar power plant projects ¹ – Thailand	3.37	3.30	3.12
Solar power plant projects – Japan	11.06	10.05	10.78
Solar Rooftop power plant projects – Thailand	2.81	2.87	2.82
Solar power plant projects – Vietnam	2.97	2.92	3.06
Solar power plant projects – Mongolia	3.79	4.75	4.17
Biomass power plant projects - Thailand	-	-	4.57

Annotation: ¹ Does not include additive subsidies (Adder) of 6.5 baht/kWh

For the fiscal years ending on December 31, 2019, 2020 and 2021, total distributed electricity of the Company Group was 190,547.0 MWh, 253,520.8 MWh and 368,183.2 MWh respectively, increase by 70.7% and 33.0% in 2019 and 2020 respectively. The increase of the distributed electricity volume in the year 2021 total of 368,183.2 MWh resulted from new project mentioned above.

Regarding tariff rate, average tariff rate in Thailand has slightly changed in each year while the recognition of overseas tariff rates changed according to foreign exchange rates change in each year.

Cost of sales

For the fiscal years ending on December 31, 2019, 2020 and 2021, the costs of sales was reported at 475.8 million baht, 666.7 million baht and 1,103.9 million baht, respectively. For the year 2021, the consolidated cost of sales increased by 65.6% from the previous year. This was mainly due to increases in depreciation and amortization, including O&M cost, resulting from the commencement of commercial operations of these aforementioned new projects.

The main expenses for consolidated costs of sales comprise (1) depreciation and amortization, (2) solar power plant operating and maintenance expenses, and (3) other expenses (such as electricity, salaries / employee bonuses, insurance premiums, land rental costs, and cost of solar rooftop construction business)

Cost of sales	Consolidated Financial Statements							
	For the fiscal years ending on 31 December							
	2019		2020		2020 (Restated)		2021	
	Amount (million baht)	%	Amount (million baht)	%	Amount (million baht)	%	Amount (million baht)	%
Depreciation and amortization costs	277.2	58.3	422.2	63.3	556.2	62.9	774.5	70.1
Cost of EPC construction on Solar rooftop projects	117.7	24.7	173.8	26.1	279.6	31.6	261.9	23.7
Others ¹	80.9	17.0	70.7	10.6	49.1	5.6	54.0	4.9
Total cost of sales	475.8	100.0	666.7	100.0	884.9	100.0	1,103.9	100.0

Annotation: ¹ Other costs, such as electricity costs, employee salaries/bonuses, insurance premium costs, project land rental costs in Japan, and EPC construction costs

Gross profit

For the fiscal years ending on December 31, 2019, 2020 and 2021, the Company had gross profits of 997.8 million baht, 1,193.7 million baht and 1,493.1 million baht, respectively, with at gross profit margin of 67.7%, 64.2% and 57.5% respectively. The narrower of gross profit margin of new projects when compared with the first solar project, which receives government's subsidy in form of adder, led to lower gross profit margin but still at favorable rate

Item	Consolidated Financial Statements							
	For the fiscal years ending on 31 December							
	2019		2020		2020 (Restated)		2021	
	Amount (million baht)	%	Amount (million baht)	%	Amount (million baht)	%	Amount (million baht)	%
Revenue from electricity sale and revenue from EPC	1,473.6	100.0	1,860.5	100.0	2,166.5	100.0	2,597.0	100.0
Cost of sales	475.8	32.3	666.7	35.8	884.9	40.8	1,103.9	42.5
Gross profit	997.8	67.7	1,193.8	64.2	1,281.6	59.2	1,493.1	57.5

Administrative expenses

For the fiscal years ending on December 31, 2019, 2020 and 2021, the Company had administrative expenses at 170.6 million baht, 193.5 million baht, and 243.5 million baht, respectively. In 2020, general administrative expenses increased from 170.6 million baht to 193.5 million baht, which increased by 13.4% when compared to the previous year. This was due to the commencement of new project commercial operations.

In 2021, general administrative expenses increased from 193.5 million baht to 243.5 million baht, which increased by 24.0% when compared to the previous year. This was due to the commencement of new project commercial operations and property tax from new COD project.

Administrative expenses (Units: million baht)	Consolidated Financial Statements			
	For the fiscal years ending on 31 December			
	2019	2020	2020 (Restated)	2020
Loss from exchange rates	68.5	-	-	-
General administrative expenses	170.6	193.5	196.5	243.5
Administrative expenses	239.2	193.5	196.5	243.5
% Of total revenue	16.1	10.0	8.8	9.0

Financial Cost

For the fiscal years ending on December 31, 2019, 2020 and 2021, the Company had financial expenses was at 201.6 million baht, 287.3 million baht and 356.0 million baht, respectively. The financial cost was consisted of interest expenses (with floating rate) and interest rate swap cost (from float rate to fixed rate). The increase in financial expenses was mainly resulted from the drawdown of long-term project financing loans from financial institutions in Thailand and Japan and offering debenture.

Financial expenses	Consolidated Financial Statements							
	For the fiscal years ending on 31 December							
	2019		2020		2020 (Restated)		2021	
	Amount (million baht)	%	Amount (million baht)	%	Amount (million baht)	%	Amount (million baht)	%
Financial expenses	201.6	287.3	313.7	356.0	2,166.5	100.0	2,597.0	100.0
% of total revenue	13.6	14.8	14.0	13.2	884.9	40.8	1,103.9	42.5

Net profit (loss) (to SSP's shareholders)

For the fiscal years ending on December 31, 2019, 2020 and 2021, net profit (to SSP's shareholders) was 545.7 million baht, 736.3 million baht and 859.0 million baht, respectively. The net profit margin was 36.7%, 38.0% and 31.8%, respectively. In 2020, the Company's net profit (to SSP's shareholders) increased by 34% from the previous year because the Company was able to continuously start the commercial operations of new project such as the Yamaga project in Japan, which commenced commercial operation in the 2nd quarter, and 3 new solar rooftop projects in Thailand (SNNP4, TAPACO and PRC), which commenced commercial operations in the first and second quarters of the year 2020. In 2021, net profit (to SSP's shareholders) was 859.0 million baht, or increasing 16.7% from the previous year mainly from new project.

Core Operating Profit

Core Operating Profit is the key performance indicator of management and board of directors to evaluate the company's financial results, and consider, together with dividend policy, for the payment of dividend.

In the consideration of Core Operating Profit, this index was calculated from adjustments made to the net profit (for the portions belonging to Company shareholders' equity) as follows:

Core Operating Profit (Units: million baht)	Consolidated Financial Statements		
	For the fiscal years ending on 31 December		
	2018	2019	2020
Net Profit (to SSP's shareholders)	545.7	736.3	859.0
Add: losses (deducted profits) from unrealize foreign exchange	66.7	(39.9)	(21.0)
Add: expenses (deducted revenue) from deferred revenue taxes	(0.5)	(0.2)	-
Add: allowances for unrealized depreciation expenses	0.9	-	-
Other	-	-	8.7
Core Operating Profit	612.9	696.2	846.7

For the fiscal years ending on December 31, 2019, 2020 and 2021, the Company had core operating profits of 612.9 million baht, 696.2 million baht and 846.7 million baht, respectively. Core operating profit margins was at 41.3%, 36.0%, and 31.4%, respectively. In 2020, core operating profit increased by 13.6% when compared to that of the same period in the previous year due to the previously mentioned new projects that commenced commercial operations. In 2021, core operating project increased from 696.2 million baht to 846.7 million baht, or increasing 21.6% resulted from new project.

4.3 Financial status analysis

Assets

As of December 31, 2019, 2020 and 2021, the Company has total assets of 13,045.1 million baht, 16,925.4 million baht, and 24,063.3 million baht, respectively. The increase of the assets reflects the additional investment in several projects.

The majority of assets are related to electricity generation, such as land, land improvements, power plants, machinery, equipment and spare parts, and so forth. As of December 31, 2019, 2020, and 2021. Land, property plant and equipment accounted for 74.5%, 66.5% and 64.5% of total assets respectively.

Statement of Financial Position	Consolidated Financial Statements					
	For the fiscal years ending on 31 December					
	2019		2020		2021	
	Million baht	%	Million baht	%	Million baht	%
Assets						
<u>Current assets</u>						
Cash and cash equivalents	915.5	7.0	1,387.6	8.2	3,579.7	14.9
Short-term restricted bank deposits	283.1	2.2	199.4	1.2	251.5	1.0
Trade and other receivables	360.4	2.8	478.9	2.8	703.8	2.9
Unbilled Receivables	-	-	0.9	0.0	6.1	0.0
Inventory	-	-	5.1	0.0	7.6	0.0
Revenue Department receivable	-	-	208.0	1.2	214.4	0.9
Short-term loans to related parties	-	-	9.0	0.1	10.0	0.0
Other current financial assets	-	-	5.3	0.0	2.0	0.0
Other current assets	29.8	0.2	10.7	0.1	151.6	0.6
Total current assets	1,588.8	12.2	2,304.8	13.6	4,926.6	20.5
<u>Non-current assets</u>						
Long-term restricted bank deposits	159.0	1.2	719.8	4.3	1,018.2	4.2
Revenue Department receivables	17.4	0.1	53.4	0.3	71.7	0.3
Long-term investments	26.0	0.2	-	-	-	-
Other non-current financial assets	-	-	32.1	0.2	32.1	0.1
Property, plant and equipment	9,722.1	74.5	11,249.0	66.5	15,522.4	64.5
Other intangible assets	1,045.8	8.0	1,048.3	6.2	1,232.5	5.1
Rights-of-use assets	-	-	766.5	4.5	724.2	3.0
Prepaid rental	119.1	0.9	-	-	-	-
Deferred tax assets	1.0	0.0	5.5	0.0	3.9	0.0
Other non-current assets	365.9	2.8	746.1	4.4	531.8	2.2
Total non-current assets	11,456.3	87.8	14,620.6	86.4	19,136.7	79.5
Total assets	13,045.1	100.0	16,925.4	100.0	24,063.3	100.0

Cash and cash equivalents

As of December 31, 2019, 2020 and 2021, the Company had cash and cash equivalents equal to 915.5 million baht, 1,364.3 million baht and 3,579.7 million baht, respectively.

Property, plant, and equipment

As of December 31, 2019, 2020 and 2021, the Company possesses property, plant and equipment equal to 9,722.1 million baht, 11,249.0 million baht and 15,522.4 million baht, respectively. These aforementioned increases reflect investments made in several projects, including COD projects and under construction projects.

Other intangible assets

As of December 31, 2019, 2020 and 2021, the Group has other intangible assets equal to 1,045.8 million baht, 1,048.2 million baht and 1,232.5 million baht, respectively. These increases matched the business' expansion due to increases in land usage rights fees and rights fees associated with linking electrical systems to the solar power plant projects in Japan.

Other intangible assets	Consolidated Financial Statements For the fiscal years ending on 31 December					
	2019		2020		2021	
	Amount (million baht)	%	Amount (million baht)	%	Amount (million baht)	%
Land usage rights fees	132.4	12.7	127.1	12.1	351.5	28.5
Rights fees associated with linking electricity distribution systems	116.7	11.2	401.8	38.3	420.8	34.1
Computer software and programs in development	1.3	0.1	1.1	0.1	0.9	0.1
External communications and power distribution systems	343.5	32.8	353.8	33.8	439.5	35.7
External communications and power distribution systems and usage rights during construction	451.9	43.2	164.5	15.7	19.8	1.6
Total intangible assets	1,045.8	100.0	1,048.3	100.0	1,232.5	100.0

Liabilities

As of December 31, 2019, 2020 and 2021, the Company had total liabilities of 9,038.1 million baht, 12,121.0 million baht, and 17,689.1 million baht, respectively. The increase was primarily due to the increase of long-term loans from financial institutions for project investments, issuance of debenture, and.

Liabilities	Consolidated Financial Statements					
	For the fiscal years ending on 31 December					
	2019		2020		2021	
	Million baht	%	Million baht	%	Million baht	%
Liabilities and shareholders' equity						
<u>Current liabilities</u>						
Trade and other payables	208.7	1.6	142.7	0.8	3,200.6	13.3
Retention payable	6.3	0.0	5.6	0.0	3.4	0.0
Short-term loan from bank	361.8	2.8	276.3	1.6	518.4	2.2
Share acquisition payable to subsidiary's former shareholders	9.3	0.1	9.3	0.1	10.4	0.0
Short-term loan from non-controlling interest of the subsidiary	-	-	15.0	0.1	-	-
Share capital payable from a subsidiary's capital reduction	71.4	0.5	-	-	-	-
Short-term loan from non-controlling interest of the subsidiary	12.1	0.1	-	-	-	-
Other current financial liabilities	-	-	0.3	0.0	-	-
Current portion of long-term debentures	-	-	-	-	798.1	3.3
Current portion of lease liabilities	0.2	0.0	29.8	0.2	31.1	0.1
Current portion of long-term loans	686.1	5.3	1,210.7	7.2	1,501.9	6.2
Other current liabilities	12.1	0.1	12.0	0.1	15.9	0.1
Total current liabilities	1,367.9	10.5	1,702.3	10.1	6,081.6	25.3
<u>Non-current liabilities</u>						
Lease liabilities - net of current portion	0.9	0.0	582.8	3.4	552.7	2.3
Long-term debentures	-	-	793.9	4.7	595.4	2.5
Long-term loans - net of current portion	7,666.4	58.8	8,806.6	52.0	10,266.7	42.7
Deferred tax liabilities	4.0	0.0	21.5	0.1	17.3	0.1
Other non-current financial liabilities	-	-	201.6	1.2	162.8	0.7
Other non-current liabilities	9.0	0.1	12.4	0.1	12.6	0.1
Total non-current liabilities	7,680.3	58.9	10,418.7	61.6	11,607.5	48.2
Total liabilities	9,048.1	69.4	12,121.0	71.6	17,689.1	73.5

Shareholders' equity

As of December 31, 2019, 2020 and 2021, the Company possessed shareholders' equities of 3,997.0 million baht, 4,804.4 million baht, and 6,374.2 million baht, respectively. The increase was contributed by the profit from operations in the years. .

Shareholders' Equity	Consolidated Financial Statements For the fiscal years ending on 31 December					
	2019		2020		2021	
	Million baht	%	Million baht	%	Million baht	%
Shareholders' equity						
- Issued and paid-up share capital	922.0	7.1	922.0	5.4	1,071.6	4.5
- Share premium	1,511.2	11.6	1,511.2	8.9	2,144.4	8.9
Surplus on business combination under common control	33.1	0.3	33.1	0.2	(159.7)	(0.7)
- Unappropriated retained earnings	1,402.3	10.7	2,036.2	12.0	2,748.4	11.4
Appropriated retained earnings – statutory reserve	92.2	0.7	92.2	0.5	136.7	0.6
Other components of shareholders' equity	(183.8)	(1.4)	(389.7)	(2.3)	(57.2)	(0.2)
- Equity attributable to owners of the Company	3,777.0	29.0	4,205.1	24.8	5,884.1	24.5
Former shareholders before business combination under common control	-	-	262.4	1.6	-	-
Non-controlling interests of the subsidiaries	220.0	1.7	336.9	2.0	490.1	2.0
Total shareholders' equity	3,997.0	30.6	4,804.4	28.4	6,374.2	26.5

4.4 Cash flow statement analysis

Cash flow statement	Consolidated Financial Statements for the fiscal years ending on 31 December		
	2019	2020	2021
	Value (millionbaht)	Value (millionbaht)	Value (millionbaht)
Profit (Loss) Before Taxes	569.0	846.6	994.8
Profit (loss) from operating activities before changes in operating assets and liabilities	1,090.2	1,660.6	2,071.6
Net cash flows from (used in) operating activities	1,069.3	1,531.5	2,390.4
Net cash flows from (used in) investment activities	(2,407.3)	(2,216)	(3,193.0)
Net cash flows from (used in) financing activities	1,190.9	1,111.7	2,849.2
Translation adjustments	(62.5)	7.1	145.6
Net increase (decrease) in cash and cash equivalents	(209.7)	434.3	2,192.1
Cash and cash equivalents at beginning of year	1,125.1	953.3	1,387.6
Cash and cash equivalents at end of year	915.5	1,387.6	3,579.7

Cash flows from operating activities

For the fiscal years ending on December 31, 2019, 2020 and 2021, the Company had net cash flows from operating activities equal to 1,069.3 million baht, 1,531.5 million baht and 2,390.4 million baht, respectively. The increase of cash flow from operating activities in year 2019, compared with the year 2018 was driven by the increase of the new COD projects during the year. The same reason was shown in the year 2021 where the net cash flow from operating activities increased from the year 2020.

Cash flow from investment activities

For the fiscal years ending on December 31, 2019, 2020 and 2021, the Company's net cash flows used in investing activities was 2,407.3 million baht, 2,216.0 million baht, and 3,193.0 million baht, respectively. The slight decrease in 2019 and 2020 was mainly due to the completion of project construction and the decrease of capital expenditure. In 2021 net cash flows used in investing activities was 3,193.0 million baht mainly increasing from new investment projects.

Cash flow from financing activities

For the fiscal years ending on December 31, 2019, 2020 and 2021, the Company had net cash flows from financing activities of 1,190.9 million baht, 1,111.7 million baht and 2,849.2 million baht, respectively. This reflects the increase of long-term loans from financial institutions, both in Thailand and in foreign countries, to construct and develop the projects.

4.5 Analysis of major financial ratio

Calculation of financial ratios, unless otherwise stated, shall be based on the financial ratio formulas for companies in the industry and service groups, according to information registration handbook, form 56-1, prepared by the Securities and Exchange Commission.

Liquidity ratio

Liquidity ratio	Consolidated Financial Statements For the fiscal years ending on 31 December		
	2019	2020	2021
Current ratio (times)	1.2	1.4	0.8
Average collection period (days) ¹	94.0	76.4	82.0
Payment period (days)	269.5	88.0	545.1

Annotation: ¹Calculated using the formula: $360 / (\text{Net sales} / \text{Trade receivables and other receivables})$

In 2020, the liquidity rate increased from 1.2 times to 1.4 times contributed by the increase of cash and cash equivalents. At the end of 2021, currents were at 0.8 times.

Profitability ratio

Profitability ratios	Consolidated Financial Statements for the fiscal years ending on 31 December		
	2019	2020	2021
Gross profit margin (%)	67.7	64.2	57.5
Net profit margin (%)	37.5	39.6	34.5
Return on equity (%)	14.9	18.5	17.0

For 2020, the Company had a slight decrease in its gross profit margin and net profit margin. The reason was the new projects have narrower gross profit margin than the first solar project, which receives government's subsidy in form of adder. For 2021, gross profit margin and net profit margin lower than 2022 but still at favorable rate.

Efficiency ratio

Efficiency ratio	Consolidated Financial Statements for the fiscal years ending on 31 December		
	2019	2020	2021
Return on assets (%)	4.5	5.3	4.5
Return on fixed assets (%)	6.2	7.5	6.9

When comparing the year of 2020 to 2019, the Company had higher rates of return, both on assets and on fixed assets. The reason for this was due to new COD project. For 2021, return on assets ratio lower than 2020 mainly from increases in assets and fixed assets from investment in power plant projects and new projects have commenced commercial operations but have not yet operated for a full year.

Leverage ratio

Financial policy ratios	Consolidated Financial Statements for the fiscal years ending on 31 December		
	2019	2020	2021
Debt to equity ratio (times)	2.26	2.52	2.78
Debt to Equity Ratio (company only) (times)	0.58	0.59	0.58
Interest coverage ratio (times)	5.40	5.47	5.90

When comparing the year of 2019 to 2020, the debt-to-equity ratio of the consolidated financial statements of the Company were at 2.26 times and 2.55 times, respectively, and the debt-to-equity ratio (company only) were at 0.58 times and 0.62 times, respectively. The increase of the ratio was due mainly to the increase of short-term and long-term loans, both from domestic and foreign financial institutions and the issuance of debentures to invest in various projects. Meanwhile, the Company's interest coverage ratio has continuously increased.

When comparing the year of 2020 to 2021, the debt-to-equity ratio of the consolidated financial statements of the Company were at 2.52 times and 2.78 times, respectively, and the debt-to-equity ratio (company only) were at 0.59 times and 0.58 times, respectively. As of December 31, 2019, 2020 and 2021, the Company maintained its financial ratios in accordance with its loan agreements, for which the Company's loan agreements consider the financial ratio (company only). For example, the debt-to-equity ratio remains at the level of not more than 3.0 times, for which the Company can maintain its financial proportion according to the stipulations in its contracts.

5. General Information and Other Information

5.1 General Information

1) Company name and location of establishment

Company Name:	Sermsang Power Corporation Public Company Limited (SSP)
Business Operations:	Holding Company
Registration number:	0107560000010
Registered/paid capital:	1,419,169,683 baht (as of January 19, 2022)
Number of shares:	1,419,169,683 shares (as of January 19, 2022)
Par value:	1.0 baht
Head office address:	325/14 Lan Luang Road, Mahanak Intersection, Dusit District, Bangkok 10300
Phone number:	02-628-0991-2
Fax:	02-628-0993
Website:	http://www.sermsang.com
Company secretary:	Phone number 02-6280991-2#290
e-mail:	supitcha@sermsang.co.th
Investor relations department:	Phone number 02-6280991-2#290
e-mail:	sukunya.p@sermsang.co.th

2) The name and address of companies in the affiliated shareholding companies, at share ownerships equal to and greater than 10% (including investments made through the GK-TK structure, at proportions equal to and greater than 50% of the funds invested into TK, including shares/investments made through the GK-TK structure, both directly and indirectly).

Subsidiary companies in Thailand

	Company Name	Business Category (current)	Shareholding Proportion	Registered Capital (million baht)	Paid-up Capital (million baht)	Issued Stock (shares)	Head Office Address	Phone
1	Sermsang Palang Ngan Co., Ltd. ("SPN")	Invests in Solar Farms (SPN Project)	100%	955.0	900.5	9,550,000	325/14 Lan Luang Road, Mahanak Intersection, Dusit District, Bangkok 10300	02-628-0991-2
2	Access Energy Co., Ltd. ("AE")	Holding Company	100%	70.0	33.0	700,000	325/14 Lan Luang Road, Mahanak Intersection, Dusit District, Bangkok 10300	02-628-0991-2
3	Essential Power Co., Ltd. ("EP")	Non- Operation	100%	50.0	13.3	500,000	325/14 Lan Luang Road, Mahanak Intersection, Dusit District, Bangkok 10300	02-628-0991-2
4	Plus Energy Co., Ltd. ("PE")	Non- Operation	100%	10.0	3.3	100,000	325/14 Lan Luang Road, Mahanak Intersection, Dusit District, Bangkok 10300	02-628-0991-2
5	Prestige Group Co., Ltd. ("PTG")	Non- Operation	100%	10.0	2.5	100,000	325/14 Lan Luang Road, Mahanak Intersection, Dusit District, Bangkok 10300	02-628-0991-2
6	Triple P Renewable Co., Ltd. ("PPP")	Non- Operation	100%	10.0	6.5	100,000	325/14 Lan Luang Road, Mahanak Intersection, Dusit District, Bangkok 10300	02-628-0991-2
7	Sian Clean Solution Co., Ltd. ("SCS")	Non- Operation	100%	10.0	10.0	100,000	325/14 Lan Luang Road, Mahanak Intersection, Dusit District, Bangkok 10300	02-628-0991-2

	Company Name	Business Category (current)	Shareholding Proportion	Registered Capital (million baht)	Paid-up Capital (million baht)	Issued Stock (shares)	Head Office Address	Phone
8	Siam Renewable Power Co., Ltd. ("SRP")	Non- Operation	100%	10.0	6.3	100,000	325/14 Lan Luang Road, Mahanak Intersection, Dusit District, Bangkok 10300	02-628-0991-2
9	Sernsang Solar Co., Ltd. ("SS")	Invests in Solar Farms under the 'Or. Phor.Sor.' (WVO – War Veterans Organization of Thailand) Project	100%	50.0	50.0	500,000	25/14 Lan Luang Road, Mahanak Intersection, Dusit District, Bangkok 10300	02-628-0991-2
10	Sernsang Corporation Co., Ltd. ("SSC")	Develops renewable energy projects	100%	131.3	34.1	5,252,500	325/14 Lan Luang Road, Mahanak Intersection, Dusit District, Bangkok 10300	02-628-0991-2
11	Sernsang International Co., Ltd. ("SI")	Holding Company	100%	810.0	810.0	8,100,000	325/14 Lan Luang Road, Mahanak Intersection, Dusit District, Bangkok 10300	02-628-0991-2
12	Sernsang Infinite Co., Ltd. ("SN")	Invests in Solar Rooftop projects	100%	130.0	108.4	1,300,000	325/14 Lan Luang Road, Mahanak Intersection, Dusit District, Bangkok 10300	02-628-0991-2
13	Uni Power Tech Company Limited ("UPT")	Biomass	99%	243.0	243.0	243,000	325/14 Lan Luang Road, Mahanak Intersection, Dusit District, Bangkok 10300	02-628-0991-2

Subsidiary Companies in Foreign Countries

	Company Name	Business Category (current)	Shareholding Proportion	Registered Capital	Paid-up Capital	Issued Stock (shares)	Head Office Address
14	S. Global Power Limited ("SGP")	Holding Company	100%	4.5 million US dollars	4.5 million US dollars	4,490,000	Room 2101 Hong Kong Trade Centre, 161-7 Des Voeux Road, Central, Hong Kong
15	Surge Energy Corporation Limited ("SEG")	Solar Farm Power Plant in Japan as TK investor	100%	1.0 million US dollars	1.0 million US dollars	1,000,001	Suite 1803-4, 18/F., St. George's Building, No. 2 Ice House Street, Central, Hong Kong
16	Access C Management Limited ("ACM")	Holding Company	100%	0.8 million US dollars	0.8 million US dollars	750,000	Room 2804, 28/F., Rykadan Capital Tower, 135 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong
17	Seijo Corporation ("SJC")	Business related to investments in Solar Farms in Japan	100%	96.3 million yen	96.3 million yen	96,290	5-1 Kabutochou, Nihonbashi, Chuo-Ku, Tokyo
18	Sernsang Sustainable Singapore Private Limited ("SSSG")	Holding Company	100%	0.13 million US dollars	0.13 million US dollars	130,000	1 Raffles Place #28-02 One Raffles Place Singapore 048616
19	Tenunn Gerel Construction LLC ("TGC")	Invests in Solar Farm projects in Mongolia	75%	14.28 million MNT	14.28 million MNT	2,100,000	Building 4-37, 2nd Micro District, 1st Khoroo, Bayangol District, Ulaanbaatar 210646, Mongolia
20	SS Hidaka No Mori G.K. ("SSH")	Invests in Solar Farm projects in Japan	87% ¹	10,000 yen	10,000 yen	-	1-1-7 Moto Akasaka, Minato-Ku, Tokyo, Japan
21	G.K. GSSE ("GSSE")	Invests in Solar Farm projects in Japan	90% ¹	10,000 yen	10,000 yen	-	4-2-3 Akasaka, Minato, Tokyo 107-0052, Japan
22	Zouen Energy G.K. ("ZOUEN")	Invests in Solar Farm projects in Japan	100% ¹	10,000 yen	10,000 yen	-	1-1-7 Moto Akasaka, Minato-Ku, Tokyo, Japan
23	Ashita Power 1 G.K. ("ASP1")	Invests in Solar Farm projects in Japan	100% ¹	10,000 yen	10,000 yen	-	1-1-7 Moto Akasaka, Minato-Ku, Tokyo, Japan
24	Ashita Power 2 G.K. ("ASP2")	Invests in Solar Farm projects in Japan	100% ¹	10,000 yen	10,000 yen	-	1-1-7 Moto Akasaka, Minato-Ku, Tokyo, Japan

	Company Name	Business Category (current)	Shareholding Proportion	Registered Capital	Paid-up Capital	Issued Stock (shares)	Head Office Address
25	Truong Thanh Quang Ngai Power and High Technology Joint Stock Company ("TTQN")	Invests in Solar Farm projects in Vietnam	87%	400 billion Vietnam- ese dong	400 billion Vietnam- ese dong	40,000,000	92 Le Loi Street, Chanh Lo Ward, Quang Ngai City, Quang Ngai Province, Vietnam
26	SEA Sun Energy Partners Pte. Ltd. ("SSEP")	Business related to investments in Solar Rooftops in Indonesia	95%	10.02 million US dollars	10.02 million US dollars	5,020,000	80 Robinson Road, #02 -00 Singapore 068898
27	PT SEA Sun Energi ("SSE")	Business related to investments in Solar Rooftops in Indonesia	95%	2,500 million rupiah	2,500 million rupiah	2,500	Menara Mandiri 2 Lt.17 Jalan Jenderal Sudirman Kavling 54-55, Senayan, Kebayoran Baru Jakarta Selatan, Kelurahan Senayan, Kecamatan Kebayoran Baru, Kota Jakarta Selatan, Indonesia
28	Truong Thanh Tra Vinh Wind Power Joint Stock Company ("TTTV")	Invests in Wind Farm projects in Vietnam	80%	650 billion Vietnam- ese dong	650 billion Vietnam- ese dong	65,000,000	Ap Nha Mat, Truong Long Hoa, Duyen Hai, Tra Vinh

Annotation: ¹ Investment proportion of all TK investment funds

Other Personnel Information for Reference

Securities Registrar	Thailand Securities Depository Company (Thailand) Limited No. 93, Ratchadaphisek Road, Din Daeng District, Bangkok 10400 Phone number +662-009-9000 Fax + 662-009-9991
Auditor	Mr. Sirikorn Phloenphitsiri / Certified Public Accountant, License Number 5234 EY Office Company Limited Floor 33, Lake Ratchada Building Office Complex, Office No. 193/136-137, Rachadaphisek Road, Klongtoey Subdistrict, Klongtoey District, Bangkok 10110 Phone number +662-264-0777 Fax +662-264-0789-90
Debenture Registrar	Bank of Ayudhya Public Company Limited 1222 Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok 10120 Phone number +662-296-3582 Fax +662-683-1293
Legal counsel	None
Primary financial institution	Kasikorn Bank Public Company Limited No. 1 Soi Rat Burana 27/1, Rat Burana Road Rat Burana Subdistrict, Rat Burana District, Bangkok 10140 Phone number + 662-222-0000, + 662-888-8888 TMB Bank Public Company Limited 3000 Phaholyothin Road, Chomphon Subdistrict, Chatuchak District, Bangkok 10900 Phone + 662-299-1111, + 662-617-9111 Sumitomo Mitsui Trust Bank, Limited Head office Postal code: 100-8233 1-4-1 Marunouchi, Chiyoda-ku, Tokyo Fax number: 03-3286-4614 Hiroshima Bank,Ltd. Head Office Sales Department Postal code: 730-0031 3-8, Kamiya-cho 1-chome, Naka-ku, Hiroshima-shi TEL 082-504-3942 FAX 082-248-4400

5.2 Details on other important contracts of the Company Group

(1) TK Investment Contracts: (TokumeiKumiai Agreement or “TK Agreement”)

As of December 31, 2021, SEG, which is a subsidiary company that the Company holds shares in to a proportion of 100%, entered into a TK investment agreement, for which a number of 5 contracts are still enforced for the Hidaka, Yamaga, Zouen, and Leo projects, for which all contracts have the same details provided below.

Contract Subject	Details of the Contract
TK Investor	SEG
Business Operator	SSH (Hidaka Project) GSSE (Yamaga Project) ZOUEN (Zouen Project) Ashita Power 1 GK and Ashita Power 2 GK (Leo Projects)
Contract Duration	20 years counting from the project's first day of commercial operations
Rights and duties of the TK Investor	• The TK Investor has the duty of paying investment funds to the business operators as stipulated in the contract at proportions of 86.9%, 90%, 100%, and 100% for the Hidaka, Yamaga, Zouen, and Leo projects entirely with TK investment funds, respectively. • The TK Investor shall not have any rights in making decisions about the various matters regarding the normal business operations of the projects. • The TK Investor shall not be responsible for any liabilities, damages, or claims beyond the quantity of invested TK funds. • In the event that the TK Investor has any inquiries regarding the drafted annual operating plan, or in the event that any events and/or significant changes occur, which may influence the business operations of a particular project, SEG can request a consultation meeting with the Property Manager to resolve these aforementioned plans and/or any operations.
Rights and duties of the business operator	• The business operator has the duty of operating the business of electricity sales generated by the project to electricity purchaser companies, and shall operate their duty under the status of a business operator with the highest degrees of caution and responsibility, by considering the highest benefits to the project. • The business operator has the right to carry out business under their own name, and has the right to decide in various matters regarding business operators as a sole entity. Thus, the business operator shall be the sole entity responsible for any liabilities, accountabilities, or damages that occur from normal business operations towards outside persons. • The business operator has the duty of bearing responsibility for any liabilities, accountabilities, damages, or claims exceeding the quantity of investment funds made by the TK Investor.
Profit/Loss Share Allocation	The TK Investor shall receive a share of the profit/loss, including the various income of the projects, at rates stipulated in the contracts (86.9% for the Hidaka Project, 90% for the Yamaga Project, 100% for the Zouen Project, and 100% for the Leo Projects).

(2) Asset Management Agreement

As of December 31, 2021, the Operators of the Solar Farm Projects in Japan have entered into the following asset manager employment agreements:

- SSH, with the status of the Hidaka Project owner, entered into an asset manager employment contract with TSM Asset Management Co., Ltd., with a contract duration of 5 years, starting from the starting date of commercial operations, extendable at durations of 1 year per extension.
- GSSE, with the status of the Yamaga Project owner, entered into an asset manager employment contract with TSM Asset Management Co., Ltd., with a contract duration of 5 years, starting from the starting date of commercial operations, extendable at durations of 1 year per extension.
- ZOUEN, with the status of the Yamaga Project owner, entered into an asset manager employment contract with TSM Asset Management Co., Ltd., with a contract duration of 5 years, starting from the starting date of commercial operations, extendable at durations of 1 year per extension.
- Ashita Power 1, with the status of the Yamaga Project owner, entered into an asset manager employment contract with TSM Asset Management Co., Ltd., with a contract duration of 5 years, starting from the starting date of commercial operations, extendable at durations of 1 year per extension.

(3) EPC Agreement

As of December 31, 2021, the Operator of the Solar Farm projects in Japan entered into contracts with the following Engineering, Procurement, and Construction contractors:

- Ashita Power 1, with the status of the Leo 1 Project owner, entered into an Engineering, Procurement, and Construction contract with DAIWA House Industry Co., Ltd., with the following significant quality guarantees:
 - A quality guarantee for solar cell panels by the panel producer, to a duration of 15 years starting from the date the manufacturer ships the solar panels to the project.
 - An efficiency guarantee of direct current electricity generation from photovoltaic solar cell panels (PV Output Warranty), by the panel producer to a period of 25 years starting from the date the manufacturer ships the solar panels. The loss rate from direct current electricity will be guaranteed, and calculated at a cumulative rate from the first year during which commercial operations have commenced.
 - A guarantee of construction project quality (Defect Warranty) by DAIWA House Industry Co., Ltd., for which details of warranty coverage will be shown in the following time periods:

Main Equipment	Warranty Duration (years)
Solar cell panels (PV Module)	2
Electric current converter system (Inverter)	2
Other projects	2

If the aforementioned details are caused by excess negligence of the Engineering, Procurement and Construction contractor, these previously mentioned warranties will be extended to a duration of 10 years, or until the expiration of the warranties for the aforementioned equipment.

(4) Surface Right Reservation Agreement or Land Purchase Agreement

As of December 31, 2021, the Operator of the Solar Farm projects in Japan have entered into land leasing contracts with various projects, and SJC has entered into land purchase contracts for the Leo Projects, as shown below:

- SH, with the status of the Hidaka Project owner, entered into a Surface Right Agreement contract with a duration of 20 years starting from the starting date of project commercial operations.
- GSSE, with the status of the Yamaga Project owner, entered into a Surface Right Agreement contract with a duration of 20 years starting from the starting date of project commercial operations.
- ZOUEN with the status of the Zouen Project owner, entered into a Surface Right Agreement contract with a duration of 20 years starting from the starting date of project commercial operations.
- SJC entered into a Land Purchase Agreement contract, to obtain land to be used as the location of establishment for the Leo Projects, with the following divided payment terms:
 - The Leo Projects received a permit for power plant operations from METI (METI Approval) and a power grid connection permit (Grid Connection Approval).
 - The purchased land shall be free of any obligations or various related liabilities.
 - The seller shall be unable to negotiate the purchase, sale, and/or transfer of rights in these aforementioned projects to any other person, unless written consent has been obtained from the purchaser.

5.3 Details on Major Loan Contracts

As of December 31, 2021, the Company Group had a total of 12 loan agreement with commercial institutions, divided into 5 loan agreement from domestic commercial institutions, and 7 loan agreement from foreign commercial institutions, with details provided as follows:

5.3.1 Loan contracts with domestic commercial institutions

i. SPN Loan contracts

Contract Subject	Details of the Contract
Borrower	SPN
Lender	2 commercial banks in Thailand
Objective	To be used as construction investment funds and development of the SPN projects, and in addition, to be used as working capital and operational support
Contract date	28 January 2014
Loan limit	Loan limits are categorized into • <u>Facility Loan</u>: Long-term loans with a limit not in excess of 2,701.5 million baht, to be used to invest in construction of the SPN projects • <u>Working Capital</u>: Loan working capital in various forms, such as short-term loans, Letters of Credit, Trust Receipts, and Letters of Guarantee, to be used as working capital for the projects
Interest rates	<u>Facility Loan</u> : Floating interest rates referring to THBFIX, added to the interest rate difference as stipulated in the contract <u>Working Capital</u> : Interest rate equivalent to MLR – the discount rate stipulated in the contract
Loan repayment	<u>Facility Loan</u> : Interest and principal repayments shall be paid every 3 months, to a total duration of 39 installments, in quantities stipulated in the contract, with the first installment payment to be made in June 2015

ii. SSP Loan contracts

Contract Subject	Details of the Contract
Borrower	SSP
Lender	2 commercial banks in Thailand
Objective	To be used as construction investment funds and development of the Group Company, and in addition, to be used as working capital and operational support
Contract date	March 30, 2018
Loan limit	Long-term loans, 2,000 million baht
Interest rates	Some sections possess fixed interest rates throughout the loan duration, and some sections possess floating interest rates, referring to THBFIX, added to the interest rate difference stipulated in the contract.
Loan repayment	Interest and principal repayments shall be paid every 3 months, to a total duration of 24 installments, in quantities stipulated in the contract, with the first installment payment to be made on March 31, 2020.

iii. WVO Loan contracts

Contract Subject	Details of the Contract
Borrower	SS
Lender	1 commercial bank in Thailand
Objective	To be used as the specified construction investment funds and project development of the Company, and in addition, to be used as working capital and operational support.
Contract date	August 7, 2020
Loan limit	Long-term loans, 95 million baht
Interest rates	Interest rates equal to MLR – the discount rate stipulated in the contract.
Loan repayment	Interest and principal repayments shall be paid every 3 months, with the first installment payment to be made on September 30, 2020.

iv. SSP Loan contracts

หัวข้อสัญญา	สาระสำคัญของสัญญา
Borrower	SSP
Lender	1 commercial bank in Thailand
Objective	To be used as the specified construction investment funds and project development of the Company, and in addition, to be used as working capital and operational support.
Contract date	23 March 2021
Loan limit	Long-term loans, 180 million baht
Interest rates	Interest rates equal to MLR – the discount rate stipulated in the contract.
Loan repayment	Interest and principal repayments shall be paid every 6 months, with the first installment payment to be made on August 2021.

v. UPT Loan contracts

หัวข้อสัญญา	สาระสำคัญของสัญญา
Borrower	UPT
Lender	1 commercial bank in Thailand
Objective	To be used as the specified construction investment funds and project development of the Company, and in addition, to be used as working capital and operational support.
Contract date	9 April 2018
Loan limit	• <u>Facility Loan</u>: Long-term loans with a quantity of 602 million baht, to be used in project construction. • <u>Working Capital</u>: Promissory Note, to be used as working capital for the projects
Interest rates	Interest rates equal to MLR – the discount rate stipulated in the contract.
Loan repayment	Facility Loan: Interest and principal repayments shall be paid every 3 months, to a total duration of 32 installments, in quantities stipulated in the contract, with the first installment payment to be made on November, 2019.

5.3.2 Loan contracts with foreign financial institutions

i. SSH Loan contracts

Contract Subject	Details of the Contract
Borrower	SSH
Lender	4 commercial banks and financial institutions in Japan
Objective	To be used as construction investment funds and development of the Hidaka project.
Contract date	August 29, 2016
Loan limit	• <u>Facility Loan</u>: Long-term loans with a quantity of 5,830 million yen, to be used in project construction. • <u>Consumption Tax Loan</u>: Short-term loans with a quantity of 532 million yen, to be used for the payment of the Consumption Tax with project construction.
Interest rates	• <u>Facility Loan</u>: Long-term loans with an interest rate of 3M-JLIBOR + additional rates as specified in the contract. • <u>Consumption Tax Loan</u>: Short-term loans with a 'Short Term Prime Lending Rate' interest rate + additional rates as specified in the contract.
Loan repayment	• <u>Facility Loan</u>: Principal repayments shall be made every 3 months, to a total duration of 72 installments, at rates stipulated in the loan contract, with the first installment payment to be made in September 2018. • <u>Consumption Tax Loan</u>: Principal to be repaid in one payment, either on the day the borrower receives their Consumption Tax refund, or on September 30, 2018, on the date during which either of these events occurs first.

ii. GSSE Loan contracts

Contract Subject	Details of the Contract
Borrower	GSSE
Lender	1 commercial bank in Japan
Objective	To be used as construction investment funds and development of the Yamaga project.
Contract date	July 27, 2017
Loan limit	• <u>Facility Loan</u>: Long-term loans with a quantity of 9,227 million yen, to be used in project construction. • <u>Consumption Tax Loan</u>: Short-term loans with a quantity of 796 million yen, to be used for the payment of the Consumption Tax associated with project construction.
Interest rates	• <u>Facility Loan</u>: Long-term loans with an interest rate of Japanese Yen TIBOR + additional rates as specified in the contract. • <u>Consumption Tax Loan</u>: Short-term loans with a 'Short Term Prime Lending Rate' interest rate + additional rates as specified in the contract.
Loan repayment	• <u>Facility Loan</u>: Principal repayments shall be made every 3 months, to a total duration of 68 installments, at rates stipulated in the loan contract, with the first installment payment to be made in March 2021. • <u>Consumption Tax Loan</u>: Principal to be repaid in one payment, either on the day the borrower receives their Consumption Tax refund, or on September 30, 2021, on the date during which either of these events occurs first.

iii. ZOUEN Loan contracts

Contract Subject	Details of the Contract
Borrower	ZOUEN
Lender	1 commercial bank in Japan
Objective	To be used as construction investment funds and development of the Zouen project.
Contract date	15 November 2017
Loan limit	• <u>Facility Loan</u>: Long-term loans with a quantity of 2,290 million yen, to be used in project construction. • <u>Consumption Tax Loan</u>: Short-term loans with a quantity of 163 million yen, to be used for the payment of the Consumption Tax associated with project construction.
Interest rates	• <u>Facility Loan</u>: Long-term loans with an interest rate of Japanese Yen TIBOR + additional rates as specified in the contract. • <u>Consumption Tax Loan</u>: Short-term loans with a 'Short Term Prime Lending Rate' interest rate + additional rates as specified in the contract.
Loan repayment	• <u>Facility Loan</u>: Principal repayments shall be made every 3 months, to a total duration of 68 installments, at rates stipulated in the loan contract, with the first installment payment to be made in March 2019. • <u>Consumption Tax Loan</u>: Principal to be repaid in one payment, either on the day the borrower receives their Consumption Tax refund, or on September 30, 2019, on the date during which either of these events occurs first.

iv. Ashita Power 1 (Leo 1 Project) Loan Contracts

Contract Subject	Details of the Contract
Borrower	Ashita Power 1
Lender	1 commercial bank in Japan
Objective	To be used as construction investment funds and development of the Leo project.
Contract date	14 September 2018
Loan limit	• <u>Facility Loan</u>: Long-term loans with a quantity of 11,158 million yen, to be used in project construction. • <u>Consumption Tax Loan</u>: Short-term loans with a quantity of 777 million yen, to be used for the payment of the Consumption Tax associated with project construction.
Interest rates	• <u>Facility Loan</u>: Long-term loans with an interest rate of Japanese Yen 6M-TIBOR + additional rates as specified in the contract. • <u>Consumption Tax Loan</u>: Short-term loans with an interest rate of Japanese Yen 3M-TIBOR + additional rates as specified in the contract.
Loan repayment	• <u>Facility Loan</u>: Principal repayments shall be made every 6 months, to a total duration of 34 installments, at rates stipulated in the loan contract, with the first installment payment to be made in June 2022. • <u>Consumption Tax Loan</u>: Principal to be repaid in one payment.

v. TGC Loan contracts (Khunsight Kundi project)

Contract Subject	Details of the Contract
Borrower	TGC
Lender	International financial institutions
Objective	To be used as construction investment funds and development of the Khunsight Kundi project.
Contract date	March 20, 2019
Loan limit	Long-term loans with a quantity of 18.7 million US dollars, to be used in project construction.
Interest rates	Fixed interest rate throughout the loan duration.
Loan repayment	Principal repayments shall be made every 6 months, to a total duration of 20 installments, at rates stipulated in the loan contract, with the first installment payment to be made in February 2020.

vi. TTQN Loan contracts (Binh Nguyen project)

Contract Subject	Details of the Contract
Borrower	TTQN
Lender	International financial institutions and commercial bank in Vietnam
Objective	To be used as construction investment funds and development of the Binh Nguyen Solar project.
Contract date	June 10, 2021
Loan limit	Long-term loans with a quantity of 32.5 million US dollars, to be used in project construction.
Interest rates	LIBOR interest rate + additional rates as stipulated in the contract.
Loan repayment	Principal repayments shall be made every 3 months, to a total duration of 56 installments, at rates stipulated in the loan contract. with the first installment payment to be made in December 2021.

vii. SSE

Contract Subject	Details of the Contract
Borrower	SSE
Lender	International financial institutions
Objective	To be used as construction investment funds and development of Solar Roof Panel
Contract date	30 November 2021
Loan limit	Long-term loans with a quantity of 11.5 million US dollars, to be used in project construction.
Interest rates	3M JIBOR interest rate + additional rates as stipulated in the contract.
Loan repayment	Principal repayments shall be made every 3 months, to a total duration of 28 installments, at rates stipulated in the loan contract. with the first installment payment to be made in January 2023.

5.4 Legal disputes

As of December 31, 2020, the Group Company has no lawsuits undergoing the process of arbitration or any other case significant case proceedings directly related to the Company Group that might severely and negatively impact the property of Company group or the shareholder's equity, or impact the financial status, operating results, and future business operation trends.

5.5 History of defaulting on principal, or interest on debenture, or defaulting on loans from commercial banks, finance companies, credit foncier companies, or legally established financial institutions in the last 3 years

The cause of actions/disputes and the operations by UPT are as follows:

The cause of actions/disputes originated from the construction of a power plant in Si-kiew Subdistrict, Si-kiew District Nakhon Ratchasima Province, in and around 2016, in respect of which local residents formed a group of Si-kiew people objecting to the power plant, and filed their complaints with various authorities, i.e., Division for Peace and Order in Nakhon Ratchasima Province and the Nakhon Ratchasima Provincial Administrative Court, regarding such power plant construction. On August 9, 2017, the Nakhon Ratchasima Administrative Court has a judgment to revoke the Building Construction License (Aor. 1) and a Factory License (Ror Ngor. 4) effective from the date of issuance of such licenses. In addition, it has an order to temporarily compulsorily suspend the enforceability of the Building Construction License (Aor. 1) and a Factory License (Ror Ngor.4) until the final judgment or the court orders otherwise.

However, the Supreme Administrative Court has issued an order following an appeal petition with the reversal of the order of the Nakhon Ratchasima Administrative Court to dismiss the request to compulsorily suspend the enforceability of the Building Construction License (Aor. 1) and a Factory License (Ror Ngor. 4). Therefore, such licenses are still enforceable and effective.

The issues to be considered and key arguments are as follows

At present, the case is pending the consideration of the Supreme Administrative Court, with key issues and arguments as follows:

Did UPT duly hold a public hearing in compliance with the law; in other words, was UPT required to comply with the Regulations of the Prime Minister's Office on Public Hearing B.E. 2548 (2005) (the "PMO Regulations")? Given the fact that UPT is a private company and thus not subject to the PMO Regulations. The Company has clearly clarified this issue, together with the relevant documents, in UPT's appeal.

Was UPT required to comply with the Regulations of the Ministry of Industry Governing Public Hearing on Consideration and Issuance of the Receipt of Notification on Factory Operation Commencement, Factory Business License, Factory Expansion License under the Factory Law, B.E. 2555 (2012) (the "MOI Regulations")? UPT applied for the building construction license (Or.1) and the factory business license (Ror.Ngor.4) since 2011, whereby UPT did comply with the applicable rules and laws in force at that time in all respects. The MOI Regulations were issued later on, and as such, the subsequently issued law should not apply in such manner unfavorable to UPT, which is contrary to the principle of non-retroactivity of administrative acts and UPT has already clarified this issue in its appeal.

Were the facts relating to the power plant publicly announced for the purpose of public participation and opinion? UPT has clarified this issue in its appeal that UPT did provide information on such impact and corrective measures in such announcement, and should the people have any question or argument, they could have raised their objection accordingly in accordance with the purpose of such announcement. However, upon completion of the public announcement period, no objection was raised by the people.

Did the application for the building construction license (Or.1) and the factory business license (Ror.Ngor.4) require approval from the Subdistrict Administrative Organization? The Subdistrict Council and Subdistrict Administrative Organization Act B.E. 2537 (1994) (the " SAO Act") provides that the general administration, e.g., order, permission and approval, shall be the functions of the Chief Executive of the Subdistrict Administrative Organization, although such major matters as the protection and care of natural resources and the environment, the Chief Executive of the Subdistrict Administrative Organization or the

and care of natural resources and the environment, the Chief Executive of the Subdistrict Administrative Organization or the Subdistrict Administrative Organization Council may request a joint consideration. In UPT's opinion, the initial approval in respect of such permission constituted a general administration work of the Subdistrict Administrative Organization, which should likely be within the power of the Chief Executive of the Subdistrict Administrative Organization. UPT has clearly clarified this issue in its appeal that UPT did duly proceed in compliance with the law.

Timeframe of the Case

Currently, the case in question remains pending the Supreme Administrative Court's consideration. According to the most recent off-record follow-up on the development of the case with the Supreme Administrative Court, the Court's official informed that the case is in the course of preparing the case statement by the judge in charge for submission to the tribunal, although the date for reading of the Supreme Administrative Court's judgment has not yet been scheduled.

The procedure to mitigate the risk from the dispute in Shares Purchase Agreement

the seller shall responsible and assist UPT to file the applications for the new relevant licenses to enable the operation of biomass power plant within 1 year from the date of the judgment of the Supreme Administrative Court and the seller shall responsible for any actual expenses which UPT has to pay to keep the biomass power plant in ready to-use condition throughout the period during which biomass power plants cease to operate until the biomass power plants can operate normally

In the case that the biomass power plant cannot operate within 1 year from the date of the judgment of the Supreme Administrative Court, the Company reserve the right to terminate the Share Purchase Agreement and the seller shall be obliged to pay for any actual damages incurred including but not limited to the investment value of THB 500,000,000, the relevant Transaction's cost and the Company's financial cost minus

the actual received dividend by the Company.

5.6 History of terms and conditions breaches in the last 3 years

-None-

Part 2

Corporate Governance

6. Corporate Governance Policy

6.1 An overall picture of corporate governance policies and practices.

The Group Company recognizes the importance of good corporate governance that it is an essential factor in promoting the Group Company's operations to be efficient and achieving sustainable growth, which will bring maximum benefits to all stakeholders ranging from employees, investors, shareholders, and other stakeholders. It covers key principles ranging from the structure, roles, duties, and responsibilities of the Board of Directors including the principles of management that is transparent, clear, and auditable to guide the management of the organization, creating confidence that any operations of the Group Company are fair and having the best interests of all shareholders and stakeholders in mind.

The Board of Directors has focused on conforming with good corporate governance principles, covering key principles in accordance with corporate governance principles in 5 categories as follows:

Section 1 The Rights of Shareholders

The Company places importance on the rights of shareholders, which may not be limited to the rights required by law. It does not act in violation of or deprives shareholders of their rights and encourages shareholders to exercise their rights. Basic rights of shareholders include trading or transferring shares, receiving a share of the Company's profits, receiving adequate news and information about the Company, attending the meeting to exercise voting rights at the shareholders' meeting to appoint or remove directors, appointment of auditors and matters affecting the Company such as dividend allocation, pre-scripting or amendment of the Company's Articles of Association and Memorandum of Association, capital reduction or capital increase and approval of special items, etc.

In addition to the basic rights mentioned above, the Company has also established guidelines on matters that promote and facilitate the exercise of rights of shareholders as follows:

- 1) Disclosure of policies to support or promote shareholders of all groups to attend the shareholders' meeting.
- 2) Provide information on the date, time, place, and agenda of the meeting with clarifications and reasons for each agenda item or accompanying the resolutions requested as specified in the invitation to the Annual General Meeting and Extraordinary General Meeting of Shareholders or in the agenda attachment and shall not take any action that limits the shareholders' chances of studying the Company's information.
- 3) Facilitate shareholders to exercise their right to attend meetings and vote fully, and refrain from any actions that limit the chances of the shareholders attending shareholders' meetings, such as attending meetings to vote.
- 4) The resolution should be a simple process, and the meeting should not be excessively costly, and the venue of the shareholders' meeting should be convenient to travel.
- 5) The Chairman of the meeting will allocate time appropriately and encourage shareholders to have the opportunity to express their opinions and ask questions to the meeting on matters relating to the Company, as well as allow shareholders to submit questions in advance of the meeting date by clearly establishing the criteria for submitting questions in advance and notifying shareholders together with the delivery of invitations to shareholders' meetings. The criteria for submitting such questions shall also be published in advance on the Company's website.
- 6) Encourage shareholders to use proxy letter in the format that shareholders can determine the direction of voting, nominate at least 1 independent directors as an alternative to shareholder proxy.
- 7) Encourage the Company to apply technology in shareholders' meetings, including shareholder registration, vote counting and display, so that the meeting can be conducted quickly, precisely, and accurately.
- 8) Encourage all directors of the Company to attend shareholders' meetings to respond to shareholders' inquiries.
- 9) Arrange a resolution of the shareholders' meeting for each item in the event that there are multiple agenda items, such as the agenda of the appointment of directors.
- 10) Encourage independent individuals to count or monitor votes at the General Meeting and Extraordinary General Meeting of Shareholders and disclose them to the meeting and record them in the minutes of the meeting.
- 11) Encourage the use of ballots on important agenda items such as connected transactions, transactions involving acquiring or disposing of assets etc. for transparency and accountability, in the case there is a dispute afterwards.

12) Arrange for the minutes of the shareholders' meeting to record the clarification of voting procedures and the method of displaying the voting results to the meeting before conducting the meeting, including allowing shareholders to raise points or ask questions. The questions, answers, and the results of the vote counts on each agenda shall be recorded with details on how shareholders agree, oppose, or abstain from voting, including records of attendees and directors who are on leave. The minutes of the meeting shall be disclosed on the Company's website.

13) Publicly disclose the results of the vote of each agenda item at the Annual General Meeting and Extraordinary General Meeting of Shareholders on the next business day on the Company's website.

Section 2 The Equitable Treatment of Shareholders

The Company has a policy to treat all shareholders, including executive and non-executive shareholders, both major and minority shareholders, as well as foreign shareholders equally and fairly under the following guidelines:

1) Send the invitation letter to the Shareholders' Meeting with the agenda and opinions of the Board of Directors to the Stock Exchange of Thailand and publish it on the Company's website for at least 7 days or 14 days. The invitation letter of the shareholders' meeting should be prepared in English and published together with the invitation letter of the Thai-language shareholders' meeting.

2) Notify shareholders of any rules used in the meeting, voting procedures, including voting rights based on each type of share.

3) The voting rights at the meeting shall be in accordance with the number of shares held by the shareholders. One share is entitled to one vote. In addition, the Company grants shareholders who attend the meeting after the meeting has begun the right to vote for the agenda that is under consideration and has not yet been voted on. The late attendees are counted as a quorum from the agenda item to the meeting and the vote onwards.

4) Set out the criteria for minority shareholders to propose agenda items in advance of the shareholders' meeting to demonstrate fairness and transparency in determining whether to add the agenda proposed by minority shareholders. In addition, the shareholders who are executives shall not add agenda items without giving an advance notice if not necessary, especially the agendas that the shareholders would need time to study information before making a decision.

5) Determine how minority shareholders nominate candidates to serve as directors. Nominations can be made through the Nomination and Remuneration Committee in advance of the date of the shareholders' meeting together with information to support the qualification consideration and the consent of the nominees.

6) Opportunity for shareholders to use their right to appoint directors individually.

7) All directors and executives are responsible for reporting their securities holdings in accordance with the law. Such reports are to be submitted regularly and it will be disclosed in the annual report as well.

8) Establish guidelines for maintaining and preventing the use of inside information in writing and notifying such guidelines to everyone in the Company. It is prohibited for persons involved in internal information to trade the Company's securities within 1 month prior to the disclosure of quarterly and annual financial statements.

9) Requiring directors to report their interests at least before the consideration of the agenda and record them in the minutes of the Board of Directors' meetings and ensure that directors who are significant stakeholders in such agenda, which may prevent them from being able to opine freely, to refrain from being involved in the meeting during the consideration of the agenda.

Section 3 Roles of Stakeholders

The Company recognizes the importance of caring for and taking into account all stakeholders. The Group Company also takes into account the rights of all stakeholders in accordance with the following guidelines:

(1) The Company recognizes that employees are a factor in achieving the Company's goals with great value, so it is the Company's policy to treat employees fairly in terms of opportunities, compensation, appointment, transfer, as well as potential development. In order to comply with the policy, the Company has established the following principles:

- 1) Treat employees with courtesy and respect their individuality.
- 2) Provide fair compensation to employees, including establishing a provident fund for employees as prioritizing looking after the welfare of employees.
- 3) Maintain a safe working environment for employees' lives and property.
- 4) Focus on improving the knowledge and capabilities of employees by providing opportunities thoroughly and consistently to develop employees' capabilities to support the growth of the organization.
- 5) The appointment, relocation, including rewarding and punishing employees, is done in good faith, and is based on the knowledge, competence, and suitability of the employees.
- 6) Listen to comments and suggestions based on the professional knowledge of employees.
- 7) Strictly comply with all laws and regulations relating to employees.

(2) Policies and Guidelines for Shareholders

- 1) Perform duties with integrity and make any decisions in accordance with the principles of the profession with caution, prudence and fairness to both major and minor shareholders in the best interests of the shareholders as a whole.
- 2) Presentation of the Company's status, information on financial position, accounting, and other reports regularly and truthfully.
- 3) Inform all shareholders equally about the future prospects of the Group Company, both positive and negative, based on possibilities with sufficient supporting and rational information.
- 4) It is prohibited to seek personal gains and gains for others by using any information of the Group Company which has not been made public or take any actions that may cause conflicts of interest with the Company.

(3) Customer Policy and Guidelines

The Company puts its customers first by building good relationships with customers continuously and consistently, focusing on fulfilling contracts, agreements and various conditions that have been made with the customers transparently and fairly. It also creates customer satisfaction and confidence in obtaining quality products and services under appropriate safety and technology and prioritizes the confidentiality of customers.

(4) Policies and guidelines for business partners and/or creditors

The Company has a policy for employees to treat all partners and/or creditors fairly, honestly and without exploiting the partners, taking into account the best interests of the Company, the basis of fair returns on both sides, avoid situations that cause conflicts of interest and problem negotiations are based on business relations. The guidelines are as follows:

- 1) The Company shall not request, accept or pay dishonest trading benefits with trading partners and/or creditors.
- 2) In the event where it has been found that there are any dishonest request, acceptance or payments of benefits, details must be disclosed to partners and/or creditors to jointly resolve the issue fairly and quickly.
- 3) Strictly comply with the agreed conditions. In the event that the Company is unable to comply with any conditions, the Company must inform creditors in advance to jointly consider solutions.
- 4) The Company shall treat creditors as a very important business partner. Therefore, it is committed to comply with all obligations under the contract made with the creditors as well as refraining from concealing information or facts which may damage the creditors. If there is a case where the Company is unable to deliver the contractual obligations, the Company shall notify the creditors in advance to jointly find a solution to such problem, including guarantee terms, capital management, and defaulting on debts.

(5) Policies and guidelines for society and/or communities

The Group Company has a policy to conduct business that benefits the economy and society and adheres to the practice of being a good citizen and follows all relevant laws and regulations. The Company thrives on growing its business while enhancing the sustainable quality of the society and community it operates in. In addition, The Company has a sustainable growth policy. The Company has plan and control construction to not affect with water for agriculture and consumption in community.

(6) Environmental Policy

The Group Company has a policy to support activities that enhance the quality, occupational health, and environment, as well as maintain a safe working environment for the lives and property of employees. The Company and/or its subsidiaries operate in conjunction with taking into account the impact on the environment and well-being of local communities to help promote and preserve the environment of the community while growing the Group Company's business.

Section 4 Disclosure and Transparency

(1) The Board of Directors attaches importance to the disclosure of important information relating to the Company and/or the subsidiaries, both financial and non-financial information. The disclosure must be accurate, complete, timely and transparent in accordance with the rules of the Securities and Exchange Commission and the Stock Exchange of Thailand, including other information that may affect the price of the Company's securities, which all affect the decision-making process of investors and stakeholders of the Company. As follows, there is a mechanism to ensure that the information disclosed to investors is accurate, not misleading, and sufficient for the investors to make a decision.

(2) Report of the corporate governance policy, code of conduct, risk management policy, and the environmental and social care policy that has been approved in summary and the results of the implementation of such policy, as well as the inability to comply with such policies with reasons. This report shall be published through channels such as annual reports and the Company's website.

(3) The Board of Directors' responsibilities will be reported in conjunction with the auditor's report in the annual report.

(4) Ensure that audit fees and other services provided by the auditor are disclosed.

(5) Provide the disclosure of roles and duties of the Board of Directors and sub-committees, the number of meetings and the number of times each director attended the meeting in the past year, and opinions from performing the duties, including the continuous training and development of professional knowledge of the Board of Directors in the annual report.

(6) Disclose the remuneration policy to directors and top management that reflects the duties and responsibilities of each person, including the form or nature of remuneration. The amount of remuneration disclosed should include the remuneration that each director receives as a director of the subsidiary as well.

(7) In addition to disseminating information in accordance with the criteria specified and through the channels of the Stock Exchange of Thailand, annual registration statement (Form 56-1) and annual report, The Board of Directors will consider disclosing information through other channels as well, such as the Company's website.

(8) All directors and executives of the Company and its subsidiaries shall report to the Company their interests or related parties relating to the management of the Company or its subsidiaries in accordance with the rules and procedures announced by the Capital Market Supervisory Board, as well as to update and report to the Company within 30 days from the date of such change of interest.

(9) The Company is encouraged to prepare management discussion and analysis statement to disclose the financial statements quarterly. This is to keep investors informed and to have a better understanding of the changes to the Company's financial position and performance each quarter aside from the numerical data in the financial statements alone.

Section 5 Responsibilities of the Board of Directors

(1) Structure of the Board of Directors

The Board of Directors has at least five directors, with number of independent directors at not less than one-third of the total number of directors, and at least three independent directors who meets the securities and exchange commission criteria. The Board of Directors consists of qualified persons from a wide range of professions, including business, accounting, and finance. The Company has four additional sub-committees including executive committee, audit committee, nomination and remuneration committee, and risk management committee.

Directors or senior executives of the Company have not been employees or partners of the external audit company that the Company uses the service of within the past 2 years.

All independent directors of the Company are independent of management and major shareholders of the Company,

and none of the independent directors serve as directors in more than five listed companies in Thailand, and no executive directors of the Company has been a director in listed companies in Thailand of more than two companies.

The Company's policy regarding the determination of the term of office of the Director is in accordance with the Articles of Association of the Company which stipulates that at the Annual General Meeting of Shareholders, the directors shall be removed from their positions at a rate of one-third, based on the longest served in the office shall be removed. Directors have a term of office of 3 years at a time, and directors who have left their positions may be re-elected by the shareholders' meeting to re-take the position.

In addition, the Company has arranged the appointment of Executive Committee, Audit Committee, Nomination and Remuneration Committee, and the Risk Management Committee as well as clearly defined the scope, authority, duties, and responsibilities of such committees to prevent any director from having unlimited powers. The Company Secretary has also been appointed to oversee the activities of the Board of Directors, including coordinating the compliance with the Board of Directors' resolutions.

(2) Sub-Committees

The Board of Directors has appointed four sub-committees, namely the Executive Committee, the Audit Committee, Nomination and Remuneration Committee, and the Risk Management Committee to moderate operations within the scope of authority established to enhance the performance of the Board of Directors. The composition and appointment of such sub-committees is in accordance with the criteria in the composition and appointment of the Board of Directors, Executive Committee, Audit Committee, Nomination and Remuneration Committee, and Risk Management Committee.

(3) Roles, Duties and Responsibilities of the Board of Directors

(3.1) Corporate Governance Policy

The Company is committed to maintaining high standards of good corporate governance in the Company by adhering to the principles of good corporate governance in accordance with good corporate governance principles for listed companies 2012 of the Stock Exchange of Thailand. The Company has also adopted the Code of Conduct, which has been approved by the Board of Directors and has been promoted throughout the organization to be understood and practiced at all times. In addition, Standard Operating Procedures have been developed to control operations and performances within the organization. The Board of Directors also periodically approves and promulgates new internal rules and regulations aimed at improving the Company's good corporate governance.

(3.2) Code of Conduct

The Company has created a Code of Conduct manual approved by the Board of Directors and it is required that the employees, management, and directors shall comply with such Code of Conduct strictly. The mentioned Code of Conduct has also been promoted throughout the organization to be understood via e-mail as well as placing on the public relations board to promote compliance.

The code of conduct was drafted under integrity principles, transparency principles, good corporate governance principles and good social ethics.

(3.3) Conflicts of Interest

Transactions between the Company and any connected persons that may bring conflicting shall be thoroughly considered by the audit committee. If it is an important inter-transaction, the transaction must be approved by the Board of Directors and/or the shareholders' meeting, depending on the nature and size of the transaction according to the requirements of the Capital Market Supervisory Board. Any directors or executives who has interests or is involved will not participate in the decision-making process of the mentioned transaction.

In this regard, such transactions must be made under normal trading conditions, with a fair and at arms' length basis. The Company will refer to the independent appraiser's report appointed by the Company to set a fair price for both the Company and related parties.

(3.4) Internal Control and Audit System

The Company recognizes the importance of an effective internal control system by the Board of Directors and has

assigned the Audit Committee to make sure that the Company has adequate internal control systems (in five different areas: organization and environment, risk management, management operational control, information and communication system, and monitoring system) and to report to the Board of Directors.

Internal Audit

The Company has established an independent internal audit department with an internal audit supervisor overseeing the internal audit process and reporting directly to the Audit Committee to monitor and assess the adequacy and effectiveness of internal control of the Company and its subsidiaries in accordance with the annual audit form approved by the Audit Committee and reported to the Audit Committee on a quarterly basis to improve the efficiency and effectiveness of the Group Company's operations.

In this regard, the appointment, removal, and relocation of the position of Internal Audit Supervisor must be approved by the Audit Committee.

(3.5) Whistleblowing Channels

The Board of Directors provides clear guidelines for those who wish to report clues or stakeholders through the Company's website (www.sermsang.com) under "complaint on misconduct" heading or report directly to the Company. The channel for whistleblowing is assigned through the Company's Internal Audit Supervisor in order to report to the independent directors or the Audit Committee of the Company in order to review the information in accordance with the procedures established by the Company and report to the committee.

(3.6) Establish risk management policy

The Board of Directors establishes risk management policy to cover the entire organization by having management regularly follow policies and reports to the Board of Directors, and should review the system or evaluate the effectiveness of risk management at least once a year and disclose it in the annual report and at any time that the risk level of change is found, including the emphasis on early warning signs and the various irregular transactions.

(3.7) Supervision of operations of subsidiaries and/or associated companies

In regard to supervising the Company's holding business, the Company has placed an emphasis on establishing guidelines for supervising the operations of its subsidiaries and joint ventures in its Investment, Supervision of Operations and Management in Subsidiaries and Associated Companies Policy.

The Company has assigned directors and representatives who are experts in the Company's business to represent the Company in serving as a director in the Company's subsidiaries or associated companies, to supervise the management and report the performance to the Board of Directors' meeting on a quarterly basis. The proportion of representatives of the Company who hold directorship positions in subsidiaries and associated companies, at least, is in proportion to the Company's shareholding in that company. In addition, the determination of important policies and voting on important agenda items of subsidiaries and associated companies must be approved by the Board of Directors.

In this regard, supervision of the operations of the Company's subsidiaries and overseas subsidiaries shall be to the extent that is not contrary to the foreign law, rules or regulations and/or regulations of such Company, and as far as it does not make or may not result in its subsidiaries and overseas subsidiaries being obliged to take any further action beyond the compliance with applicable laws or regulations, and to the extent that it does not cause its subsidiaries and overseas subsidiaries to lose any benefits that should be obtained under foreign law.

However, in the event that the Company is unable to push its subsidiaries and/or affiliates to comply with this policy due to the legal restrictions of the country in which the Company's subsidiaries and/or affiliates is located, the Company will take other equivalent measures to ensure that the Company has a governance mechanism that enables the Company to supervise, manage and take responsibility for the operations of its subsidiaries and/or affiliated companies that operate its core business as an entity of the Company, as well as to provide measures to monitor the management of such companies in order to preserve the interests of the Company's investments. In this regard, subsidiaries and/or affiliated companies engaged in the Company's core business shall be defined in accordance with the definitions set forth in the Notification of the Capital Market Supervisory Board No. 39/2016 and the amended version.

(4) Meetings of the Board of Directors and Sub-Committees

(4.1) Board of Directors

The Company will hold at least four regular board meetings each year on a quarterly basis, which will be determined and notified in advance.

In this regard, the dedication of each director to the Company should not be focused solely on spending time attending meetings. However, it should include exchange of opinions, advice, experience, and networking to increase the benefits of the Group Company's business.

(4.2) Executive Committee

The Company will hold regular meetings of the Executive Committee at least once a year, which will be determined and notified in advance.

In this regard, the dedication to the Company of each executive committee member should not be focused solely on spending time attending meetings. However, it should include an exchange of opinions, advice, experience, and networking to increase the benefits of the Group Company's business.

(4.3) Audit Committee

The Company will hold regular meetings of the Audit Committee, at least four times each year on a quarterly basis, which will be determined and notified in advance.

(4.4) Nomination and Remuneration Committee

The Company will hold a meeting of the Nomination and Remuneration Committee at least once a year, which will be determined and notified in advance.

(4.5) Risk Management Committee

The Company will hold risk management committee meetings at least once a year, which will be determined and notified in advance.

(5) Self-assessment of the Board of Directors

The Company has established an annual evaluation of the performance of the Board of Directors to jointly consider and summarize the results of the work assessment and review the performance. The Company has established a self-assessment of the Board of Directors in the self-assessment form of the entire committee.

(6) Remuneration for Directors and Executives

(6.1) Ensure that the remuneration of directors is in a manner comparable to the levels practiced in the industry, and the individual's experience, obligations, scope of roles and responsibilities, as well as the expected benefits of each director. Directors who are assigned more duties and responsibilities, such as being a member of a sub-committee, should also receive additional compensation appropriately.

(6.2) Ensure that the remuneration of the Chief Executive Officer and senior management is in accordance with the principles and policies prescribed by the Board of Directors and in the best interests of the Company.

(6.3) All non-executive directors or remuneration committees evaluate directors and executives annually for consideration of remuneration of directors and executives by using pre-agreed norms with directors and executives in accordance with concrete criteria. This includes financial performance and portfolio of long-term compliance with strategic objectives and present the above assessment results to the Board of Directors for approval, and the Chairman should communicate the results to the Chief Executive Officer.

(7) Director and Executive Development

(7.1) Promoting and facilitating training and educating stakeholders in the Company's corporate governance system, such as directors, to continuously improve the operation. Training and education may be done internally in the Company or using the services of external institutions.

(7.2) Every time a new director is appointed, management will provide documents and information useful to the duties of the new directors, as well as to introduce the business characteristics and business practices of the Group Company to new directors.

6.2 Code of Conduct

(1) Policy

Code of Conduct is applicable to Directors, Management Team, Employees of the Company, all of its affiliated companies at all levels regardless of whether or not they have signed the acknowledgement.

(2) Compliance with the law

The purpose of the Group Company is to do business lawfully and in accordance with the requirements and respect the rights of traders or their counterparts and customers.

(3) The Company's Code of Conduct consists of:

3.1 Behaving in accordance with the Company's rules, regulations, announcements and directives.

This Code of Conduct is an addition to the regulations, announcements, other orders of the Group Company. If any regulatory statements, notices, or directives conflict with those in the Code of Conduct, use the text in this Code instead.

All directors, executives, and employees of the Group Company must behave in accordance with the rules, regulations, announcements and directives of the Group Company and of their immediate supervisors and supervisors, that is:

3.1.1 Policy and compliance must be supported as well as regulations, orders, agreements, announcements, or circulars of the Group Company which are strictly announced to all employees.

3.1.2 The Company shall carry out its duties with integrity and fairness, as well as report incidents that may damage the Group Company's reputation and assets as soon as possible.

3.1.3 Be polite, courteous, and respectful to colleagues.

3.1.4 To perform duties with intent and dedication, maintain the Group Company's rules and governance to set a good example for employees in general in order for the Company to progress rightfully.

3.1.5 The interests and confidentiality of the Group Company, customers or in connection with any business that the Group Company is strictly confidential and must not be disclosed. Dissemination of news regarding the Group Company's finances and business must be done only in accordance with the proper and authorized guidelines and must be done with prudence and efficiency. Therefore, throughout the period of being an employee of the Group Company and after the termination as the Group Company's employees, all employees agree to maintain the confidentiality of the mentioned information. If such information is disclosed or sent to others or used for any matter other than the performance of duties for the Group Company, the employee agrees to be liable to indemnify the Group Company as actually incurred in all respects.

3.1.6 Everyone must be vigilant and help to protect the assets of the Group Company to ensure there will be no damages or losses, whether from a person or from any disasters, as fully as possible, and must not utilize any items, either equipment or assets of the Group Company for personal benefits or for the benefit of others who are not involved in the Group Company's business operations.

3.1.7 Administrate all works by adhering to morality and ethics, as well as promoting morality and ethics at all levels of the Group Company as well as monitor and manage potential conflicts of interest in the Group.

3.1.8 Close supervision of subordinates must be administered with fairness and no prejudice.

3.1.9 Must be ready to work as a team and be able to listen to the opinions of others.

3.1.10 To comply with, as well as promote and supervise the subordinates to strictly comply with the regulations, disciplines and requirements of the Group Company in the use of computer systems, computer data and computer traffic data of the Group Company to ensure that the use of computers of the Group is compliant with computer law, copyright law or other applicable laws to prevent any damages to the reputation and image of the Group Company.

3.2 Undesirables

All directors, executives, and employees of the Group Company shall refrain from practices or behaviors that will lead to the degradation of the Group Company and themselves, that is:

3.2.1 Take the company's working time to do other things or take personal advantage during working hours.

3.2.2 Conduct a business that has the same nature and compete with the business of the Group Company, whether

for self-benefit gains or the gains of others or become a shareholder with management dominance which may be damaging to the Group, either directly or indirectly.

3.2.3 Behave in a way that may degrade their own work status and the honor of the Group Company.

3.2.4 Inform or use false statements or conceal the truth that should be disclosed to the Group Company.

3.2.5 Work with negligence and act inappropriately under their own duties rather than completing the work in a proper and honest way.

3.2.6 Conceal or distort the truth in order to obtain the interests of oneself or others, which may cause damage to the Group, either directly or indirectly.

3.2.7 Disrupt or act in any way that impedes the performance of the authorized personnel of the Company or issue any orders that force the employees to act wrongfully or unethically.

3.2.8 Breaking civil and criminal laws that damage oneself or others, whether intentionally or not.

3.2.9 Disclose wages or salaries or the increased salary rates of themselves or of others, whether intentionally or not.

3.2.10 Demand or consent to accept assets or other benefits from customers, traders, partners, competitors, or any other person who does business with the Group or arrange or accept hospitality, which proves beyond reasonableness, except for traditional gifts or business receptions as usual, or the cost of promoting a business that brings a commercial reputation as a customary exchange.

3.2.11 Bribe and/or take any actions that cause damage to the Group Company and/or corruption, either directly or through third parties, and/or improperly influence government agents, customers or trade partners which is considered as a violation to the policies of the Group Company.

3.2.12 Take any additional, truncated or corrective actions in any record or information to alter or misrepresent performance and record the accounting to be intentionally misrepresented for any purpose.

3.2.13 Payment or management of the business with the intent or to lead people to understand that part of the payment or management of the business are done with purposes other than those specified in the document for payment or business management.

3.2.14 Shall not be a person who has an oversupplied debt or has a reason under the law to assume that they are an oversupplied debt.

3.2.15 Fail to maintain information on the intellectual property of the Group Company, or the Company, which has been obtained by the employee performing their duties.

3.2.16 Plagiarize the works and intellectual property of others.

3.2.17 Perform any act that unlawfully exploits oneself or others.

3.2.18 Allow a non-procurement organization seek support from a vendor or partner. (If there is a need to seek such support for the benefit of the Group Let various agencies consult with the purchasing line to be the person responsible for the action. Except for joint marketing activities, the marketing of the marketing and business development line is responsible)

3.2.19 Acts that neglect or facilitate any person who exploits or accesses or interferes with computer systems, computer information, computer traffic information of the Group Company, or without the permission of the Group Company, or intentionally, supporting or consenting to the occurrence or existence of the misconduct of service providers under computer law or copyright law or other applicable laws.

3.2.20 Use inside information for their own benefit or others to buy or sell shares of the Group Company or provide inside information to other parties for the benefit of buying or selling shares of the Company.

(4.) Disciplinary Procedures

4.1 Non-serious violations: The person will receive a written warning letter which will indicate the nature of the breach as well as the reasons that rely on the principle of the breach, giving the person the opportunity to dispute the allegations against the supervisor. If the issue is not resolved, the matter shall be presented to the Board of Management for consideration

and the disciplinary committee's decision shall be final. If there is a second violation or the person does not resolve the offence of the breach in the first place as received the warning letter, the person will be subject to strict disciplinary action, which may include dismissal.

4.2 Serious violations, including violations such as giving or receiving bribes, fraud, disclosure of confidential information or intellectual property of the Company to third parties and any actions that degrade the Company's honor, or concealing or not reporting any important information, discussions or documents to the Supervisor. The Company may consider termination without compensation and without the need to issue a written warning letter.

7. Corporate Governance Structure and significant information about the Board of Directors, the Sub-committees, the Executives, Employees and others.

7.1 The Board of Directors

As of 31 December 2021, Management Structure of the Company consists of the Board of Directors and 4 sub-committees as follows: (1) The Audit Committee (2) The Risk Management Committee (3) The Nomination and Remuneration Committee and (4) The Executive Committee with the following detail.

(1) The Board of Directors

List of names	Position
1. Mr. Kamthon Wangudom	Chairman of the Board /Independent Director / Director of the Audit Committee
2. Mr. Viwat Kraipisitkul	Director /Chairman of the Executive Committee / Chairman of the Risk Management Committee/ Director of the Nomination and Remuneration Committee
3. Mr. Samrieng Mekkiengkrai	Independent Director / Chairman of the Audit Committee /
4. Mr. Dhana Buphawani	Chairman of the Nomination and Remuneration Committee
5. Ms. Thantaporn Kraipisitkul	Independent Director / Director of the Audit Committee
6. Mr. Tanawat Kraipisitkul	Director/ Executive Director
7. Mr. Varut Tummavarasukub	Director / Executive Director / Director of the Risk Management Committee / Chief Executive Officer / the Deputy Chief Operating Officer
8. Mrs. Thanyanee Kraipisitkul	Director
9. General Phairat Phoubon	Independent Director
10. Mr. Monchai Pongstabadee	Independent Director

(2) The Audit Committee

List of names	Position
1. Mr. Samrieng Mekkiengkrai	Chairman of the Audit Committee
2. Mr. Dhana Buphawani	Director of the Audit Committee
3. Mr. Kamthon Wangudom	Director of the Audit Committee

(3) The Risk Management Committee

List of names	Position
1. Mr. Viwat Kraipisitkul	Chairman of the Risk Management Committee
2. Ms. Thantaporn Kraipisitkul	Director of the Risk Management Committee
3. Mr. Varut Tummavaranukub	Director of the Risk Management Committee

(4) The Nomination and Remuneration Committee

List of names	Position
1. Mr. Samrieng Mekkiengkrai	Chairman of the Nomination and Remuneration Committee
2. Mr. Viwat Kraipisitkul	Director of the Nomination and Remuneration Committee
3. Ms. Thantaporn Kraipisitkul	Director of the Nomination and Remuneration Committee

(5) The Executive Committee

List of names	Position
1. Mr. Viwat Kraipisitkul	Chief of the Executive Committee
2. Ms. Thantaporn Kraipisitkul	Member of the Executive Committee
3. Mr. Tanawat Kraipisitkul	Member of the Executive Committee
4. Mr. Varut Tummavaranukub	Member of the Executive Committee

7.1.1 Authorized Directors

Authorized Directors are Mr. Viwat Kraipisitkul or Ms. Thantaporn Kraipisitkul or Mr. Varut Tummavaranukub; two (out of three) who countersign with the Company's seal binds the Company.

7.1.2 The Committee of the Subsidiaries

7.1.2.1 The Committee of the Subsidiaries

Company	Mr. Viwat Kraipisitkul	Ms. Thantaporn Kraipisitkul	Mr. Tanawat Kraipisitkul	Mr. Varut Tummaravanukub	Mrs. Thanyanee Kraipisitkul	LIN KWAN YIU	TAN LIAN KIW	Ms. Sukunya Phokakul	Mr. Passakorn Panyaratanakorn	Ms. Panadda Lerdcharoenyong	AMARSANAA BALJINNYAM	ODBAATAR SUKHBAATAR	SHINNICHIRO YAHIRO	Ms. Sarmormart Chaiphatikarn	Huy Mac Quang	Vinh Nguyen Quang
1. SPN	Director	Director	-	Director	-	-	-	-	-	-	-	-	-	-	-	-
2. AE	-	-	-	Director	-	-	-	-	-	-	-	-	-	-	-	-
3. EP	Director	Director	-	Director	-	-	-	-	-	-	-	-	-	-	-	-
4. PE	-	Director	-	Director	-	-	-	-	-	-	-	-	-	-	-	-
5. PTG	-	Director	-	Director	-	-	-	-	-	-	-	-	-	-	-	-
6. PPP	Director	Director	-	Director	-	-	-	-	-	-	-	-	-	-	-	-
7. SCS	-	Director	-	Director	-	-	-	-	-	-	-	-	-	-	-	-
8. SRP	-	Director	-	Director	-	-	-	-	-	-	-	-	-	-	-	-
9. SS		Director	-	Director	-	-	-	-	-	-	-	-	-	-	-	-
10. SSC	Director	Director	-	Director	-	-	-	-	-	-	-	-	-	-	-	-
11. SI	-	Director	-	Director	-	-	-	-	-	-	-	-	-	-	-	-
12. SN	Director	Director	-	Director	-	-	-	-	-	-	-	-	-	-	-	-
13. UPT	Director	Director	-	Director	-	-	-	-	-	-	-	-	-	-	-	-

Company	Mr. Viwat Kraipisitkul	Ms. Thantaporn Kraipisitkul	Mr. Tanawat Kraipisitkul	Mr. Varut Tummaravanukub	Mrs. Thanyanee Kraipisitkul	LIN KWAN YIU	TAN LIAN KIW	Ms. Sukunya Phokakul	Mr. Passakorn Panyaratanakorn	Ms. Panadda Lerdcharoenyong	AMARSANAA BALJINNYAM	ODBAATAR SUKHBAATAR	SHINNICHIRO YAHIRO	Ms. Sarmormart Chaiphatikarn	Huy Mac Quang	Vinh Nguen Quang
14. SGP	-	Director	Director	-	-	-	-	-	-	-	-	-	-	-	-	-
15. SEG	-	Director	Director	-	-	-	-	-	-	-	-	-	-	-	-	-
16. ACM	-	-	-	Director	Director	Director	-	-	-	-	-	-	-	-	-	-
17. SJC	-	-	-	Director	-	-	-	-	-	-	-	-	-	-	-	-
18. SSSG	-	Director	-	Director	-	-	Director	-	-	-	-	-	-	-	-	-
19. TGC	-	Director	-	Director	-	-	-	Director	Director	Director	Director	Director	Director	-	-	-
20. TTQN	-	Director	-	Chairman	-	-	-	-	Director	-	-	-	-	Director	Director	-
21. SSEP	-	-	-	Chairman	-	-	-	-	-	-	-	-	-	Director	-	-
22. SSE	-	-	-	Chairman	-	-	-	-	-	-	-	-	-	Director	-	-
23. TTTV	-	Director	-	Director	-	-	-	-	Director	-	-	-	-	Director	-	Director

7.1.2.2 The Authorized Directors of the Subsidiaries

บริษัท	รายละเอียด
1. SPN	Mr. Viwat Kraipisitkul or Ms. Thantaporn Kraipisitkul sign with Company Seal
2. AE	Mr. Varut Tummavarasukub sign with Company Seal
3. EP	Ms. Thantaporn Kraipisitkul or Mr. Varut Tummavarasukub sign with Company Seal
4. PE	Ms. Thantaporn Kraipisitkul or Mr. Varut Tummavarasukub sign with Company Seal
5. PTG	Ms. Thantaporn Kraipisitkul or Mr. Varut Tummavarasukub sign with Company Seal
6. PPP	Ms. Thantaporn Kraipisitkul or Mr. Varut Tummavarasukub sign with Company Seal
7. SCS	Ms. Thantaporn Kraipisitkul or Mr. Varut Tummavarasukub sign with Company Seal
8. SRP	Ms. Thantaporn Kraipisitkul or Mr. Varut Tummavarasukub sign with Company Seal
9. SS	Ms. Thantaporn Kraipisitkul or Mr. Varut Tummavarasukub sign with Company Seal
10. SSC	Ms. Thantaporn Kraipisitkul or Mr. Varut Tummavarasukub sign with Company Seal
11. SI	Ms. Thantaporn Kraipisitkul or Mr. Varut Tummavarasukub sign with Company Seal
12. SN	Ms. Thantaporn Kraipisitkul or Mr. Varut Tummavarasukub sign with Company Seal
13. UPT	Ms. Thantaporn Kraipisitkul or Mr. Varut Tummavarasukub sign with Company Seal
14. SGP	Authorized directors sign to bind the Company as per meeting resolution of each committees
15. SEG	Authorized directors sign to bind the Company as per meeting resolution of each committees
16. ACM	Authorized directors sign to bind the Company as per meeting resolution of each committees
17. SJC	Directors sign with the Company Seal
18. SSSG	Authorized directors sign to bind the Company as per meeting resolution of each committees
19. TGC	Authorized directors sign to bind the Company as per meeting resolution of each committees
20. TTQN	Mr. Varut Tummavarasukub or Mr. Passakorn Panyaratanakorn sign with Company Seal
21. SSEP	Authorized directors sign to bind the Company as per meeting resolution of each committees
22. SSE	Authorized directors sign to bind the Company as per meeting resolution of each committees
23. TTTV	Mr. Varut Tummavarasukub or Mr. Passakorn Panyaratanakorn sign with Company Seal

7.2 The Sub-Committee

The structure of the Company's committee consists of the Board of Directors and 4 Sub-Committees which is the Audit Committee, the Risk Management Committee, the Nomination and Remuneration Committee and the Executive Committee.

7.2.1 The Board of Directors

Presently, the Board of Directors consists of 10 persons with the following detail.

List of names	Position
1. Mr. Kamthon Wangudom	Chairman /Independent Director
2. Mr. Samrieng Mekriengkrai	Independent Director
3. Mr. Dhana Buphawanit	Independent Director
4. Mr. Viwat Kraipisitkul	Director
5. Ms. Thantaporn Kraipisitkul	Director
6. Mr. Tanawat Kraipisitkul	Director
7. Mr. Varut Tummavarunukub	Director
8. Mrs. Thanyanee Kraipisitkul	Director
9. General Phairat Phoubon	Independent Director
10. Mr. Monchai Pongsatabadee	Independent Director

Note: Ms. Samornmart Chaiphatikarn works as the Company's secretary.

Scope, authority, duty and responsibility of the Board of Directors

The meeting of the Board of Directors has approved scope, authority, duty and responsibility of the Board of Directors as follows:

- 1) Comply with applicable laws, the Company's objectives and rules, the Board resolution and the resolution of shareholder with responsibility, caution and honesty.
- 2) Consider and approve vision, business strategy, business direction, goal, corporate approach, operation plan and budget of the Company and the subsidiaries as the proposal of the Board of Directors and Management.
- 3) Supervise the operation management and the performance of the Executive Committee, Chairman, Chief Executive Officer, Management and any delegated persons to comply with the policy.
- 4) Monitor the performance of the Company, the subsidiaries and the associated continually according to the operation plan and the Company's budget.
- 5) Arrange for the Company, the subsidiaries and the associated to adopt proper and efficient accounting system, good internal control and good internal audit.
- 6) Provide the Statement of Position and Income Statement as at end of the fiscal year of the Company and the subsidiaries and authorize to certify the financial statement for the proposal of the shareholder resolution.
- 7) Propose the selection and the appointment to the auditors of the Company and the subsidiaries and reasonable audit fee as the Audit Committee's proposal to the Annual General Meeting for approval.
- 8) Set and adopt the written good corporate governance policy efficiently to ensure that the Group is fairly responsible for all stakeholders.
- 9) Propose the appointment to the qualified persons to be the Director without the prohibited qualification as per Public Limited Companies Act B.E.2535, Securities and Exchange Act B.E.2535 including the relevant announcement, rules and/or regulations due to the vacancy of the position of Director in case of expiration and other reasons. In addition, determine the Directors' remuneration for shareholders' approval.

10) Appoint sub-committee including the Audit Committee, the Executive Committee, the Nomination and the Remuneration, Risk Management Committee or any sub committees as well as determine an authority of the sub-committee to assist and support the Board's operation.

11) Consider and amend the name of authorized Directors.

12) Consider the appointment of the Executives and Company's Secretary as the definition set by the Securities and Exchange Commission or the Capital Market Supervisory Board as well as determine the executives' remuneration as proposed by the Nomination and Remuneration.

13) Ask for professional opinion from external organizations for suitable decision, if necessary.

14) Encourage Directors and Executives of the Company to participate in seminar courses about their duties and responsibilities organized by Thai Institute of Directors Association (IOD).

15) Supervise the Company's operation efficiently and protect benefit for all stakeholders.

16) Organize the Annual General Meeting for shareholders within 4 months after the end of fiscal year.

17) Organize the Board meeting at least every 3 months.

18) Generate annual report of the Board and financial statement of the Company and the subsidiaries to present the financial position and performance of the Company and the subsidiaries in prior year as well as propose for shareholders' meeting to review and approve.

19) Supervise management and operation of the Company and the subsidiaries as per the Company's policy. In case of change in Directors of the subsidiaries, the Board has to manage to ensure that the subsidiaries' Directors who are nominated or appointed by the Company will acknowledge and comply with corporate policies, Public Limited Companies Act, Civil and Commercial Code, Securities Laws including announcement, rules, any regulations of the Capital Market Supervisory Board, the Securities and Exchange Commission and the Stock Exchange of Thailand such as related company transactions, acquisition and disposition of significant assets which is unconflicted to any laws including adequate, proper internal control and internal audit.

20) Set policies, supervise to have a system that well supports anti-corruption efficiently to ensure that the Board of Directors has realized and given importance to anti-corruption and instilled it to become the organizational culture.

In addition, the Board of Directors is in charge of determining measurement and mechanism direct and indirectly, monitoring the subsidiaries and/or associated (if any) to comply with the measurement, mechanism, corporate control policy, Public Limited Companies Act, Civil and Commercial Code, Securities Laws including announcement, rules, any regulations of the Capital Market Supervisory Board, the Securities and Exchange Commission and the Stock Exchange of Thailand as well as protecting the interests in corporate investment. In addition, the Board is authority in compliance and management to the subsidiaries and/or associated (if any) with previous approval from the Board of Directors and shareholder meeting (as the case maybe) and approval from the meeting of Board of Directors and/or Shareholder of the subsidiaries and/or associated (as the case maybe) as follows:

(1) Authorization of the Board of Directors

(a) The appointment or nomination of directors and executives in subsidiaries and/or associated (if any) is at least proportion to corporate shareholding in the subsidiaries and/or associated (if any). The authority of the appointed or nominated director and executives is the consideration of voting in the meeting of subsidiaries and/or associated (if any), general management and normal operation of subsidiaries and/or associated (if any) as appropriate to maximize profits unless there are any agendas for the approval of the Board or Shareholders 'meeting.

Furthermore, the qualification of nominated directors or executives as above is the persons in White List of directors and executives of the security issuer who have roles, duties, responsibilities and reliable personality as per the Determination of Untrustworthy Characteristics of Company Directors and Executives announced by the Securities and Exchange Commission.

(b) The consideration of final dividend and interim dividend (if any) of the subsidiaries and/or associated (if any).

(c) The revision of articles of association of the subsidiaries and associated (if any) except the revision of significant articles of association as per (2)(e).

(d) The consideration of annual budget of the subsidiaries and/or associated (if any).

(e) The appointment for the auditors of the subsidiaries and/or associated (if any) of which the auditors are not in an affiliated of a full member audit office of the Company, which does not correspond to corporate appointment approach that the auditors of subsidiaries and associated is an affiliated of the same audit office as the Company's.

From (f) to (i) all transactions are significant and impacts on materiality of financial position and operating performance of subsidiaries. Therefore, before the meeting of sub-committees and directors who are appointed for subsidiaries. The case is about calculation of financial transactions' size of subsidiaries compared to the Company's as per the criteria considered by the Board of Directors which is quoted from the rules of Acquisition and Disposition of Assets and/or the connected transactions (if any). In the consideration of the Board of Directors, all these transactions include the following cases.

(f) The subsidiaries agree to generate related transactions or its transactions about acquisition or disposition of assets including but not limited to the following issues.

(1) The subsidiaries agree to transfer or relinquish the benefits and claims consideration of annual budget of the subsidiaries and/or associated (if any).

(2) Sale or transfer all or part of subsidiaries' business to third parties.

(3) Purchase or transfer other business to be owned by subsidiaries.

(4) Execution, revision or cancellation for all or parts of leasing business of subsidiaries, assignment to the attorney to operate for the subsidiaries or merging subsidiaries with other businesses.

(5) Lease or hire purchase business or assets of all or significant part of subsidiaries' business.

(g) Borrowing or lending, credit financing, guarantee, act in the law for subsidiaries' financial burden or subsidy to third-party for abnormal business of subsidiaries.

(h) Dissolution of subsidiaries.

(i) Abnormal and material transactions of subsidiaries.

(2) Authorization of Shareholders' meeting prior to subsidiaries' generating transactions

(a) The case is about calculation of financial transactions' size of subsidiaries compared to the Company's as per the criteria considered by the Board of Directors which is quoted from the rules of Acquisition and Disposition of Assets and/or the connected transactions (if any). In the consideration of shareholders' meeting (the criteria for calculation as per relevant announcement of the Capital Market Supervisory Board, the Stock Exchange of Thailand).

(b) Capital increase of subsidiaries, share allocation and capital decrease are not proportion to previous shareholding or any action which the proportion of the Company's' voting right in shareholders meeting decreases less than proportion as law and the Company's regulation directly and/or indirectly impact on has no authority to control subsidiaries. Moreover, calculation for transactions size compared with the company's size is to be approved in shareholders meeting (the criteria for calculation as per relevant announcement of the Capital Market Supervisory Board, the Stock Exchange of Thailand).

(c) The dissolution of subsidiaries of which transaction calculation is not compared to the Company's and approved by shareholder meeting (the criteria for calculation as per relevant announcement of the Capital Market Supervisory Board, the Stock Exchange of Thailand about acquisition or disposition of assets).

(d) Any unusual transactions of business which impact on subsidiaries significantly have calculated transaction size approved by shareholders' meeting (the criteria for calculation as per relevant announcement of the Capital Market Supervisory Board, the Stock Exchange of Thailand about acquisition or disposition of assets).

(e) The revision of subsidiaries in materiality to financial position and performance of subsidiaries includes but is not limited to only revision of subsidiaries which impact on voting right of the Company in meeting of subsidiaries' Board

of Director and /or Shareholders or dividend payment.

In addition, Directors will operate subsidiaries to have internal control risk management system, anti-corruption system including proper, efficient and concise monitoring measurement for operation of subsidiaries and associated which ensures operation of subsidiaries and associates corresponds to plan, budget and policy of the Company as well as announcement, rules and criteria related to the announcement, rules and criteria of the Capital Market Supervisory Board, the Stock Exchange of Thailand, the Security and Exchange Commission, monitor subsidiaries and/or associates to disclose related transaction and /or acquisition or disposition of assets and/or materiality transactions of the Company and operate according to plan, budget, policy and criteria in corporate governance and operation management completely and accurately.

Board of Directors can empower and /or delegate a representative within scope of authority as per a power of attorney and/or principles, rules or order of the Company. The Board of Directors and Representative who have duties and responsibilities have no authority to approve conflict transactions the Board of Directors has no conflict as per the definition as announcement of the Security and Exchange Commission and/or the Capital Market Supervisory Board and/or the Stock Exchange of Thailand), any interests or benefits or conflict with the Company and subsidiaries except approval as the policy and approved criteria in Shareholders or Board of Directors Meeting as well as approval in normal and condition business as per announcement of the Security and Exchange Commission and/or the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or relevant institution.

Moreover, Directors and Executives and/or subsidiaries have the following duties.

1) Disclose financial position, operating performance, related transactions of the Company and/or subsidiaries including acquisition or disposition of assets with materiality to the Company and/or subsidiaries completely, accurately and timely. The Board of Directors of the Company and/or subsidiaries investigate related transactions or acquisition or disposition of assets with materiality of the Company and subsidiaries according to the announcement of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand.

2) Disclose and submit their information and related persons to the Board of the Company and subsidiaries to inform relationship and operation with the Company and subsidiaries which causes conflict of interests and avoid conflict of interests transactions with the Company and subsidiaries. The Board of the Company and subsidiaries have to inform this issues for any consideration with benefit to the Company and subsidiaries.

Furthermore, Directors and Executives of the Company and/or subsidiaries have not to participate in their interests or conflict directly and indirectly.

The following actions causes Directors, Executives or related persons with the Company and/or subsidiaries get financial advantage in addition to normal remuneration or damage the Company. These actions assume conflict of interests of the Company materially.

(a) Transactions of the Company and subsidiaries with Directors, Executives or related persons do not comply with criteria of connected transactions.

(b) Use of the Company and subsidiaries information except public information.

(c) Utilization of property or business opportunity of the Company and subsidiaries in the same way as the Company and subsidiaries do (if any) which breaks criteria or regulation as the Capital Market Supervisory Board's determination.

3) Report business plan, business expansion, big investment project including investment with other entrepreneurs with operating performance reports as Directors determine, present and/or submit documents for review as the Company requests.

4) Submit information or operating document to the Company as requested.

5) Inform and/or relevant documents to the Company if the Company finds material fact findings.

6) Arrange proper and adequate internal control for anti-corruption to the Company and/or subsidiaries, clear operating system to shows that the Company has sufficient disclosure system, transaction processing with materiality as

per the criteria continually and reliably and channels for Directors and Executives of the Company and /or subsidiaries to monitor operating performance, financial position, intercompany transactions with Directors, transaction processing of subsidiaries with its Directors and Executives, transaction processing with materiality of the Company and/or subsidiaries efficiently. Moreover, the Directors and Executives have to arrange for mechanism in operating system investigation in subsidiaries; whereas internal audit team and independent directors of the Company can access to information directly and there are internal audit reports for Directors and Executives to ensure that the Company and subsidiaries comply with working system regularly. เป็นการกระทำที่ขัดแย้งกับผลประโยชน์ของบริษัทอย่างมีนัยสำคัญ

7) Prohibit Directors, Executive, Employee or delegator of the Company and /or subsidiaries including spouse and underage child of these persons to use internal information of the Company and/or subsidiaries which derives from duties, effect the Company and/or subsidiaries materially, give benefits or returns to themselves or others directly and/or indirectly.

8) Directors, Executives or related persons of the Company and subsidiaries will operate with the Company and/or subsidiaries whenever the transactions are approved by the Company's Board of Directors and/or the subsidiaries' Board of Directors (as the case maybe) depending on sizes of calculated transactions as per the announcement about connected transactions and relevant criteria of the Security and Exchange Commission and the Stock Exchange of Thailand; unless, transactions are trade agreement as persons of ordinary prudence will treat to their counterparties in the same situation with trade bargaining power, but without influence as the status of Directors, Executives or related persons(as the case maybe). The trade agreement is needed to be approved by the Board or corresponds to the principle as the Board approved.

9) Comply with the Company's policies which the nominate or appointed directors will perform to ensure that subsidiaries will comply with various policies of the Company.

In addition, operational duties of the Board of Directors of subsidiaries and/or associates will have no conflict with laws, principles or international regulation and/or articles of associations, no influence on subsidiaries and associates to perform outside the laws or relevant regulations and no effect for subsidiaries and associates to lose their benefits according to international laws.

However, if the Company cannot operate for subsidiaries and/or associates to comply with authority, duty and responsibility as specified in this report due to restriction of local laws of subsidiaries and associates as above, the Company can operate with other measurement as equivalent to ensure that the Company has mechanism of corporate governance to control management and responsibility of subsidiaries and associates as the parts of the Company. The Company can also arrange measurement to monitor corporate operation to protect interests in the Company's investment for the definition of subsidiaries to correspond with the announce of the Capital Market Supervisory Board no.TJ 39/2559 and the revision.

7.2.2 Sub-Committee

7.2.2.1 The Audit Committee

At present, the Audit Committee of the Company consists of 3 Audit Directors as below:

List of names	Position
1. Mr. Samrieng Mekkiengkrai	Chairman of Audit Committee
2. Mr. Dhana Buphawanit	Audit Director
3. Mr. Kamthon Wangudom	Audit Director

Note: Ms. Sarmormmart Chaiphatikarn acts as Company's Secretary

Mr. Thana Buphawanit is Audit Director with knowledge and expertise in review of corporate financial statement who is appointed as Audit Committee an 2nd/2015 Extraordinary General Meeting of Shareholders on 28th October 2015 by Mr. Thana Buphawanit who reviews Consolidated Financial Statements and/or review of the Group as scope, authority, duty and responsibility as specified.

Scope Authority Duty and Responsibility of Audit Committee

The Boards' Meeting has resolution to approve charters for the Audit Committee, scope, authority, duty and responsibility of the Audit Committee as follows:

- 1) Review financial reports for the Company and subsidiaries accurately and sufficiently and coordinate with external auditors and Executives who have responsibility to generate quarterly and annual financial statements. In addition, the Audit Committee might propose auditors to review or investigate any material and necessary transactions during auditing of the Company and/or subsidiaries.
- 2) Review internal control and internal audit of the Company and subsidiaries properly, adequately and efficiently, consider independence of Internal Audit Office and agree to appoint, transfer, terminate internal audit office controller or any department who is responsible for internal audit.
- 3) Review compliance to Securities and Exchange Laws, Rules or any laws related to business of the Group.
- 4) Consider, select, appoint any independent persons to be auditors of the Company and subsidiaries, propose audit fee with regard to reliability, resource sufficiency, audit volume of an audit office and experience of the delegated audit of the Company and subsidiaries as well as join meeting with auditors without management once a year.
- 5) Consider related or conflict of interest transactions to be accurately and completely according to laws and rules of the Stock Market of Thailand to ensure those transactions is reasonable and maximize benefits for the Group.
- 6) Generate report of the result for corporate governance of the Audit Committee by disclosure in annual report of the Company certified by the Chairman of Audit Committee and consists of at least information as follows:
 - Comment for accuracy, completeness and reliability of corporate financial report
 - Comment for sufficiency of internal control of the Group
 - Comment for compliance with Security and Exchange laws, rules of the Stock Market of Thailand and related laws of the Group's business
 - Comment for suitability of auditors
 - Comment for conflict of interests transactions
 - Number of meeting and attendance of each Audit Directors
 - Comment or overall fact findings which the Audit Committee gets operation as per Charter and
 - Other transactions to be acknowledged by Shareholders and Investors within scope and responsibility delegated from the Board of Directors.

7) Operate any other assignment from the Board of Committee with agreement from the Audit Committee.

8) In Audit Committee's operation, if any doubt or material transactions to financial position and operating performance is found, the Audit Committee have responsibility to report to the Board to improve or revise within proper period as the Audit Committee agrees. The Audit Committee has authority to consult with professional consultants if necessary when considering corporate expenditure and/or subsidiaries to operate within responsibility to be successful.

(a) Conflict of interests transactions

(b) Corruption or abnormality or significant defect in internal control

(c) Violation of Security and Exchange Laws, rules of the Stock Market of Thailand or laws about the company's business

If the Board or Executives of the Company and/or subsidiaries do not operate to improve or revise within proper period according to paragraph 1, an Audit Director can report for the transactions or any actions according to paragraph 1 to the Security and Exchange Commission or the Stock Market of Thailand.

9) Review and propose to revise scope, duty and responsibility of the Audit Committee as appropriate.

10) Review rules or operating performance in prior year at least once a year.

11) Acknowledge and feedback on the follow-up of anti-corruption measures and review of financial and accounting reporting systems, internal control systems, internal audit systems and risk management systems linked to potential risks of corruption to ensure that the Company operations are concise, appropriate, up-to-date and efficient, comply with generally accepted standards, and also acknowledge complaints and whistle blow about corruptions both within and outside related to the organization, check the facts as informed by the Audit Committee, and present the complaints to the Board of Directors to jointly consider punishing or solving the said problems according to the anti-corruption policy

As above responsibility, the Audit Committee have responsibility to the Board of Directors director who has responsibility to third parties.

7.2.2.2 The Risk Management Committee

Presently, the Risk Management consists of 3 Risk Management Directors with the following details.

List of names	Position
1. Mr. Viwat Kraipisitkul	Chairman of Risk Management
2. Ms. Thantaporn Kraipisitkul	Director of Risk Management
3. Mr. Varut Tummavarasukub	Director of Risk Management

Note: Ms. Sarmornmart Chaiphatikarn acts as the Company's Risk Management Director.

Scope Authority Duty and Responsibility of the Risk Management

Meeting of the Board has the resolution to approve scope, authority, duty and responsibility of the Risk Management Committee.

1) Consider and screen the Company's overall risk management policies and guidelines which covers key categories of risks, such as financial risks, investment risks, business risks, corruption risks, as well as assess, monitor, review adequacy of the policies and risk management systems, including effectiveness of the system and compliance to the specified policies to propose to the Board of Directors for approval.

2) Supervise and support for operation for risk management to correspond to the Company's strategy, goal including variable situation.

3) Supervise for compliance to policy and framework of risk management to ensure that the Company has efficient risk management as a whole and continuous operation. The Board can consider to delegate the representative in individual and/or group to operate as assigned and appropriate. The objective is for the delegators to operate, monitor and report

to the Risk Management about compliance to the Company's risk management policy.

4) Consider risk report from related committee to monitor important risk in organization level and comment for possible risk, determination for measurement of risk control or risk management plan to ensure that the Group has appropriate and sufficient risk management.

5) Report to the Board for material risks, risk management plan, results from risk assessment and corporate compliance, compliance to measurement of risk control and/or specified risk management to the Board continually. If any significant factors or events which will influence on the materiality of financial position and operating performance of the Group, the Risk Management have to report to the Board to consider for the measurement of risk control and/or risk management as soon as possible.

6) Coordinate with the Audit Committee about risk information and significant internal control for the Audit Committee to consider for approval of internal control plan and to ensure that the Group have proper internal control system for risk management including suitable risk management adaptation to operate for all organization.

7) Enhance for culture of risk management within the Group.

8) Hold a meeting for the Risk Management Committee at least once a year.

9) Operate with risk management as the Board assigns.

7.2.2.3 The Nomination and Remuneration

Presently, the Nomination and Remuneration consists of 3 members as follows:

List of names	Position
1. Mr. Samrieng Mekkiengkrai	Chairman of the Nomination and Remuneration
2. Mr. Viwat Kraipisitkul	Director of the Nomination and Remuneration
3. Ms. Thantaporn Kraipisitkul	Director of the Nomination and Remuneration

Note: Ms. Thantaporn Kraipisitkul acts as the Secretary to the Nomination and Remuneration.

Scope Authority Duty and Responsibility of the Nomination and Remuneration Committee

Meeting of the Nomination and Remuneration Committee has resolution to approve scope, authority, duty and responsibility of the Nomination and Remuneration as follows:

1) Propose structure, composition and qualifications of the Board of Directors and others Sub-Committee.

2) Consider criteria and process to recruit and nominate proper personnel to be Directors, Chief Executive Officer when expired or vacancy or other executive position as the Board assigns for the Board of Directors to meeting of the Board of Directors or Shareholders (as the case maybe).

3) Propose list of names of Directors for the position in sub-committee of the Company.

4) Consider for approval in succession plan of top executives of the Company (as the definition "Executives" specified by the announcement of the Securities and Exchange Commission Re: Determination of Definitions in Notices on Issuance and Offering for Sale of Securities).

5) Consider the criteria in assessment performance of Executive Directors and Executive Committee and propose to the Board of Directors.

6) Performance appraisal for Executive Directors and Executive Committee and propose for approval from the Board of Director.

7) Propose guidelines for remuneration, remuneration method and other benefits to the Board of Directors and sub-committees appointed by the Board.

8) Consider annual remuneration for Directors, Chief Executive Officer including meeting allowance, annual bonus, welfare and other fringe benefits and propose to meeting of the Board and /or Shareholders (as the case maybe).

9) Responsible and accountable for reviewing policies as appropriate and supporting effective anti-corruption to comply with changes in business, and relevant rules, regulations and laws, and approving the amendment to propose to the Board of Directors for approval

7.2.2.4 The Executive Committee

Presently, the Executive Committee consists of 4 directors as follows:

List of names	Position
1. Mr. Viwat Kraipisitkul	Chairman of the Executive Committee
2. Ms. Thantaporn Kraipisitkul	Director of Executive Committee
3. Mr. Tanawat Kraipisitkul	Director of Executive Committee
4. Mr. Varut Tummavarankub	Director of Executive Committee

Note: Ms. Samornmart Chaiphatikarn acts as Secretary of Executive Committee.

Scope Authority Duty and Responsibility of the Executive Committee

Meeting of the Board of Directors has resolution for approval scope, authority, duty and responsibility of the Executive Committee.

1) Consider and set policy, business strategy, goal, operation plan, financial goal and budget by analysis of business factors properly to propose for approval from the Board. In case of change of situation, the Executive Committee will review approved budget to be suitable for situation.

2) Supervise, investigate, monitor business operation of the Group as per policy, business strategy, goal, operating plan, financial goal and budget approved by the Committee with efficiency and effectiveness, consult and recommend to management.

3) Determine organization structure about the Group's management, appointment for management 's transfer of each business, consider and follow succession plan of executives, unplanned human resources in annual budget, criteria for remuneration appraisal criteria for management criteria and approval for compensation for the position next to Chief Executive Officer.

4) Study financial feasibility for new project, authorize to consider and approve for the Company and/or subsidiaries to invest or co-invest with individual, corporate or any business organization in the form of the Executive Committee's agreement to operate as objectives of the Company and/or subsidiaries, consider and approve payment for investment, sign contract and/or operate in financial amounts and/or relevant law and regulation and/or article of association.

5) Monitor operating performance and progress of project investment of each business and report the result, problems or obstacles and guidelines for revision to the Board.

6) Consider, recommend or suggest to the Board of Directors about project's proposal or operation of the Group and consider selection in fund raising if necessary, which is over financial amount and/or laws and relevant principles or article of association. The meeting of Shareholders and/or the Board will approve as determined.

7) Consider, approve financial transactions with financial institution in open an account, borrow, loan request, pledge, pawn, guarantee, land trading and ownership registration for benefit to business operation of the Company and/or subsidiaries, signing contract, contact with government sector for the right of the Company, and/or any operation until finished within specified financial amount and/or laws and relevant principles or article of association.

8) Consider and approve principles rules, policy of management and operation of the Group or operation relevant to the Company.

9) Appoint and/or delegate to Executive Directors or one or many persons who act within scope of authority of Executives Committee in proper period as the Executive Committee agrees; whereas the Executive Committee can cancel or change that authority.

10) Authorize and responsible as delegation or policy which is the Board of Directors assigns occasionally.

11) Consider and approve for manuals of power of authority for the representatives and /or the authorized persons to know their scope, responsibility and authority This manual are used for operational manual with reference evidence and follow the process systematically.

12) Consider, approve and signing contract of normal business operation of the Company and/or subsidiaries according to capital budget or budget approved by the Directors. Financial amount of each transactions is specified in table of power of authority approved by the Board but not over annual budget approved by the Board.

13) Hold meeting for the Executive at least once a year.

14) Responsible and accountable for establishing the system and promoting and supporting the implementation of anti-corruption measures, being a role model, supervising employees to comply with anti-corruption measures, communicating to employees and related parties in all departments, and reviewing the suitability of systems and measures to comply with changes in business, rules, regulations and legal requirements

15) Set guidelines and recommend policies, strategies, operational frameworks, and set the goal as the Company with good governance and sustainable development which will lead to standardized organizational rules and regulations with the right approach in accordance with the organizational objective of building the trust and sustainability for all groups of stakeholders and related organizations both internally and externally with international standards

7.2.2.5 Chief Executive Officer

Meeting of Executive Committee has resolution for approval scope, authority, duty and responsibility of the Chief Executive Officer as follows:

1) Set policy, strategy, structure and authority including responsible for strategy planning and annual budget as the Executives propose for approval from the Executive Committee and the Board.

2) Control, comply and operate and/or manage general work as per policy, plan and budget approved by the Board.

3) Be representatives of the Company and/or subsidiaries according to objective, rules, policy, principles, requirements, command, budget approved by the Board and/or Shareholders' meeting, investigate and assess performance of the Group as specified in policy and report management performance including operating progress to the Audit Committee or the Executive Committee (as the case may be).

4) Authorize and be representatives of the Company to third parties in related business and benefit to the Company.

5) Consider to approve operational plan of each department of the Company, requests from each department which are out of their authorization, normal business operation of the Company as capital budget or budget approved by the Directors including signing relevant contracts. Financial amount of each transactions is specified in table of power of authority approved by the Board but not over annual budget approved by the Board.

6) Authorize for command, regulation, announcement, record for operation as per policy and benefit to the Company and for discipline in organization.

7) Delegate the executives to have authority to act in one or many issues as appropriate.

8) Approve appointment for various business consultants to correspond to the regulation of the Securities and Exchange Commission and the Stock Exchange of Thailand.

9) Have authority, duty and responsibility to manage subsidiaries and each department in the Company.

10) Have other operation as the Board or the sub-committee assigns occasionally.

11) Set regulations, criteria, principles, rules for organization structure from the position next to Chief Executive Officer including appointment, employment, transfer, remuneration, bonus and termination of employees with the position next to Chief Executive Officer.

12) Have authority in power of attorney and /or delegate other persons to act for some duties by power of attorney and/or delegation within scope of power of attorney and/or regulation, rules or command specified by the

Board and /or the Company.

13) Responsible and accountable for establishing the system and promoting and supporting the implementation of anti-corruption measures, being a role model, supervising employees to comply with anti-corruption measures, communicating to employees and related parties in all departments, and reviewing the suitability of systems and measures to comply with changes in business, rules, regulations and legal requirements.

Delegation for authority and responsibility of Chief Executive Officer or the representatives of Chief Executive Officer have no authority to delegate or give power of attorney to approve conflict transactions for himself or any persons(as the definition of the Securities and Exchange Commission and/or the announcement of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or the relevant office), have interests or get advantage or have conflict of interests with the Company or subsidiaries except the approval as per policy and regulations approved by Shareholders or the Board meeting. In addition, the approval is for normal business operation and trading conditions according to the definition by the Securities and Exchange Commission and/or the announcement of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or the relevant office.

7.2.2.6 Directors from major Shareholders

As at 12 December 2021, the Company has 3 Directors as major shareholders (for direct and indirect shareholding), 3 independent directors (3 Directors of the Audit Committee) and 3 Directors who have specified qualifications in the announcement of the Capital Market Supervisory Board as the following details of major shareholders.

List of major shareholders	Direct and indirect proportion as at 12 January 2022	Corporate Position of Directors
1. Mr. Viwat Kraipisitkul	17.3%	Director
2. Ms. Thantaporn Kraipisitkul	13.6%	Director
3. Mr. Tanawat Kraipisitkul	11.2%	Director

7.3 Executives

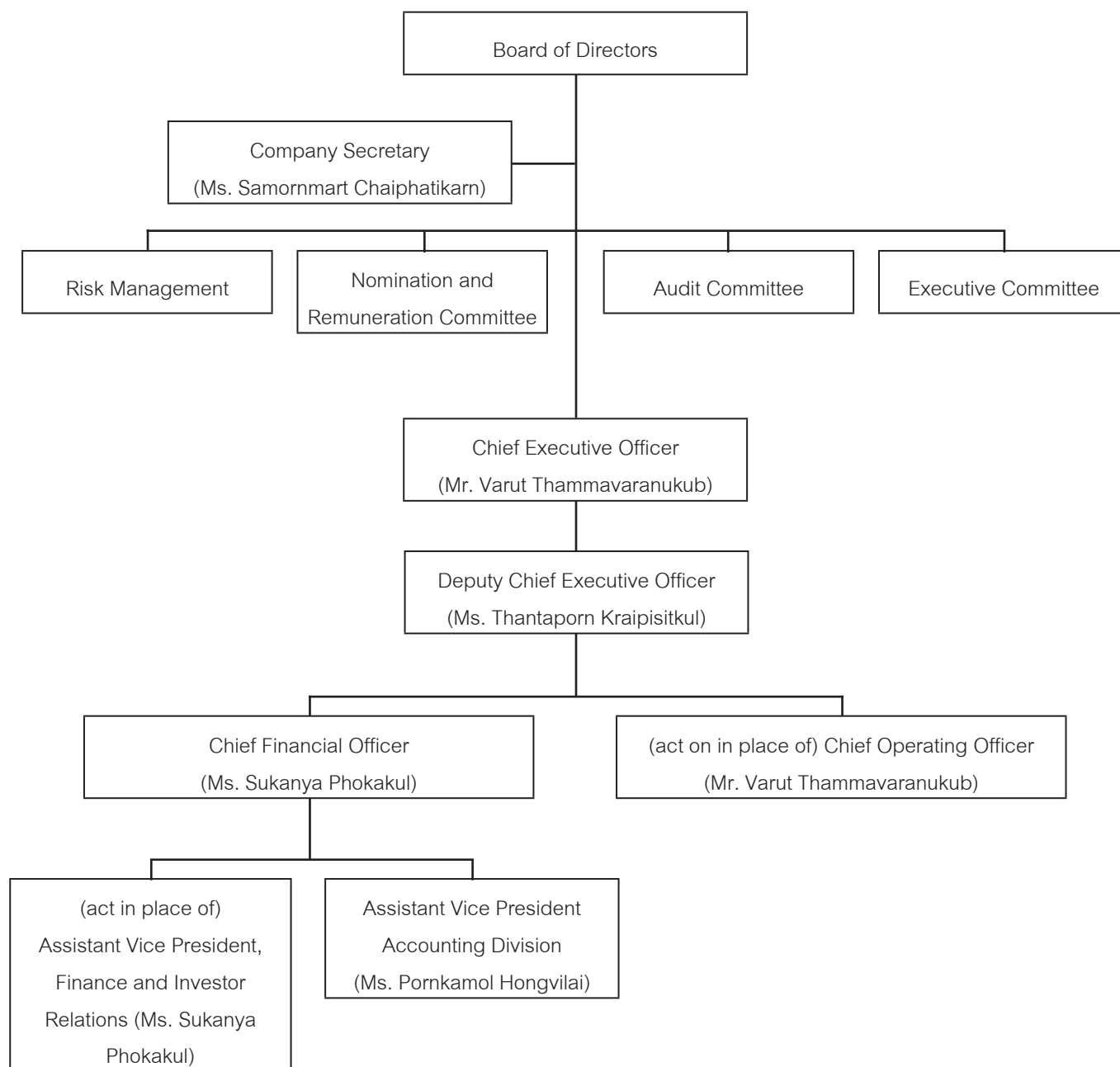
7.3.1 List of names and position of the Executives

As at 31 December 2021, the Company has 4 Executives as the following detail.

List of names	Position
1. Mr. Varut Tummavarankub	Chief Executive Officer / (act in place of) Chief Operating Officer
2. Ms. Thantaporn Kraipisitkul	Deputy of Chief Executive Officer
3. Ms. Sukanya Phokakul	Chief Financial Officer / (act in place of) Deputy Financial and Investor Relation Director
4. Ms. Pornkamol Hongvilai	Deputy Financial Director

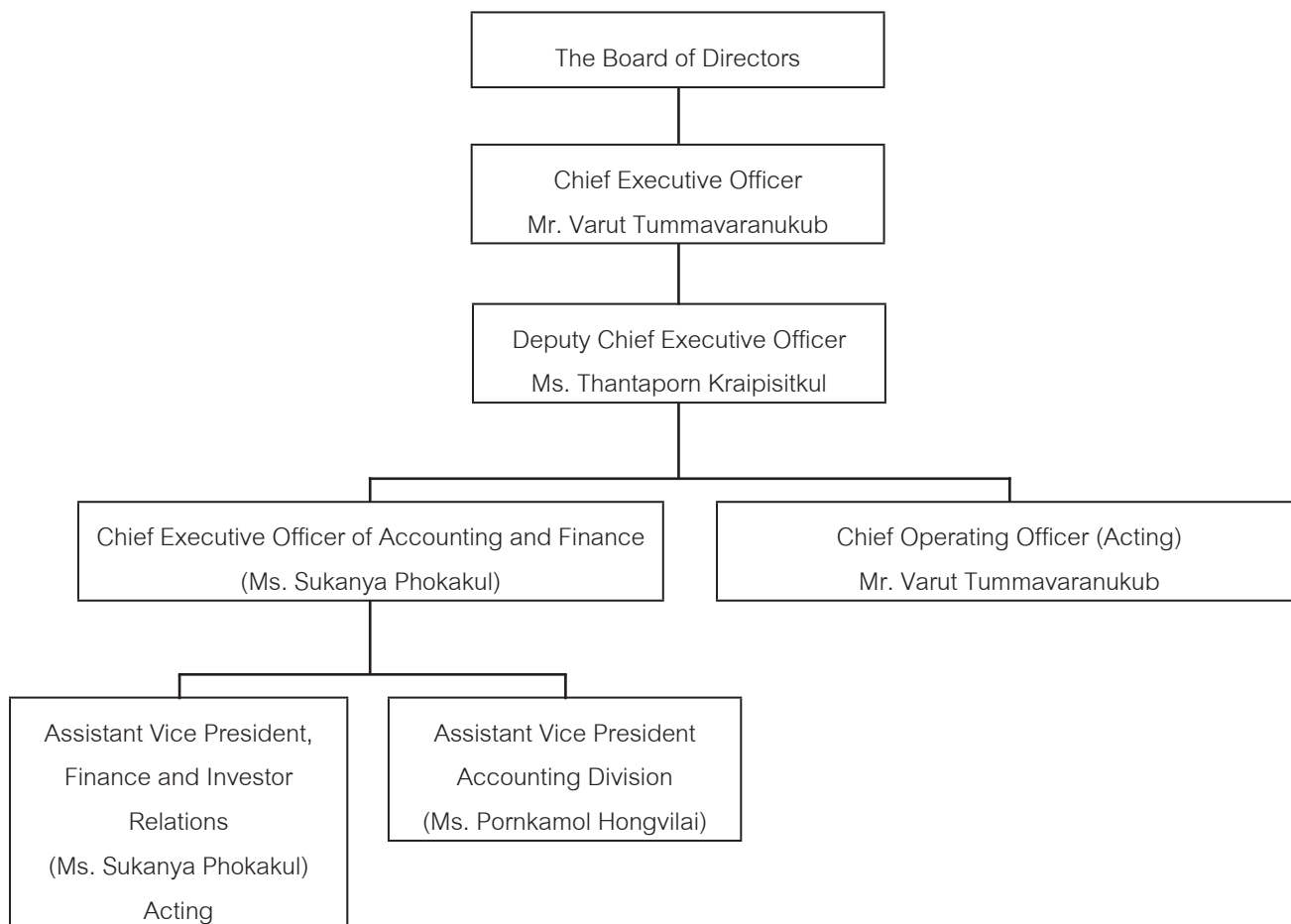
7.3.2 Organization Structure

As at 31 December 2021, management organization structure is shown as below:



7.3.3 Organization structure of subsidiaries

At present, the Group has totally 23 subsidiaries (excluding operating company (“GK Operator in investment structure as GK-TK)). All subsidiaries (except GK Operator and TGC which the Group holds 75% of the shares, 80% of the shares for TTQN, 84% of the shares for SSEP, 84% of the shares for SSE and 80% of the shares for TTE) with the following organization structure.



7.3.4 The Company operator (“GK Operator”) in GK-TK investment organization structure

For the Company who operates or manages solar power plant project in Japan within GK-TK investment structure. The Group is a silent investor who has not operated or managed in solar power plant project. Therefore, no representatives from the Company are directors, executives of the operator. However, the Group specifies the duty of outside service provider who acts as directors and/or executives of the operators. The operators will sign a contract as third -party with the following detail.

Asset Management Company will act as the Executives of the operator who is (1) monitor an operation as scope of service providers as per contract such as the complete contractor and service provider for operation and maintenance and (2) coordinate with other service providers such as accounting and administration service provider and tax service provider etc. to ensure that those service providers comply with conditions and rules in contracts.

7.4 Remuneration for Directors and Executives

7.4.1 Remuneration for Directors

(1) Cash remuneration

Shareholders' meeting for the year ended 2021, on 6 May 2021 has resolution for remuneration of the Board, the Audit Committee, the Risk Management Committee and the Nomination and Remuneration Committee to consider remuneration for the year ended 2021 as follows:

Directors who is not Executives

The Company has policy to pay remuneration for Directors who is not Executive or employee of the Company as follows:

The Committee	Meeting allowance per time (Baht/Number of Meeting)		Monthly remuneration (Baht/month)	
	2021	2022	2021	2022
The Board of Directors				
- Chairman	24,000.0	24,000.0	30,000.0	30,000.0
- Directors	20,000.0	20,000.0	20,000.0	20,000.0
The Audit Committee				
- Chairman of Audit Committee	24,000.0	24,000.0	-	-
- Audit Committee Directors	20,000.0	20,000.0	-	-
The Executive Committee				
- Chairman of Audit Committee	24,000.0	24,000.0	-	-
- Executive Directors	20,000.0	20,000.0	-	-
The Nomination and Remuneration Committee				
- Chairman of the Nomination and Remuneration Committee	24,000.0	24,000.0	-	-
- Director of the Nomination and Remuneration Committee	20,000.0	20,000.0	-	-
Risk Management Committee				
- Chairman of Risk Management Committee	24,000.0	24,000.0	-	-
- Director of Risk Management Committee	20,000.0	20,000.0	-	-

Directors who is Executives

The Company has no policy to pay remuneration to Directors who is Executives or employees of the Company as at 31 December 2020 and 31st December 2021, the Company summarizes remuneration of Directors as follows:

List of names	Position	Total remuneration (Baht)	
		As at 31 December 2020	As at 31 December 2021
1. Mr. Kamthon Wangudom	Chairman / Independent Director / Audit Director	632,000.00	652,000.00
2. Mr. Viwat Kraipisitkul	Chief Executive Chairman / Risk Management Chairman / Nomination and Remuneration Director / Director	468,000.00	448,000.00
3. Mr. Samrieng Mekriengkrai	Audit Committee Chairman / Nomination and Remuneration Director/ Independent Director	544,000.00	544,000.00
4. Mr. Dhana Buphawanit	Audit Directors / Independent Directors	480,000.00	500,000.00
5. Mr. Asthai Ratanadilok Na Phuket (Resigned from office on March 1, 2019)	Audit Directors / Independent Directors	-	-
6. Ms. Thantaporn Kraipisitkul	Executive Director / Risk Management Director / Nomination and Remuneration Director / Director	420,000.00	420,000.00
7. Mr. Tanawat Kraipisitkul	Executive Director / Director	-	-

List of names	Position	Total remuneration (Baht)	
		As at 31 December 2020	As at 31 December 2021
8. Mr. Varut Tummavaranukub	Executive Director / Risk Management Director/ Director	-	-
9. Mrs. Thanyanee Kraipisitkul	Director	380,000.00	400,000.00
10. General Phairat Phoubon (The start date of position on October 6, 2020)	Director	80,000.00	400,000.00
11. Mr. Monchai Pongsatabadee (The start date of position on October 6, 2020)	Director	80,000.00	400,000.00
Total		3,084,000.0	3,764,000.0

(2) Non-cash remuneration

-none-

7.4.2 Remuneration for Executives

(1) Cash remuneration

As at 31 December 2019 and 31 December 2021, the Company has remuneration for Executives as below:

Type of remuneration	Remuneration (Baht)	
	As at 31 December 2020	As at 31 December 2021
No. of Executives (persons)	4	4
Salary and bonus (Baht)	19,770,267	20,185,966
Provident fund contributions and other benefits (Baht)	1,794,001	1,881,498

(2) Non-cash remuneration

-none-

7.5 Employees of the Group

7.5.1 Number of Employees

As at 31 December 2020 and 31 December 2021, the Group have totally 48 and 74 employees (not including Executives) consecutively as shown in table below:

Department	Number of Employees			
	31 December 2020		31 December 2021	
	Male	Female	Male	Female
Business Development	5	2	6	2
Engineering and Maintenance	24	5	41	9
Accounting and Finance	2	5	7	2
Administration and Support	0	5	0	7
Total	31	17	54	20

7.5.2 Change in numbers of employee significantly in 3 last years

There was grand opening for a subsidiary in Vietnam and purchasing all shares in Uni Power Tech Co., Ltd. which increases employees significantly in year 2021.

7.5.3 Remuneration for employees

Remuneration for employees (except Executives) of the Company and the subsidiaries for the year ended 31 December 2020 and ended 31 December 2021 is Baht 58,240,446 and 70,000,038 consecutively; additionally, remuneration consists of salary, allowance, bonus, provident fund, social security contribution and workmen compensation fund.

7.5.4 Labor dispute

-none-

7.5.5 Human Resource Development Policy

The Group focuses on development for knowledge and competency of all employees who are part of success of the Group. Therefore, human resource development for employees' knowledge and competency in their responsibility is the key success factor for the Group's business and encourage the business to grow for stability.

Development for Directors and Executives

(1) Support and facilitate for training and seminar to the persons who is responsible for corporate governance such as Directors, Audit Directors, Executives, Company's Secretary etc. to improve for operation continually. Training and seminar is held by in-house or outsource institution.

(2) Whenever there is an appointment for new Directors, Executives will prepare document and information, business introduction and operating business guidelines for the new Director.

Development for Employees

The Company always focuses on knowledge and competency development for employees thoroughly to develop competency of employees for potential to professional operation.

7.6 Company's Secretary

The Board's Meeting for 2/2558 on 13 October 2011 appointed Ms. Sarmornmart Chaiphatikarn to be the Company's Secretary with the following responsibility as per Securities Act.

(1) Provide basic advice to directors on how to comply with the law, regulations, rules and regulations of the company. And monitor and ensure that it is practically practiced correctly.

(2) Monitor and supervise to disclose and report information technology relevant to regulations, announcement and rules of the Stock Exchange of Thailand, the Security and Exchange Commission and the Capital Market Supervisory Board.

(3) Prepare and keep the following important documents.

(1) Directors' registration

(2) Notice of Committee Meeting and Minute of Committee Meeting

(3) Notice of Annual General Meeting of Shareholders and Minute of Shareholders meeting

(4) Corporate annual report

(5) Keep report of interests by Directors or Executives.

(6) Other actions as the announcement of the Capital Market Supervisory Board.

7.7 Audit Fee

(1) Audit Fee

The Group pays for audit fee of the Company and subsidiaries for the following details.

Audit Fee	2020 (Baht)	2021 (Baht)
Company	2,961,627.8	2,894,751.8
Subsidiaries	14,021,897.4	13,077,467.6
Total	16,983,525.2	15,972,219.4

(2) Non-Audit Fee

The Group pays for other service fee such as tax consultant fee about foreign investment for the year ended 31 December 2020 Baht 473,631 and 31 December 2021 Baht 1,675,000

8. Report of corporate governance

8.1 Summary of the Board's Performance in the past year

8.1.1 Board of Directors Meetings

(1) Meeting of the Board of Directors

Name list	Number of meetings attended / total meetings for the year ended 31 December	
	2020	2021
1. Mr. Kamthon Wangudom	8/8	8/8
2. Mr. Viwat Kraipisitkul	7/8	7/8
3. Mr. Samrieng Mekkiengkrai	8/8	8/8
4. Mr. Dhana Bubphavanich	8/8	8/8
5. Ms. Thantaporn Kraipisitkul	8/8	8/8
6. Mr. Tanawat Kraipisitkul	8/8	8/8
7. Mr. Varut Tummavarasukub	8/8	8/8
8. Mrs. Thanyanee Kraipisitkul	7/8	8/8
9. Gen. Phairat Phoubol (Took office on October 06, 2020)	1/8	8/8
10. Mr. Monchai Phongstabadee (Took office on October 06, 2020)	1/8	8/8

(2) Meeting of the Audit Committee

Name list	Number of meetings attended / total meetings for the year ended 31 December	
	2020	2021
1. Mr. Samrieng Mekkiengkrai	4/4	5/5
2. Mr. Dhana Bubphavanich	4/4	5/5
3. Mr. Kamthon Wangudom	4/4	5/5

(3) Meeting of the Risk Committee

Name list	Number of meetings attended / total meetings for the year ended 31 December	
	2020	2021
1. Mr. Viwat Kraipisitkul	1/1	1/1
2. Ms. Thantaporn Kraipisitkul	1/1	1/1
3. Mr. Varut Tummavarasukub	1/1	1/1

(4) Meetings of the Nomination and Remuneration Committee

Name list	Number of meetings attended / total meetings for the year ended 31 December	
	2020	2021
1. Mr. Samrieng Mekkiengkrai	2/2	1/1
2. Mr. Viwat Kraipisitkul	2/2	1/1
3. Ms. Thantaporn Kraipisitkul	2/2	1/1

(5) Meeting of the Executive Committee

Name list	Number of meetings attended / total meetings for the year ended 31 December	
	2020	2021
1. Mr. Viwat Kraipisitkul	1/1	1/1
2. Ms. Thantaporn Kraipisitkul	1/1	1/1
3. Mr. Tanawat Kraipisitkul	1/1	1/1
4. Mr. Varut Tummavarasukub	1/1	1/1

8.2 Nomination and Appointment of Directors and Top Executives

8.2.1 Nomination and Appointment of the Board of Directors

The Board of Directors consists of at least 5 directors, with at least half of the directors required to have residency in Thailand where the Company's directors may or may not be shareholders of the Company, with minimum number of independent directors in accordance with the notification of the Securities and Exchange Commission and / or the notification of the Stock Exchange of Thailand.

In appointing a director, the Company will consider the knowledge, capability and experience related to the business or considering from the major shareholders of the company who have experience in the business that will benefit the company. However, the appointment of new directors must be approved by the Board of Directors and / or the shareholders' meeting, depending on the case. In this regard, the shareholders' meeting shall elect directors in accordance with the following rules and procedures:

(1) In voting for the election of directors, it is considered that one shareholder has a number of votes equal to one share per one vote.

(2) In voting for the election of directors, each shareholder may use all his votes under (1) to elect one or more persons as directors. In the event that multiple persons are elected as directors, the votes may be split to any person.

(3) Persons who receive the highest number of votes in descending order will be elected as directors equal to the number of directors required or to be elected at that time. In the event that persons elected in descending order have equal votes in excess of the number of directors required or to be elected at that time, the Chair of the meeting shall have a casting vote.

At every annual general meeting of shareholders, one third of the directors shall retire from office at that time. If the number of directors cannot be divided into three parts, the number closest to one-third shall be retired by considering the directors who have been in office the longest to retire from office. In this regard, the directors of the company hold office for a term of 3 years and the retiring directors may be re-elected by the shareholders' meeting to re-take the directorship position.

In the event that the director's position is vacant due to any reason other than the expiration of the term, The Nomination and Remuneration Committee shall elect qualified persons who does not have any prohibited characteristics under the law on

securities and exchange to be the director at the next board meeting unless the remaining term of that director is less than 2 months, the person who is appointed as the said director may hold office for only the remaining term of the director whom he or she replaces. In this regard, the resolution of the Board of Directors as above must consist of not less than three-fourths of the votes of the remaining directors.

8.2.2 Nomination and Appointment of Executive Committee

The Board of Directors appoints the Executive Committee by considering selecting from directors or senior executives of the Company who are able to manage matters related to normal operations, business and management of the Group Company and can formulate policies, business plan, budget, and management structure including the audit and monitoring of the operating results of the Group in accordance with the policies set by the Board of Directors.

8.2.3 Nomination and Appointment of the Audit Committee

The Audit Committee consists of at least 3 independent directors with a term of office for a term of 3 years. The Company has a policy to nominate an audit committee in accordance with the announcement of the Securities and Exchange Commission as follows:

1. Hold shares not more than one percent of the total number of shares with voting rights of the Company, parent company, subsidiary company, associated company, major shareholder or controlling person of the Company. This shall include the shares held by related persons of that independent director.

2. Not being or having been a director who takes part in management, staff, employees, advisors who earn regular salary or controlling person of the Company, parent company, subsidiary company, associated company, same level subsidiary, major shareholders or of the Company's controlling person, unless he has retired from the aforementioned characteristics for at least two years prior to the date of his appointment as the Audit Committee. Such prohibited characteristics do not include cases where independent directors used to be government officials or consultants of government agencies who are major shareholders or controlling persons of the Company.

3. Not being a person having blood relations or by legal registration in the manner of parent, spouse, sibling and child, including the spouse of children of other directors, executives, major shareholders, controlling person or person who will be nominated as a director, executive or controlling person of the Company or a subsidiary.

4. Does not have or ever had a business relationship with the Company, parent company, subsidiaries, associated companies, major shareholders or the Company's controlling person in a manner that may hinder his independent judgment. Including not being or having been a significant shareholder or controlling person of any person having a business relationship with the Company, parent company, subsidiary company, associated company, major shareholder or the Company's controlling person, unless he or she has retired from such a nature for at least two years prior to the date of submission of the application to the Securities and Exchange Commission.

Such business relationship includes regular commercial transactions for the purpose of conducting business, renting or leasing real estate, transactions relating to assets or services or giving or receiving financial assistance by accepting or lending, guaranteeing assets as collateral for liabilities including other similar circumstances resulting in the Company or its counterparties having an obligation to pay to the other party from at least three percent of the net tangible assets of the Company or from twenty million baht or more, whichever is lower. Such debt load calculation shall be in accordance with the method for calculating the value of connected transactions in accordance with the Notification of the Capital Market Supervisory Board on Rules on Connected Transactions *mutatis mutandis*. However, in determining the said debt burden, it shall include the debt burden that occurred during one year prior to the date of having a business relationship with the same person.

5. Not being or having been an auditor of the Company, its parent company, subsidiary company, associated company, major shareholder or controlling person of the Company, and is not a significant shareholder, controlling person or partner of the audit firm which has auditors of the Company, parent companies, subsidiaries, associated companies, major shareholders

or the controlling person of the holding company of the Company, unless they have been discharged from the aforementioned nature for at least two years prior to the date of submission of the application to the Securities and Exchange Commission

6. Not being or having been a service provider of any kind including legal advisor or financial advisor receiving a service fee of more than two million baht per year from the Company, parent company, subsidiary company, associated company, major shareholders or a controlling person of the Company and not a significant shareholder, controlling person or a partner of that professional service provider, unless they have been discharged from the aforementioned characteristics for at least two years prior to the date of submission of the application to the Securities and Exchange Commission.

7. Not being a director who has been appointed to represent the Company's directors, major shareholders or shareholders who are related to the major shareholders.

8. Shall not operate a business that has the same nature and is in significant competition with the Company's business or a subsidiary or not being a significant partner in a partnership or being a director who takes part in management of the operation, staff, employee, advisor who receives regular salary or holds more than one percent of the total voting shares of other companies operating a business that has the same nature and is in significant competition with Company Business or a subsidiary.

9. Not having any other characteristics that make them incapable of expressing independent opinions with regard to the Company's operations.

10. Not being a director who has been assigned by the Board of Directors to make business decisions of the Company, subsidiaries, associated companies, same-level subsidiaries, major shareholders, or the Company's controlling person and

11. Not being a director of the Company, subsidiaries or same level subsidiaries that are listed companies.

In addition, at least one independent director who serves as an audit committee member must have knowledge and experience in accounting or finance sufficient to be able to perform the duty of reviewing the reliability of the financial statements. In addition, the company shall also consider other qualifications, such as business experience, specializations related to business and ethics, etc.

The rules and procedures for the appointment of the Audit Committee shall be in accordance with the rules and procedures for the appointment of Company directors. An audit committee member who vacates office upon the expiration of the term may be re-appointed. In the event that the position of the audit committee is vacant for any reason other than the expiration of the term, the board of directors of the company shall appoint a qualified person to be a member of the audit committee to ensure that the number of audit committee members reaches the number specified by the board of directors. The person who is a replacement member of the audit committee may hold office for the remainder of the term of the audit committee whom he or she replaces.

8.2.4 Nomination and Appointment of the Nomination and Remuneration Committee

The nomination and remuneration committee of the Company is made by appointing a number of directors to be the Nomination and Remuneration Committee and at least one-third of the Nomination and Remuneration Committee shall be an independent director.

In this regard, the Nomination and Remuneration Committee shall hold office for a term of 3 years from the date of appointment and upon the completion of such term of office, members of the Nomination and Remuneration Committee who vacate office upon the expiration of their term may be re-elected.

8.2.5 Nomination and Appointment of the Risk Management Committee

The appointment of the Company's Risk Management Committee is done by appointing a number of the Company's directors and / or executives as the Risk Management Committee.

In this regard, the Risk Management Committee shall hold office for a term of 3 years from the date of appointment and upon the completion of such term of office, the member of the Risk Management Committee who retires by rotation may be re-elected.

8.2.6 Directors from major shareholders

As of 12 January 2022, the Company has a director who is a major shareholder of the Company (Including both direct and indirect shareholding) of 3 persons, 5 independent directors (3 of which are audit committee members) out of 10 directors with qualifications as specified in the announcement of the Capital Market Supervisory Board. The details of the 3 directors who are the major shareholders are as follows:

List of Major Shareholders	Proportion of shareholding in the Company Both direct and indirect As of January 12, 2022	Directorship in the Company
1. Mr. Viwat Kraipisitkul	17.3%	Director
2. Ms. Thantaporn Kraipisitkul	13.6%	Director
3. Mr. Tanawat Kraipisitkul	11.2%	Director

8.3 Supervision of Operations of Subsidiaries and Associated Companies

The Company operates its business by holding shares in other companies (Holding Company) and does not have any significant business operations by itself. Therefore, in order for the company to be able to supervise the management and to be responsible for the operations of subsidiaries and associated companies as if they are a unit of the Company, the Board of Directors' meeting therefore passed a resolution approving the Investment Policy, Operation Supervision and Management of the Subsidiaries and Associates (Including the revised version) with details as follows:

Investment Policy in Subsidiaries and Associates

The Company has a policy to invest in subsidiaries and associates that are consistent with the vision and growth plans of the Group Company, which will enable the Group to have higher operating results or profits or to invest in businesses that are beneficiary (Synergy) to the Group in order to enhance the competitiveness of the Group and to enable the Group to achieve its goal of being a leading operator in the Group's core businesses. In this regard, the Company, its subsidiaries and / or associates may consider investing in other businesses if it is a business that has potential for business growth or is beneficial to the business of the Group Company which can generate good returns on investment. The investment consideration of the company, subsidiary and / or associated company must be agreed upon and / or approved by the Board of Directors' meeting or the shareholders' meeting of the company, as the case may be.

Policy on Supervision of Operations in Subsidiaries and Associated Companies

The Company sets a policy on supervision and management of subsidiaries and / or affiliates with the objective of defining direct and indirect measures and mechanisms for the Company to be able to supervise and manage the business of the Company, subsidiaries and / or associates, including monitoring and supervising subsidiaries and associated companies to comply with various measures and mechanisms that can be defined as if it is the Company's own unit and in accordance with the Company's policy. This includes, but is not limited to, in the event of a change in directors in subsidiaries and / or associates (as the case may be) the Company board of directors must take actions to ensure that the nominated or appointed directors of the subsidiaries and / or associates (as the case may be) acknowledge and comply with the Company's policies. This includes the Public Company Law, the Civil and Commercial Code, the Securities Law, as well as the relevant announcements, regulations and criteria of the Capital Market Supervisory Board, the Securities and Exchange Commission, and the Stock Exchange of Thailand. This is to protect the interests of the Company's investments in such subsidiaries and associated companies.

In the event that this policy requires any transactions or actions that have significance or impact on the financial status and operating results of subsidiaries and associated companies, it is subject to approval from the Board of Directors or the shareholders' meeting of the company, as the case may be. The Company's directors are responsible for arranging a meeting of the board of directors and / or the shareholders' meeting of the company to consider and approve such matters before the subsidiary and / or associated companies organize a meeting of the board of directors and / or their own shareholders to consider and

approve the transaction or proceed in such matter. In this regard, the Company shall disclose information and comply with the rules, conditions, procedures, and methods related to the matter for which such approval is to be obtained in accordance with the Public Company Law, Securities Law, other relevant laws, as well as the notifications, regulations and criteria of the Capital Market Supervisory Board, the Securities and Exchange Commission, and the Stock Exchange of Thailand, *mutatis mutandis* (to the extent that is not against or contradicting) completely and accurately.

Details of operational supervision of subsidiaries and associated companies according to the control policy and corporate governance mechanism invested by the Company are as follows:

1) Any transactions or actions performed by subsidiaries and / or associates (as the case may be) in the following cases must be approved by the board of directors or the shareholders' meeting of the company, as the case may be, prior to receiving approval from the board of directors' meeting of subsidiaries and / or associated companies and / or shareholders' meetings of subsidiaries and / or associated companies, as the case may be.

(1) Matters that must be approved by the Board of Directors

(A) Appointment or nomination of persons to be directors or executives in subsidiaries and / or associated companies (if any), at least in proportion to the Company's shareholding in subsidiaries and / or affiliated companies (if any), with the directors and executives nominated or appointed by the Company to have discretion in considering voting. In the Board of Directors' meetings of subsidiaries and / or affiliates (if any) in matters relating to general management and normal business operations of subsidiaries and / or associated companies (if any) as specified by the directors, management of subsidiaries and / or associates (if any) will deem appropriate for the best interests of subsidiaries and / or affiliates (if any), except for matters requiring approval from the Board of Directors' meeting or shareholders' meeting of the Company, as the case may be, before the subsidiary enters the transaction

In this regard, the nominated director or executive under the above paragraph must be a person listed in the whitelist of directors and executives of the securities issuing company with qualifications, roles, duties, and responsibility, as well as lack of untrustworthy characteristics according to the Notification of the Securities and Exchange Commission concerning Determination of Untrustworthy Characteristics of Company Directors and Executives.

(B) Consideration and approval of annual and interim dividends (if any) of subsidiaries and / or associated companies (if any).

(C) Amendments to the articles of association of subsidiaries and / or associated companies (if any), except for amendments to the regulations on significant matters in (2) (e).

(D) Consideration and approval of the annual budget of subsidiaries and / or associated companies (if any).

(E) Appointment of auditors of subsidiaries and / or associates (if any), only if such auditors are not affiliated with the audit firm that is a full member in the same network as the Company's auditors, which are not in accordance with the guidelines for the appointment of the auditors of the Company that the auditors of subsidiaries and / or associated companies (if any) must be affiliated with the audit firm in the same network as the auditor of the company.

The transactions from items (f) to (i) are considered as significant transactions and, if entering the transaction, it will have a material impact on the financial position and operating results of the subsidiary. Therefore, prior to the meeting of the board of directors of the subsidiary and the directors appointed by the Company to hold positions in the subsidiary will vote on the following matters, such director must be approved by the Board of Directors. In this case, when calculating the transaction size that a subsidiary will enter into a transaction compared with the size of the Company is within the criteria that it must be approved by the Board of Directors (by applying the criteria for the calculation of transactions as prescribed in the announcements of the Capital Market Supervisory Board and the Stock Exchange of Thailand Re: Acquisition or Disposition of Assets and / or Connected Transactions, as the case may be, *mutatis mutandis*) is within the criteria that must be approved by the Board of Directors, which are as follows:

(F) In the event that a subsidiary agrees to enter into a transaction with a subsidiary's connected person or transactions relating to the acquisition or disposition of assets of a subsidiary, including but not limited to the following cases:

(1) Transfer or waiving of benefits including waiving claims against those who cause damage to the subsidiary.

(2) Sale or transfer of the business of all or a significant part of the subsidiary to another person.

(3) Purchase or acceptance of business transfer of other companies to subsidiary companies.

(4) Entering into, amending, or terminating the rental agreement of all or significant parts of the subsidiary's business, assignment of other persons to manage the subsidiary's business or merging the business of subsidiaries with other persons.

(5) Hiring or leasing of all business or assets of subsidiaries or significant parts.

(G) Borrowing money, lending money, granting credit, guaranteeing, undertaking legal acts binding a subsidiary to bear additional financial obligations, or providing any other kind of financial assistance to other persons that is not the regular business of subsidiaries.

(H) Dissolution of the subsidiary company

(2) Matters that need to be approved by the shareholders' meeting of the Company before the subsidiary enters the transaction.

(A) In the event that a subsidiary agrees to enter into a transaction with a subsidiary's connected person or a transaction relating to the acquisition or disposition of assets of the subsidiary. In this case, when calculating the transaction size that the subsidiary will enter into compared to the size of the company, it must be approved by the shareholders' meeting of the company (by applying the criteria for the calculation of transactions as specified in the relevant notifications of the Capital Market Supervisory Board and the Stock Exchange of Thailand Board *mutatis mutandis*)

(B) Capital increase by issuing shares of subsidiary companies and share allotment Including the reduction of registered capital which does not conform to the existing shareholding proportion of the shareholders or any other action resulting in exercise of voting rights, both directly and / or indirectly, of the Company at the shareholders' meeting of any subsidiary in any level to be less than the proportion of voting rights of the Company as specified in the law applicable to the Company, resulting in the Company having no control over the Subsidiary. This must be the case when calculating the size of the transaction compared with the size of the company and it is in the criteria that must be approved by the shareholders' meeting of the Company. (By applying the criteria for the calculation of transactions as prescribed in the relevant notifications of the Capital Market Supervisory Board and the announcement of the board of directors of the Stock Exchange of Thailand *mutatis mutandis*).

(C) Dissolution of the subsidiary company, in this case, when calculating the size of the business of the subsidiary that will be dissolved with the size of the company and it is in the criteria that must be approved by the shareholders' meeting of the Company (by applying the criteria for calculation of transactions as prescribed in the notification of the Capital Market Supervisory Board and the announcement of the Stock Exchange of Thailand Committee Re: Acquisition or disposition of property to be enforced *mutatis mutandis*).

(D) Any other transaction which is not a normal business transaction of the subsidiary and a transaction that will have a significant impact on the subsidiary. In this regard, it should be a case when calculating the transaction size compared to the size of the company, it is in the criteria that must seek approval from the shareholders' meeting of the Company (by applying the criteria for calculation of transactions as prescribed in the notification of the Capital Market Supervisory Board And the announcement of the Stock Exchange of Thailand On the acquisition or disposition of assets to be enforced *mutatis mutandis*).

(E) Amendments to the Articles of Association of the Subsidiary in matters that may materially affect the financial position and operating results of the subsidiary, including but not limited to amendments to the Articles of Association of the Subsidiary that have an impact on the voting rights of the Company at the Board of Directors' meetings of the subsidiaries and / or the shareholders' meetings of subsidiaries or the payment of dividends of subsidiaries, etc.

2) Directors must ensure that the subsidiaries have internal control systems, risk management systems, and anti-corruption systems, including setting up appropriate, effective and concise measures to monitor the performance of subsidiaries and associated companies sufficiently to ensure that the operations of subsidiaries and / or associates will be in accordance with plans, budgets, company policies, articles of association, including laws and notices on good corporate governance of listed

companies, including relevant announcements, regulations and rules of the Capital Market Supervisory Board, the Securities and Exchange Commission, and the Stock Exchange of Thailand, and monitor the subsidiary and / or associated companies to disclose information on the connected transaction and / or the acquisition or disposition of assets and / or transactions with other significance to the Company and perform various actions to comply with the plans, budgets, policies, and regulations on supervision and management of subsidiaries and associated companies as specified in the Company's Articles of Association completely and correctly.

Management policy in subsidiaries and associates

The Company operates its business by holding shares in other companies (Holding Company) and does not have any significant business operations by itself. Therefore, to supervise the operations of that subsidiary and / or associated company, the Company will send a representative of the Company to be a director in subsidiaries and / or affiliated companies according to the Company's shareholding in that company. Such persons must have qualifications and experience suitable for such business and have no conflict of interest in the business. The representative is required to manage and administrate the subsidiary's business and / or associated companies in accordance with the policies assigned by the Company and in accordance with the rules and regulations as stipulated in the Articles of Association and the laws of related subsidiaries and / or associated companies.

In addition, the Company assigns directors and executives of subsidiaries to have the following duties:

1) Must disclose information on the financial status and operating results, connected transactions of the subsidiary, as well as the acquisition or disposition of significant assets to the Company and / or its subsidiaries completely and correctly and within the reasonable time as specified by the company. In addition, the Board of Directors of the Subsidiary shall consider entering into a connected transaction, acquisition or disposition of significant assets of the Subsidiary by applying and enforce the relevant notifications of the Capital Market Supervisory Board and the Notification of the Board of the Stock Exchange of Thailand *mutatis mutandis*).

2) Disclosure and submission of personal interests and related persons to the Board of Directors and / or subsidiaries for their acknowledgement of the relationship and transactions with the Company and / or its subsidiaries in a manner that may cause a conflict of interest and avoiding any transactions that may lead to conflicts of interest with the Company and / or its subsidiaries within the time limit set by the company as a supporting information for any decision or approval. Such consideration will take into account the overall benefits of the Company and its subsidiaries.

In this regard, the directors and executives of the subsidiary must not participate in approving matters in which they have a stake or conflict of interest, either directly and / or indirectly. In addition, the following acts that allow directors, executives, or related persons of the subsidiary to receive financial benefits other than those that are normally expected or cause damage to the Company and / or its subsidiaries, it is assumed that it is an act that materially conflicts with the interests of the Company.

(A) Transactions between subsidiaries and directors, executives, or related persons that are not in accordance with the rules of entering into connected transactions.

(B) Use of known information of the Company and / or its subsidiaries unless information has been disclosed to the public.

(C) The use of assets or business opportunities of the Company and / or its subsidiaries in the same manner as the Company and / or its subsidiaries (as the case may be) and violates the rules or common practices as announced by the Capital Market Supervisory Board.

3) Must report business plans, business expansion, large investment projects, as well as joint investments with other entrepreneurs to the Company through regular performance reports as specified by the Company's directors and explain and / or submit supporting documents for consideration in such cases if the Company requests.

4) Information or documents related to the operations must be submitted to the Company upon request as appropriate.

5) Clarification and / or submit relevant documents to the Company in the event that the Company detected any significant issues.

6) Responsible to ensure that the subsidiary company has internal control system, risk management system, and anti-corruption system that is appropriate, efficient and concise enough to ensure that the operations of subsidiaries are in line with the plans, budgets, policies of the Company, the Articles of Association of the subsidiary, as well as the laws and announcements of good corporate governance of listed companies, including announcements, regulations and relevant rules of the Capital Market Supervisory Board, the Securities and Exchange Commission, and the Stock Exchange of Thailand. Establish a clear work system to demonstrate that the subsidiary company has sufficient system to disclose significant transactions in accordance with the specified criteria continuously and reliably, and has channels for directors and executives of the Company to obtain information on the Company to monitor the operating results and financial position, transactions between subsidiaries and the directors and management of subsidiaries, and the transactions that are significant to the subsidiaries effectively. In addition, there must be a mechanism to audit such work systems in the subsidiary, allowing the internal audit team and independent directors of the Company to have direct access to the information and to report the audit results of such work systems to the directors and executives of the Company to ensure that the subsidiary company has consistently followed the established work system.

7) No directors, executives, staff, employees, or assignees of a subsidiary, including their spouses and underaged children, are prohibited from using inside information of the Company and / or its subsidiaries, whether acquired from performing duties or in any other way that has or may have a material impact on the Company and / or its subsidiaries for the benefit of oneself or others, whether directly and / or indirectly and whether or not it is rewarded.

8) Directors, executives, or related persons of the subsidiary may enter into transactions with subsidiaries only when such transactions are approved by the subsidiary's board of directors and / or the board of directors of the Company and / or the meeting of shareholders of subsidiaries and / or shareholders' meetings of the Company (as the case may be) according to the size of the calculated transaction by applying the rules prescribed in the notification of connected transactions and related rules of the Securities and Exchange Commission and the Stock Exchange of Thailand *mutatis mutandis*. In this regard, unless it is a trade agreement in the same manner that a person would do with a general contractor in the same situation, with a trade bargaining power without influence in his or her status as an executive director or people who are related (as the case may be) and is a commercial agreement approved by the board of directors or in accordance with the principles approved by the board of directors.

9) Comply with the Company's policies where the nominated or appointed director by the Company has to ensure that the subsidiary is compliant with the Company's policies.

This policy applies to the extent it is not against with or contradict with any foreign law, rule, or regulation and / or the regulations of such companies and to the extent that it will not or may not cause the Company's overseas subsidiaries and associates to perform or do anything in addition to the action required by applicable laws or regulations, and to the extent that the Company's overseas subsidiaries and associates may not lose any benefits which may be obtained in accordance with foreign laws.

However, in the event that the company is unable to enforce this policy on the subsidiary company and / or its associates due to legal restrictions of the country in which the subsidiary companies and / or its associates are located as above. The Company will take other comparable measures to ensure that the Company has a supervisory mechanism that enables the Company to supervise the management and to be responsible for the operations of its subsidiaries and / or associated companies that operate their core businesses as if they were a unit of the Company, including measures to monitor the management of such company in order to safeguard the benefits of the Company's investment.

Currently, the company invests in solar power plant projects in Japan under the GK-TK structure as a TK investor who is not involved in management due to legal requirements in Japan. However, the Company has measures to supervise the interests of the projects that the Company invests in. The Company, as a TK investor, is overseeing related activities which are divided into two phases, namely (1) prior to the commencement of the commercial operation and (2) period after the commencement of the commercial operation.

Before the commercial operation

During the project development stage, the Company, as a TK investor, determines the investment objectives and defines all important activities involved in investment, development, construction, and project management such as:

- Specify investment objectives to expand the business of generating and distributing electricity from renewable energy in Japan only.
- Define all important activities involved such as land acquisition, financing, turnkey contractor recruitment (EPC Contractor), Operation and Maintenance Service Provider (O&M Contractor), etc.
- The Company defines the framework for the relevant activities, the scope of the contract, including the duties of the person performing such activities.
- The company participates in selecting service providers to carry out related activities as specified in the agreement.

Period after the opening of commercial operation

The company supervises business operations through relevant service agreements such as Asset Management Agreement, Professional Service Agreement, and Tax Service Agreement, etc. Each service provider must perform the work according to the conditions and duties specified in the contract.

The Asset Manager is responsible for overseeing and inspecting those involved in the power plant operation and is responsible for complying with the terms and scope of the contract that was originally defined. The Asset Manager has the duties according to the contract, which must be performed in the best interest of the business operation in line with the interests of TK investors.

In the event that there are any issues that materially affect the business operation of the project and the guideline has not been clearly identified, GK Company and TK investors will meet to discuss solutions or formulate joint guidelines as specified in the TK Agreement. In this regard, GK Company is responsible for operating solar power plants in place of TK investor with the utmost care and take into account the interests (profits) of TK investors.

In addition, the Company has arranged for the Kraipisitkul family, the directors involved in the management, and the management of the Company to sign a document agreeing that in the event that a company under the GK-TK structure in Japan will enter into a transaction with such person, related person, and / or close relatives in the future, such person agrees to exercise their rights as a director or an executive of the Company in order to allow the Company to consider entering into a connected transaction in accordance with the rules prescribed in the Notification on Entering into a Connected Transactions of Japan before entering the transaction.

Based on the aforementioned policies, the Group has strictly adhered to, except in the event that the Group is unable to comply with the legal restrictions of the country in which its subsidiaries and / or associates are located, however, the Group Company has established equivalent measures to supervise the management and operation of associated companies operating their core businesses in foreign countries.

8.4 Supervision of the use of inside information

The Company realizes the importance of good corporate governance and has established rules on the use of inside information in the Company's inside information usage policy which has been approved by the Board of Directors' meeting. The Group Company has a policy and method to prevent directors, executives, and employees from using inside information of the Group which has not yet been disclosed to the public for personal gain, including securities trading, as follows:

1) The Group Company shares knowledge to directors, executives, including those holding executive positions in accounting or finance or equivalent on their duties to prepare and submit a report on their securities holding, their spouse, and underaged children to the Office of the Securities and Exchange Commission under Section 59 and the penalties under Section 275 of the Securities and Exchange Act 1992 (including the additional amendment).

2) The Group Company requires directors, executives, including those holding managerial positions in accounting or finance or equivalent to prepare and submit reports on their securities holding, spouse, and underaged children to the Company

Secretary before submitting to the Office of the Securities and Exchange Commission every time. The preparation and submission should be within 30 days from the date of appointment as director and / or executive or report the change of securities holding within three business days from the date of purchase, sale, transfer, or acceptance of transfer of such securities.

3) The Group Company requires that directors, executives, including those holding executive-level positions in accounting or finance or equivalent, and related personnel who have received material inside information which affects the change of securities price suspend trading of the Company's securities for a period of time before the financial statements or financial position and status has been disclosed the public. The "Embargo Period" means the period of one month prior to the announcement of the Company's quarterly and annual financial performance. Directors, executives, including persons holding executive positions in accounting or finance or equivalent, are to refrain from trading the Company's securities in writing for at least 1 month before the public disclosure of information. It is also prohibited to disclose such material information to other persons and should wait at least 24 hours after disclosing the information to the public and prohibiting the disclosure of such material information to other persons.

4) The Group Company imposes disciplinary action for any violation on the use of inside information for personal gain, starting with written warning, wage cut, unpaid temporary break, or dismissal from employment. Punishment is determined by the intent of the act and the seriousness of the offense.

8.5 Compliance with good corporate governance principles in other matters

As for the principles of good corporate governance for listed companies in 2019 (CG Code), the Board of Directors has assigned the management to assess the performance of the CG Code and the Board has considered such assessments with summarized results in the overview as follows:

The Board of Directors understands and acknowledges the roles, duties, responsibilities, and governance of the CG Code, many of which are consistent with the objectives, goals, philosophies / guidelines / business strategies, policy guidelines, and the structure, as well as the principles of corporate governance that the company has in place today.

In 2019, the Company has set up a channel for employees, business partners, customers, shareholders, and interested persons involved in the Company to report or complain about any suspected misconduct in order to allow the company to investigate and take appropriate action at https://www.sermasang.com/home#whistle_blowing

In 2020, the Company has expressed its intention to join the Thai Private Sector Collective Action Coalition against Corruption and is committed to creating a corruption free corporate culture. The Company has announced an Anti-Corruption Policies and Guidelines for directors, executives, employees, as well as third parties involved in the Company, subsidiaries, or companies under control, to understand and cooperate with each other in following strictly and take part in driving the Company to be a transparent organization, free from corruption.

However, for the year 2021, the company has started to prepare a sustainability report. and expect to be completed with- in March 2022.

9. Internal control and related party transaction

9.1 Conclusion of Board of Directors' Opinion about the Company's Internal Control System

The Company realizes about the importance of internal control appropriately and adequacy for the management to be in line with goal, purpose, law and related regulations efficiency which help protect to manage the risk management or other damage may occur in the company and stakeholder, it could be protected the asset from the corruption, damage and preparing the accuracy and reliability of accounting report.

The Board of Directors assigned the Audit Committee (AC) to review the appropriate and effective of internal control to ensure that the company's internal control system has an adequate, appropriate and compliance with COSO internal control framework (The Committee of Sponsoring Organization of the Treadway Commission), which will cover the Management Control, the Operational Control, the Accounting and Financial Control and compliance with law and regulations of compliance control.

In the Board of Directors meeting 07/2016 dated 27 December 2016, Audit Committee (AC) and Independent Director participated in the meeting, the Board of Directors assessed the adequacy of the internal control systems, which interrogate the information from management and related parties by comparing a guidance of internal control under the concept of Committee of Sponsoring Organization of the Treadway Commission (COSO) as details follow:

- (1) Control Environment
- (2) Risk Management
- (3) Control Activities
- (4) Information and Communication
- (5) Monitoring Activities

The Audit committee and Board of Directors have the opinions that the company has the internal control systems, staff adequately and appropriately to manage under the internal control systems effectively, and monitoring the operations of the subsidiaries which protect the assets of the Company and the subsidiaries from directors or the management abuse of asset spending. For internal control in other topics, the Committee considers that the Company has internal control adequately and appropriately as well.

In addition, the company has evaluated the sufficiency of the internal control system for the year 2021 according to the assessment form set by the Securities and Exchange Commission. This is a tool that allows the company to be used as a guideline for self-assessment of the adequacy of the Company's internal control system. In conclusion, the Company has established adequate internal control measures which are relevant to the operations, risk management and supervision and monitoring of the management and the Board of Directors

9.2 Internal Audit Observations

The company has nominated Dharmniti Internal Audit Company Limited ("Internal Auditor") to assess and review the sufficiency of the internal control system for the year 2021 of its affiliates, including the revised internal control monitoring from January 2021 to December 2021. The audit results is reported to the Audit Committee in total 4 times by the internal auditors. According to the four internal auditors' reports, the company have a workflow and operations management processes, which have an adequate and effective internal control system.

The company has revised various issues according to the recommendations of the internal auditors in order to increase the efficiency of the internal control. The follow-up results is acknowledged and agreed upon by the Audit Committee, which is the result of the internal control improvement following the Audit Committee meeting.

9.3 Head of company's internal audit and Head of company's operation control

9.3.1 Head of company's internal audit

The Company has appointed Dharmniti company limited to be head of internal audit of the company to review the company's internal control for 2016 - 2021 respectively. The Dharmniti will review, monitor and assess the company's internal control process following yearly monitoring plan, and there are the report and recommendation for improving to be in line with plan and policy of the company's internal control, and the following 5 components of COSO as above

9.3.2 The appointment of Audit Committee about an adequacy of Head of internal audit

The Audit Committee has appointed, Head of internal audit who has appropriate educational background, experienced, knowledge and ability performed for the internal audit efficiency.

9.3.3 The guideline of consider approving, dismissal and transferring of Head of internal audit

In order to consider approving, dismissal and transferring of the incumbent as a head of internal audit of the company must be approved from the Audit Committee which is in order to charter of The Audit Committee's Company and approved by the Board of Directors

9.4 Related Parties Transaction

9.4.1 Someone who may lead to conflict

Someone who may lead to conflict	Characteristics of Business	Relations with company
1. Semsang Property Development Company Limited (changed its name from T.K.H. Development Company Limited since April 16, 2015)	Land and real estate development	• There is one shareholder as a director, namely Mr. Piyawat Kraipisitkul • There are 3 common shareholders, namely Ms. Thantaporn Kraipisitkul, Mr. Piyawat Kraipisitkul and Mr. Thanawat Kraipisitkul, which is the holding of Semsang Property Development Company Limited at 5%, 30% and 5% respectively. • There is one shareholder as a director, namely Mrs. Thanyanee Kraipisitkul which is the holding of Semsang Property Development Company Limited at 30%. • There are 2 connected persons as the shareholders of Mr. Viwat Kraipisitkul which is the holding of Semsang Property Development Company Limited, totaling 30%.
2. Logic Spark Company Limited	Renewable energy consulting company	• There are 3 connected persons as the shareholders of Mr. Varut Tummaranukub which is the holding of Logic Spark Company Limited at 100% • There are 2 connected persons as the directors of Mr. Varut Tummaranukub
3. Primary Energy Company Limited	Holding company	• As the majority shareholder of the company • There are 2 co-directors, namely Ms. Thantaporn Kraipisitkul and Mr. Thanawat Kraipisitkul. • There are 4 common shareholders, namely Mr. Viwat Kraipisitkul and Ms. Thantaporn Kraipisitkul, Mr. Piyawat Kraipisitkul and Mr. Thanawat Kraipisitkul, which is the holding of Primary Energy Company at 28%, 24%, 24% and 24% respectively.
4. Uni Power Tech Company Limited	Biomass power plant	• There are 2 co-directors, namely Ms. Thantaporn Kraipisitkul and Mr. Thanawat Kraipisitkul. • There are 4 common shareholders, namely Mr. Viwat Kraipisitkul, Ms. Thantaporn Kraipisitkul, Mr. Piyawat Kraipisitkul and Mr. Thanawat Kraipisitkul. Mr. Viwat Kraipisitkul is a shareholder with 99.3% voting rights of Uni Power Tech Company Limited.
5. Srinanaporn Marketing Company Limited	Marketing and distribution of snack foods as well as consumer products	• There are 2 co-directors, namely Mr. Viwat Kraipisitkul and Mrs. Thanyanee Kraipisitkul • There is one connected person as a director of Mr. Viwat Kraipisitkul • There is one director of the company as a shareholder, namely Mrs. Thanyanee Kraipisitkul, indirectly holding 100% of Srinanaporn Marketing Co., Ltd.

Someone who may lead to conflict	Characteristics of Business	Relations with company
6. Mr. Viwat Kraipisitkul	-	As a director of the company and a shareholder of PME1 and Unity I. Capital Limited ("UNITY")^{1,2}, majority shareholder of the company, Mr. Viwat Kraipisitkul is a direct and indirect shareholder holding 21.9% of the paid-up capital after this IPO.
7. Ms. Thantaporn Kraipisitkul	-	As a director and executive director of the company and a shareholder of PME and UNITY, the majority shareholder of the company, Ms. Thantaporn Kraipisitkul is a direct and indirect shareholder holding 16.1% of the paid-up capital after this IPO.
8. Mr. Piyawat Kraipisitkul ³	-	As a shareholder of PME and UNITY, the majority shareholder of the company, Mr. Piyawat Kraipisitkul is a direct and indirect shareholder holding 16.1% of the paid-up capital after this IPO.
9. Mr. Thanawat Kraipisitkul	-	As a director and executive director of the company and a shareholder of PME and UNITY, the majority shareholder of the company, Mr. Thanawat Kraipisitkul is a direct and indirect shareholder holding 16.1% of the paid-up capital after this IPO.
10. Mrs. Thanyanee Kraipisitkul	-	As director of the company
11. Mr. Varut Tummaravanukub		As director and executive director of the company

หมายเหตุ: ¹ PME and UNITY are the majority shareholders of the company, holding 30% and 7.2% of the paid-up capital (as of December 31, 2020), respectively.

² UNITY is a company incorporated in the Hong Kong Special Administrative Region. There are shareholders, namely Mr. Viwat Kraipisitkul, Ms. Thantaporn Kraipisitkul, Mr. Piyawat Kraipisitkul and Mr. Thanawat Kraipisitkul.

9.4.2 Related Transactions

Related parties transactions between the Group and individual or juristic person, which may have conflict of interest, for the year ended 31 December 2020 can be sum-

Individual/juristic person, which may have conflict of interest	Nature of transactions	Transactions value for Year ended 31 December 2020 (Baht)	Necessity and Reasonableness of the Transaction	Opinion of Audit Committee
1. Mr. Viwat Kraipisitkul	<u>Office rental</u> SSP rented the office building from Mr. Viwat Kraipisitkul <u>Office rental payable</u>	360,000 30,000	Since May 2016, SSP rented the 250 m2 office space from Mr. Viwat Kraipisitkul, as the Group head office. The rental term is 3 years. Rental rate and terms are as specified in the agreement.	Such transaction supports the Company's normal business operation and the transaction is necessary and benefits the Company. The Company compared rate and terms with comparable property in nearby area. The rental rate and term does not make the Company lose benefits.
2. Srinanaporn Marketing Co., Ltd.	<u>Rooftop rental</u> <u>Rooftop rental payable</u> <u>Revenue</u> <u>accounts receivables</u> <u>Unearned revenue</u>	270,084 39,564 7,548,853 1,234,305 214,706	- Since August 2017, Sn rented the roof space from Srinanaporn Marketing Co., Ltd, for the solar rooftop power plant project. Rental rate and terms are as specified in the agreement. - Since August 2017, Sn rented the roof space from Srinanaporn Marketing Co., Ltd. The service rate and conditions are reasonable and comparable to those of other service providers in the market. - Penalty for failure to meet the guaranteed minimum take.	- Such transaction supports SN's normal business operation and the transaction is necessary and benefits the Group business expansion plan. - Such transaction supports SN's normal business operation and the transaction is necessary and benefits the Group business expansion plan. The service rate and conditions are reasonable and comparable to those of other service providers in the market.

Individual/juristic person, which may have conflict of interest	Nature of transactions	Transactions value for Year ended 31 December 2020 (Baht)	Necessity and Reasonableness of the Transaction	Opinion of Audit Committee
3. Logic Spark Co., Ltd ("LGS")	• <u>Program and application under development</u> SN paid the software and development fee to LGS • <u>Maintenance fee</u> server system solar monitoring • <u>Maintenance fee</u> SSP paid the website maintenance fee for www.sernsang.com to LGS	52,035 132,000 11,835	• Since the Group has policy to expand its business into solar rooftop system projects through its subsidiary, SN. Therefore, SN engaged LGS to provide software and application for such rooftop system projects. This transaction are in accordance with general trading conditions with third parties. • Since the Group would like to provide accurate and update information via Website, LGS is hired to assist us updating the information on Website. This transaction are in accordance with general trading conditions with third parties.	• Such transaction supports SN's normal business operation and the transaction is necessity and benefits the Group business expansion plan. The service rate and conditions are reasonable and comparable to those of other service providers in the market • The Group selected the advisor through competitive bidding process as specified in the Company's procurement manual for solar rooftop power plant project.

9.4.3 Measurements and Procedures for Approval of Related parties transactions

The meeting of the Board of Directors of the company approved the policy on entering into related parties transactions to allow the transactions between the company and/or its subsidiaries with the individuals or juristic persons that may have conflicts in a transparent manner. Also, it can maintain the benefits of the company group, so this can be summarized as follows.

The related parties transactions or connected transactions of the company group shall comply with the rules of the Securities and Exchange Act and the notification of the Capital Market Supervisory Board about the rules of connected transaction. Moreover, the notification of the Board of Governors of the Stock Exchange of Thailand about the disclosure of information and other actions of the registered companies in regard to the connected transactions and other related rules of the Securities and Exchange Commission and/or the Stock Exchange of Thailand shall comply with the conditions about the disclosure the related parties transactions in the Notes to Financial Statements audited by the company's auditors.

In case the law requires the company group to get approved from the meeting of the Board of Directors and/or the shareholders (as the case may be) before entering into any connected transactions, the company shall arrange the Audit Committee to consider and comment on such transactions. The opinions of the Audit Committee are also presented in the meeting of the Board of Directors and/or the shareholders (as the case may be) to ensure that the proposed transactions are in the best interest of the company group.

In the event that the related party transaction of the company and/or its subsidiaries with individuals who have a stake or may have conflicts about benefits in the future, the Audit Committee will give opinions on the necessity of entering into the transaction and the appropriateness of the price of such transaction based on the conditions. It is in line with normal business operations in the industry, and the prices will be compared with outsiders or market prices. If the Audit Committee does not have the expertise to consider the related parties transactions, the Company will arrange the independent experts or the auditors of the company to give comments on such transaction to be used for the decision of the Audit Committee, Board of Directors or shareholders as the case may be. The stakeholders are not allowed to vote for the approval of the transaction. Also, related party transactions will be disclosed in the notes of financial statements audited or reviewed by the company's auditors.

In principle, the management department can approve such transactions if those transactions have trade agreements in the same way that a man should deal with a general partner in the same situation. With bargaining power on trades without the influence of being a committee, executive or related person, the company will prepare a summary report of such transaction to present in the next meeting of Board of Directors.

9.4.4 Policy and Trend of Future Related Parties Transactions

For entering into a connected transaction between the company and/or its subsidiaries, it has a stake or may have a conflict about benefits. The company will comply with the rules and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission, Thailand which become effective.

If the company and/or its subsidiaries aims to enter into a connected transaction with the connected person who have a stake or may have the conflict about benefits in the future, the company will strictly abide by the policies and procedures mentioned above. The Audit Committee has provided guidance for consideration on the necessity of the transaction to the company's operations. The committee not only consider the comparison of the prices with comparable items which have been done with outsiders (if any) but also the significance of the size of the transaction.

However, if there is a connected transaction, the company will arrange the Audit Committee to comment on the appropriateness of such transaction. In the event that the Audit Committee does not have the expertise to consider any related parties transactions, the company will provide knowledgeable persons or specialized expertise such as auditors or independent property appraisers to give an opinion on related parties transactions. The opinion of the Audit Committee or the persons with special expertise will be used for the decision of the Board of Directors or shareholders as the case may be. Therefore, the company can ensure that such transaction will not be transference or transfer of benefits between the company and/or its subsidiaries or shareholders of the company, but it is the transaction that the company considers the highest benefit of all shareholders.

Part 3

Financial Statement

Independent Auditor's Report

To the Shareholders of Sermsang Power Corporation Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Sermsang Power Corporation Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Sermsang Power Corporation Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sermsang Power Corporation Public Company Limited and its subsidiaries and of Sermsang Power Corporation Public Company Limited as at 31 December 2021, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Emphasis of matter

I draw attention to Note 2.2.2 to the financial statements regarding the company acquisition from the group of major shareholders, which is considered to be a business combination under common control. For comparative purposes, the Company thus prepared the financial information of the Group as if the Group's companies had operated as a single economic entity since the beginning of year of the first reporting period. My opinion is not modified in respect of this matter.

Key Audit Matters

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

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

Project costs of power plant under construction

As described in the Note 13 to the consolidated financial statements, the subsidiaries carried out construction of the power plant in overseas. Project costs during the construction phase comprised construction costs, other direct costs and related borrowing costs. During the year, the Group had recorded an increase in power plant under construction of Baht 4,420 million. These power plant under construction were significant to the statement of financial position. The management needs to exercise substantial judgement with respect to the identification and recording of these project costs and the capitalization of borrowing costs. I therefore draw attention to the audit of this matter.

I directed and supervised the work of the component auditor related to power plant under construction to obtain sufficient and appropriate audit evidence on the following:

- The recording of purchase and payment transactions related to the power plant under construction
- Examination the representative samples of power plant under construction transactions against supporting documents for the additions occurring during the year
- Testing the calculation and the recording of the borrowing costs capitalised to power plant under construction during the construction phase
- Examination whether the capitalisation of power plant under construction was in line with the criteria under Thai Financial Reporting Standards.

In addition, I reviewed the disclosure of information related to power plant under construction in the notes to financial statements.

2

Other Information

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

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

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

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

3

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

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

4

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.

Sirikorn Plernpissiri
Certified Public Accountant (Thailand) No. 5234

EY Office Limited
Bangkok: 28 February 2022

5

Sermsang Power Corporation Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2021

		Consolidated financial statements			Separate financial statements			(Unit: Baht)
		As at	As at	As at	As at	As at	As at	
Note		31 December 2021	31 December 2020	1 January 2020	31 December 2021	31 December 2020	1 January 2020	
		(Restated)		(Restated)	(Restated)			
Assets								
Current assets								
8	Cash and cash equivalents	3,579,719,249	1,387,612,915	953,326,317	940,672,813	445,830,775	78,932,699	
8	Short-term restricted bank deposits	251,458,844	199,384,026	292,653,571	69,147	54,659	95,654,411	
7, 9	Trade and other receivables	703,806,909	478,863,494	416,830,060	391,787,610	270,875,961	221,036,485	
10	Inventory	7,584,904	5,078,625	8,001,070	-	-	-	
	Revenue Department receivable	214,353,338	208,002,490	-	449,444	-	-	
	Unbilled Receivables	6,110,082	886,870	-	-	-	-	
7	Short-term loans to related parties	9,974,070	8,960,220	-	238,363,914	22,868,664	426,856,783	
15	Other current financial assets	1,976,690	5,300,000	-	1,897,387	-	-	
	Other current assets	151,615,161	10,703,734	29,809,819	99,269,817	-	2,202,123	
	Total current assets	4,926,599,247	2,304,792,374	1,700,620,837	1,672,510,132	739,630,059	824,682,501	
Non-current assets								
11	Long-term restricted bank deposits	1,018,188,214	719,751,199	159,038,386	402,941,706	370,623,588	17,158,042	
	Revenue Department receivable	71,713,127	53,415,110	61,236,822	-	-	-	
	Long-term loans to related parties	-	-	-	-	-	-	
7	- net of current portion	-	-	-	3,329,519,852	2,865,519,852	2,649,597,067	
15	Other non-current financial assets	32,086,947	32,086,947	26,040,947	-	-	-	
12	Investments in subsidiaries	-	-	-	3,899,773,646	3,106,402,847	2,493,835,114	
13	Property, plant and equipment	15,522,354,587	11,248,959,279	10,406,914,513	4,434,195	634,710	791,280	
21	Right-of-use assets	724,242,661	766,489,330	796,612,570	-	-	-	
14	Intangible assets	1,232,466,012	1,048,315,678	1,040,803,084	5,517	12,852	31,102	
27	Deferred tax assets	3,868,609	5,485,862	5,849,105	824,442	627,416	436,781	
	Other non-current assets	531,790,821	746,091,151	368,996,535	-	-	-	
	Total non-current assets	19,136,710,978	14,620,594,556	12,865,491,962	7,637,499,358	6,343,821,265	5,161,849,386	
	Total assets	24,063,310,225	16,925,386,930	14,566,112,799	9,310,009,490	7,083,451,324	5,986,531,887	

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

Sermsang Power Corporation Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 31 December 2021

	Note	Consolidated financial statements			Separate financial statements			(Unit: Baht)
		As at	As at	As at	As at	As at	As at	
		31 December 2021	31 December 2020	1 January 2020	31 December 2021	31 December 2020	1 January 2020	
			(Restated)	(Restated)		(Restated)	(Restated)	
Liabilities and shareholders' equity								
Current liabilities								
Short-term loan from bank	17	518,383,891	276,334,000	382,352,257	497,383,891	251,034,000	361,770,026	
Trade and other payables	7, 16	3,200,596,244	142,890,646	266,488,259	28,465,481	40,875,299	41,512,922	
Construction revenue received in advance		1,604,646	557,001	-	-	-	-	
Retention payable		3,422,533	5,636,404	6,629,629	-	-	-	
Share acquisition payable to subsidiary's former shareholders		10,436,210	9,259,301	9,280,570	-	-	-	
Share capital payable from a subsidiary's capital reduction		-	-	71,414,265	-	-	-	
Short-term loan from non-controlling interest of the subsidiary		-	-	12,061,600	-	-	-	
Short-term loans from related person and related parties	7	-	15,000,000	47,250,000	22,087,432	101,057,277	103,145,175	
Current portion of lease liabilities	21	31,141,317	29,848,998	28,961,087	-	-	-	
Current portion of long-term debentures		798,136,282	-	-	798,136,282	-	-	
Current portion of long-term loans	19	1,501,914,489	1,210,674,014	757,088,563	401,384,562	343,184,486	343,159,923	
Other current financial liabilities	20	-	289,972	902,905	-	-	-	
Other current liabilities		15,931,086	11,967,707	15,505,968	315,000	315,000	315,000	
Total current liabilities		6,081,566,698	1,702,258,043	1,597,935,103	1,747,772,648	736,466,062	849,903,046	
Non-current liabilities								
Lease liabilities - net of current portion	21	552,710,730	582,811,363	643,154,379	-	-	-	
Long-term debentures - net of current portion	18	595,432,542	793,903,674	-	595,432,542	793,903,674	-	
Long-term loans - net of current portion	19	10,266,676,685	8,806,553,575	8,139,486,337	1,037,929,747	1,051,360,917	1,308,229,764	
Deferred tax liabilities	27	17,306,245	21,493,150	3,961,859	379,477	-	-	
Other non-current financial liabilities	20	162,783,374	201,583,605	167,627,667	-	-	-	
Other non-current liabilities		12,634,715	12,373,824	9,171,347	4,122,210	3,137,075	2,183,906	
Loss in excess of cost over investments in subsidiaries accounted for under equity method	12	-	-	-	40,257,416	31,065,355	41,411,734	
Total non-current liabilities		11,607,544,291	10,418,719,191	8,963,411,589	1,678,121,392	1,879,467,021	1,351,825,404	
Total liabilities		17,689,110,989	12,120,977,234	10,561,346,692	3,425,894,040	2,615,933,083	2,201,728,450	

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

	Note	Consolidated financial statements			Separate financial statements			(Unit: Baht)
		As at 31 December 2021	As at 31 December 2020	As at 1 January 2020	As at 31 December 2021	As at 31 December 2020	As at 1 January 2020	
			(Restated)	(Restated)		(Restated)	(Restated)	
Shareholders' equity								
Share capital	22							
Registered								
1,419,169,693 ordinary shares of Baht 1 each (31 December 2020: 922,000,000 ordinary shares of Baht 1 each)		1,419,169,693	922,000,000	922,000,000	1,419,169,693	922,000,000	922,000,000	
Issued and paid up								
922,000,000 ordinary shares of Baht 1 each		922,000,000	922,000,000	922,000,000	922,000,000	922,000,000	922,000,000	
149,569,690 ordinary shares of Baht 1 each		149,569,690	-	-	149,569,690	-	-	
Share premium		1,071,983,690	922,000,000	922,000,000	1,071,983,690	922,000,000	922,000,000	
Surplus (deficit) on business combination under common control		2,144,433,755	1,511,209,678	1,511,209,678	2,144,433,755	1,511,209,678	1,511,209,678	
Retained earnings		(159,720,093)	33,098,414	33,098,414	(159,720,093)	33,098,414	33,098,414	
Appropriated - statutory reserve	24	136,653,365	92,200,000	92,200,000	136,653,365	92,200,000	92,200,000	
Unappropriated		2,048,359,820	2,036,246,692	1,401,371,469	2,048,359,820	2,036,246,692	1,401,371,469	
Other components of shareholders' equity		(57,194,107)	(386,652,331)	(346,536,314)	(57,194,107)	(386,652,331)	(346,536,314)	
Equity attributable to owners of the Company		5,884,115,450	4,265,101,453	3,613,343,187	5,884,115,450	4,265,101,453	3,613,343,187	
Former shareholders before business combination under common control		-	-	-	-	-	-	
Non-controlling interests of the subsidiaries	4	460,993,766	262,416,788	171,460,250	-	262,416,788	171,460,250	
Total shareholders' equity		6,345,109,216	4,567,518,241	2,198,672,107	5,884,115,450	4,567,518,241	3,784,803,437	
Total liabilities and shareholders' equity		24,963,910,225	16,925,396,590	14,598,112,769	9,310,089,490	7,093,451,324	5,986,931,887	

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

.....
Directors
.....

Sermasing Power Corporation Public Company Limited and its subsidiaries
Statement of comprehensive income
For the year ended 31 December 2021

	Note	Consolidated financial statements			Separate financial statements			(Unit: Baht)
		2021		2020	2021		2020	
				(Restated)			(Restated)	
Revenues								
Revenue from sale of electricity	7	2,014,250,521	1,980,974,942	-	-	-	-	
Subsidy for adder		564,830,045	560,486,595	-	-	-	-	
Revenue from sale of goods		-	21,489,197	-	-	-	-	
Revenue from construction services		17,975,288	3,538,905	-	-	-	-	
Management income	7	5,829,080	10,037,039	29,000,000	29,000,000	29,000,000	29,000,000	
Gain on exchange rate		78,689,124	47,186,132	39,842,932	39,842,932	16,904,366	16,904,366	
Other income	7	13,887,888	15,467,333	12,794	12,794	12,118	12,118	
Total revenues		2,695,461,926	2,239,159,843	68,855,726	68,855,726	45,916,504	45,916,504	
Expenses								
Cost of sales	26	1,090,371,076	882,409,244	-	-	-	-	
Cost of construction	26	13,553,423	2,507,243	-	-	-	-	
Administrative expenses	26	243,466,178	196,327,478	79,078,776	79,078,776	71,577,598	71,577,598	
Total expenses		1,347,390,677	1,081,243,965	79,078,776	79,078,776	71,577,598	71,577,598	
Operating profit (loss)		1,348,071,249	1,157,915,878	(10,223,050)	(10,223,050)	(25,661,094)	(25,661,094)	
Share of profit from investment in subsidiaries	12.2	-	-	-	-	-	-	
Finance income	7	2,710,226	2,421,450	113,621,480	113,621,480	107,361,866	107,361,866	
Finance cost	7	(356,022,976)	(313,720,065)	(117,550,646)	(117,550,646)	(92,821,423)	(92,821,423)	
Profit before income tax expenses		994,758,499	846,617,263	889,250,143	889,250,143	794,809,626	794,809,626	
Income tax (expenses)	27	(65,289,505)	(22,509,852)	(182,451)	(182,451)	190,634	190,634	
Profit for the year		929,468,994	824,107,411	889,067,692	889,067,692	795,000,260	795,000,260	
Other comprehensive income:								
Other comprehensive income to be reclassified to profit or loss in subsequent periods:								
Exchange differences on translation of financial statements in foreign currency		319,554,249	(1,047,990)	299,372,383	299,372,383	(8,464,523)	(8,464,523)	
Gain (loss) on cash flow hedges - net of income tax		32,793,502	(34,651,494)	32,793,502	32,793,502	(34,651,494)	(34,651,494)	
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	-	-	-	-	-	
Actuarial gain (loss) - net of income tax		-	-	-	-	-	-	
Other comprehensive income for the year		352,347,751	(35,699,484)	332,165,885	332,165,885	(43,116,017)	(43,116,017)	
Total comprehensive income for the year		1,281,816,745	788,407,927	1,221,233,577	1,221,233,577	751,884,243	751,884,243	
Profit attributable to:								
Equity holders of the Company		859,010,655	736,233,722	859,010,655	859,010,655	736,233,722	736,233,722	
Former shareholders before business combination		-	-	-	-	-	-	
under common control		30,057,037	58,706,538	30,057,037	30,057,037	58,706,538	58,706,538	
Non-controlling interests of the subsidiaries		40,401,302	29,107,151	-	-	-	-	
		929,468,994	824,107,411	889,067,692	889,067,692	795,000,260	795,000,260	

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

Statement of comprehensive income (continued)

For the year ended 31 December 2021

	(Unit: Baht)			
	Note	Consolidated financial statements		Separate financial statements
		2021	2020	2021
Comprehensive income attributable to:				
Equity holder of the Company		1,191,176,540	693,177,705	1,191,176,540
Former shareholders before business combination				693,177,705
under common control		30,057,037	58,706,538	30,057,037
Non-controlling interest of the subsidiaries		60,583,168	36,523,684	-
		1,281,816,745	788,407,927	1,221,233,577
				751,884,243
Earnings per share	29			
Basic earnings per share				
Profit attributable to equity holders of the Company		0.8441	0.7260	0.8441
(Baht per share)				0.7260
Diluted earnings per share				
Profit attributable to equity holders of the Company		0.8408	0.7260	0.8408
(Baht per share)				0.7260

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

Unit: Baht)

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

Sernsang Power Corporation Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2021

Separate financial statements												(Unit: Baht)
Other components of shareholders' equity												
Note	Issued and paid up share capital	Share premium	Surplus on business combination under common control	Retained earnings		Exchange difference on translation of financial statement in foreign currency	Other comprehensive income				Former shareholders before business combination under common control	Total shareholders' equity
				Appropriated	Unappropriated		Actuarial gain (loss)	Cash flow hedge reserve	Total other components of shareholders' equity			
4	922,000,000	1,511,209,678	33,098,414	92,200,000	1,402,274,314 (902,905)	(183,295,505)	(463,458)	-	-	(183,758,963)	3,777,023,443	
	-	-	-	-	-	-	-	-	-	(162,777,351)	(163,680,256)	
	-	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	-	
25	922,000,000	1,511,209,678	33,098,414	92,200,000	1,401,371,409 736,293,722	(183,295,505)	(463,458)	(162,777,351)	-	(346,536,314)	3,784,803,437	
	-	-	-	-	-	-	-	-	-	-	59,706,538	
	-	-	-	-	-	(8,464,523)	-	(34,651,494)	-	(43,116,017)	(43,116,017)	
	-	-	-	-	736,293,722 (101,419,439)	(8,464,523)	-	(34,651,494)	-	(43,116,017)	751,884,243 (101,419,439)	
4	922,000,000	1,511,209,678	33,098,414	92,200,000	2,036,245,692	(191,760,028)	(463,458)	(197,428,845)	-	(389,652,331)	32,250,000 4,467,518,241	
	922,000,000	1,511,209,678	33,098,414	92,200,000	2,036,245,692	(191,760,028)	(463,458)	(197,428,845)	-	(389,652,331)	4,205,101,453	
	-	-	-	-	-	-	-	-	-	-	262,416,788	
	-	-	-	-	-	-	-	-	-	-	262,416,788	
22	922,000,000	1,511,209,678	33,098,414	92,200,000	2,036,245,692	(191,760,028)	(463,458)	(197,428,845)	-	(389,652,331)	889,067,692	
	-	-	-	-	856,010,655	299,372,383	-	32,793,502	-	332,165,885	332,165,885	
	-	-	-	-	-	299,372,383	-	32,793,502	-	332,165,885	1,221,233,577	
	57,384,007	633,224,077	-	-	856,010,655	299,372,383	-	32,793,502	-	332,165,885	690,608,084	
22, 25	92,199,683	-	-	-	(92,199,683)	-	-	-	-	-	-	
25	-	-	-	-	(10,244,459)	-	-	-	-	-	(10,244,459)	
24	-	-	-	44,453,385	(44,453,385)	-	-	-	-	-	-	
2.2.2	-	-	(192,818,507)	-	-	-	292,339	-	-	292,339	(292,473,825)	
Balance as at 31 December 2021				136,653,385	2,748,368,820	107,612,355	(171,119)	(164,635,343)	-	(57,194,107)	5,884,115,450	

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

Sermsang Power Corporation Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2021

	(Unit: Baht)		
	Consolidated financial statements		Separate financial statements
	2021	2020 (Restated)	2021 (Restated)
Cash flows from operating activities			
Profit before tax	994,758,499	846,617,263	889,250,143
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:			
Depreciation and amortisation	750,871,587	533,125,866	214,347
Loss on disposal of property plant and equipment and intangible assets	1,880,447	6,991,848	-
Impairment loss on equipment	2,663,416	-	-
Provision for long-term employee benefits	1,718,090	1,661,540	985,134
Share of profit from investment in subsidiaries	-	-	(903,402,359)
Unrealised loss (gain) on exchange rate	(31,349,552)	(38,529,559)	(38,041,799)
Unrealised loss (gain) on fair value adjustments of other current financial assets and other current financial liabilities	(2,263,173)	(612,933)	(1,897,387)
Finance income	(2,710,226)	(2,421,450)	(113,621,480)
Finance cost	356,022,976	313,720,065	117,550,646
Profit (loss) from operating activities before changes in operating assets and liabilities	2,071,592,064	1,660,552,640	(48,962,755)
Operating assets (increase) decrease			
Trade and other receivables	(241,854,139)	(64,751,871)	(8,875,664)
Unbilled Receivables	(5,223,212)	(886,870)	-
Inventory	(2,506,279)	2,922,445	-
Other current financial assets and other current assets	(41,641,611)	19,106,085	-
Revenue Department receivable	(24,646,757)	(200,463,330)	(449,444)
Other non-current assets	192,536,465	124,094,683	-
Operating liabilities increase (decrease)			
Trade and other payables	515,729,453	(1,777,986)	2,475,331
Construction revenue received in advance	1,047,645	557,001	-
Retention payable	(2,213,871)	(963,225)	-
Other current liabilities	3,963,379	(3,538,259)	-
Other non-current liabilities	(7,486,776)	1,540,935	-
Cash flows from (used in) operating activities	2,459,296,361	1,536,362,248	(55,812,532)
Cash paid for income tax	(68,937,022)	(4,840,557)	(892,774)
Net cash flows from (used in) operating activities	2,390,359,339	1,531,521,691	(56,705,306)

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

Semsang Power Corporation Public Company Limited and its subsidiaries
Cash flow statement (continued)
For the year ended 31 December 2021

	Consolidated financial statements		Separate financial statements		(Unit: Baht)
	2021	2020 (Restated)	2021	2020 (Restated)	
Cash flows from investing activities					
Short-term restricted bank deposits	(52,074,818)	93,269,545	(14,488)	95,599,752	
Long-term restricted bank deposits	(298,437,015)	(960,712,813)	(73,326)	(364,018,946)	
Other current financial assets	5,296,511	(5,300,000)	-	-	
Other non-current financial assets	-	(6,046,000)	-	-	
Short-term loans to related parties	-	(8,960,220)	(207,862,500)	(59,476,979)	
Long-term loans to related parties	-	-	(464,000,000)	262,750,972	
Investment in subsidiaries	-	-	(48,610,375)	(528,549,648)	
Paid for capital reduction of subsidiary	-	(71,374,000)	-	-	
Advance payment for investment in subsidiary	(99,269,816)	-	(99,269,816)	-	
Dividend income from investment in subsidiaries	-	-	499,999,889	700,499,805	
Construction Payable	2,536,433,930	(125,277,425)	-	-	
Advance payment for construction	88,374,523	(523,627,834)	-	-	
Right-of-use assets under lease agreements	(2,074,125)	(39,604,539)	-	-	
Acquisition of property, plant and equipment	(4,680,052,377)	(970,786,987)	(4,001,798)	(71,342)	
Acquisition of intangible assets	(208,899,746)	(2,189,304)	(4,700)	-	
Acquisition of investment in subsidiary	(485,000,000)	-	(485,000,000)	-	
Subsidy from the government	-	2,179,672	-	-	
Interest income	2,710,224	2,421,450	674,526	64,520,078	
Net cash flows used in investing activities	(3,192,992,709)	(2,216,008,455)	(808,162,588)	171,253,692	
Cash flows from financing activities					
Cash receipt from short-term loan from bank	923,424,922	690,283,166	892,824,922	563,562,137	
Repayment of short-term loans from bank	(663,460,524)	(789,732,908)	(651,066,000)	(667,729,649)	
Repayment of short-term loans from related parties	-	-	(78,969,845)	(2,087,898)	
Repayment of short-term loans from non-controlling interest	-	(12,107,900)	-	-	
Cash receipt from short-term loans from non-controlling interest	(15,000,000)	(32,250,000)	-	-	
Payment of lease liabilities	(41,499,960)	(28,154,748)	-	-	
Cash receipt from long-term loans from bank	3,001,264,249	1,653,117,234	423,700,000	88,300,000	
Repayment of long-term loans from bank	(1,348,503,474)	(861,292,456)	(378,000,000)	(348,000,000)	
Cash received from debentures	600,000,000	800,000,000	600,000,000	800,000,000	
Cash paid for expenses related to debentures issuance	(5,481,982)	(6,401,440)	(5,481,982)	(6,401,440)	
Proceeds from increase in share capital of non-controlling interest	121,169,531	114,960,104	-	-	
Proceeds from increase in share capital	690,008,084	-	690,008,084	-	
Cash payment of interest and fee expenses	(354,550,916)	(312,977,236)	(123,660,788)	(84,962,104)	
Dividend paid to shareholders	(10,244,459)	(101,419,439)	(10,244,459)	(101,419,439)	
Dividend paid from a subsidiaries to non-controlling interest	(28,560,364)	(2,305,004)	-	-	
Net cash flows from financing activities	2,849,165,107	1,111,719,373	1,359,709,932	241,261,607	
Translation adjustments	145,574,597	7,053,989	-	-	
Net decrease in cash and cash equivalents	2,192,106,334	434,286,598	494,842,038	366,898,076	
Cash and cash equivalents at beginning of year	1,387,612,915	963,326,317	445,820,775	78,932,899	
Cash and cash equivalents at end of year	3,579,719,249	1,387,612,915	940,672,813	445,830,775	

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

Semsang Power Corporation Public Company Limited and its subsidiaries
Cash flow statement (continued)
For the year ended 31 December 2021

	Consolidated financial statements		Separate financial statements		(Unit: Baht)
	2021	2020 (Restated)	2021	2020 (Restated)	
Supplemental cash flow information:					
Non-cash transaction					
Fixed assets increase by replacement	2,112,366		2,166,412	-	-
Transfer interest expenses to cost of plant and equipment	46,547,494		53,717,908	-	-

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

Sernsang Power Corporation Public Company Limited and its subsidiaries
Notes to consolidated financial statements
For the year ended 31 December 2021

1. General information

1.1 Corporate information

Sernsang Power Corporation Public Company Limited (“the Company”) is a public company limited incorporated and domiciled in Thailand, and listed on the Stock Exchange of Thailand. The major shareholder of the Group is a group of ordinary persons in the same family (“the group of major shareholders”) by directly held by their names or held by the company. The Company is principally engaged in investment, consultancy and provision of services for the power business to related parties. The registered office is at 325/14, Lan Luang Road, Si Yaek Mahanak, Dusit, Bangkok.

1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

The consolidated financial statements include the financial statements of Sernsang Power Corporation Public Company Limited (“the Company”) and the following subsidiary companies (“the Subsidiaries”) (collectively as “the Group”):

Subsidiary companies	Nature of business	Country of incorporation	Percentage of shareholding	
			31 December 2021	31 December 2020
Subsidiary companies directly held by the Company				
Sern Sang Palang Ngan Company Limited	Production and distribution of electricity	Thailand	100	100
Sernsang Corporation Company Limited	Production and distribution of electricity	Thailand	100	100
Sernsang International Company Limited	Investment and consultancy	Thailand	100	100
Access Energy Company Limited	Investment and consultancy	Thailand	100	100
Essential Power Company Limited	Production and distribution of electricity	Thailand	100	100
Sernsang Solar Company Limited	Production and distribution of electricity	Thailand	100	100
Siam Renewable Power Company Limited	Production and distribution of electricity	Thailand	100	100
Plus Energy Company Limited	Production and distribution of electricity	Thailand	100	100
Sernsang Infinite Company Limited	Production and distribution of electricity	Thailand	100	100
Siam Clean Solutions Company Limited	Production and distribution of electricity	Thailand	100	100
Prestige Group Company Limited	Production and distribution of electricity	Thailand	100	100
Triple P Renewable Company Limited	Production and distribution of electricity	Thailand	100	100
Uni Power Tech Co., Ltd.	Production and distribution of electricity	Thailand	99	-
Truong Thanh Tra Vinh Wind Power JSC.	Production and distribution of electricity	Vietnam	80	90
Subsidiary companies indirectly held by the Company				
S. Global Power Limited	Investment and consultancy	Hong Kong	100	100
Surge Energy Corporation Limited	Investment and consultancy	Hong Kong	100	100
Access C Management Limited	Investment and consultancy	Hong Kong	100	100
Sernsang Sustainable Singapore Private Limited	Investment and consultancy	Singapore	100	100
Seajo Corporation	Investment and consultancy	Japan	100	100
SS Hidaka No Mori GK	Production and distribution of electricity	Japan	87	87
GK GSSE	Production and distribution of electricity	Japan	90	90
Zouven Energy GK	Production and distribution of electricity	Japan	100	100
Ashita Power 1 GK	Production and distribution of electricity	Japan	100	100
Ashita Power 2 GK	Production and distribution of electricity	Japan	100	100
Tenuun Gerel Construction LLC	Production and distribution of electricity	Mongolia	75	75
Truong Thanh Quang Ngai Power and High Technology JSC.	Production and distribution of electricity	Vietnam	87	87
Sea Sun Energy Partners Pte., Ltd.	Investment and consultancy	Singapore	95	90
PT Sea Sun Energi	Production and distribution of electricity	Indonesia	95	90

- a) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- c) The financial statements of the subsidiaries are prepared using the same period and significant accounting policies as the Company.
- d) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
- e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

During the year, there was change in the composition of group as follow.

2.2.1 Called up and increase in share capital of subsidiary

During the year, the subsidiaries additionally invested in the following companies;

The Company	(Unit: Million)		
	Currency	Investment Amount	
Ashita Power 1 GK	Yen	727.8	274.0
Ashita Power 2 GK	Yen	28.5	2.9
GK GSSE	Yen	-	234.3
Sea Sun Energy Partners Pte., Ltd.	USD	5.0	4.0
Truong Thanh Quang Ngai Power and High Technology JSC.	VND	-	149,291.8

2.2.2 Business combination under common control

On 6 July 2021, the Company acquired shares of Uni Power Tech Company Limited from the group of major shareholders, representing 99 % of shareholding. The carrying value of assets and liabilities as of the acquisition date of this subsidiary, are as follows:

	(Unit: Thousand Baht)
Cash and cash equivalents	23,193
Short-term restricted bank deposits	46,270
Trade and other receivables	58,345
Inventory	9,947
Long-term restricted bank deposits	8,000
Revenue Department receivable	31,253
Property, plant and equipment	638,246
Intangible assets	82
Deferred tax asset	46
Other non-current assets	2,914
Short-term loan from financial institution	(27,300)
Trade and other payables	(24,640)
Retention payable	(87)
Short-term loan from related parties	(15,000)
Other current liabilities	(1,901)
Long-term loan from financial institution	(456,665)
Other non-current liabilities	(229)
Total book value	292,474
Less: Actuarial gain	(292)
Total net acquired assets	292,182
Less: Cost on business combination	(485,000)
Deficit on business combination under common control	(192,818)

The management of the Group consider that the above acquisition is a business combination under common control using the pooling of interests method. The Group recognised the difference between cost of business combination under common control and the acquirer's proportionate interests in the book value of the subsidiary as "surplus (deficit) on business combination under common control" in shareholders' equity. The Company has prepared and presented the financial statements for the year ended 31 December 2020 and the financial position as at 1 January 2020 (presented the amount after the adoption of change in accounting policy in 2020) to reflect the financial position, the results of operations and cash flows for the period then ended as if the Group's companies had been operating as a single economic unit since before 1 January 2020, although the legal relationship between the Group and this subsidiary occurred afterward.

The cumulative effect of business combination under common control is described in Note 4 to the financial statements.

2.3 The separate financial statements present investments in subsidiaries under the equity method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

However, the Group has adopted the temporary exemptions from applying specific hedge accounting requirements in accordance with TFRS 9, *Financial Instruments*, and TFRS 7, *Disclosure of Financial Instruments*, which apply to all hedging relationships directly affected by interest rate benchmark reform. Consequently, the Group can continue to apply hedge accounting for those hedging relationships in the period when there is uncertainty about the timing or the amount of interest rate benchmark-based cash flows of the hedged item or of the hedging instrument.

The adoption of these temporary exemptions does not have any significant impact on the Group's financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

4. Cumulative effects of business combination under common control

As described in Note 2.2.2 to the financial statements, during the current year, the Company acquired a subsidiary and consider that it is a business combination under common control.

The Company has prepared and presented the financial statements for the year ended 31 December 2020 and the financial position as at 1 January 2020 (presented the amount after the adoption of change in accounting policy in 2020) to reflect the financial position, the results of operations and cash flows for the period then ended as if the Group's companies had been operating as a single economic unit since before 1 January 2020.

The adjustments affecting on statement of financial position, statement of comprehensive income and cash flow statement are presented as follows:

Statement of financial position

	Consolidated financial statement					(Unit: Thousand Baht)
	31 December 2020		1 January 2020			
	As previously reported	Adjustments	Restated	As previously reported after the adoption of change in accounting policy	Adjustments	Restated
Assets						
Current assets						
Cash and cash equivalents	1,364,334	22,829	1,387,163	915,457	37,869	953,326
Short-term restricted bank deposits	152,262	47,122	199,384	283,149	9,504	292,653
Trade and other receivables	429,675	49,188	478,863	360,393	56,437	416,830
Inventory	345	4,734	5,079	-	8,001	8,001
Non-current assets						
Long-term restricted bank deposits	715,749	4,002	719,751	159,037	1	159,038
Revenue Department receivable	18,139	35,276	53,415	17,412	43,825	61,237
Property, plant and equipment	10,593,942	655,017	11,248,959	9,720,686	686,228	10,406,914
Intangible assets	1,048,217	99	1,048,316	1,040,670	133	1,040,803
Deferred tax assets	5,445	41	5,486	5,819	30	5,849
Other non-current assets	743,491	2,600	746,091	365,863	3,133	368,996

	Consolidated financial statement					
	31 December 2020			1 January 2020		
	As previously reported	Adjustments	Restated	As previously reported after the adoption of change in accounting policy	Adjustments	Restated
Liabilities						
Current liabilities						
Short-term loan from bank	251,034	25,300	276,334	361,770	20,582	382,352
Trade and other payables	117,144	25,547	142,691	208,658	57,830	266,488
Retention payable	5,550	86	5,636	6,294	336	6,630
Short-term loans from related parties	-	15,000	15,000	-	47,250	47,250
Current portion of long-term loans	1,138,819	71,855	1,210,674	686,089	70,999	757,088
Non-current liabilities						
Long-term loans - net of current portion	8,386,928	419,625	8,806,553	7,666,373	473,123	8,139,496
Other non-current liabilities	12,172	202	12,374	9,021	150	9,171
Shareholders' equity						
Former shareholders before business combination	-	262,417	262,417	-	171,460	171,460
under common control						

		Separate financial statement			(Unit: Thousand Baht)
		31 December 2020	1 January 2020		
			As previously reported		
			after the adoption of change in accounting policy		
		As previously reported	Adjustments	Restated	Adjustments
		Restated			Restated
Assets					
Investments in subsidiaries		2,843,986	262,417	3,106,403	2,322,375
					171,460
					2,493,835
Shareholders' equity					
Former shareholders before business combination		-	262,417	262,417	-
under common control		-	262,417	262,417	171,460

5. Significant accounting policies

5.1 Revenue and expense recognition

Revenue from sale of electricity

Revenue from sale of electricity is recognised based on the delivery unit at the rate specified in the agreement, excluding value added tax.

Subsidy for adder are recognised when there is a reasonable assurance that the subsidy will be received and the Group will comply with all attached conditions.

Government grants are recognised when there is reasonable assurance that the grants will be received and all attached conditions will be complied with. The subsidy relating to income are recognised as income in profit and loss. The subsidy relating to specific expenses are deferred and recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the subsidy are intended to compensate.

Grants related to property, plant and equipment are presented as non-current liabilities because there are conditions under agreements to fulfill. When conditions are fulfilled, grants are deducted from the value of related assets and are recognised in profit or loss over the useful lives of the assets as a reduced depreciation expense.

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 upon 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 returns, discounts, allowances and price promotions to customers.

Management services

Management income is recognised over time when services have been rendered taking into account the stage of completion.

Revenues from construction services

The Group recognised revenue from construction service on a percentage of completion basis. The percentage of completion is measured by completion of physical proportion of the contract work.

The recognised revenue which is not yet due per the contract has been presented under the caption of "Unbilled receivables" in the statement of financial position. The amounts recognised as unbilled receivables are reclassified to trade receivables when the Group's right to consideration is unconditional such as upon completion of services and acceptance by the customer. The excess of the amount billed to a customer over the value of the construction contract in progress is presented as "Construction revenue received in advance" under current liabilities.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

Dividends

Dividends are recognised when the right to receive the dividend is established.

Cost of construction

Cost of construction includes cost of material and equipment and expenses which are calculated from the percentage of completion. Contracts of which incurred construction cost exceeds calculated cost of construction under percentage of completion, and cost of project of which revenue has not yet been recognised are shown as "Construction contracts in progress" under current assets in the statement of financial position, while contracts of which calculated cost of construction exceeds incurred cost of construction are shown as "Accrued construction costs" under current liabilities in the statement of financial position.

Expenses

Unless included in the effective interest rate calculation, expenses are recognised on an accrual basis.

5.2 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.

5.3 Inventory

Inventory are valued at the lower of cost and net realisable value. The cost of inventories includes all purchase costs and direct related expenses under the average cost method.

5.4 Investments in subsidiaries

Investments in subsidiaries are accounted for in the separate financial statements using the equity method.

5.5 Power plants under construction

All expenditures and other related expenses incurred during the construction of the power plants to make the plants operational are capitalised as solar power plants. Such project costs incurred during the construction phase include materials and equipment, project construction costs, management fees, consulting fees, direct costs and borrowing costs.

5.6 Property, plant and equipment/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 less residual values (if any) on the straight-line basis over the following estimated useful lives:

Land improvements	20, 25 years
Office building and building improvement	20 years
Power plants	12, 20, 25 years
Solar roof systems	25, 30 years
Machinery, equipment and spare parts	12, 20, 25 years
Equipment, tools, furniture and fixtures	3, 5, 10, 20 years
Vehicles	5 years

Depreciation is included in determining income. No depreciation is provided on land, work under construction and machinery under installation.

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.

5.7 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.

5.8 Intangible assets

Intangible assets are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on 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 of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	Useful lives
Electric distribution linkage right	12, 25 years
Communication and external electric distribution system	20, 25 years
Computer software	3, 5 years

5.9 Leases

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

The Group as a lessee

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Land	20, 25 years
Motor vehicles	5 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

5.10 Related party transactions

Related parties comprise enterprises or individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associates 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.

5.11 Business combinations under common control

Business combinations under common control are accounted for using the pooling of interests method, with the cost of the business combinations under common control being the fair value, at the date of exchange, of the consideration transferred to obtain control. The assets and liabilities of the entities pooled are recognised based on their book values, in proportion to the interests previously under common control.

Differences between the cost of the business combination under common control and the acquirer's proportionate interests in the book value of the pooled entities are directly recognised in shareholders' equity (and if the pooled entities have profit or loss transactions directly recognised in the shareholders' equity, the financial statements after business combination present the transaction as if the business combination occurred at the earliest reporting date). The remaining difference between the cost of the business combination under common control and the acquirer's proportionate interest in the book value of the pooled entities, after recognising the profit or loss transactions directly in shareholders' equity, is presented as "Surplus (deficit) on business combination under common control" in shareholders' equity.

Costs relating to business combinations under common control are accounted for as expenses in the period in which the business combination occurred.

5.12 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into functional currencies of each entity at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into functional currencies of each entity at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income, except for gain and loss on exchange rate of financial liabilities designated as hedging instruments for cashflow hedge. The effective portion of the gain or loss on exchange rate is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss.

Foreign operations

Assets and liabilities of each foreign operation included in the consolidated financial statements are translated into Baht using the exchange rate prevailing at the end of reporting period. Items in statement of comprehensive income of foreign operations translated into Baht using the exchange rate ruling at the date of the transaction or yearly average exchange rates. The exchange differences arising on translation for consolidation are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity.

When the settlement of a monetary item borrowing from or lending to a foreign operation is neither planned nor likely in the foreseeable future, gains and losses arising from translation of such monetary item are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until loan settlement.

5.13 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use asset and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

5.14 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined Contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust and the Group's contributions are recognized as expenses when incurred.

Defined benefit plans

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognizes restructuring-related costs.

5.15 Provisions

Provisions are recognised when the Group 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.

5.16 Income tax

Income tax expense represents the sum of income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group 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 Group reviews and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.17 Financial instruments

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing 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 Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

Financial assets at FVTPL

Financial assets measured at FVTPL are derivatives carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. ECL 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.

5.18 Derivatives and hedge accounting

The Group uses derivatives, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risk, respectively.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss unless the derivative is designated and effective as a hedging instrument under cash flow hedge. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current financial assets or non-current financial liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current financial assets or current financial liabilities.

Hedge accounting

The Group applies hedge accounting as cash flow hedges for recognised liability and a highly probable forecast transaction.

At the inception of a hedging relationship, the Group formally designates and documents the hedging relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation, at the inception of the hedge and on an ongoing basis, includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements, including analysis of the sources of hedge ineffectiveness and how the hedge ratio is determined.

A hedging relationship qualifies for hedge accounting if it meets all of the following hedge effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk is not the dominant factor in the value changes that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all of the qualifying criteria for hedge accounting are accounted for, as described below:

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss. The cash flow hedge reserve is adjusted to the lower (in absolute amounts) of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The way cash flow hedge reserve accumulated in other comprehensive income are subsequently accounted for, depends on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the reserve accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and is not recognised in other comprehensive income for the period. For any other cash flow hedges, the reserve accumulated in other comprehensive income is subsequently reclassified to profit or loss as a reclassification adjustment in the same period which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the cash flow hedge reserve accumulated in other comprehensive income will be immediately reclassified to profit or loss as a reclassification adjustment if the hedged future cash flows are not expected to occur. If the hedged future cash flows are still expected to occur the cash flow hedge reserve must remain in equity and recognise in profit and loss statement in the same period which the hedged cash flows affect profit or loss.

5.19 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group 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 Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on category of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group 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.

6. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Allowance for expected credit losses of trade receivable and loan

In determining an allowance for expected credit losses of trade receivable and loan, 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 debtor segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a debtor will actually default in the future.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Property, plant and equipment/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 estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Intangible assets

The initial recognition and measurement of intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Leases - The Group as lessee

Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group 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.

7. Related party transactions

During the years, the Group had significant business transactions with key management, personnel and related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and based agreed upon between the Group and those related parties.

	(Unit: Baht)			
	For the year ended 31 December		Pricing policy	
	Consolidated financial statements	Separate financial statements	2020	2020
	2021	2020	2021	2020
(Restated)				
Transactions with subsidiary companies				
<i>(eliminated from the consolidated financial statements)</i>				
Management income	-	-	29,000,000	29,000,000
Interest income	-	-	111,344,772	106,792,180
Dividend income	-	-	499,959,889	700,499,805
Interest expense	-	-	1,201,849	2,031,550
Service expenses	-	-	10,200,000	10,200,000
Transactions with related companies				
Sales of electricity	7,548,853	7,671,162	-	-
Rental and service expenses	825,955	947,490	371,836	396,000
Cost of goods	-	63,666	-	-
				Per agreement
				3,06%-3,99% per annum
				2%, per annum
				Per agreement

As at 31 December 2021 and 2020, the balances of the accounts between the Company and those related companies are as follows:

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
(Restated)				
Accounts receivables - related parties				
(Note 9)				
Subsidiaries	-	-	4,892,443	4,892,443
Related parties	1,449,011	1,491,256	-	-
Total accounts receivables - related parties	1,449,011	1,491,256	4,892,443	4,892,443
Interest receivables - related parties (Note 9)				
Subsidiaries	-	-	352,559,863	241,316,201
Total interest receivable - related parties	-	-	352,559,863	241,316,201

Power purchase agreement

As at 31 December 2021, a subsidiary entered into various power purchase agreements with a related company for a period of 25 years.

Loans to related parties and loan from related parties

As at 31 December 2021 and 2020, the balance of loans between the Company and the related parties and their movements are as follows:

	Consolidated financial statement				(Unit: Baht)
	For the year ended 31 December 2021				
	Balance as at 1 January 2021	Increase during the year	Decrease during the year	Translation adjustment	Balance as at 31 December 2021
<u>Short-term loans to related companies</u>					
<u>Subsidiaries</u>					
Truong Thanh Vietnam Group Joint Stock Company	8,960,220	-	-	1,013,850	9,974,070
					(Unit: Baht)

	Consolidated financial statements		Separate financial statements		(Unit: Baht)
	2021	2020	2021	2020	
Advance payment for purchase assets					
- related parties					
Related parties	63,936,779	21,738,554	-	-	
Total advance payment for purchase assets					
- related parties	63,936,779	21,738,554	-	-	
Deposit payment - related parties					
Related parties	99,269,816	-	99,269,816	-	
Total Deposit payment - related parties	99,269,816	-	99,269,816	-	
Trade payable - related parties (Note 16)					
Subsidiaries	-	-	5,457,000	5,457,000	
Related parties	15,089	15,089	-	-	
Total Trade payable - related parties	15,089	15,089	5,457,000	5,457,000	
Interest payables - related parties (Note 16)					
Subsidiaries	-	-	2,630,785	24,858,125	
Total interest payable - related parties	-	-	2,630,785	24,858,125	
Accrued rental expense - related parties (Note 16)					
Related parties	69,564	62,970	30,000	30,000	
Total accrued rental expense - Related parties	69,564	62,970	30,000	30,000	

Management service agreements

The Company entered into management service agreements with two subsidiaries whereby the subsidiaries have to pay management fee as stated in the agreement.

A subsidiary entered into management service agreement with the Company whereby the Company has to pay management fee as stated in the agreement.

The Company entered into loan agreements with Sernsang International Company Limited. The loans are repayable within 2027 - 2031, which has interest rate at 3.06% - 3.69% per annum.

The Company entered into loan agreements with Sernsang Infinite Company Limited. The loans are repayable within 2031, which has interest rate at 3.06% - 3.69% per annum.

The Company entered into loan agreements with Access Energy Company Limited. The loans are repayable within 2029, which has interest rate at 3.06% - 3.69% per annum.

The Company entered into loan agreements with Sernsang Corporation Company Limited. The loans are repayable within 2022, which has interest rate at 3.64% - 3.69% per annum.

The Company entered into loan agreement with Uni Power Tech Company Limited. The loan is repayable within 2022, which has interest rate at 3.45% - 3.64% per annum.

The Company entered into loan agreements with Truong Thanh Vietnam Group Joint Stock Company. The loans are repayable within 2022.

The Company entered into loan agreements with Truong Thanh Tra Vinh Wind Power Joint Stock Company. The loans are repayable within 2022, which has interest rate at 3.99% per annum.

Consolidated financial statement					(Unit: Baht)
For the year ended 31 December 2020					
Balance as at 1 January 2020	Increase during the year	Decrease during the year	Balance as at 31 December 2020		

Short-term loans to related companies

Subsidiaries

Truong Thanh Vietnam Group Joint Stock Company

	Separate financial statement			(Unit: Baht)
	For the year ended 31 December 2020			
	Balance as at 1 January 2020	Increase during the year	Decrease during the year	Balance as at 31 December 2020
<u>Short-term loans to related companies</u>				
<u>Subsidiaries</u>				
Access Energy Company Limited	19,730,855	-	(5,822,411)	13,908,444
Sernsang International Company Limited	78,631,827	-	(78,631,827)	-
Truong Thanh Quang Ngai Power and High Technology JSC.	328,494,101	-	(328,494,101)	-
Truong Thanh Vietnam Group Joint Stock Company	-	8,960,220	-	8,960,220
Total short-term loans to related companies - subsidiary	426,856,783	8,960,220	(412,948,339)	22,868,664
<u>Long-term loans to related company</u>				
<u>Subsidiaries</u>				
Sernsang Solar Company Limited	83,622,867	-	(83,622,867)	-
Sernsang International Company Limited	2,473,474,200	489,164,797	(164,119,145)	2,798,519,852
Access Energy Company Limited	25,500,000	-	(5,500,000)	20,000,000
Sernsang Infinite Company Limited	67,000,000	-	(20,000,000)	47,000,000
Total long-term loans to related companies - subsidiary	2,649,597,067	489,164,797	(273,242,012)	2,865,519,852
	Consolidated financial statement			(Unit: Baht)
	For the year ended 31 December 2021			
	Balance as at 1 January 2021 (Restated)	Increase during the year	Decrease during the year adjustment	Balance as at 31 December 2021
<u>Short-term loans from related person</u>				
Director	15,000,000	-	(15,000,000)	-

Directors and management's benefits

During the year, the Group had employee benefit expenses payable to their directors and management as below.

	(Unit: Baht)	
	Consolidated and separate financial statements	
	2021	2020
Short-term employee benefits	22,814,270	21,852,673
Post-employment benefits	967,193	935,233
Total	23,781,463	22,787,906

Guarantee for related parties

The Company acts as guarantor of loans for its related parties, as described in Note 19 (c) (i) and (l) to the financial statements.

8. Cash and cash equivalents/Short - term restricted bank deposits

Cash and cash equivalents

	(Unit: Baht)	
	Consolidated financial statements	Separate financial statements
	2021	2020
		(Restated)
Cash	312,296	291,592
Deposit in transit	284,968	651,356
Bank deposits - Current accounts	2,673,766,153	352,220,757
Bank deposits - Saving accounts	905,355,832	1,034,449,210
Total	3,579,719,249	1,387,612,915
		940,672,813
		445,830,775

As at 31 December 2021, two subsidiaries have pledged its bank deposit in savings account amounting to Baht 192.5 million (31 December 2020 Subsidiaries: Baht 165.2 million) as security against long-term loans, as discussed in Note 19 to the financial statements, however such subsidiary can withdraw such savings account to use for operation.

	(Unit: Baht)		
	Consolidated financial statement		
	For the year ended 31 December 2020		
Balance as at 1 January 2020	Increase during the year	Decrease during the year	Translation adjustment
(Restated)			(Restated)
47,250,000	-	(32,250,000)	-
			15,000,000
Director			
			(Unit: Baht)

Short-term loans from related person

	(Unit: Baht)		
	Separate financial statement		
	For the year ended 31 December 2021		
Balance as at 1 January 2021	Increase during the year	Decrease during the year	Balance as at 31 December 2021
75,390,108	-	(75,390,108)	-
10,898,772	-	(350,000)	10,548,772
2,179,737	-	(2,179,737)	-
2,252,927	-	(350,000)	1,902,927
1,454,784	-	(350,000)	1,104,784
8,880,949	-	(350,000)	8,530,949
Total short-term loans from related parties	-	(78,969,845)	22,087,432

Short-term loans from related parties

	(Unit: Baht)		
	Separate financial statement		
	For the year ended 31 December 2020		
Balance as at 1 January 2020	Increase during the year	Decrease during the year	Balance as at 31 December 2020
75,890,108	-	(500,000)	75,390,108
11,228,772	-	(330,000)	10,898,772
2,509,737	-	(330,000)	2,179,737
2,582,927	-	(330,000)	2,252,927
1,784,784	-	(330,000)	1,454,784
9,148,847	-	(267,898)	8,880,949
Total short-term loans from related parties	-	(2,087,898)	101,057,277

Short-term loans from related parties

	(Unit: Baht)		
	Separate financial statement		
	For the year ended 31 December 2020		
Balance as at 1 January 2020	Increase during the year	Decrease during the year	Balance as at 31 December 2020
75,890,108	-	(500,000)	75,390,108
11,228,772	-	(330,000)	10,898,772
2,509,737	-	(330,000)	2,179,737
2,582,927	-	(330,000)	2,252,927
1,784,784	-	(330,000)	1,454,784
9,148,847	-	(267,898)	8,880,949
Total short-term loans from related parties	-	(2,087,898)	101,057,277

Short-term restricted bank deposits

As at 31 December 2021, the Company has saving account of Baht 0.07 Million (31 December 2020: Baht 0.05 million) that is pledged as collateral to secure short-term and long-term loans, the Company shall receive an approval from bank before withdrawing from such bank accounts as discussed in Note 17 and Note 19 to financial statements.

Two subsidiaries have pledged and assigned a right of claim on bank accounts with outstanding balances as at 31 December 2021 totaling approximately Baht 168.30 million (31 December 2020: Baht 171.63 million) with lenders to secure long-term loans of the Companies in accordance with conditions stipulated in the long-term loan agreements as discussed. Those bank accounts have restrictions on withdrawal for a purpose of principal and interest payment due within 6 months.

A subsidiary in Mongolia has restricted saving deposits of USD 2.5 million or approximately Baht 83.1 million (31 December 2020: USD 0.9 million or Baht 27.7 million), under the long-term loan agreements with bank. The subsidiary has requested to obtain permission from the bank on withdrawal of such restricted deposits.

9. Trade and other receivables

	(Unit: Baht)		
	Consolidated financial statements		Separate financial statements
	2021	2020	2021 2020
		(Restated)	
<u>Trade receivables - related parties</u>			
Aged on the basis of due dates			
Not yet due	1,449,011	1,491,356	4,892,443 4,892,443
Total trade receivable - related parties	1,449,011	1,491,356	4,892,443 4,892,443
<u>Trade receivables - unrelated parties</u>			
Aged on the basis of due dates			
Not yet due	470,578,307	323,792,546	- -
Past due			
Up to 3 months	598,970	1,697,319	- -
3 - 6 months	4,622,884	-	- -
6 - 12 months	98,534	-	- -
Over 1 years	71,223	71,223	- -
Total	475,969,918	325,561,088	- -
Less: Allowance for expected credit losses	(71,223)	-	- -
Total trade receivable - unrelated parties	475,898,695	325,561,088	- -

31

	(Unit: Baht)	
	Consolidated financial statements	Separate financial statements
	2021 2020	2021 2020
	(Restated)	
<u>Other receivables - related parties</u>		
Interest receivable	- -	352,559,863 241,316,201
Total other receivable - related parties	- -	352,559,863 241,316,201
<u>Other receivable - unrelated parties</u>		
Other advance payment	58,969,193	36,840,734
Refundable input VAT	110,988,881	104,733,917
Other receivable	56,501,129	10,236,399
Total other receivable - unrelated parties	226,459,203	151,811,050
Total trade receivable and other receivable	703,806,909	478,863,494
	34,335,304	24,667,317
	391,787,610	270,875,961

As at 31 December 2021, the Group has pledged trade accounts receivables of approximately Baht 10.7 million to secure credit limit of loans from financial institutions.

10. Inventory

	(Unit: Baht)	
	Consolidated financial statements	
	2020	2019
		(Restated)
Finished goods	421,096	345,131
Raw materials	7,163,808	4,733,494
Total	7,584,904	5,078,625

11. Long-term restricted bank deposits

As at 31 December 2021, the Company has savings account of Baht 101.9 million (31 December 2020: Baht 101.8 million) that is pledged as collateral to secure long-term loans as discussed in Note 19 (b) to the financial statements.

As at 31 December 2021, the Company has fixed account of USD 9 million or approximately Baht 301.0 million (31 December 2020: USD 9 million or Baht 268.8 million) that is pledged against standby letter or credit under construction contract as discussed in Note 32.5.

Two subsidiaries in Thailand have pledged and assigned a right of claim on bank accounts with outstanding balance as at 31 December 2021 totaling approximately Baht 11.2 million (31 December 2020: Baht 7.2 million), that is pledged as collateral to secure long-term loans as discussed in Note 19 (c) and 19 (e) to the financial statements.

32

Subsidiaries in Japan have restricted saving deposits of Yen 1,785.1 million, or approximately Baht 518.8 million (31 December 2020: Yen 910.6 million or approximately Baht 264.7 million), under the long-term loan agreements with banks. The subsidiaries have requested to obtain permission from the bank on withdrawal of such restricted deposits.

A subsidiary in Mongolia has restricted saving deposits of USD 2.5 million or approximately Baht 84.2 million (31 December 2020: USD 2.5 million or approximately Baht 77.2 million), under the long-term loan agreements with bank. A subsidiary has requested to obtain permission from the bank on withdrawal of the such restricted deposits.

A subsidiary in Vietnam has restricted current deposits of VND 700 million or approximately Baht 1.0 million, under the long-term loan agreements with banks.

12. Investments in subsidiaries

12.1 Details of investments in subsidiaries as presented in separate financial statements as at 31 December 2021 and 2020 are as follows:

Company Name	Separate financial Statements						(Unit: Thousand Baht)	
	Percentage of Shareholding		Paid up Share Capital		Investment at Cost method			Carrying amounts based on equity method
	2021	2020	2021	2020	2021	2020		
	(Percentage)	(Percentage)						2021
Subsidiary companies which directly held by the Company								
Serm Sang Padang Ngan Co., Ltd.	100	100	900,506	900,506	900,506	900,506	1,954,508	1,816,037
Serm Sang Corporation Co., Ltd.	100	100	34,141	131,312	34,141	131,312	312	97,354
Serm Sang International Co., Ltd.	100	100	810,000	810,000	810,000	810,000	498,958	150,894
Essential Power Co., Ltd.	100	100	13,250	13,250	13,250	13,250	11,682	11,810
Serm Sang Solar Co., Ltd.	100	100	50,000	50,000	50,000	50,000	74,486	63,214
Siam Renewable Power Co., Ltd.	100	100	6,310	3,250	6,310	3,250	5,056	2,320
Serm Sang Infinite Co., Ltd.	100	100	108,400	108,400	108,400	108,400	116,165	103,382
Plus Energy Co., Ltd.	100	100	3,250	3,250	3,250	3,250	2,170	2,451
Siam Clean Solutions Co., Ltd.	100	100	10,000	10,000	10,000	10,000	9,217	9,386
Prestige Group Co., Ltd.	100	100	2,500	2,500	2,500	2,500	1,287	1,584
Triple P Renewable Co., Ltd.	100	100	6,500	6,000	6,500	6,000	192	45
Uni Power Tech Co.,Ltd.	99	-	243,000	-	243,000	-	329,780	262,417
Truong Thanh Tra Vinh Wind Power JSC.	80	90	876,659	621,268	709,671	567,949	895,961	585,509
Total							3,899,774	3,106,403

In addition, as at 31 December 2021 and 2020, investments in subsidiaries with a deficit in shareholders' equity were presented under the caption "Loss in excess of cost over investments in subsidiaries accounted for under equity method" in the financial statements are as follows:

Company Name	Separate financial statements						(Unit: Thousand Baht)	
	Percentage of Shareholding		Paid up Share Capital		Investment at Cost method			Carrying amounts based on equity method
	2021	2020	2021	2020	2021	2020		
	(Percentage)	(Percentage)						
Loss in excess of cost over investments in subsidiaries accounted for under equity method								
Access Energy Co., Ltd.	100	100	33,000	32,500	33,000	32,500	(31,065)	
Total loss in excess of cost over investments in subsidiaries accounted for under equity method in separate financial statements							(40,257) (31,065)	

Detail of change in investment in subsidiaries during the current year was discussed in Note 2.2.2 to the financial statements.

As at 31 December 2021, the Company pledged investments in a subsidiary totaling Baht 74.5 million (2020: Baht 63.2 million), as collateral against credit facilities granted by financial institution, as discussed in Note 19 (c) to the financial statements.

12.2 Share of comprehensive income

During the year, the Company has recognised its share of profit (loss) from investments in subsidiaries in the separate financial statements as follows:

Company Name	(Unit: Thousand Baht)			
	For the year ended 31 December			
	Separate financial statements			
	Share of profit (loss) from investment in subsidiaries	Share of other comprehensive income (loss) from investment in subsidiaries		
	2021	2020	2021	2020
		(Restated)		
Serm Sang Palang Ngan Co., Ltd.	620,822	598,699	17,648	6,260
Sernsang Corporation Co., Ltd.	129	1,380	-	-
Sernsang International Co., Ltd.	130,936	127,735	216,947	(70,668)
Access Energy Co., Ltd.	(9,754)	(2,612)	62	348
Essential Power Co., Ltd.	(128)	(122)	-	-
Sernsang Solar Co., Ltd.	11,272	11,243	-	-
Siam Renewable Power Co., Ltd.	(324)	(296)	-	-
Sernsang Infinite Co., Ltd.	12,782	13,813	-	-
Plus Energy Co., Ltd.	(281)	(273)	-	-
Siam Clean Solutions Co., Ltd.	(169)	(162)	-	-
Prestige Group Co., Ltd.	(297)	(289)	-	-
Triple P Renewable Co., Ltd.	(353)	(344)	-	-
Uni Power Tech Co., Ltd.	67,547	58,706	-	-
Truong Thanh Tra Vinh Wind Power JSC.	71,221	(1,748)	97,509	20,944
Total	903,403	805,730	332,166	(43,116)

12.3 Dividend income

During the year, the Company received dividend income as follows:

Company Name	(Unit: Thousand Baht)	
	Dividend income	
	For the year ended 31 December	
	2021	2020
Serm Sang Palang Ngan Co., Ltd.	500,000	690,000
Sernsang Solar Co., Ltd.	-	10,500
Total	500,000	700,500

35

12.4 Called up and increase in share capital of subsidiaries

12.4.1 During the year, Truong Thanh Tra Vinh Wind Power JSC. called up of its registered capital amounting to VND 105,928 million, or approximately Baht 139.5 million and was received from its shareholders on 18 May 2021.

12.4.2 During the year, Sernsang Corporation called up of its registered capital amounting Baht 1.3 million and was received from its shareholders on 5 July 2021.

12.4.3 During the year, Access Energy called up of its registered capital amounting Baht 0.5 million and was received from its shareholders on 5 July 2021.

12.4.4 During the year, Siam Renewable Power called up of its registered capital amounting Baht 3.06 million and was received from its shareholders on 11 and 28 June 2021.

12.4.5 During the year, Triple P Renewable called up of its registered capital amounting Baht 0.5 million and was received from its shareholders on 5 July 2021 and 7 December 2021.

12.5 Capital reduction of subsidiary

On 29 April 2021, the Annual General Meeting of Shareholders No.1/2021 of Sernsang Corporation Co.,Ltd ("the Subsidiary") passed a resolution to approve the reduction of its registered share capital from Baht 525.25 million (5.25 million ordinary shares at a par value of Baht 100 each) to Baht 131.31 million (1.31 million ordinary shares at a par value of Baht 100 each). The Subsidiary repaid the Company amounting to Baht 98.5 million on 28 June 2021. The reduction of register capital has not affected the Company's shareholding percentage in the Subsidiary.

12.6 Material non-controlling interests

12.6.1 Detail of subsidiaries that have material non-controlling interests.

Subsidiaries	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit (loss) allocated to non-controlling interests during the year		(Unit: Thousand Baht) Dividend paid to non-controlling interests during the year	
	2021	2020	2021	2020	2021	2020	2021	2020
	(Percentage)		(Percentage)		(Percentage)		(Percentage)	
SS Hidaaka No Mori GK	13.0	13.0	61,067	59,473	4,025	3,592	(2,411)	(2,305)
GK GSSE	10.0	10.0	58,584	73,785	10,989	9,699	(26,149)	-
Tennun Gerel Construction LLC.	25.0	25.0	57,267	49,145	2,677	8,098	-	-
Truong Thanh Quang Ngai Power and High Technology JSC.	13.0	13.0	93,055	78,345	8,313	8,931	-	-
Truong Thanh Tra Vinh Wind Power JSC.	20.0	10.0	200,878	59,695	13,314	(1,371)	-	-

36

12.6.2 Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling interests.

Summarised information about financial position

	SS Hidaka No Mori GK		GK GSSE		Tenuun Gerel Construction LLC		Truong Thanh Quang Ngai Power and High Technology JSC		Truong Thanh Tra Vinh Wind Power JSC.	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(Unit: Thousand Baht)									
Current assets	129,138	113,684	323,887	587,131	130,263	98,474	478,024	304,580	895,277	521,415
Non- current assets	1,850,224	1,969,675	3,277,144	3,325,961	592,567	590,408	1,240,907	1,188,558	3,308,013	78,791
Current liabilities	245,423	209,500	460,014	592,455	63,141	57,081	98,338	917,795	3,185,405	2,203
Non - current liabilities	1,380,734	1,498,144	2,594,967	2,763,081	429,954	435,219	909,856	-	13,495	13,082

Summarised information about comprehensive income

	SS Hidaka No Mori GK		GK GSSE		Tenuun Gerel Construction LLC		Truong Thanh Quang Ngai Power and High Technology JSC		Truong Thanh Tra Vinh Wind Power JSC.	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(Unit: Thousand Baht)									
Revenue	251,270	252,982	433,919	271,831	114,322	116,025	199,029	212,280	117,674	2,020
Profit (Loss)	30,961	27,631	109,892	96,987	10,707	32,391	63,943	42,612	66,568	(13,433)
Other comprehensive income (loss)	(154)	22,234	(413)	27,791	21,778	561	75,685	(11,119)	97,509	(20,944)
Total comprehensive income (loss)	30,807	49,865	109,479	124,778	32,485	32,952	139,628	31,493	164,077	(34,377)

Summarised information about cash flow

	SS Hidaka No Mori GK		GK GSSE		Tenuun Gerel Construction LLC		Truong Thanh Quang Ngai Power and High Technology JSC		Truong Thanh Tra Vinh Wind Power JSC.	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(Unit: Thousand Baht)									
Cash flow from operating activities	69,951	75,304	378,921	102,947	110,439	66,400	130,309	153,353	(256,979)	(10,370)
Cash flow from investment activities	106,982	(25,288)	28,324	(393,595)	31,901	(102,684)	(7,484)	(25,664)	44,729	(536,071)
Cash flow from financing activities	(161,527)	(64,962)	(454,645)	491,178	(86,275)	25,771	45,949	(90,527)	478,467	537,461
Net increase (decrease) in cash and cash equivalents	15,406	(14,946)	(47,400)	200,530	56,065	(10,513)	168,774	37,162	266,217	(8,980)

13. Property plant and equipment

(Unit: Baht)

	Consolidated financial statements									
	Office building and building improvement			Power Plants	Solar roof system	Machinery, equipment and spare part	Equipment, tools, furniture and fixtures	Vehicles	Power plants under construction	Total
	Land	Land improvement								
Cost										
1 January 2020 (Restated)	265,061,231	348,484,300	95,152,663	858,935,243	122,323,704	6,173,239,564	20,884,531	20,807,308	3,362,309,133	11,267,197,677
Additions	-	466,539	105,953	43,746	41,772,712	9,443,457	768,191	911,880	972,133,748	1,025,646,226
Disposals	-	-	-	-	(10,551)	(5,493,734)	-	(3,050,000)	(2,305,706)	(10,859,991)
Transferred in (out) from right-of-use assets	-	-	-	-	-	-	-	-	6,862,713	6,862,713
Transferred in/(out)	-	683,307,945	1,939,394	32,228,311	37,549,836	1,997,219,989	71,043,205	-	(2,823,288,680)	-
Subsidy from the government	-	-	-	-	-	(2,179,672)	-	-	-	(2,179,672)
Translation adjustment	3,685,125	4,741,910	168,428	12,461,676	(144,615)	95,886,343	608,286	-	174,039,908	291,447,061
31 December 2020 (Restated)	268,746,356	1,037,000,694	97,366,438	903,668,976	201,491,086	8,268,115,947	93,304,213	18,669,188	1,689,751,116	12,578,114,014
Additions	-	394,207	556,325	-	308,215,795	2,967,366	1,977,305	-	4,419,732,637	4,733,843,635
Disposals	-	-	-	-	(79,944)	(6,038,366)	(290,907)	-	-	(6,409,217)
Transferred in (out) from right-of-use assets	-	-	-	-	-	-	-	-	2,536,810	2,536,810
Transferred in/(out)	-	1,558,348,751	14,013,602	592,466,237	225,000	3,917,310,352	30,470,270	-	(6,112,834,212)	-
Translation adjustment	(10,375)	7,258,861	2,968,718	9,590,494	4,942,039	184,477,235	386,483	102,697	7,350,216	217,066,368
31 December 2021	268,735,981	2,603,002,513	114,905,083	1,505,725,707	514,793,976	12,366,832,534	125,847,364	18,771,885	6,536,567	17,525,151,610

(Unit: Baht)

		Separate financial statements			
		Office building and improvement	Construction in process	Office equipment and fixtures	Total
Cost					
1 January 2020		-	408,256	1,081,236	1,489,492
Addition		-	-	71,342	71,342
31 December 2020		-	408,256	1,152,578	1,560,834
Addition		556,325	3,137,790	307,682	4,001,797
31 December 2021		556,325	3,546,046	1,460,260	5,562,631
Accumulated depreciation					
1 January 2020		-	-	698,212	698,212
Depreciation for the year		-	-	227,912	227,912
31 December 2020		-	-	926,124	926,124
Depreciation for the year		14,594	-	187,718	202,312
31 December 2021		14,594	-	1,113,842	1,128,436
Net book value					
31 December 2020		-	408,256	226,454	634,710
31 December 2021		541,731	3,546,046	346,418	4,434,195
Depreciation for the year ended 31 December					
2020 (All included in administrative expenses)					227,912
2021 (All included in administrative expenses)					202,312

During the year, the subsidiaries in Japan and Vietnam capitalised their borrowing costs as power plants under construction totaling to Baht 46.5 million (2020: Baht 53.7 million).

As at 31 December 2021, three subsidiaries in Thailand have pledged and mortgaged all property plant and equipment with the net book value of Baht 2,995.9 million (2020: Baht 3,154.4 million) as collateral against credit facilities obtained from commercial banks as discussed in Note 19 to the financial statements.

39

As at 31 December 2021, four subsidiaries in Japan has mortgaged all machineries and equipment of solar power plant with net book value of Baht 7,215.8 million (2020: Baht 4,604.0 million) as collateral against credit facilities obtained from financial institutions as discussed in Note 19 to the financial statements.

During the year, a subsidiary in Vietnam has pledged and mortgaged all property plant and equipment with the net book value of Baht 1,099.8 million as collateral against credit facilities obtained from commercial banks in Vietnam as discussed in Note 19 to the financial statements.

40

(Unit: Baht)									
Consolidated financial statements									
	Land	Land improvement	Office building and building improvement	Power plants	Solar roof system	Machinery, equipment and spare part	Equipment, tool, furniture and fixtures	Vehicles	Power plants under construction
Accumulated depreciation									
1 January 2020 (Restated)	-	37,955,048	4,325,167	122,862,849	6,533,077	674,486,356	4,677,290	9,023,577	-
Depreciation for the year	-	36,452,902	5,854,604	46,132,446	6,539,294	381,528,959	3,297,642	2,561,223	-
Depreciation or disposals	-	-	-	-	(734)	(817,411)	-	(3,048,998)	-
Translation adjustment	-	430,648	114,408	1,133,862	(1,837)	8,580,146	115,235	-	-
31 December 2020 (Restated)	-	74,838,658	10,294,179	170,140,077	13,469,000	1,043,776,052	8,090,167	8,534,802	-
Depreciation for the year	-	84,272,206	6,717,312	59,242,171	14,040,119	481,133,621	7,098,622	2,606,469	-
Depreciation or disposals	-	-	-	-	(13,888)	(1,586,377)	(266,440)	-	-
Translation adjustment	-	742,763	397,762	1,001,353	92,969	18,018,096	138,179	6,331	-
31 December 2021	-	159,853,647	17,409,253	230,392,601	27,899,000	1,541,343,392	15,061,520	11,147,602	-
Net book value									
31 December 2020 (Restated)	267,746,596	962,162,036	87,077,259	733,519,859	188,021,286	7,224,337,895	65,214,046	10,134,386	1,689,751,116
31 December 2021	267,735,961	2,443,148,866	97,465,830	1,275,333,106	487,204,976	10,825,488,142	110,765,336	7,654,263	6,536,567
Depreciation for the year ended 31 December									
2020 (Baht 480,998,438 included in cost of sales, and the remaining balance included in administrative expenses)									15,522,354,567
2021 (Baht 647,974,632 included in cost of sales, and the remaining balance included in administrative expenses)									462,367,130
									655,110,520

As at 31 December 2021, a subsidiary in Indonesia has mortgaged all machineries and equipment of solar roof system with net book value of Baht 354.2 million as collateral against credit facilities obtained from financial institutions as discussed in Note 19 to the financial statements.

14. Intangible assets

The net book value of intangible assets as at 31 December 2021 and 2020 is presented below.

	(Unit: Baht)					
	Land distribution linkage right	Electric distribution linkage right	Communication and external electric distribution system	Communication and external electric distribution system and right and license under construction	Computer software	Total
Cost						
1 January 2020 (Restated)	136,400,321	121,969,899	369,855,532	2,052,834	2,052,834	1,089,411,203
Additions	1,898,142	-	189,360	101,800	101,800	2,169,302
Transferred in/(out)	-	298,819,040	12,363,555	-	-	-
Purchase subsidiary	(262,006)	2,690,192	13,427,412	66	66	45,456,860
Translation adjustment	136,036,457	423,479,131	395,836,859	2,154,700	2,154,700	1,137,057,365
31 December 2020 (Restated)	3,355,833	-	-	95,450	208,899,748	(13,500)
Additions	-	-	-	(13,500)	-	-
Disposals	217,124,960	30,517,043	102,399,288	1,611	(350,042,922)	31,770,135
Transferred in/(out)	17,586,631	14,260,940	(39,588)	1,042	(38,910)	1,377,713,748
Translation adjustment	376,103,901	468,257,114	498,195,579	2,238,303	2,238,303	1,377,713,748
31 December 2021	3,355,833	-	-	95,450	208,899,748	(13,500)
Accumulated depreciation						
1 January 2020 (Restated)	3,978,343	5,280,522	26,342,398	589,578	-	36,190,841
Amortisation for the year	6,957,185	15,951,295	14,545,796	415,506	-	37,869,782
Translation adjustment	(7,642)	427,020	1,179,756	1,329	-	1,600,463
31 December 2020 (Restated)	10,927,886	21,658,837	42,067,950	1,006,413	-	75,661,086
Amortisation for the year	12,328,631	24,406,638	16,654,490	386,535	-	53,776,294
Amortisation for disposals	-	-	-	(12,150)	-	(12,150)
Translation adjustment	1,392,275	1,355,375	(5,263)	1,386	-	2,743,773
31 December 2021	24,648,792	47,420,850	58,717,177	1,382,184	-	132,169,003
Provision for impairment						
1 January 2020	-	-	(12,417,278)	-	-	(12,417,278)
Translation adjustment	-	-	(663,323)	-	-	(663,323)
31 December 2020	-	-	(13,080,601)	-	-	(13,080,601)
Translation adjustment	-	-	1,868	-	-	1,868
31 December 2021	-	-	(13,078,733)	-	-	(13,078,733)
Net book value						
31 December 2020 (Restated)	127,108,571	401,820,294	353,767,909	1,148,287	-	1,048,315,678
31 December 2021	351,455,109	420,836,264	439,478,402	857,119	-	1,232,466,012

Amortisation for the year ended 31 December

2020 (Baht 34,317,395 included in cost of sales, and the remaining balance included in administrative expenses)
2021 (Baht 52,071,576 included in cost of sales, and the remaining balance included in administrative expenses)

Communication and external electric distribution system and electric distribution linkage right and license under construction had not yet been amortised because the Power Plants are under construction. The amortisation will start when the commercial operation commences.

	(Unit: Baht)	
	Computer software	Total
Cost		
1 January 2020	91,265	91,265
Additions	-	-
31 December 2020	91,265	91,265
Additions	4,700	4,700
31 December 2021	95,965	95,965
Accumulated amortisation		
1 January 2020	60,163	60,163
Amortisation for the year	18,250	18,250
31 December 2020	78,413	78,413
Amortisation for the year	12,035	12,035
31 December 2021	90,448	90,448
Net book value		
31 December 2020	12,852	12,852
31 December 2021	5,517	5,517
Amortisation for the year ended 31 December		
2020 (All included in administrative expenses)		18,250
2021 (All included in administrative expenses)		12,035

15. Financial assets

	(Unit: Baht)	
	Consolidated financial statements	Separate financial statements
	2021	2020
Financial assets*		
Fixed deposit at amortised cost	3,489	5,300,000
Derivatives at FVTPL	1,973,201	-
Total other current financial assets	1,976,690	5,300,000
Equity instruments designated at FVOCI		
Non-listed equity instruments		
Investment in Xurya Pte., Ltd. & Subsidiary	7,277,655	7,277,655
Investment in 500 Tuk Tuks II L.P.	24,809,292	24,809,292
Total other non-current financial assets	32,086,947	32,086,947
* Financial asset other than cash and cash equivalents, short-term restricted deposits and, long-term restricted deposit.		

16. Trade and other payables

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	(Restated)			
Trade payables - related parties	15,089	15,089	5,457,000	5,457,000
Trade payables - unrelated parties	490,197,845	29,853,125	3,320,849	3,291,259
Other payables - unrelated parties	65,322,107	14,030,351	1,532,181	252,901
Construction and project development payables	2,565,497,780	29,068,000	-	-
Accrued interest expenses - related parties	-	-	2,630,785	24,858,125
Accrued interest expenses - Non-related parties	3,481,520	1,617,440	2,005,479	6,849
Accrued interest expenses - debentures	8,065,753	2,722,192	8,065,753	2,722,192
Accrued expenses - related parties	69,564	62,970	30,000	30,000
Accrued expenses - unrelated parties	67,946,586	65,321,479	5,423,434	4,256,973
Total	3,200,596,244	142,890,646	28,465,481	40,875,299

17. Short-term loan from bank

As at 31 December 2021, the Company had outstanding short-term loan from bank, amounting to Baht 100.0 million (31 December 2020: USD 5.0 million or equivalent to Baht 151.0 million and Baht 100.0 million). This short-term is due in January 2022 and its interest rate is based on agreement.

As at 31 December 2021, the Company had outstanding bills of exchange from financial institution, amounting to Baht 397.4 million. This bills of exchange are due in February and April 2022.

As at 31 December 2021, the subsidiary had outstanding promissory note from financial institution, amounting to Baht 21 million. This promissory notes are due in January and March 2022 (31 December 2020: Baht 25.3 million).

18. Long-term debenture

The outstanding balance of long-term debentures as at 31 December 2021 and 2020 are as follows.

No.	Issue date	Maturity date	Term (years)	Interest rate (% per annum)	(Unit: Baht)	
					Consolidated and separate financial statements	2021 2020
1/2020	4 December 2020	4 June 2022	1.5	4.6	800,000,000	800,000,000
1/2021	23 July 2021	23 January 2024	2.5	4.8	600,000,000	-
Total long-term debenture - at face value					1,400,000,000	800,000,000
Less: Unamortised costs relating to the issuance of the debentures					(6,431,176)	(6,096,326)
Long-term debenture - net					1,393,568,824	793,903,674
Less: current portion					(798,136,282)	-
Long-term debenture - net of current portion					595,432,542	793,903,674

Movement of the long-term debentures account during the year ended 31 December 2021 and 2020 are summarised below.

	(Unit: Baht)	
	Consolidated and separate financial statements	2021 2020
Balance at the beginning of the year	793,903,674	-
Add: Issuance of debentures	600,000,000	800,000,000
Less: Expenses related to debentures issuance	(5,481,982)	(6,401,440)
Add: Amortisation of cost of issuing debentures	5,147,132	305,114
Balance at the ending of the year	1,393,568,824	793,903,674

Debenture is unsecured and unsubordinated bearer debenture and is scheduled for interest payment on quarterly basis. The Company is required to comply with certain procedures and conditions; for example maintaining debt to equity ratio of the consolidated financial statements at the rate specified in the contract.

19. Long-term loans

3. Long-term loans

Loan	Interest rate (percent per annum)	Currency	Repayment schedule	Consolidated financial statements		(Unit: Baht) Separate financial statements		Note
				2021	2020 (Restated)	2021	2020	
1)	THBFX 3 months plus additional rate	Baht	Repayments of principal and interest are to be made on quarterly basis starting from June 2015 to December 2024	701,039,250	934,719,000	-	-	a)
2)	Fixed rate per agreement	Baht	Repayments of principal and interest are to be made on quarterly basis starting from March 2020 and ending in December 2025	521,600,000	660,800,000	521,600,000	660,800,000	b)
3)	THBFX 3 months plus additional rate	Baht	Repayments of principal and interest are to be made on quarterly basis starting from March 2020 and ending in December 2025	782,400,000	747,500,000	782,400,000	747,500,000	b)
4)	MLR less margin	Baht	Repayments of principal and interest are to be made on quarterly basis starting from September 2020 and ending in June 2029	81,434,000	90,573,000	-	-	c)
5)	MLR less margin	Baht	Repayments of principal and interest are to be made on quarterly basis starting from August 2021 and ending in February 2024	150,000,000	-	150,000,000	-	d)
6)	JPY LIBOR 3 months plus additional rate	Yen	Repayments of principal and interest are to be made on quarterly basis starting from November 2019 and ending in August 2027	430,285,283	504,462,783	-	-	e)
7)	JPY LIBOR 3 months plus additional rate	Yen	Repayments of principal and interest are to be made on quarterly basis starting from September 2019 to June 2036	1,342,844,977	1,460,667,000	-	-	f)
8)	JPY TIBOR 3 months plus additional rate	Yen	Repayments of principal and interest are to be made on quarterly basis starting from March 2021 to December 2037	2,514,787,985	2,904,300,152	-	-	g)
9)	JPY TIBOR 6 months plus additional rate	Yen	Repayments of principal and interest are to be made in Yen currency on 6 months basis starting from June 2022 to December 2038	3,468,911,747	1,987,669,840	-	-	i)

				(Unit: Baht)	
Consolidated financial statements		Separate financial statements			
2021	2020 (Restated)	2021	2020		
Balance at the beginning of the year					
10,017,227,589	8,896,584,900	1,394,545,403	1,651,389,687		
Add: Additional borrowings					
3,001,264,249	1,653,117,234	423,700,000	88,300,000		
Less: Repayment					
(1,348,503,474)	(861,292,456)	(378,000,000)	(348,000,000)		
Less: Finance charges					
(28,070,138)	(12,199,244)	(931,094)	-		
Add: Amortisation of financial charges					
35,086,721	37,875,016	-	2,855,716		
Translation adjustment					
91,586,228	303,142,139	-	-		
Balance at the ending of the year					
11,768,591,175	10,017,227,589	1,439,314,309	1,394,545,403		

Note:

- a) As at 31 December 2021, a subsidiary had pledged the bank saving account and mortgaged property, plant and equipment with two commercial banks as discussed in Note 8 and Note 13 to the financial statements.
- b) The Company entered into loans agreements with two commercial banks, total credit facilities amounting to Baht 2,000 million consisting of 2 tranches. First tranche of Baht 800 million is subject to fixed interest rate as per agreement and the second tranche of Baht 1,200 million is charged at THBFIX 3 months plus additional rate. As at 31 December 2021, the Company had fully drawdown. (31 December 2020: Baht 1,756.3 million) The Company has pledged its dividend account as collateral against credit facilities as discussed in Note 8 and Note 11 to the financial statement.
- c) As at 7 August 2020, a subsidiary entered into loan agreement with financial institution, total credit facilities amounting to Baht 95 million. As at 31 December 2021, a subsidiary had fully drawdown and had mortgaged all machines and plant equipment of solar power plant and pledged bank accounts as collateral against credit facility as discussed in Note 11 and Note 13 to the financial statement. In addition, The Company pledged investments in this subsidiary, as collateral against credit facilities as discussed in Note 12.1 to the financial statement.
- d) The Company entered into loans agreements with a commercial bank, total credit facilities amounting to Baht 180 million. As at 31 December 2021, the company had fully drawdown.
- e) As at 31 December 2021, a subsidiary entered into loan agreement with financial institution, total credit facilities amounting to Baht 602 million. As at 31 December 2021, a subsidiary had drawn totaling Baht 599.6 million (31 December 2020: Baht 598.5 million) had pledged its dividend account and mortgaged all machines and plant equipment of solar power plant and pledged bank accounts as collateral against credit facility as discussed in Note 8 and Note 11 and Note 13 to the financial statement.
- f) As at 31 December 2021, a subsidiary has mortgaged all machines and plant equipment for solar power plant and pledged bank accounts as collateral against credit facilities as discussed in Note 11 and Note 13 to the financial statement.
- g) A subsidiary entered into loan agreement with financial institution, total credit facility amounting to Yen 10,023.0 million. As at 31 December 2021, the subsidiary had fully drawdown and had mortgaged all machines and plant equipment of solar power plant and pledged bank accounts as collateral against credit facility as discussed in Note 11 and Note 13 to financial statement.

47

- h) As at 31 December 2021, a subsidiary has mortgaged all machines and plant equipment for solar power plant and pledged bank accounts as collateral against credit facilities as discussed in Note 11 and Note 13 to financial statement.
- i) As at 31 December 2021, a subsidiary has mortgaged all machines and plant equipment for solar power plant as collateral against credit facilities as discussed in Note 13 to financial statement.
- j) On 20 March 2019, a subsidiary entered into loan agreement with financial institution and the Company acts as the guarantor. This loan is secured by bank accounts as discussed in Note 8 and Note 11 to financial statement.
- k) On 10 June 2021 a subsidiary entered into loan agreement with the financial institution for the solar power plant project in Vietnam. A subsidiary has mortgaged all machines and plant equipment for solar power plant as collateral against credit facilities as discussed in Note 13 to financial statement.
- l) On 4 October 2021, a subsidiary entered into loan agreement with financial institution for the solar roof project in Indonesia. The total credit facility was totaling USD 11.5 million. As at 31 December 2021, the subsidiary had drawn totaling USD 2.0 million, have undrawn credit facility amounting to USD 9.5 million. This loan is secured by trade account receivables and solar roof equipment.

The loan agreements contain several covenants which, among other things; require the Group to maintain debt-to-equity ratio at the rate stipulated in the agreement, and the dividend payment is required to meet the conditions in loan agreements and notify the bank.

As at 31 December 2021, the Group have undrawn credit facilities amounting to Baht 42.4 million, USD 9.5 million (2020: the Group: Baht 283.7 million, Yen 5,097.5 million, USD 32.5 million and the Company: Baht 243.7 million).

48

The Group is holding the following derivatives as hedging instruments as at 31 December 2021 and 2020:

Consolidated financial statement								
	Notional amount		Book value		Hedged items		Notional amount	
	2021	2020	2021	2020	2021	2020	2564	2563
(Unit: thousand)								
Interest rate swaps								
Currency: Baht	455,675,513	607,567,350	21,939	41,547	Floating rate loan - Baht	Floating rate loan - Baht	455,675,513	607,567,350
Currency: Yen	8,926,400,000	5,131,166,774	484,604	550,557	Floating rate loan - Yen	Floating rate loan - Yen	8,926,400,000	5,131,166,774

21. Lease

The Group has lease contracts for various items of property, plant, and equipment used in its operations. Leases generally have lease terms between 20 - 25 years.

Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2021 and 2020 are summarised below:

Consolidated financial statements			(Unit: Baht)
	Land	Motor vehicles	Total
1 January 2020	795,195,015	1,417,555	796,612,570
Additions	39,648,752	-	39,648,752
Decrease	(61,164,667)	-	(61,164,667)
Transfer in (out) to property, plant and equipment	(6,862,713)	-	(6,862,713)
Amortisation for the year	(33,707,106)	(323,178)	(34,030,284)
Translation adjustment	32,285,672	-	32,285,672
31 December 2020	765,394,953	1,094,377	766,489,330
Additions	2,241,159	-	2,241,159
Decrease	(2,536,810)	-	(2,536,810)
Amortisation for the year	(43,835,145)	(383,177)	(44,218,322)
Translation adjustment	2,267,304	-	2,267,304
31 December 2021	723,531,461	711,200	724,242,661

The subsidiaries designated interest rate swap contracts as hedging instruments to hedge cash flow risk of the floating rate loans.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swap match the terms of loans i.e., notional amount, maturity, payment and reset dates. The Group has established a hedge ratio of 1:1 as the underlying risk of the interest rate swaps are identical to the hedged risk component. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged terms attributable to the hedged risks.

Gain (Loss) on hedging instruments recognized in comprehensive income before tax, was equal to the change in fair value, which is used to measure its effectiveness. There is no ineffectiveness was recognised in profit or loss. During the year, the subsidiaries transferred cashflow hedge reserve amounting to Baht 21.8 million (2020: Baht 21 million) to profit or loss which was presented under the caption of finance cost and amounting to Baht 8.9 million (2020: Baht 8.2 million) was transferred to record as power plants under construction.

b) Lease liabilities

	(Unit: Baht)	
	Consolidated financial statements	
	2021	2020
Lease payments	713,685,807	757,107,592
Less: Deferred interest expenses	(129,833,760)	(144,447,231)
Total	583,852,047	612,660,361
Less: Current portion	(31,141,317)	(29,848,998)
Lease liabilities - net of current portion	552,710,730	582,811,363

Movement of lease liabilities for the year ended 31 December 2021 and 2020 are summarised below:

	Consolidated financial statements	
	2021	2020
Balance at the beginning of the year	612,660,361	672,115,465
Addition	-	974,119
Recognised interest	15,557,185	12,287,997
Rental payment	(41,499,960)	(28,154,749)
Decrease	-	(60,904,123)
Translation adjustment	(2,865,539)	16,341,652
Balance at the ending of the year	583,852,047	612,660,361

A maturity analysis of lease payments is disclosed in Note 33.1 under the liquidity risk.

c) Expenses relating to leases that are recognised in profit or loss

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Amortisation expense of right-of-use assets	44,218,322	34,030,284	-	-
Interest expense on lease liabilities	15,557,185	12,287,997	-	-
Expense relating to leases of low-value assets	952,812	886,536	120,000	120,000

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2021 of Baht 42.5 million (2020: Baht 29.0 million), including the cash outflow related to short-term lease and leases of low-value assets.

22. Share capital

22.1 On 6 May 2021, the Annual General of Shareholders meeting passed a resolution to approve an increase in the registered share capital from Baht 922.00 million to Baht 1,369.17 million by issuing Baht 447.17 million ordinary shares (447.17 million ordinary shares with a par value of Baht 1 each) to reserve for the stock dividend payment and warrants. The Company registered the increase of its capital with the Ministry of Commerce on 20 May 2021.

The Company paid stock dividend at the ratio of 10 existing shares to 1 new share on 28 May 2021. As a result, the Company paid-up share capital was increased from Baht 922.0 million to Baht 1,014.2 million.

22.2 On 19 October 2021, the Extraordinary General of Shareholders meeting passed a resolution to approve a decrease of the registered share capital by Baht 317 and an increase in the registered share capital from Baht 1,369.17 million to Baht 1,419.17 million by issuing Baht 50.0 million ordinary shares (50.0 million ordinary shares with a par value of Baht 1 each) to issue and offer the newly ordinary shares by way of private placement. The Company registered the increase of its capital with the Ministry of Commerce on 25 October 2021.

22.3 On 30 November 2021, the warrant holders (SSP-W1) have exercised 37,384,007 warrants to purchase 37,384,007 ordinary shares at an exercise price of Baht 12 per share, totalling Baht 448.6 million. In November 2021, the Company received full payment for the shares. In this regard, the Company registered the increase in its paid up share capital with the Ministry of Commerce on 8 December 2021 and the additional shares of the Company were traded in the Stock Exchange of Thailand from 13 December 2021 onwards.

22.4 On 28 December 2021, the Company received payment totalling Baht 242.0 million for the share of 20 million shares sold to private placement.

Reconciliation of number of ordinary shares

	Consolidated and separate financial statements			
	2021			
	Issued and paid-up capital	Share premium		
	Number of ordinary shares (Thousand shares)	Amount (Thousand Baht)	Amount (Thousand Baht)	
<u>Issued and paid-up share capital</u>				
At beginning of the year	922,000	922,000	1,511,209	
Increase from stock dividend issuance	92,200	92,200	-	
Increase in capital from exercising of the rights of the warrants	37,384	37,384	411,224	
Increase in capital	20,000	20,000	222,000	
At the end of the year	1,071,584	1,071,584	2,144,433	

23. Warrants

The Company issued warrants to subscribe for ordinary shares to existing shareholders of the Company, at no cost, which have been approved by shareholders' meeting. The Company does not recognised warrant compensation costs for the fair value or intrinsic value of the warrant granted during the year ended 31 December 2021.

Warrants	Allocated to	Approved Date	Determined exercising date		Outstanding warrants (million unit)	Exercise ratio for ordinary share per 1 warrant	Exercise price (Baht)
			First exercise	Last exercise			
			2021	2020			
No. 1 (SSP-W1)	Existing Shareholder	6 May 2021	30 November 2021	21 February 2022	64.04	1:1	12.00
No. 2 (SSP-W2)	Existing Shareholder	6 May 2021	28 February 2024	21 May 2025	253.55	1:1	20.00

53

Reconciliation of number of warrants

Warrants	Number of warrants outstanding as at 1 January 2021	Issued warrants during the year	Number of warrants exercised during the year	Number of warrants expired/cancelled during the year	Number of warrants outstanding as at 31 December 2021	(Unit: million unit)
SSP-W1	-	101.42	37.38	-	-	64.04
SSP-W2	-	253.55	-	-	-	253.55

24. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside 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 the registered capital. The statutory reserve is not available for dividend distribution.

The company set aside net income of Baht 44.5 million from its operating result of the year 2021 to the statutory reserve.

25. Dividend Payment

On 6 May 2021, the Annual General of Shareholders meeting approved to pay stock dividend, which is not exceeding 92.2 million shares at a par value of Baht 1 to the Company's shareholders at the rate of 10 existing share per 1 stock dividend amounting to Baht 92.2 million or equivalent to cash dividend payment at Baht 0.1 per share. In case of any shareholder hold in the indivisible share remaining after allocate the dividend so it shall be paid by cash at the rate of Baht 0.1 per shares and pay dividend in cash at the rate of 0.011111 Baht per share, or not exceeding in a totaling of Baht 10.2444 million. The totaling of ordinary shares dividend and cash dividend payment are equivalent a rate of Baht 0.111111 per shares and a totally of Baht 102.44 million. The dividend was paid to shareholders on 28 May 2021.

54

26. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Baht)		
	Consolidated financial statements		Separate financial statements
	2021	2020	2021 2020
	(Restated)		
Salaries and wages and other employee benefits	92,779,697	84,659,426	25,904,759 24,796,273
Depreciation and amortisation expenses	743,225,032	532,234,810	214,347 246,163
Operation and maintenance of power plant	123,375,619	110,360,292	- -
Professional fees	34,397,283	33,171,364	12,388,309 13,543,490
Bank charges	2,811,438	5,407,809	23,813,755 17,962,796
Construction Cost	13,553,423	2,507,243	- -
Impairment loss on equipment	2,663,416	-	- -

27. Income tax expenses (revenue)

Income tax expenses (revenue) of the Group for the year ended 31 December 2021 and 2020 are made up as follows:

	(Unit: Baht)		
	Consolidated financial statements		Separate financial statements
	2021	2020	2021 2020
	(Restated)		
Current income tax:			
Income tax charge for the year	69,820,027	22,719,573	- -
Deferred tax:			
Relating to origination and reversal of temporary differences and others	(4,530,522)	(209,721)	182,451 (190,634)
Income tax expense (revenue) reported in the statement of comprehensive income	65,289,505	22,509,852	182,451 (190,634)

The amount of income tax relating to each component of other comprehensive income for the year ended 31 December 2021 and 2020 are as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(Restated)			
Gain from cash flow hedge	1,960,870	695,552	-	-
Actuarial loss	-	292,339	-	-
Income tax expense (revenue) reported in the statement of other comprehensive income	1,960,870	987,891	-	-

The reconciliation between accounting profit (loss) and income tax expense is shown below.

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December	2020	For the year ended 31 December	2020
	(Restated)			
Accounting profit before tax	994,758,499	846,617,263	889,250,143	794,809,626
Applicable tax rate	0%, 10%, 15%, 16.5%, 17%, 20%	0%, 10%, 15%, 16.5%, 17%, 20%	20%	20%
Accounting profit before corporate income tax multiplied by income tax rate	171,492,619	151,039,936	177,850,029	158,961,925
Effects of:				
Promotional privileges (Note 28)	(141,598,610)	(129,864,310)	-	-
Non-deductible expenses	1,190,726	726,001	318,584	226,060
Exempted revenue	(1,359,780)	-	(180,680,472)	(161,146,057)
Utilised tax losses	(47,313,385)	(7,039,519)	-	-
Tax losses for the year, that were not recognised as deferred tax assets	82,877,935	7,647,744	2,329,408	1,767,438
Tax income expense (revenue) reported in the statement of comprehensive income	65,289,505	22,509,852	182,451	(190,634)

The components of deferred tax assets and deferred tax liabilities are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
(Unit: Baht)				
(Restated)				
Deferred tax assets				
Cash flow hedge reserve	2,193,890	4,154,760	-	-
Provision for long-term employee benefits	1,674,719	1,331,102	824,442	627,416
Deferred tax liabilities				
Share of profits from foreign subsidiaries	16,731,024	21,370,564	-	-
Unrealised gain on change in fair value of forward exchange contracts	575,221	122,586	379,477	-

As at 31 December 2021, the Group has unused tax losses totaling Baht 209 million (the Company: Baht 60 million) (2020: the Group: Baht 464 million and the Company: Baht 56 million), on which deferred tax assets have not been recognised as the Group believe that future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

As at 31 December 2021, unused tax losses totaling Baht 209 million, such tax losses will be expired within 2022 - 2026.

28. Promotional privileges

Its subsidiaries have been granted the promotional privileges under the Investment Promotional Act, B.E. 2520 by the Board of Investment under each promotion certificate as follows:

Company's name	Certificates		1 st Income Date	Privileges
	No.	Dated		
Serm Sang Palang Ngan Co., Ltd. Semsang Infinite Co., Ltd	2645(1)/2556	19 November 2013	2 February 2015	A), B), D)
	60-1446-1-00-1-0	20 December 2017	12 March 2018	C), D)
	61-0246-1-00-1-0	9 March 2018	1 March 2018	C), D)
	61-0796-1-00-1-0	5 July 2018	1 July 2018	C), D)
	61-0797-1-00-1-0	5 July 2018	1 July 2018	C), D)
	61-0798-1-00-1-0	5 July 2018	1 July 2018	C), D)
	61-0799-1-00-1-0	5 July 2018	1 July 2018	C), D)
	61-0800-1-00-1-0	5 July 2018	1 July 2018	C), D)
	62-0029-1-00-1-0	9 January 2019	1 April 2019	C), D)
	62-0922-1-00-1-0	28 August 2019	2 March 2020	C), D)
Semsang Solar Co., Ltd. Uni Power Tech Co., Ltd.	63-0040-1-00-1-0	13 January 2020	1 April 2020	C), D)
	63-0041-1-00-1-0	13 January 2020	1 April 2020	C), D)
	63-0042-1-00-1-0	13 January 2020	1 April 2020	C), D)
	61-0508-1-00-1-0	3 May 2018	30 November 2018	C), D)
	59-0214-1-00-1-0	9 February 2016	24 May 2019	C), D)

Subject to certain imposed conditions, the privileges include the following:

- The privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted operations begin generating revenues.
- A 50% reduction of corporate income tax on income derived from the promoted operations for a period of 5 years after the tax-exemption period ends.
- The privileges include an exemption from corporate income tax that up to 100 percentage of investment excluding land and working capital for a period of 8 years from the date the promoted operations begin generating revenues.
- In case of an accumulated losses incurred during the corporate income tax exemption period, the subsidiary is allowed to utilise the losses as a deduction against net income for a period of 5 years after the expiry of the tax exemption period, whether from any one year or from several years.

The Group has operating revenues for the year ended 31 December 2021 and 2020, divided between promoted and non-promoted operations, are summarised below.

	Consolidated financial statements						(Unit: Million Baht)
	Promoted operations		Non-promoted operations		Total		
	2021	2020	2021	2020	2021	2020	
		(Restated)		(Restated)		(Restated)	
Sales of electricity	629.4	637.3	1,384.9	943.7	2,014.3	1,581.0	
Subsidy for addler	564.8	560.5	-	-	564.8	560.5	
Sales of goods	-	-	-	21.5	-	21.5	
Revenue from construction service	-	-	18.0	3.5	18.0	3.5	
Total	1,194.2	1,197.8	1,402.9	968.7	2,597.1	2,166.5	

29. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period and adjusted the number of ordinary shares with the proportionate change in the number of ordinary shares as a result of the issue of stock dividend and the exercising of the rights of the warrants.

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year as discussed in the above paragraph, plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

On 28 May 2021, the Company paid stock dividend to the existing shareholders as discussed in Note 22 and 25 to the financial statements. For the purpose of calculating earnings per share, the Company adjusted the number of ordinary shares used to calculate the earnings per share, as though it had issued the stock dividend at the beginning of the reporting periods.

59

Consolidated and separate financial statements

	For the year ended 31 December			For the year ended 31 December	
	2021	2020 (Restated)		2021	2020 (Restated)
Number of ordinary shares issued during the period (Thousand shares)	922,000	922,000	Number of ordinary shares issued during the period (Thousand shares)	922,000	922,000
Number of stock dividends issued in May 2021 (Thousand shares)	92,200	92,200	Number of stock dividends issued in May 2021 (Thousand shares)	92,200	92,200
Add: Weighted average number of ordinary shares issued during the period (Thousand shares)	164	-	Add: Weighted average number of ordinary shares issued during the period (Thousand shares)	164	-
Add: Weighted average number of ordinary shares from the exercise of warrants (thousand shares)	3,277	-	Add: Weighted average number of ordinary shares from the exercise of warrants (thousand shares)	3,277	-
Total (Thousand shares)	1,017,641	1,014,200	Total (Thousand shares)	1,017,641	1,014,200

Basic earnings per share and diluted earnings per share for the year ended 31 December 2021 and 2020 are as follows:

	For the year ended 31 December			For the year ended 31 December	
	Consolidated financial statements	Separate financial statements		Consolidated financial statements	Separate financial statements
Weighted average number of ordinary shares	2021	2020 (Restated)	Weighted average number of ordinary shares	2021	2020 (Restated)
Number of ordinary shares issued during the period (Thousand shares)	1,017,641	1,014,200	Number of ordinary shares issued during the period (Thousand shares)	1,017,641	1,014,200
Effect of dilutive potential ordinary shares	4,002	-	Effect of dilutive potential ordinary shares	4,002	-
Warrants (SSP-W1) (Thousand shares)	4,002	-	Warrants (SSP-W1) (Thousand shares)	4,002	-
Number of dilutive potential ordinary shares (Thousand shares)	1,021,643	1,014,200	Number of dilutive potential ordinary shares (Thousand shares)	1,021,643	1,014,200
Profit for the period (Thousand Baht)	859,011	736,294	Profit for the period (Thousand Baht)	859,011	736,294
Basic earnings per share (Baht per share)	0.8441	0.7260	Basic earnings per share (Baht per share)	0.8441	0.7260
Diluted earnings per share (Baht per share)	0.8408	0.7260	Diluted earnings per share (Baht per share)	0.8408	0.7260
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	0.8408	0.7260	Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	0.8408	0.7260

The Company did not calculate the effect of the warrant No.2 (SSP-W2) because the average share price during the year was lower than the exercise price of the warrant. As a result, the warrant does not affect the diluted earnings per share.

60

30. 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.

For management purposes, the Group is organised into business units based on their products and have four reportable segments as follows:

1. Production and distribution of electricity from solar power plants
2. Electricity distribution and installation services relating to the solar roof system
3. Production and distribution of electricity from wind power plant.
4. Production and distribution of electricity from biomass power plant.
5. Others (investment, consultancy and others)

No operating segments have been aggregated to from the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

(Unit: Thousand Baht)

62

Geographical segments

The Group operate in Thailand, Hong Kong, Singapore, Japan, Mongolia, Vietnam and Indonesia. The operations in Hong Kong and Singapore do not generate revenues from the external customers.

Geographic information segment

(Unit: Million Baht)

Revenue from the external customers	Consolidated financial statements	
	31 December 2021	31 December 2020
	(Restated)	
Thailand	1,213	1,223
Japan	930	621
Mongolia	114	113
Vietnam	317	206
Indonesia	23	3
Total	2,597	2,166
	(Unit: Million Baht)	
Non-current assets*	Consolidated financial statements	
	31 December 2021	31 December 2020
	(Restated)	
Thailand	3,169	3,334
Japan	8,798	8,014
Hongkong	6	35
Mongolia	509	513
Vietnam	5,111	1,842
Indonesia	418	71
Total	18,011	13,809

*Other than financial instrument and deferred tax asset

Major customers

For the year 2021 and 2020, the Group has revenue from sale of renewable energy from 7 major customers in amount of Baht 2,531.7 million (2020: 7 major customers, amount of Baht 2,115.9 million).

(Unit: Thousand Baht)

Consolidated financial statements															
	Electricity distribution and installation services relating to the solar roof system				Production and distribution of electricity from wind power plant				Production and distribution of electricity from biomass				Eliminations		Total
	Production and distribution of electricity from solar power plants				Production and distribution of electricity from wind power plant				Production and distribution of electricity from biomass						
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	
	(Restated)												(Restated)		
As at 31 December														(Restated)	
Segment assets															
Property, plant and equipment	11,189,268	10,239,041	488,595	188,431	3,086,991	59,431	618,140	655,018	78,303	74,672	81,058	32,387	15,522,355	11,248,960	
Intangible assets	961,749	981,505	1,252	1,548	199,917	-	69	98	101	93	69,378	65,071	1,232,466	1,048,315	
Other non-current financial assets	-	-	-	-	-	-	-	-	32,087	32,087	-	-	32,087	32,087	
Right-of-use assets	710,113	753,276	-	-	13,359	12,119	-	-	-	-	771	1,094	724,243	766,489	
Unallocated assets	-	-	-	-	-	-	-	-	-	-	-	-	6,552,159	3,829,463	
Total assets													24,063,310	16,925,314	
Segment liabilities															
Loans	9,845,309	8,963,287	534,420	157,968	201,386	-	456,834	531,781	9,843,585	8,426,996	(8,594,571)	(7,771,082)	12,286,975	10,306,962	
Dependitures	-	-	-	-	-	-	-	-	1,393,569	793,904	-	-	1,393,569	793,904	
Lease liabilities	559,291	598,314	-	-	13,800	13,429	-	-	662	917	-	-	583,853	612,660	
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	-	-	3,424,714	405,892	
Total liabilities													17,689,111	12,120,978	

63

31. Provident fund

The Group and its employee 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 - 10 percent of basic salary. The fund, which is managed by Kasikorn Asset Management Company Limited will be paid to employees upon termination in accordance with the fund rules.

During the year of 2021, the Group recorded the contributions amounting to approximately Baht 2.2 million, and for the Company of Baht 0.9 million. (2020: the Group: Baht 2.0 million, the Company: Baht 0.8 million).

32. Commitments and contingent liabilities

32.1 Power purchase agreement

On 7 June 2013, a subsidiary entered into power purchase agreement with Electricity Generating Authority of Thailand ("EGAT"). The agreement covered the periods of five years and it will be renewable for a period of five years. According to electricity sale to EGAT, the subsidiary will be granted a subsidy for adder at Baht 6.5 per kilowatt-hour for the period of ten years starting from the first commercial date (2 February 2015).

On 3 March 2014, a subsidiary entered into power purchase agreement with Provincial Electricity Authority ("PEA") for 5 years and it will be renewable for a period of five years, the subsidiary requires to comply with conditions in the agreement.

On 31 December 2017, a subsidiary in Japan entered into power purchase agreement with Hokkaido Electric Power Company Limited for the period of 20 years. According to electricity sale, the subsidiary requires to comply with agreement conditions.

On 26 February 2018, a subsidiary entered into power purchase agreement with Provincial Electricity Authority ("PEA") for the period of 25 years. According to electricity sale to PEA, the subsidiary requires to comply with conditions in the agreement.

On 3 August 2018 and 1 June 2020, two subsidiaries in Japan entered into power purchase agreement with Kyushu Electric KK for the period of 20 years. According to electricity sale, the subsidiary requires to comply with agreement conditions.

On 1 November 2018, a subsidiary in Vietnam entered into power purchase agreement with Vietnam Electricity for a period of 20 years. The subsidiary requires to comply with agreement conditions.

On 8 July 2016, a subsidiary in Mongolia entered into power purchase agreement with National Dispatching Center for a period of 12 years. The subsidiary requires to comply with agreement conditions.

As at 31 December 2021, a subsidiary entered into several power purchase agreements with companies (a non-related party) for a period of 25 years.

On 25 December 2020, a subsidiary in Japan entered into power purchase agreement with TEPCO Energy Partner for a period of 20 years. The subsidiary requires to comply with conditions in the agreement.

As at 19 November 2020, a subsidiary in Vietnam entered into power purchase agreement with Electricity Vietnam for a period of 20 years.

32.2 Capital commitments

As at 31 December 2021 and 2020, the subsidiaries had capital commitments relating to the project development, land purchase, machinery and equipment purchase and licenses as follows.

Country	Currency	31 December 2021	31 December 2020
(Unit: Million)			
Thailand	Baht	8	-
Japan	Yen	400	4,778.6
Vietnam	Vietnam Dong	2,232,000	2,232,000

32.3 Service agreement

As at 31 December 2021 and 2020, the Group has commitment for service agreements which have the remaining schedule repayments as follows:

Country	Currency (Million)	Within 1 year		1 - 5 years		Over 5 years		Total	
		2021	2020	2021	2020	2021	2020	2021	2020
Thailand	Baht	28	62	3	43	5	-	36	105
Japan	Yen	127	72	350	97	1,251	359	1,728	528
Vietnam	VND	5,878	5,878	-	-	-	-	5,878	5,878

As at 31 December 2021, subsidiaries in Japan have long-term service commitments related to several service agreements. The service fee expenses are Yen 90.5 million per year (2020: Yen 90.5 million).

32.4 Share capital of subsidiaries

As at 31 December 2021, the Company has a commitment in respect of the unissued and uncalled portion of the subsidiaries' registered share capital amounting to Baht 268.5 million (2020: subsidiaries in Thailand Baht 569.3 million and subsidiary in Vietnam VND 38,428 million)

A subsidiary in Hong Kong has a commitment to pay for investment in subsidiaries in Japan of Yen 214.9 million (2020: Yen 971.2 million).

32.5 Guarantees

- a) As at 31 December 2021, there were outstanding bank guarantees of Baht 33.5 million issued by two banks on behalf of the Group in order to guarantee contracted performance to state enterprises and Baht 31.0 million of such bank guarantees were the Company's. (2020: The Group of Baht 33.5 million and the Company of Baht 31.0 million).
- b) As at 31 December 2021, there were no outstanding standby letter of credit in respect of contractual performance of investment (2020: Yen 727.8 million).
- c) As at 31 December 2021, there were outstanding standby letter of credit of USD 36.0 Million (2020: USD 36.0 million), issued by Thai Commercial bank on behalf of the Company in respect of contractual performance of construction in Vietnam.
- d) As at 31 December 2021, the Company acts as guarantor of loan agreements to subsidiaries of USD 21.0 million and Baht 701.2 million (2020: USD 16.6 million and Baht 90.6 million).

32.6 Litigation

As at 31 December 2021, a subsidiary in Thailand has the legal case related to the building construction license and the factory business license. The case has yet been finalized and been under the consideration by the Supreme Administrative Court.

33. Financial instruments

33.1 Financial risk management objectives and policies

The Group's financial instruments, principally comprise cash and cash equivalents, restricted bank deposits, trade and other receivables, unbilled receivables, loans, share acquisition payable to subsidiary's former shareholders, trade and other payables, retention payable, borrowing and lease liabilities. The financial risks associated with these financial instruments and how they are managed is described follow.

Credit risk

The Group is exposed to credit risk primarily with respect to trade and other receivables deposits with banks and financial institutions loans and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade receivables and lending

The Group is exposed to credit risk relating to trade receivables and other receivable which mainly sell to a few customers. However, the Company does not expect to incur material financial losses from uncollectible debts since the management has set the credit policies by analysing the financial status of every customer before giving the credit limits to control the credit risk. In addition, the main customers are the government, and large enterprise with low credit risk.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due and ability of payment. 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.

Financial instruments and bank deposits

The Group's credit risk base arisen from balances with banks and financial institutions was limited by making transaction only with the high credit rating counterparties So, the Group considers that credit risk is low.

The credit risk on debt instruments and derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There are two types of market risk comprising interest rate risk and currency risk. The Group enters into interest rate swaps and foreign exchange forward contracts to mitigate the risk of rising interest rates and currency risk.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, lending and borrowings. Most of their financial assets and financial liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

The Group reduces its interest rate risk by having fixed and variable rate borrowings and enters into interest rate swaps.

As at 31 December 2021 and 2020, significant financial assets and financial liabilities classified by type of interest rate are summarised in the table below, with those financial assets and financial liabilities that carry fixed interest rates further classified based on the maturity date or the repricing date if this occurs before the maturity date.

	Consolidated financial statements					(Unit: Baht)
	As at 31 December 2021					
	Fixed interest rate within 1 year	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)	
Financial Assets						
Cash and cash equivalents	-	931,160,419	2,648,558,830	3,579,719,249	0.001% - 5.5%	
Short-term restricted bank deposits	-	251,458,844	-	251,458,844	0.1%	
Long-term restricted bank deposits	301,026,172	717,162,042	-	1,018,188,214	0.001% - 0.375%	
Trade receivables and accrued interest income	-	-	533,848,836	533,848,836		
Other current financial assets	3,489	-	-	3,489	0.375%	
Short-term loans to related parties	-	-	9,974,070	9,974,070		
Other non-current financial assets	-	-	32,086,947	32,086,947		
	301,029,661	1,899,781,305	3,224,468,683	5,425,279,649		
					(Unit: Baht)	
	Consolidated financial statements					(Unit: Baht)
	As at 31 December 2021					
	Fixed interest rate Within 1 year	Over 5 years	Floating interest rate	Non-interest bearing	Total	
Financial liabilities						
Trade and other payables	-	-	-	3,200,596,244	3,200,596,244	
Share acquisition payable to subsidiary's former shareholder	-	-	-	-	-	
Retention payable	-	-	-	3,422,533	3,422,533	
Lease liabilities	266,023	395,595	-	583,190,429	583,852,047	4.31%
Short-term loan from bank	387,383,891	-	121,000,000	-	518,383,891	2.30% - 3.75%
Debtenture	798,136,282	595,432,542	-	-	1,393,588,824	4.6% - 4.8%
Long-term loans	197,888,838	470,916,360	-	-	11,766,591,174	0.88% - 4.72%
	1,393,675,034	1,066,744,497	-	3,797,645,416	17,478,850,923	

Consolidated financial statements						
As at 31 December 2021						
	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years	Over 5 years			
Derivatives						
Forward contracts - Baht currency	-	-	-	-	1,973,201	-
Interest rate swap contracts						
- Baht currency						
- Fixed interest rate	151,013,850	304,661,663	-	-	455,675,513	5.71% - 5.795%
- Floating interest rate	-	-	-	455,675,513	455,675,513	THB FX 3M+additional rate
Interest rate swap contracts						
- Yen currency						
- Fixed interest rate	529,335,520	1,933,458,240	6,463,606,240	-	8,926,400,000	0.82%
- Floating interest rate	-	-	-	8,926,400,000	8,926,400,000	JPY TIBOR 6M+ additional rate
						(Unit: Baht)
Consolidated financial statements						
As at 31 December 2020 (Restated)						
Fixed interest rate within 1 year	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)		

(Unit: Baht)

	Consolidated financial statements					Effective interest rate (% per annum)
	As at 31 December 2020 (Restated)					
	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	
	Within 1 year	1 - 5 years	Over 5 years			
Financial liabilities						
Trade and other payables	-	-	-	-	142,690,646	142,690,646
Share acquisition payable to subsidiary's former shareholder	-	-	-	-	9,259,301	9,259,301
Retention payable	-	-	-	-	5,636,404	5,636,404
Lease liabilities	255,607	661,619	-	-	611,743,135	612,660,361
Short-term loan from bank	-	-	-	276,334,000	-	276,334,000
Debtenture	-	793,903,674	-	-	-	793,903,674
Long-term loans	137,801,832	519,123,868	-	9,360,301,889	-	10,017,227,589
	138,057,439	1,313,689,161	-	9,636,635,889	769,329,486	11,857,711,975
	Consolidated financial statements					
	As at 31 December 2020					

Consolidated financial statements

As at 31 December 2020							
Derivatives	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)	
	Within 1 year	1 – 5 years					Over 5 years
Forward contracts - Baht currency	-	-	-	-	289,972	-	
Interest rate swap contracts							
- Baht currency							
- Fixed interest rate	151,891,838	455,675,512	-	-	607,567,350	5.71% - 5.795%	
- Floating interest rate	-	-	-	-	607,567,350	THB FX 3M+ additional rate	
Interest rate swap contracts							
- Yen currency							
- Fixed interest rate	-	1,129,369,807	4,001,796,967	-	5,131,166,774	0.82%	
- Floating interest rate	-	-	-	-	5,131,166,774	JPY TIBOR 6M+ additional rate	

(Unit: Baht)

Separate financial statements						
As at 31 December 2021						
	Fixed interest rate			Floating interest rate	Non-interest bearing	Effective interest rate (% per annum)
	Within 1 year	1 – 5 years	Over 5 years			
Financial Assets						
Cash and cash equivalents	-	-	-	697,111,062	243,561,751	940,672,813
Short-term restricted bank deposits	-	-	-	69,147	-	69,147
Long-term restricted bank deposits	301,026,172	-	-	101,915,534	-	402,941,706
Trade receivables and accrued interest income	-	-	-	-	357,452,306	357,452,306
Short-term loans to related parties	-	-	-	228,389,844	9,974,070	238,363,914
Long-term loans to related parties	-	-	-	3,329,519,852	-	3,329,519,852
	301,026,172	-	-	4,357,005,439	610,988,127	5,269,019,738
Financial liabilities						
Short-term loan from bank	397,383,891	-	-	100,000,000	-	497,383,891
Trade and other payables	-	-	-	-	28,465,481	28,465,481
Short-term loans from related parties	22,087,432	-	-	-	-	22,087,432
Debtenture	798,136,282	595,432,542	-	-	-	1,393,568,824
Long-term loans	197,888,839	470,916,360	-	770,509,110	-	1,439,314,309
	1,415,466,444	1,066,348,902	-	870,509,110	28,465,481	3,380,819,937

(Unit: Baht)

	Separate financial statements					
	As at 31 December 2020					
	Fixed interest rate			Floating	Non-interest	Effective
	Within 1 year	1 – 5 years	Over 5 years	interest rate	bearing	
						(% per annum)
Financial Assets						
Cash and cash equivalents	-	-	-	444,958,174	872,601	445,830,775
Short-term restricted bank deposits	-	-	-	54,659	-	54,659
Long-term restricted bank deposits	268,808,600	-	-	101,814,988	-	370,623,588
Trade receivables and accrued interest income	-	-	-	-	246,208,644	246,208,644
Short-term loans to related parties	-	-	-	13,908,444	8,960,220	22,868,664
Long-term loans to related parties	-	-	-	2,865,519,852	-	2,865,519,852
	268,808,600	-	-	3,426,256,117	256,041,465	3,951,106,182
Financial liabilities						
Short-term loan from bank	-	-	-	251,034,000	-	251,034,000
Trade and other payables	-	-	-	-	40,875,299	40,875,299
Short-term loans from related parties	101,057,277	-	-	-	-	101,057,277
Debtenture	-	-	-	-	-	793,903,674
Long-term loans	137,801,832	519,123,868	-	737,619,703	-	1,394,545,403
	238,859,109	1,313,027,542	-	988,653,703	40,875,299	2,581,415,653

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's profit before tax and equity to a reasonably possible change in interest rates on that portion of floating rate deposits, loans to borrowings and derivatives affected as at 31 December 2021.

Consolidated financial statements					
Currency	2021		2020		Effect on profit before tax (Thousand Baht)
	Increase/decrease (% per annum)	Effect on profit before tax (Thousand Baht)	Increase/decrease (% per annum)	Effect on profit before tax (Thousand Baht)	
Thai Baht	+0.5	(7,522)	+0.5	(8,348)	
US Dollar	-0.5	7,522	-0.5	8,348	
Yen	+0.5	(2,503)	+0.5	(3,257)	
	-0.5	2,503	-0.5	3,257	
	+0.1	(5,280)	+0.1	(5,448)	
	-0.1	5,280	-0.1	5,448	
VND	+0.5	(5,093)	-	-	
	-0.5	5,093	-	-	
RUPIAH	+0.5	(316)	-	-	
	-0.5	316	-	-	

Separate financial statements					
Currency	2021		2020		Effect on profit before tax (Thousand Baht)
	Increase/decrease (% per annum)	Effect on profit before tax (Thousand Baht)	Increase/decrease (% per annum)	Effect on profit before tax (Thousand Baht)	
Thai Baht	+0.5	(3,912)	+0.5	(3,738)	
US Dollar	-0.5	3,912	-0.5	3,738	
	+0.5	-	+0.5	(755)	
	-0.5	-	-0.5	755	
Yen	+0.1	-	+0.1	-	
	+0.1	-	+0.1	-	

For interest rate sensitivity, the Group consider the impact of using interest rate swap for hedge accounting.

The above analysis has been prepared assuming that the amounts of the floating rate bank deposits, loans to, borrowing, and derivatives and all other variables remain constant over one year. Moreover, the floating legs of these items are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest receivable/payable for the full 12-month period of the sensitivity calculation. This information is not a forecast or prediction of future market conditions.

Foreign currency risk

The Group's exposure to foreign currency risk arise mainly from bank deposits, purchase of machinery and equipment, lending and borrowing in foreign currency, that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate. Generally, the forward contracts mature within 1 year.

As at 31 December 2021 and 2020, the balances of financial assets and financial liabilities denominated in foreign currencies which have not hedged any foreign currency risk are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2021	2020	2021	2020	2021	2020
Japanese yen	4,384,292,252	2,736,310,171	29,987,066,737	26,178,139,465	0.2906385	0.2906800
US dollar	40,287,096	21,965,209	15,051,757	21,868,613	33.419900	30.037100
Singapore dollar	66,126	34,542	1,659	1,659	24.735650	22.663200
VND	624,746,775,342	172,714,372,862	2,758,610,923,783	84,829,656,673	0.0014645	0.0012990
Rupiah	2,000,588,071	559,748,347	998,307,116	1,440,584,070	0.0023469	0.0021361
Hong Kong dollar	997	497	-	-	4.2885500	3.8752500
Swiss Franc	-	-	-	600	-	34.028700

Foreign currency sensitivity

The following tables demonstrate the reasonably possible impact of appreciation (depreciation) of the foreign exchange on the Thai Baht as of 31 December 2021 and 2020, with all other variables held constant. The impact on the Group's equity is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives as at 31 December 2021 and 2020. The Group's exposure to foreign currency changes for all other currencies is not material.

Currency	2021		2020	
	Increase/decrease (% per annum)	Effect on equity (Thousand Baht)	Increase/decrease (% per annum)	Effect on equity (Thousand Baht)
Yen	+0.5	(37,206)	+0.5	(34,870)
	-0.5	37,206	-0.5	34,870
US Dollar	+0.5	4,217	+0.5	45
	-0.5	(4,217)	-0.5	(45)
Vietnam Dong	+0.5	(15,625)	+0.5	571
	-0.5	15,625	-0.5	(571)

Liquidity risk

The Group need liquidity to meet their obligations. Individual company us responsible for its own cash balances and the raising of internal and external credit lines to cover the liquidity needs, subject to guidance by the Group.

The Group monitors the risk of a shortage of liquidity position by a recurring liquidity planning and maintains an adequate level of cash, fixed deposits and unused committed and uncommitted credit lines with various banks to meet its liquidity requirements.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivatives as at 31 December 2021 and 2020 based on contractual undiscounted cash flows:

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	As at 31 December 2021			
	Less than 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives				
Trade and other payables	3,200,596	-	-	3,200,596
Share acquisition payable	10,436	-	-	10,436
Retention payable	3,423	-	-	3,423
Lease liabilities	45,595,343	184,079,735	484,044,813	713,719,891
Short-term loans from financial institutions	523,497	-	-	523,497
Long-term loans	1,786,236	4,948,407	6,757,232	13,491,875
Debtenture	844,427	630,615	-	1,475,042
Total non-derivatives	51,963,958	189,658,757	490,802,045	732,424,760
Derivatives				
Derivative liabilities: net settled	31,045	71,787	81,346	184,178

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	As at 31 December 2020			
	Less than 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives				
Trade and other payables	142,691	-	-	142,691
Share acquisition payable	9,259	-	-	9,259
Retention payable	5,636	-	-	5,636
Lease liabilities	45,493	183,957	527,658	757,108
Short-term loans from financial institutions	278,285	-	-	278,285
Long-term loans	1,442,799	4,875,752	5,526,493	11,845,044
Debtenture	36,800	815,627	-	852,427
Total non-derivatives	1,960,963	5,875,336	6,054,151	13,890,450
Derivatives				
Derivative liabilities: net settled	18,992	72,491	54,576	146,059

	(Unit: Thousand Baht)			
	Separate financial statements			
	As at 31 December 2021			
	Less than 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives				
Short-term loans from financial institutions	502,300	-	-	502,300
Trade and other payables	28,421	-	-	28,421
Short-term loans from related parties	22,529	-	-	22,529
Long-term loans	455,867	1,100,577	-	1,556,444
Debtenture	844,427	630,615	-	1,475,042
Total non-derivatives	1,853,544	1,731,192	-	3,584,736

(Unit: Thousand Baht)				
Separate financial statements				
As at 31 December 2020				
	Less than 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives				
Short-term loans from financial institutions	252,748	-	-	252,748
Trade and other payables	40,875	-	-	40,875
Short-term loans from related parties	121,268	-	-	121,268
Long-term loans	401,860	1,155,225	-	1,557,085
Debtenture	36,800	815,627	-	852,427
Total non-derivatives	853,551	1,970,852	-	2,824,403

33.2 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair values are not expected to be materially different from the amounts presented in statement of financial position.

As at 31 December 2021, the fair values of interest rate swap contracts of subsidiaries were negative amounting to Baht 21.9 million and Yen 484.6 million, totaling of Baht 162.8 million which were recorded in other non-current financial liabilities (2020: the fair values were negative amounting to Baht 42 million and Yen 551 million, totaling of Baht 202 million).

As at 31 December 2021, the fair value of forward exchange contracts of the Company and a subsidiary was positive amounting Baht 2.0 million (The Company: Baht 1.9 million) which recorded in other current financial assets (2020: fair value was negative amounting Baht 0.3 million)

Fair value of interest rate swap contracts and forward exchange contracts were referenced by the counterparty banks. Such fair values were categorized within Level 2 of the fair value hierarchy.

As at 31 December 2021, fair value of investment Baht 32.7 million (2020: Baht 32.7 million) was categorized within Level 2 of the fair value hierarchy.

The Group has not changed the valuation techniques for measuring the fair value during the period and there was no transfer between the levels of fair value hierarchy during the year.

34. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximize shareholder value and it meets financial covenants attached to the loan agreements.

As at 31 December 2021, the Group's debt-to-equity ratio was 2.78 (2020: 2.5). The Company has debt-to-equity ratio was 0.58 (2020: 0.6).

35. Event after the reporting period

- On 18 January 2022, the Company received payment totaling Baht 30.0 million for the share of 30 million shares sold to private placement, resulting an increase in paid-up share capital from Baht 1,071.6 million and Baht 1,101.6 million.
- On 21 February 2022, there were exercised warrant (SSP-W1) of 34,739,947 units to purchase the Company's ordinary share of 34,739,947 units at the exercise of Baht 12, totaling Baht 416,879,364. There were 29,295,920 units of expired warrants.
- On 28 February 2022, the Board of Directors' meeting passed the resolution to approve to pay stock dividend, which is not exceeding 113,632,364 shares at a par value of Baht 1 to the Company's shareholders at the rate of 10 existing share per 1 stock dividend amounting to Baht 113.63 million or equivalent to cash dividend payment at Baht 0.1 per share. In case of any shareholder hold in the indivisible share remaining after allocate the dividend so the company shall be paid by cash at the rate of Baht 0.1 per shares and pay dividend in cash at the rate of 0.0111111114 Baht per share, or not exceeding in a totaling of Baht 12.63 million. The totaling of ordinary shares dividend and cash dividend payment are equivalent a rate of Baht 0.1111111114 per shares and a totally of Baht 126.26 million. In this regard, the Board of Directors' meeting passed the resolutions to propose to the Annual General Meeting of shareholders for approval.

36. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 28 February 2022.

Attachment 1

Information of Board of Directors, Executive Directors,
Controlling person and Company Secretary

Name-Surname / Position (Date of appointment)	Age (year)	Educational qualifications / training history	Company share- holding percent-	Family relationship of Board of Directors and Executive Director	Work experience			
					Duration	Position	Company	Type of business
1.Mr. Kamthon Wangudom Independent Director (March 16,2017) Chairman (March 16,2017)	75	-Bachelor of Laws, Thammasat University -Master of Science (M.Sc.) in Political Science, Northwestern Illinois University, USA -Chief Executive course "Thammasat Leadership Program (LTP)", Thammasat University -Chief Executive course in Energy technology, Thailand Energy Academy -Director Accreditation Program (DAP) Course 138/2017, Thai Institute of Directors Association (IOD) -Role of the Chairman Program (RCP) 41/2017, Thai Institute of Directors Association (IOD)	-	-None-	2017-present	Chairman / Independent Director / Member of Audit Commit- tee	Sernsang Power Corpora- tion Public Company Limited	Holding Company
					2012-present	Chairman	K Global Company Limited	Consultant
					2012-present	Director	Petroleum Training Services (PTS) Company Limited	Consulting and training services related to petroleum drilling
					2011-present	Director	Panthakit Surat Company Limited	Real estate development
					2010-present	Director / Member of Audit Commit- tee	Sapthip Company Limited	Cassava-based ethanol producer
					2008-2021	Senior Consultant	CEPSA Energy Company International,S.L.U. (Thailand Branch)	Petroleum exploration and production
					1990-2021	Director	Packs Global Trading Company Limited	Real estate sales and land development
					1977-present	Director	Oil-TeX (Thailand) Company Limited	Logistics, storage and transportation
					2021-present	Director	SHL CORP COMPANY LIMITED	Management consulting

Name-Surname / Position (Date of appointment)	Age (year)	Educational qualifications / training history	Company share- holding percent- age ¹	Family relationship of Board of Directors and Executive Director	Work experience			
					Duration	Position	Company	Type of business
2.Mr. Viwat Kraipisitkul Director (10 June 2015) Chief of Executive Director (13 October 2015) Chief of Risk Committee (28 January 2016) Member of Nomination and Remuneration Committee (13 October 2015)	65	-Bachelor of Science in Industrial Management Technology, Chandrakasem Rajabhat University, Thailand -Master Degree in Industrial Technology, Chandrakasem Rajabhat University, Thailand -Director Accreditation Program (DAP) 128/2016, Thai Institute of Directors Associa- tion (IOD)	17.3%	Father of Ms. Thantaporn Kraipisitkul, Mr. Tanawat Kraipisit- kul	2015-present	Director/ Chief of Executive Director/ Chief of Risk Committee/ Member of Nomination and Remuneration Committee	Sernsang Power Corpora- tion Public Company Limited	Holding Company
					2016-present	Director	Unity I. Capital Limited	Holding Company
					2016-present	Director	S.N.N.P. Intertrade Company Limited	Distribution of domestic and international products
					2015-present	Director	Sernsang Solar Company Limited	Production and distribu- tion of electricity from renewable energy (not yet operated)
					2015-present	Director	Sernsang Infinite Company Limited	Production and distribu- tion of electricity derived from renewable energy (not yet operated)
					2015-present	Director	Essential Power Company Limited	Production and distribu- tion of electricity derived from renewable energy (not yet operated)
					2014-present	Director	Kao Tao Paradise Beach Company Limited	Real estate development

Name-Surname / Position (Date of appointment)	Age (year)	Educational qualifications / training history	Company share- holding percent- age ¹	Family relationship of Board of Directors and Executive Director	Work experience			
					Duration	Position	Company	Type of business
					2013-present	Director	Sernsang Corporation Company Limited	Production and distribu- tion of electricity derived from renewable energy (not yet operated)
					2013-present	Director	Triple P Renewable Company Limited	Production and distribu- tion of electricity derived from renewable energy (not yet operated)
					2011-present	Director	Absolute Products Company Limited	Palm oil extraction and biogas power plant business
					2011-present	Director	K.H. Plantation Company Limited	Production and distribu- tion of paper boxes and paper
					2010-present	Chairman	SernsangPalangnan Company Limited	Production and distribu- tion of electricity derived from renewable energy
					2003-Present	Director	Kim Heng Daily Foods Company Limited	Production and distribu- tion of food and snacks
					1996-present	Director	Sricharoen Palboon Pattana Company Limited	Real estate development
					1994-present	Director	Siam Ratchaburi Industry Company Limited	Production and distribu- tion of food and snacks
					1991-Present	Director	Kim Heng Food Products Company Limited	Production and distribu- tion of food and snacks
					1991-Present	Chief Executive Officer	Srinanaporn Marketing Company Limited	Distribution of domestic and international products

Name-Surname / Position (Date of appointment)	Age (year)	Educational qualifications / training history	Company share- holding percent- age ¹	Family relationship of Board of Directors and Executive Director	Work experience			
					Duration	Position	Company	Type of business
3.Assoc. Prof. Samrieng Mekkiengkrai Independent Director (28 October 2015) Chief of Audit Committee (28 October 2015) Chief of Nomination and Remuneration Committee(28 Octo- ber 2015)	67	-Bachelor of Laws, Chulalong- korn University, Thailand -Master of Laws (LL.M.), University of Miami, USA -Certification of The Thai Bar, The Thai Bar Under the Royal Patronage -Director Certification Program (DCP) 96/2007, Thai Institute of Directors Association (IOD) -Advanced Audit Committee Program (AACP) 20/2007, Thai Institute of Directors Associa- tion (IOD) -Financial Statement for Directors (FSD) 9/2010, Thai Institute of Directors Associa- tion (IOD) -Monitoring Fraud Risk Management (MFM) 2/2010, Thai Institute of Directors Association (IOD)	-	-None-	2015-present	Independent Director / Chief of Audit Committee / Chief of Nomina- tion and Remuner- ation Committee	Sernsang Power Corpora- tion Public Company Limited	Holding Company
					2016-present	Director	SM International Law Firm Company Limited	Legal consultant
					2014-present	Special Lecturer	Faculty of Law, Chulalong- korn University	Educational institution
					2012-present	Independent Director / Member of Nomination and Remuneration Committee	Unique Engineering and Construction Public Company Limited	Construction contract and project development
					2007-present	Audit Committee / Independent Committee / Remuneration Committee / Chief of Corporate Gove- -nance and Nomi- nation Committee	Thaicom Public Company Limited	Information technology
					1990-Present	Legal Researcher	Chulalongkorn University	Educational institution
					2018-present	Independent Director	HRO ENTEC Company Limited	Manufacturing and maintenance of industrial radiators

Name-Surname / Position (Date of appointment)	Age (year)	Educational qualifications / training history	Company share- holding percent- age ¹	Family relationship of Board of Directors and Executive Director	Work experience			
					Duration	Position	Company	Type of business
4.Mr. Dhana Bubphavanich <i>Independent Director (October 28, 2015) Audit Committee (October 28, 2015)</i>	54	-Bachelor of Business Adminis- tration in Accounting and Finance, Thammasat University -Master of Science (MS), Finance, Pace University, USA -Director Accreditation Program (DAP) 87/2011, Thai Institute of Directors Associa- tion (IOD)	-	-None-	2015-present	Independent Director and Audit Committee	Semsang Power Corpora- tion Public Company Limited	Holding Company
					2017-2018	Executive Vice President (Finance) Director	Kulthorn Kirby Public Company Limited	Production and distribu- tion of air conditioners and refrigerators
					2018-2019			
					2017-2019	Director	Kulthorn Premier Compa- ny Limited	Production and distribu- tion of compressors
					2017-2019	Director	Kulthorn Kirby Foundry Company Limited	Production and distribu- tion of formed steel
					2017-2019	Director	Kulthorn Steel Company Limited	Production and distribu- tion of formed steel
					2017-2019	Director	Kulthorn Materials and Controls Company Limited	Production and distribu- tion of formed copper
					2017-2019	Director	Kulthorn Metal Products Company Limited	Production and distribu- tion of formed steel
					2017-2019	Director	Kulthorn Research and Development Company Limited	Research and develop- ment
					2015-present	Director	The White Space Compa- ny Limited	Mobile phone network
					2011-present	Director	Master Car Rental Company Limited	Car rental service

Name-Surname / Position (Date of appointment)	Age (year)	Educational qualifications / training history	Company share- holding percent- age ¹	Family relationship of Board of Directors and Executive Director	Work experience			
					Duration	Position	Company	Type of business
					2016– 2017	Director	BevPro Asia Company Limited	Installation and maintenance services for refrigerators and beverage vending machines
					2018-present	Senior Vice President (Finance)	Thainamthip Company Limited	Production and distribution of beverages
					2021-present	Director	PSG Corporation Public Company Limited	Construction business, services cover civil engineering, installation of various engineering systems, and EPC projects.
					2015-present	Director/ Member of Executive Committee/ Member of Risk Committee / Member of Nomination and Remuneration Committee/ Deputy of Chief of Executive Officer	Sernsang Power Corporation Public Company Limited	Holding Company
5. Ms. Thantaporn Kraipisitkul Director (10 June 2015) Member of Executive Committee (13 October 2015) Member of Risk Committee (28 January 2016) Member of Nomination and Remuneration Committee (13 October 2015) Deputy of Chief of Executive Officer (19 April 2017)	41	-Bachelor of Arts (BA), Economics, Thammasat University -Master of Arts (MA), Business and Managerial Economics, Chulalongkorn University, Thailand -Master's degree, Finance, Imperial College Business School, London, UK -Director Accreditation Program (DAP) 128/2559, Thai Institute of Director (IOD)	13.6%	Daughter of Mr. Viwat Kraipisitkul and Mrs. Thanyanee Kraipisitkul and older sister of Mr. Thanawat Kraipisitkul.	2016-present	Director	Unity I. Capital Limited	Holding Company
					2016-present	Executive Director	S. Global Power Limited	Shareholding of a company that invests in the power generation and distribution business

Name-Surname / Position (Date of appointment)	Age (year)	Educational qualifications / training history	Company share- holding percent-	Family relationship of Board of Directors and Executive Director	Work experience			
					Duration	Position	Company	Type of business
					2016-present	Executive Director	Surge Energy Limited	Shareholding of a company that invests in the power generation and distribution business
					2016-present	Executive Director	Sernsang Infinite Company Limited	Production and distribution of electricity derived from renewable energy (not yet operated)
					2015-present	Executive Director	Prestige Group Company Limited	Production and distribution of electricity derived from renewable energy (not yet operated)
					2015-present	Executive Director	Essential Power Company Limited	Production and distribution of electricity derived from renewable energy (not yet operated)
					2015-present	Director	Grow Global (Thailand) Company Limited	Production and distribution of food and snacks
					2014-present	Executive Director	Sernsang International Company Limited	Shareholding of a company that invests in the power generation and distribution business
					2014-present	Executive Director	Siam Renewable Power Company Limited	Production and distribution of electricity derived from renewable energy (not yet operated)

Name-Surname / Position (Date of appointment)	Age (year)	Educational qualifications / training history	Company share- holding percent- age ¹	Family relationship of Board of Directors and Executive Director	Work experience			
					Duration	Position	Company	Type of business
					2014-present	Executive Director	Sernsang Solar Company Limited	Production and distribu- tion of electricity derived from renewable energy (not yet operated)
					2014-present	Chairman	Siam Clean Solution Company Limited	Production and distribu- tion of electricity derived from renewable energy (not yet operated)
					2014-present	Director	Kao Tao Paradise Beach Company Limited	Real estate development
					2014-present	Director	Plus Energy Company Limited	Production and distribu- tion of electricity derived from renewable energy (not yet operated)
					2014-present	Director	Principal Power Company Limited	Holding Company
					2014-present	Director	Primary Energy Company Limited	Holding Company
					2014-present	Director	T.K.H.Foods Products Company Limited	Production and distribu- tion of food and snacks
					2014-present	Director	Uni Power Tech Company Limited	Production and distribu- tion of electricity derived from renewable energy (not yet operated)

Name-Surname / Position (Date of appointment)	Age (year)	Educational qualifications / training history	Company share- holding percent- age ¹	Family relationship of Board of Directors and Executive Director	Work experience			
					Duration	Position	Company	Type of business
					2013-present	Chairman	Sernsang Corporation Company Limited	Production and distribu- tion of electricity derived from renewable energy (not yet operated)
					2013-present	Director	Triple P Renewable Company Limited	Production and distribu- tion of electricity derived from renewable energy (not yet operated)
					2012-present	Director	Thai Faster Products Company Limited	Production and distribu- tion of food and snacks
					2011-present	Director	SernsangPalangnan Company Limited	Production and distribu- tion of electricity derived from renewable energy
					2008-present	Director	T.K.H.Trading and Service Company Limited	Retail sale of household electrical appliances
					2019-present	Director	Sernsang Sustainable Singapore Private Limited	Shareholding of a company that invests in the power generation and distribution business
					2019-present	Director	TennnGerel Construction LLC	Production and distribution of electricity derived from solar energy
					2019-present	Director	Truong Thanh Quang Ngai Power and High Technology Joint Stock Company	Production and distribution of electricity derived from solar energy

Name-Surname / Position (Date of appointment)	Age (year)	Educational qualifications / training history	Company share- holding percent- age ¹	Family relationship of Board of Directors and Executive Director	Work experience			
					Duration	Position	Company	Type of business
					2019-present	Director	Truong Thanh Tra Vinh Wind Power Joint Stock Company	Production and distribution of electricity derived from wind power
6.Mr. Tanawat Kraipisitkul <i>Director</i> <i>(28 October 2015)</i> <i>Member of Executive Committee</i> <i>(28 October 2015)</i> <i>Senior Vice President – Business development</i> <i>(13 October 2015)</i>	37	-Bachelor of Mechanical Engineering, Mahidol University -Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University -Director Accreditation Program (DAP), 141/2017, Thai Institute of Directors Association (IOD) -Energy Science for New Executives (TEA) Course, Thailand Energy Academy, Class 6	11.2%	Son of Mr. Viwat Kraipisitkul and Mrs. Thanyanee Kraipisitkul and younger brothers of Ms. Thantaporn Kraipisitkul	2015-present	Director	Semsang Power Corporation Public Company Limited	Holding Company
					2016-present	Director	Unity I. Capital Limited	Holding Company
					2016-present	Director	Kim Heng Daily Foods Company Limited	Production and distribution of food and snacks
					2016-present	Director	S. Global Power Limited	Shareholding of a company that invests in the power generation and distribution business
					2016-present	Director	Surge Energy Limited	Shareholding of a company that invests in the power generation and distribution business
					2015-present	Director	Grow Global (Thailand) Co., Ltd.	Production and distribution of food and snacks
					2014-present	Director	Kao Tao Paradise Beach Company Limited	Real estate development
					2014-present	Director	T.K.H. Foods Products Co., Ltd.	Production and distribution of food and snacks
					2014-present	Director	Primary Energy Company Limited	Holding Company

Name-Surname / Position (Date of appointment)	Age (year)	Educational qualifications / training history	Company share- holding percent- age ¹	Family relationship of Board of Directors and Executive Director	Work experience			
					Duration	Position	Company	Type of business
					2013-present	Director	Bangkok Retail Company Limited	One-stop service of office management
					2013-present	Director	Viwat Agriculture Co., Ltd.	Oil palm plantation
7. Mr. Varut Tummavaranakub Director (28 October 2015) Member of Executive Committee (28 October 2015) Member of Risk Committee (28 October 2015) Chief of Executive Officer (28 October 2015) Chief of Operation Officer (Acting for)	39	-Bachelor of Science (B.Sc.), Electrical and Computer Engineering, Purdue University, USA -Master of Science (M.Sc.), Finance, General, Chulalong- korn University, Thailand -Director Accreditation Program (DAP) 128/2016, Thai Institute of Directors Associa- tion (IOD) -Global Business Leader Class 2 -Chief Executive Course in Energy Technology, Thailand Energy Academy Class 4 -The Leadership for Digital Transformation Thailand Class 2 -Chief Executive Course in Business Development Institute of Business and Industrial Development Class 5	-	-None-	2015-present	Director / Member of Executive Committee / Member of Risk Committee / Chief of Executive Officer / Chief of Operation Officer (Acting for) /	Sernsang Power Corpora- tion Public Company Limited	Holding Company
					2017-present	Director / Chief of Executive Officer / Chief of Operation Officer (Acting for)	SernsangPalangnan Company Limited	Production and distribu- tion of electricity derived from renewable energy
					2017-present	Executive Director	Plus Energy Company Limited	Production and distribu- tion of electricity derived from renewable energy (not yet operated)
					2017-present	Director	Sernsang Solar Company Limited	Production and distribu- tion of electricity derived from renewable energy (not yet operated)

Name-Surname / Position (Date of appointment)	Age (year)	Educational qualifications / training history	Company share- holding percent- age ¹	Family relationship of Board of Directors and Executive Director	Work experience			
					Duration	Position	Company	Type of business
					2017-present	Director	Sermsang Infinite Company Limited	Production and distribu- tion of electricity derived from renewable energy (not yet operated)
					2016-present	Executive Director	Access Energy Company Limited	Shareholding of a company that invests in the power generation and distribution business
					2016-present	Executive Director	Access C Management Limited	Shareholding of a company that invests in the power generation and distribution business
					2016-present	Executive Director	Triple P Renewable Company Limited	Production and distribu- tion of electricity derived from renewable energy (not yet operated)
					2016-present	Director	Prestige Group Company Limited	Production and distribu- tion of electricity derived from renewable energy (not yet operated)
					2016-present	Director	Siam Clean Solution Company Limited	Production and distribu- tion of electricity derived from renewable energy (not yet operated)

Name-Surname / Position (Date of appointment)	Age (year)	Educational qualifications / training history	Company share- holding percent- age ¹	Family relationship of Board of Directors and Executive Director	Work experience			
					Duration	Position	Company	Type of business
					2016-present	Director	Siam Renewable Power Company Limited	Production and distribu- tion of electricity derived from renewable energy (not yet operated)
					2016-present	Director	Sernsang Corporation Company Limited	Production and distribu- tion of electricity derived from renewable energy (not yet operated)
					2016-present	Director	Sernsang International Company Limited	Shareholding of a company that invests in the power generation and distribution business
					2015-present	Executive Director	Seijo Corporation	Other related businesses with renewable energy power plants in Japan
					2017-present	Director	Essential Power Company Limited	Production and distribu- tion of electricity derived from renewable energy (not yet operated)
					2014-present	Director	HJY Group Company Limited	Renewable energy consulting service
					2019-present	Director	Sernsang Sustainable Singapore Private Limited	Shareholding of a company that invests in the power generation and distribution business

Name-Surname / Position (Date of appointment)	Age (year)	Educational qualifications / training history	Company share- holding percent- age ¹	Family relationship of Board of Directors and Executive Director	Work experience			
					Duration	Position	Company	Type of business
					2019-present	Director	TennunGerel Construction LLC	Production and distribu- tion of electricity derived from solar energy
					2019-present	Executive Director	Truong Thanh Quang Ngai Power and High Technolo- gy Joint Stock Company	Production and distribu- tion of electricity derived from solar energy
					2019-present	Executive Director	SEA Sun Energy Partners Pte. Ltd.	Shareholding in compa- nies operating in the production and distribu- tion of renewable energy and other related busi- nesses abroad
					2019-present	Executive Director	PT Sea Sun Energi	Production and distribution of electricity from Solar Rooftop on the roof
					2019-present	Executive Director	Truong Thanh Tra Vinh Wind Power Joint Stock Company	Production and distribu- tion of electricity derived from wind power
8.Mrs. Thanyanee Kraipisitkul Director (October 28, 2015)	65	-Diploma of Marketing, Sahapanich Business Techno- logical College -Director Accreditation Program (DAP), 143/2017 Thai Institute of Directors Associa- tion (IOD)	-	Mother of Ms. Thantapom Kraipisitkul, Mr. Piyawat Kraipisit- kul and Mr. Thana- wat Kraipisitkul	2015-present	Director	Sernsang Power Corpora- tion Public Company Limited	Holding Company
					2017-present	Director	Access C Management Limited	Shareholding of a company that invests in the power generation and distribution business

Name-Surname / Position (Date of appointment)	Age (year)	Educational qualifications / training history	Company share- holding percent- age ¹	Family relationship of Board of Directors and Executive Director	Work experience			
					Duration	Position	Company	Type of business
					2016-present	Director	Vertical Holdings Company Limited	Holding Company
					2016-present	Director	Srinanaporn Marketing Company Limited	Distribution of domestic and international products
					2013-present	Director	Viwat Agriculture Company Limited	Cultivation
					2013-present	Director	Sri Siam Food Products Company Limited	Production and distribution of food and snacks
					2011-present	Director	T.K.H. Wood Power Company Limited	Wood chip manufacturing business
					2007-present	Director	Siam Daily Foods Company Limited	Production and distribution of food and snacks
					2003-Present	Director	Kim Heng Daily Foods Company Limited	Production and distribution of food and snacks
					2014-2016	Director	Access Energy Company Limited	Shareholding of a company that invests in the power generation and distribution business
					2014-2015	Director	Sernsang Solar Company Limited	Production and distribution of electricity derived from renewable energy (not yet operated)
					2014-2015	Director	Plus Energy Company Limited	Production and distribution of electricity derived from renewable energy (not yet operated)

Name-Surname / Position (Date of appointment)	Age (year)	Educational qualifications / training history	Company share- holding percent- age ¹	Family relationship of Board of Directors and Executive Director	Work experience			
					Duration	Position	Company	Type of business
9.General Phairat Phoubon Independent Director (October 6, 2020)	65	-Bachelor of Engineering, Survey School, Royal Thai Survey Department -Director Accreditation Program (DAP), 123/2016	-	-None-	2014-2015	Accounting Officer	Herman Chan CPA & Co	Professional Services
					2020-Present	Independent Director	Semsang Power Corpora- tion Public Company Limited	Holding Company
					2016-present	Chairman and Independent Director	Rich Sport Public Compa- ny Limited	Import and distribution of products
					2016-present	Independent Director	2 S Metal Public Company Limited	Processing and procure- ment steel for sale
					2018-present	Chief of Staff	Office of The National Broadcasting and Telecommunications Commission	Government agencies
					2018-present	Strategy Sub-Committee	Defense Technology Institute	Public Organization, Thailand
					2017-present	Advisor to the chairman	CAT Telecom Plc.	All types of telecommuni- cation
					2017-present	Director	Council of the War Veterans Organization of Thailand	Government agencies
					2015-2016	Luminaries (General)	Royal Thai Armed Forces	Government agencies
					2013-2015	Director of Military Communications	Royal Thai Armed Forces	Government agencies

Name-Surname / Position (Date of appointment)	Age (year)	Educational qualifications / training history	Company share- holding percent- age ¹	Family relationship of Board of Directors and Executive Director	Work experience			
					Duration	Position	Company	Type of business
10.Mr. Monchai Phongsathabodee Independent Director (October 6, 2020)	55	-Master of Management, Boston University, Boston, MA., USA -Bachelor of Business Adminis- tration, Management Major, Assumption University -National Defense College of Thailand, Class 62 -Advanced Certificate Course in Public Economic Manage- ment for Executives, King Prajadhipok's Institute -Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives, King Prajadhipok's Institute -Director Accreditation Program (DAP) of the Thai Institute of Directors Associa- tion -Six Sigma , GE Hong Kong,Singapore -Genesis Sale training, GE Hong Kong -Seven Habit Management -Warehouse & Logistic Distribution Management	-	-None-	2020-Present	Independent Director	Semsang Power Corpora- tion Public Company Limited	Holding Company
					2012-present	Executive Director	Coretech Corporation Co., Ltd.	Design, distribution, rental and security systems
					2012-present	Executive Director	Srinanaporn Marketing Public Company Limited	Distribution of domestic and international products
					2009-2012	Chairman of Management Committee	River Kwai International Company Food Industry Co., Ltd.	Production and processing of vegetable food products
					2006-2009	Chairman of Management Committee	Agripure Holding Public Company Limited	Investment in the agriculture and food industry
					2005-2006	Managing Director	Hantex Public Company Limited	Production and sales of Han- tex products
					2003-2005	Deputy Managing Director	Netactive & Service Co.,ltd	
					2001-2003	Sales Director	KIT Co.,Ltd	wholesale trade in machin- ery equipment and supplies
					1998-2001	Ground Manager	US Transportation, Trade and Commerce Foundation	Thai-US trade and invest- ment support
					1994-1998	Sales Director	GE SIAM Information and Service Co.,ltd.	Investment advice
					1993-1994	Marketing Manager	Samart Telecoms Co.,Ltd.	Service of Satellite communi- cation systems
					1993	Sales manager	Cambodia Samart Co.,Ltd., Phnom Penh, Cambodia	Service of Satellite communi- cation systems

Name-Surname / Position (Date of appointment)	Age (year)	Educational qualifications / training history	Company share- holding percent- age ¹	Family relationship of Board of Directors and Executive Director	Work experience			
					Duration	Position	Company	Type of business
					1991-1993	Assistant Business Development Manager	Smart Telecoms Co.,Ltd.	Service of Satellite communication systems
Executive Directors								
Mr. Varut Tummaravanukub CEO								
Deputy CEO Ms. Thantaporn Kraipisitkul								
Ms.Sukunya Phokhakul Chief Financial Officer (15 August 2019)	55	-Bachelor of Political Science (First Class Honours), Public Finance, Chulalongkorn University -Master of Business Adminis- tration (Finance), Chulalongko- m University -Director Certificate Program (DCP) 161/2012, Thai Institute of Directors Association (IOD)	-	-None-	Present	Chief Financial Officer	Semsang Power Corpora- tion PLC.	Holding Company
					2002-2019	Senior Vice President, Business Devel- opment	Electricity Generating Public Company Limited	Holding Company
					2010-2013	Chief Financial Officer, Director	Natural Energy Develop- ment Co., Ltd	Solar power plant
					1997-2002	Assistant Vice President, Credit Department	Sumitomo Mitsui Banking Corporation	Commercial bank
					1995-1997	Assistant Vice President, Credit Department	Asia Credit Public Company Limited	Capital and securities
					2017-2018	Director	Nam Theun 1 Power Co.,Ltd.	Hydroelectric power plant

Name-Surname / Position (Date of appointment)	Age (year)	Educational qualifications / training history	Company share- holding percent- age ¹	Family relationship of Board of Directors and Executive Director	Work experience			
					Duration	Position	Company	Type of business
					2011-2015	Director	Chaiyaphum Wind Farm Co., Ltd.	Wind power plant
					2011-2014	Director	Theppana Wind Farm Co., Ltd.	Wind power plant
					2012-2013	Director	G-Power Sources Co., Ltd.	Solar power plant
					2019 – Present	Director	TennunGerel Construction LLC	Production and distribu- tion of electricity derived from solar energy
Ms. Phonkamon Hongwilai AVP – Account and Treasury (26 June 2017)	36	-Bachelor of Commerce and Accountancy, Chulalongkorn University	-	-None-	2017-present	AVP – Account and Treasury	Semsang Power Corpora- tion Public Company Limited)	Holding Company
Ms. Samornmart Chaiphatikam Company Secretary (13 October 2015)	38	-Bachelor of Law, Thammasat University -Lawyer Licence, Lawyers Council of Thailand -Degree of Barrister at Law, Institute of Legal Education of the Thai Bar Association -Master of Law, University of Aberdeen -Notarial Services Attorney Training Course, Lawyers	-	-None-	2009-2017	Audit Manager	EY Office Company Limited	Accounting and auditing services
					2015 – present	Company Secretary	Semsang Power Corpora- tion Public Company Limited	Holding Company
					2015	Director	Semsang Power Corpora- tion Public Company Limited	Holding Company
					2014 – 2015	Corporate and Commercial Lawyer	Semsang Palangnan Company Limited	Holding Company
					2014 – 2015	Director	Cleanovation Energy Company Limited	Production and distribu- tion of electricity derived from renewable energy

Name-Surname / Position (Date of appointment)	Age (year)	Educational qualifications / training history	Company share- holding percent- age ¹	Family relationship of Board of Directors and Executive Director	Work experience			
					Duration	Position	Company	Type of business
		-Council of Thailand Company Secretary Program (CSP)69/2559, Thai Institute of Directors Association (IOD)			2019 – present	Director	Truong Thanh Quang Ngai Power and High Technolo- gy Joint Stock Company	Production and distribu- tion of electricity
					2019 – present	Director	PT Sea Sun Energi	Production and distribu- tion of electricity derived from solar energy
					2019 – present	Director	Truong Thanh Tra Vinh Wind Power Joint Stock Company	Production and distribu- tion of electricity from Solar Rooftop on the roof

Remarks: ¹ The proportion of its shareholding prior to this IPO, including direct and indirect shareholding.

² The company requires two thirds of the authorized directors to jointly sign and affix the company's seal, so it will be considered binding on the company.

Attachment 2

Information of Directors and Executive Directors in Subsidiaries

Annex 2.1: Tenure of Directors, Executive Directors and Regulators in company and its subsidiaries

List of Companies	List of Directors and Executive Directors																					
	Mr. Kamthon Wangudom	Mr. Viwat Kraipitsikul	Mr. Samrieng Mekkrengkrai	Mr. Dhana Bupawanich	Ms. Thantaporn Kraipitsikul	Mr. Tanawat Kraipitsikul	Mr. Varut Tumnavaranukub	Mrs. Thanyanee Kraipitsikul	General Phairat Phoubon	Mr. Monchai Phongsathabodee	CHENG HO LONG	Tan Lian Kiow (Chia Bak Hua)	Ms. Sukanya Phokakul	Ms. Phonkamon Hongwilai	Miss Samornmas Chaiphaitakarn	Mr. Passakorn Panyaratatanakorn	Ms. Panadda Lertcharareonyong	Huy Mac Quang	AMARSANAA BALJINNYAM	ODBAATAR SUKHBAATAR	SHINNICHIRO YAHIRO	Vinh Nguen Quang
Sernsang Power Corporation Public Company Limited (“the Company”)	C, II	IV, V, VI	I, II, III, V	I, II, III	I, IV, V, VI, X	I	I, IV, VI, X	I	I, II	I, I	-	-	X	X	-	-	-	-	-	-	-	-
	-	C	-	-	I, X	-	I, X	-	-	-	-	-	X	X	-	-	-	-	-	-	-	-
	-	I	-	-	C, X	-	I, X	-	-	-	-	-	X	X	-	-	-	-	-	-	-	-
	-	-	-	-	C, X	-	I, X	-	-	-	-	-	X	X	-	-	-	-	-	-	-	-
	-	-	-	-	I, X	-	C, X	-	-	-	-	-	X	X	-	-	-	-	-	-	-	-
	-	-	-	-	C, X	-	I, X	-	-	-	-	-	X	X	-	-	-	-	-	-	-	-
	-	I	-	-	C, X	-	I, X	-	-	-	-	-	X	X	-	-	-	-	-	-	-	-
	-	-	-	-	X	-	C, X	-	-	-	-	-	X	X	-	-	-	-	-	-	-	-
	-	I	-	-	C, X	-	I, X	-	-	-	-	-	-	X	X	-	-	-	-	-	-	-
	-	I	-	-	C, X	-	I, X	-	-	-	-	-	-	X	X	-	-	-	-	-	-	-
	-	I	-	-	C, X	-	I, X	-	-	-	-	-	-	X	X	-	-	-	-	-	-	-
	Uni Power Tech Company Limited	-	I	-	-	C, X	-	I, X	-	-	-	-	-	X	X	-	-	-	-	-	-	-
Prestige Group Company Limited	-	-	-	-	C, X	-	I, X	-	-	-	-	-	X	X	-	-	-	-	-	-	-	-
Siam Clean Solution Company Limited	-	-	-	-	C, X	-	I, X	-	-	-	-	-	X	X	-	-	-	-	-	-	-	-
Triple P Renewable Company Limited	-	I	-	-	I, X	-	C, X	-	-	-	-	-	X	X	-	-	-	-	-	-	-	-

[illegible]

Annex 2.2: Tenure of Directors, Executive Directors and Regulators in related company

List of Companies	List of Directors and Executive Directors																						
	Mr. Kamthon Wangudom	Mr. Viwat Kraipitsikul	Mr. Samrieng Mektriengkrai	Mr. Dhana Bubpawanich	Ms. Thantaporn Kraipitsikul	Mr. Tanawat Kraipitsikul	Mr. Varut Tumnavaranukub	Mrs. Thanyanee Kraipitsikul	General Phairat Phoubon	Mr. Monchai Phongsathabodee	CHENG HO LONG	Tan Lian Kiow (Chia Bak Hua)	Ms. Sukanya Phokakul	Ms. Phonkamon Hongwila	Miss Samornmas Chaiphatikarn	Mr. Passakorn Panyaratanakorn	Ms. Panadda Lerthareonyong	Huy Mac Quang	AMARSANAA BALJINNYAM	ODBAATAR SUKHBAATAR	SHINNICHIRO YAHIRO	Vinh Nguen Quang	
	Kim Heng Daily Foods Company Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Kao Tao Paradise Beach Company Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	K.H. Plantation Company Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	S.N.N.P. Intertrade Company Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Absolute Products Company Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Kim Heng Food Products Company Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Sricharoen Paiboon Pattana Company Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Srinanaporn Marketing Company Limited	-	I, IV	-	-	-	-	-	-	-	IV	-	-	-	-	-	-	-	-	-	-	-	-
	Siam Ratchaburi Industry Company Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Thaicom Public Company Limited	-	-	II, III, V, VII	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Unique Engineering and Construction Public Company Limited	-	-	II, V	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	SM International Law Office Company Limited	-	-	I	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

List of Companies	List of Directors and Executive Directors																					
	Mr. Kamthon Wangudom	Mr. Viwat Kraipisitkul	Mr. Samrieng Mekkrengkrai	Mr. Dhana Bupawanich	Ms. Thantaporn Kraipisitkul	Mr. Tanawat Kraipisitkul	Mr. Varut Tumnavaranukub	Mrs. Thanayanee Kraipisitkul	General Phairat Phoubon	Mr. Monchai Phongsathabodee	CHENG HO LONG	Tan Lian Kiow (Chia Bak Hua)	Ms. Sukanya Phokakul	Ms. Phonkamon Hongwilai	Miss Samornmas Chaiphatikarn	Mr. Passakorn Panyaratanakorn	Ms. Panadda Lertchareonpong	Huy Mac Quang	AMARSANAA BALJINNYAM	ODBAATAR SUKHBAATAR	SHINNICHIRO YAHIRO	Vinh Nguen Quang
	HRI Entech Company Limited	-	=	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bangkok Retail Company Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	The White Space Company Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Master Car Rental Company Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Grow Global (Thailand) Company Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Thai Faster Products Company Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Primary Energy Company Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	T.K.H.Trading and Service Company Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	T.K.H.Foods Products Company Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Principal Power Company Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vivat Agriculture Company Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	HJY Group Company Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vertical Holdings Company Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	T.K.H. Wood Power Company Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sri Siam Food Products Company Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

List of Companies	List of Directors and Executive Directors																					
	Mr. Kamthon Wangudom	Mr. Viwat Kraipitsikul	Mr. Samrieng Mekkrengkrai	Mr. Dhana Bupawanich	Ms. Thantaporn Kraipitsikul	Mr. Tanawat Kraipitsikul	Mr. Varut Tumnavaranukub	Mrs. Thanyanee Kraipitsikul	General Phairat Phoubon	Mr. Monchai Phongsathabodee	CHENG HO LONG	Tan Lian Kiow (Chia Bak Hua)	Ms. Sukanya Phokakul	Ms. Phonkamon Hongwila	Miss Samornmas Chaiphathikarn	Mr. Passakorn Panyaratatanakorn	Ms. Panadda Lertchareonoyong	Huy Mac Quang	AMARSANAA BALJINNYAM	ODBAATAR SUKHBAATAR	SHINNICHIRO YAHIRO	Vinh Nguyen Quang
List of Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Siam Daily Foods Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unity I. Capital Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Petroleum Training Services (PTS) Company Limited	II, III	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Panthakit Surat Company Limited	I	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Zepssa Energy Company International S. L.U. (Thailand Branch)	I	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Oil-Tex (Thailand) Co., Ltd.	X	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
K Global Company Limited	I	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Paks Global Trading Company Limited	I	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dynatox Lab (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Thainamthip Company Limited	-	-	-	X	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Coretech Corporation Co., Ltd.	-	-	-	-	-	-	-	-	-	IV	-	-	-	-	-	-	-	-	-	-	-	-
Rich Sport Public Company Limited	-	-	-	-	-	-	-	-	C,II	-	-	-	-	-	-	-	-	-	-	-	-	-
2 S Metal Public Company Limited	-	-	-	-	-	-	-	-	II	-	-	-	-	-	-	-	-	-	-	-	-	-
CAT Telecom Plc.	-	-	-	-	-	-	-	-	X	-	-	-	-	-	-	-	-	-	-	-	-	-
SHL CORP COMPANY LIMITED	I	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

List of Companies	List of Directors and Executive Directors																		
PSG Corporation Public Company Limited	Mr. Kamthon Wangudom	'																	
	Mr. Viwat Kraipisitkul	'																	
	Mr. Samrieng Mekkrongkrai	'																	
	Mr. Dhana Bupawanich	—																	
	Ms. Thantaporn Kraipisitkul	'																	
	Mr. Tanawat Kraipisitkul	'																	
	Mr. Varut Tumnavaranakub	'																	
	Mrs. Thanyanee Kraipisitkul	'																	
	General Phairat Phoubon	'																	
	Mr. Monchai Phongsathabodee	'																	
	CHENG HO LONG	'																	
	Tan Lian Kiow (Chia Bak Hua)	'																	
	Ms. Sukanya Phokakul	'																	
	Ms. Phonkamon Hongwilai	'																	
	Miss Samornmas Chaiphatkarn	'																	
	Mr. Passakorn Panyaratanakorn	'																	
	Ms. Panadda Lertcharoenyong	'																	
	Huy Mac Quang	'																	
	AMARSANAA BALJINNYAM	'																	
	ODBAATAR SUKHBAATAR	'																	
	SHINNICHIRO YAHIRO	'																	
	Vinh Nguyen Quang	'																	

C = Chairman

III = Audit Committee

VI = Risk Committee

I = Director

IV = Executive Director

VII = Corporate Governance Committee

II = Independent Director

V = Nomination and Remuneration Committee

X = Chief Executive Officer

Attachment 3

Information of chief of internal audit

Annex 3: Description of chief of internal audit

Dharmniti Internal Audit Company Limited (“Dharmniti”) was hired to perform internal audit. Dharmniti nominated Ms. Ruthaichanok Supapong as the chief of internal audit. The description of chief of internal audit were as follows:

Chief of internal audit	Age (year)	Educational qualifications / Training history	Duration	Company	Position	Responsibility
Ms. Ruthaichanok Supapong	38	<u>Educational qualifications</u> -Bachelor of Humanities and Social Sciences, Marketing, Burapha University <u>Certificate</u> -Certified Professional Internal Audit of Thailand (CPIAT) <u>Training history</u> -Pre-CIA Program -CIAPart II Training Program -COSO 2013 curriculum, theory and practice -Course of internal control guidelines for companies preparing to be listed on the stock exchange -International Standards for the Professional Practice of Internal Auditing -IT Audit Course -Corruption Investigation Course -Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) -Project for maintaining and improving the quality of the organization's internal audit work -Asian Confederation of Institutes of Internal Auditors conference 2018	Jun 2016 -present	Dharmniti Internal Audit Company Limited	Executive Director Manager	-Co-establish policies, goals, strategies, along with planning, monitoring and quality control of internal audit operations to comply with the defined policy -Agree on the audit action plan before presenting it to the Audit Committee for approval and signing the audit report -Provide knowledge and understanding about internal controls, risks and internal audits to the team and auditors -Plan and control the performance of the internal audit to comply with the specified plans
			2011-2016	Dharmniti Auditing Company Limited	-Assistant Manager	-Plan and control the performance of the internal audit to comply with the specified plans -Plan and control the performance of the internal audit to comply with the specified plans

Chief of internal audit	Age (year)	Educational qualifications / Training history	Duration	Company	Position	Responsibility
			2009-2010	Dharmniti Auditing Company Limited	Senior Internal Auditor	-Prepare an internal audit plan for submission to management and board of director -Control internal auditors and conduct audits to comply with the specified plans
			2007-2008	Dharmniti Auditing Company Limited	Internal Auditor	-Perform internal audit tasks as assigned

Attachment 4

Information of appraised value asset

- None -

Attachment 5

Others

- None -

