

2021

ANNUAL REPORT (FORM 56-1 ONE REPORT)




LANNA RESOURCES Public Co., Ltd

AWARDS AND RECOGNITION

LANNA RESOURCES PUBLIC CO., LTD.



The Company was placed in an “Excellent” level or 5 stars () for two consecutive years with regard to the assessment of Corporate Governance (“CGR”) Year 2021 by the Thai Institute of Directors Association.



สมาคมส่งเสริมผู้ลงทุน
THAI INVESTORS ASSOCIATION

The Company has been assessed for the Annual General Meeting Quality Assessment of the Listed Company (“AGM Checklist”) Year 2021 conducted by the Thai Investors Association, the company has received an evaluation result of 98 scores, which is very good.



The Company received the Sustainability Disclosure Acknowledgement Award 2021 conducted by the Thaipat Institute. The Company realizes and gives importance to the dissemination of operating information, which covers economic, social and environmental or ESG (Environmental, Social and Governance) in addition to financial information, in the form of Sustainability Report, which is beneficial to every group of stakeholders and the development of the organization for long-term sustainability.



The Company has been officially certified as a member of Thailand’s Private Sector Collective Action Coalition Against Corruption (“CAC”), having been re-certified for the second time (2022-2024).



The Company has signed a Memorandum of Understanding for “Develop a low-carbon industry based on Circular Economy” project conducted by Thailand Greenhouse Gas Management Organization (Public Organization) and King Mongkut’s University of Technology Thonburi. The project focuses on target industries in Ayutthaya province to promote future industrial and service models based on Circular Economy.



The Company was awarded with the CSR-DIW Continuous Award 2021 and has received the Green Industry Accreditation (Green System) Level 3 from the Ministry of Industry for environmental responsibility.



The Company has been certified as an eco-industrial factory with social value at the Bronze level from the Department of Industrial Works, Ministry of Industry.

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REPORT OF THE BOARD OF DIRECTORS

On behalf of the Board of Directors of Lanna Resources Public Company Limited, I would like to report to the shareholders on the excellent performance of the Company in 2021 as compared with 2020 and past years, in spite of the coronavirus disease 2019 (“COVID-19”) pandemic situation, which has continued to occur into its second year, causing significant impact to global economy including Thailand. The operating results of the subsidiary companies in the ethanol business and wood pellet manufacturing business have been impacted with raw material issues and increased production costs. Nonetheless, with strong work determination and experience in the coal business, Company’s working team and executives, with knowledge, capability and extensive work experience, the Company was able to produce, distribute and deliver its products to the customers efficiently, meeting the requirements amidst constant changes in market conditions and rules, and achieving a significant and highest profit at satisfactory level for the past year as compared with the past years.

The Company’s operating results in 2021 achieved the total revenue of Baht 15,854.43 million, an increase from 2020 of Baht 6,285.29 million or 65.68 percent and the net profit of Baht 1,575.24 million, an increase from 2020 of 1,288.43 million or 449.21 percent, having EBITDA margin of 32.80 percent, net profit margin of 17.14 percent and return on equity of 31.23 percent, which are considered excellent. The book value as at the end of 2021 was Baht 10.83 per share, an increase from 2020 of Baht 2.45 per share. The Company’s overall financial position and liquidity in 2021 were in excellent standing, sufficient for the business operations and future investments, in consistent and suitable for sustainability.

Besides the dedication to organization administration, the Board of Directors places importance on managing business according to the principles of good corporate governance and realizes the importance of corporate social responsibility in creating and developing a stable and sustainable organization in long term, as well as placing emphasis on promoting every form of anti-corruption schemes. In addition, the Company gives priority on taking care of its employees, whom are considered important resources of the Company by carrying out appropriate measures on COVID-19 control and protection, as well as providing benefits and welfare for the safety and security of the employees.

In 2021, the Company received the awards and recognitions both in Thailand and overseas as follows:

(1) The Company was placed in an “Excellent” level or 5 stars () for two consecutive years with regard to the assessment of Corporate Governance (“CGR”) Year 2021 by the Thai Institute of Directors Association.

(2) The Company received the Sustainability Disclosure Acknowledgement Award 2021 conducted by the Thaipat Institute. The Company realizes and gives importance to the dissemination of operating information, which covers economic, social and environmental or ESG (Environmental, Social and Governance) in addition to financial information, in the form of Sustainability Report, which is beneficial to every group of stakeholders and the development of the organization for long-term sustainability.

(3) The Company has been officially certified as a member of Thailand’s Private Sector Collective Action Coalition Against Corruption (“CAC”), having been re-certified for the second time (2022-2024).

(4) The Company was awarded with the CSR-DIW Continuous Award 2021 and has received the Green Industry Accreditation (Green System) Level 3 from the Ministry of Industry for environmental responsibility.

(5) The subsidiary companies operating coal mining business in Indonesia have received awards and recognitions in environmental responsibility in 2021, having managed their mining operations in compliance with the environmental management standards and relevant laws, as well as having received the award for COVID-19 prevention and control in the workplace.

The Company realizes about the climate change issue and places importance on efficient use of natural resources, especially on environmental protection by focusing future investments on renewable energy business with support from the government sector. Diversification plan and strategy have been established with prudence and discretion for the Company to earn good return on investment, as well as generate higher income and profit in the future, along with stable, quality and sustainable growth in long term.

The Company would like to take this opportunity to thank the Board of Directors, every executives and employees for their utmost work dedication and cooperation with prudence and discretion, enabling the Company to overcome obstacles and continue to achieve good performance, resulting in Company paying high dividend to the shareholders every year, including this year 2021. The Company also would like to express appreciation to the shareholders, investors and every group of stakeholders for the continuing trust and support for the Company. Accordingly, the Company shall conduct the business with good corporate governance principles and corporate social responsibility in order to continue creating values for every stakeholder with sustainability into the future.

On behalf of the Board of Directors of
Lanna Resources Public Company Limited

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(Mr. Vanchai Tosomboon)
Chairman of the Board

PART 1: COMPANY PROFILE AND PERFORMANCE

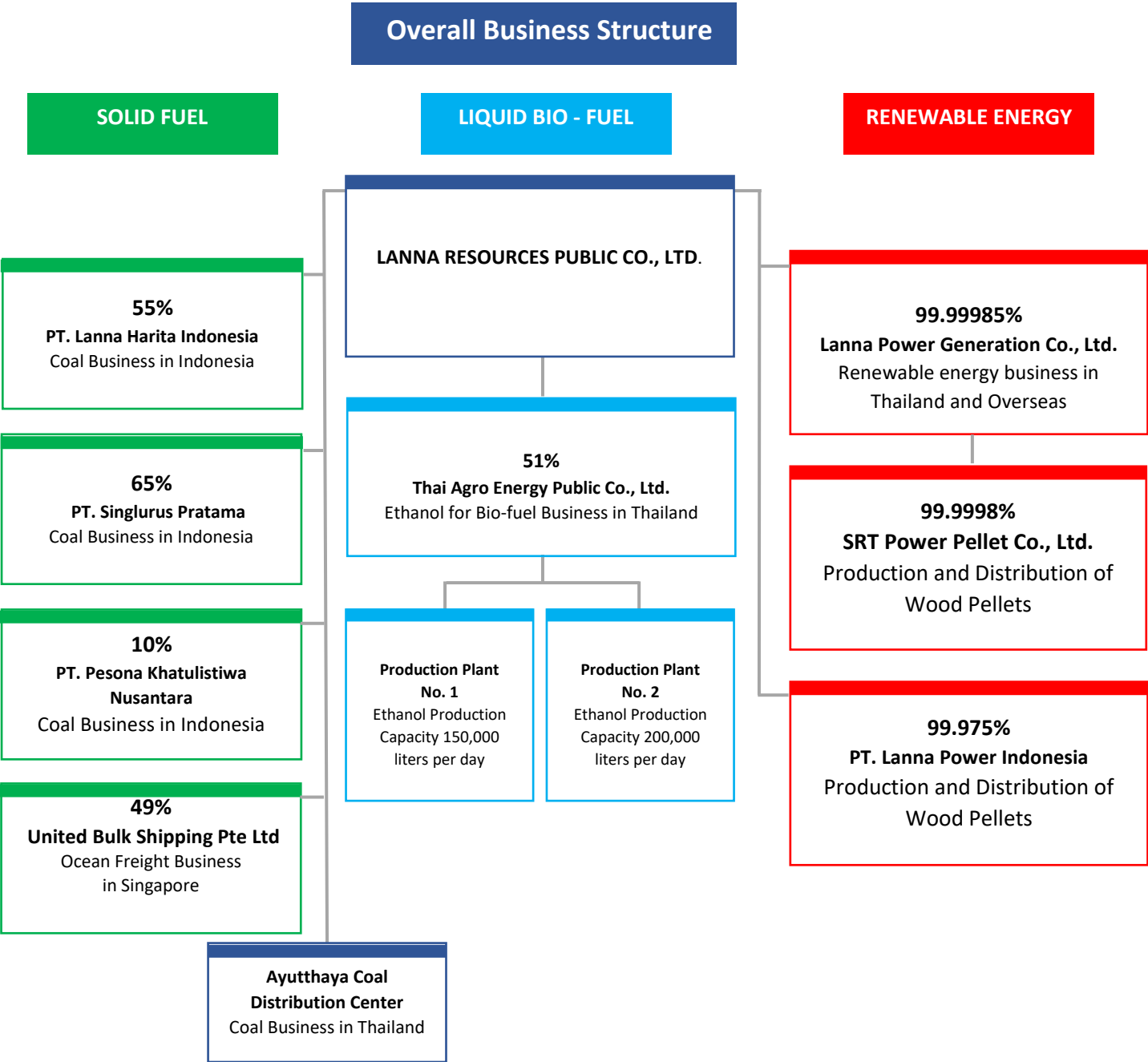
(1) STRUCTURE AND OPERATIONS

(1.1) COMPANY’S BUSINESS OPERATION consists of 3 categories as follows:

(1) **Solid Fuel:** Company’s core business is in the coal production and distribution domestically and overseas, having coal mine projects located in Indonesia as its base for coal production and distribution activities. In addition, the Company has ocean freight transport service business in Singapore to effectively support and manage coal transport for distribution in Thailand and/or delivery to other countries.

(2) **Liquid Bio-Fuel:** Company’s secondary core business is the ethanol production and distribution used for bio-fuel purpose in the Country. The production and distribution base is located in Dan Chang District, Suphanburi Province.

(3) **Renewable Energy:** Company’s third core business is the investment and service in renewable energy with intention to invest in renewable energy related projects.



(1.1.1) CORPORATE'S GOAL, VISION, CORE VALUE, MISSION AND CULTURE

The Company conducts businesses and investments with focus on long-term and sustainable growth. The Goal, Vision, Core Value, Mission and Corporate Culture for the core business as determined by the Board of Directors are as follows.

(1) Goal, Vision, Core Value and Mission

GOAL

The Company has established strategic plan and goal to generate more revenue every year by investing in new businesses in Thailand to be able to generate revenue as much as that of overseas businesses within the next 5-10 years to create stable and sustainable growth in the future. To achieve this goal, the Company has developed a suitable plan to support the new projects and future challenges by focusing on the business model that can create value for the Company, all stakeholders and society as a whole, by bringing in and utilizing suitable and modern innovation and technology so that the Company shall have potential and competitive advantage and achieve stable and sustainable growth in the long term.

VISION

To be the leading global company in coal and renewable energy businesses.

CORE VALUE

Production and distribution of coal and renewable energy with focus on quality, attention to community, society and environmental conservation.

MISSION

- Aim to attain business operation excellence through insisting on building customer satisfaction by paying attention to recommendations as well as making self-assessment and review in order to continually develop and create the best products for a sustainable development of the Company in the future.
- Develop excellent products and services, create new innovation to continue adding values to products and services and find new ways that are utmost beneficial for the customers.
- Develop skillful human resources and acquire modern technology in order to maintain high quality and standard of products and services for shareholders, as well as to create financial returns that grow steadily and continuously in the long term.
- Adhere to the corporate social responsibility to create and develop long term sustainability for the organization and intend to fight against corruption in every form.
- Become aware of the importance of good corporate governance by adhering to the principles of fairness and integrity, accountability, responsibility and transparency, and promoting equitable treatment, as well as gaining faith from all shareholders and stakeholders.

CORPORATE CULTURE

Corporate Culture is a set of shared values that brings employees together with the aim of achieving organizational goals. Here, our corporate culture is called "LANNAR SPIRIT".

(2) Objectives and Goals

LANNAR SPIRIT is an aspiration of our employees that expresses Lanna identity. It helps define employees' well behavior and prevent inappropriate behavior. Moreover, it is a way to pass on the corporate value to stakeholders which are shareholders, customers, clients, employees, and society.

L

L-LEARNING: We prioritize learning as the world is moving faster, becoming smaller and filled with tougher competition in all industry. We must adapt to continue on and compete with others thus learning is the best and important shortcut to news and knowledge of changes in the fast-paced world.

A

A-ATTITUDE: To stay positive. Attitude is like a pair of glasses. We see things through glasses or attitude. With positive attitude, we see positive side of things and vice versa. By having positive attitude, we have different perspective on opportunities and new experiences in life.

N-NEVER GIVE UP: Never give up to problems or obstacles by finding solutions or turning the situation around by creating opportunity from them.

N

N-NEW IDEA: Looking out for new ideas in workplace and trying to improve the work that we're doing for the better work environment and better results in the future.

N

A-ASPIRATION TO TEAMWORK: To know the importance of teamwork and work together to share, to help and to achieve the goals together effectively in long term.

A

R-RESPONSIBILITY: Recognition and responsibility in the good work always, including (1) Self-responsibility, which is to know the importance of one's role and to achieve the set goals; (2) Responsibility to the organization, which is to be responsible to one's role in the organization and work together with others to grow together without creating problems and obstacles to the organization; and (3) Responsibility to the Society: to be responsible for society and environment and to operate business with ethics and good management for business growth with quality, stability and sustainability in long term.

R

Trainings and activities are continuously provided to executives and employees by the Company in order to encourage learning, raise awareness of corporate culture among employees and for employees to develop expertise in working efficiently and effectively which in the long run drives the Company's sustainable growth.

(1.1.2) BACKGROUND AND SIGNIFICANT CHANGES

- Lanna Resources Public Company Limited, formerly Lanna Lignite Public Company Limited, was initially established as a registered company under the name Lanna Lignite Company Limited on October 4, 1985 in order to enter into a sublease agreement for the lignite coal mining at Ban Pa Kha Subdistrict, Li District, Lamphun Province, with the Department of Alternative Energy Development and Efficiency on November 11, 1985 for a period of 20 years until November 11, 2005 and later converted to a public company limited under the name “Lanna Lignite Public Company Limited” on December 29, 1992, and was given permission to register its ordinary shares for trading in the Stock Exchange of Thailand on July 12, 1994, which is currently listed in the Resources Group (Energy and Utilities sector). The Company has registered and changed its name to “Lanna Resources Public Company Limited” since May 17, 2001.

- Lanna Resources Public Company Limited has jointly invested and established United Bulk Shipping Pte. Ltd. of Singapore in 1996, holding 49 percent of the paid-up capital to engage in ocean freight shipping business.

- Lanna Resources Public Company Limited has established Lanna (Singapore) Pte. Ltd. of Singapore in 1997, holding 100 percent of the paid-up capital to engage in the business of investing in coal mining and utility business overseas (holding company), and has registered the dissolution and liquidation of the Company on June 28, 2012 in order to restructure the investment in subsidiaries to be more efficient and effective.

- Lanna (Singapore) Pte. Ltd. has invested in the acquisition of ordinary shares in PT. Lanna Harita Indonesia of Indonesia in 1998, holding 55 percent of the paid-up capital in order to invest in the first coal mining in Indonesia, which has started coal production and distribution since 2001, and later in 2007 has transferred all ordinary shares in PT. Lanna Harita Indonesia to Lanna Resources Public Company Limited to directly hold shares.

- Lanna Resources Public Company Limited (“LANNA”) has invested in the acquisition of ordinary shares in Thai Agro Energy Public Company Limited (“TAE”), holding 75 percent of the paid-up capital in 2003, and has increased its shareholding proportion to 75.75 percent of the paid-up capital in 2005 in order to engage in the business of production and distribution of ethanol (99.5% anhydrous alcohol) for bio-fuel purpose that can be used by automobiles in general. On June 2, 2014, TAE was listed on the Stock Exchange of Thailand in order to raise funds for the investment purpose to increase efficiency in the production and distribution of ethanol, which LANNA has reduced its shareholding proportion from 75.75 percent to 51 percent of the paid-up capital. TAE has started security trading on the Stock Exchange of Thailand since June 5, 2014.

- Lanna Resources Public Company Limited and Lanna (Singapore) Pte. Ltd. jointly established PT. Lanna Mining Services (“LMS”) in Indonesia, holding 100 percent of the paid-up capital in 2006, and in 2010 Lanna (Singapore) Pte. Ltd. has transferred its ordinary shares in PT. Lanna Mining Services to United Bulk Shipping Pte. Ltd., an associated company. Subsequently, on July 17, 2019, had received approval to change the name to PT. Lanna Power Indonesia (“LPI”) in order to comply with the power and renewable energy business in Indonesia.

- Lanna (Singapore) Pte. Ltd. has invested in the acquisition of ordinary shares in PT. Singlurus Pratama in 2008, which is the owner of the 3rd coal mine concession in Indonesia, holding 65 percent of the paid-up capital. Subsequently, in 2009 has transferred all the ordinary shares in PT. Singlurus Pratama to Lanna Resources Public Company Limited to directly hold shares.

- Lanna Resources Public Company Limited has established Lanna Power Generation Co., Ltd. on July 7, 2016 to engage in the business of coal-fired power plants and renewable energy both domestically and overseas as the core business, with LANNA holding 99.99985 percent of the paid-up capital.

- Lanna Resources Public Company Limited (“LANNA”) has approved PT. Lanna Harita Indonesia (“LHI”) and PT. Singlurus Pratama (“SGP”), subsidiary companies in Indonesia, to sign the amendment of coal mining concession agreement with the Ministry of Energy and Mineral Resources (“MEMR”) of Indonesia in order to divest foreign or non-Indonesian shareholding from 65 percent of the paid-up capital to not more than 49 percent of the paid-up capital in accordance with the law of Indonesia (Mining Law No.4/2009). After LANNA has divested its shareholding in LHI and SGP, LANNA would still has management control in LHI and SGP, which allows for the consolidation of financial statements of LHI and SGP into consolidated financial statements of LANNA as before. In 2019, the above subsidiary companies have completed the share valuation and offered to the government agencies of Indonesia. The shareholding stipulated by the government agencies of Indonesia, which is in the process of considering the purchase of such shares, is in accordance with the divestment procedures.

- Lanna Resources Public Company Limited has entered into the Conditional Share Subscription Agreement (“CSSA”) to invest in a new coal mining concession project in Indonesia of PT. Pesona Khatulistiwa Nusantara (“PKN”) on March 8, 2018, in the proportion of 40 percent of the paid-up capital, which is in the process of conducting due diligence.

- Lanna Power Generation Company Limited (“LPG”), a subsidiary company of Lanna Resources Public Company Limited (“LANNA”), on March 4, 2020 has invested in the acquisition of ordinary shares and preferred shares of SRT Power Pellet Company Limited (“SRT”) to invest in wood pellet production and distribution project of SRT in the proportion of 99.9998 percent of the paid-up capital, with a plant located in Kian Sa District, Surat Thani Province, having wood pellet production capacity of 60,000 metric tons per year.

- The Board of Directors’ Meeting No. 8/2020 of Lanna Resources Public Company Limited dated December 21, 2020 has resolved to approve the dissolution and liquidation of PT. Lanna Power Indonesia (“LPI”), a subsidiary company registered in Indonesia that the Company holding shares of 99.975 percent of the paid-up capital, which LPI had no longer conducted coal trading business, therefore does not affect the Company’s operations.

- Lanna Power Generation Company Limited (“LPG”), a subsidiary company of LANNA, on August 30, 2021, has provided financial assistance to SRT Power Pellet Company Limited (“SRT”), a subsidiary company of LPG, conducting business in the production and distribution of wood pellet, which is currently affected by the coronavirus disease 2019 (“COVID-19”) pandemic situation causing the shortage of raw materials and had to temporarily suspend wood pellet production. LPG has provided loan to SRT of Baht 70,820,758.18 to repay existing loans to Kaikornbank Public Company Limited.

- Lanna Resources Public Company Limited on August 31, 2021 has invested in a new coal mining concession project in Indonesia of PT. Pesona Khatulistiwa Nusantara (“PKN”), in the proportion of 10 percent of the paid-up capital of PKN, with a total investment of USD 5 million. PKN has been granted the 3rd Generation Coal Contract of Work from the government of Indonesia with a concession period of 30 years from 2009 to 2039, with coal mine concession located in Bulungan Regency, North Kalimantan, Indonesia.

- The Board of Directors’ Meeting No.6/2021 of Lanna Resources Public Company Limited dated December 20, 2021 has resolved to approve the restructuring of investment in SRT Power Pellet Company Limited (“SRT”), a subsidiary company conducting business in the production and distribution of wood pellet, indirectly holding shares through Lanna Power Generation Company Limited (“LPG”) of 99.99965 percent of the paid-up capital, in order to enable the management to be more flexible and efficient, by having SRT to transfer its business to LPG and to have SRT to register the dissolution and liquidation after SRT has completed the business transfer to LPG.

(1.1.3) COMPANY PROFILE

Background: Lanna Resources Public Company Limited, formerly Lanna Lignite Public Company Limited, Registration No. 0107535000397 (formerly Bor.Mor.Jor. 72), was initially established as a registered company on the October 4, 1985 and later converted to a public company limited on December 29, 1992. The Company was given permission by the Ministry of Finance to register its ordinary shares for trading in the Stock Exchange of Thailand on July 12, 1994. The Company is listed in the Resources Group (Energy and Utilities sector). The Company has registered and changed its name to Lanna Resources Public Company Limited since May 17, 2001.

Head Office: Located at 888/99, Mahathun Plaza Building, 9th Floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330; Tel.: 0-2253-8080, 0-2253-6820; Fax: 0-2253-6822, 0-2253-5014:

Website: www.lannar.com

Email Address: lanna@lannar.com

Branch Office: Ayutthaya Coal Distribution Center located at 108 Moo 1, Klong Sakae Sub-district, Nakhonluang District, Ayutthaya Province, Tel.: 035-724158; Fax: 035-724158

Type of Business: The Company operates three following businesses:

- (1) Solid Fuel:** Business operation in the coal production and distribution domestically and overseas
- (2) Liquid Bio-Fuel:** Business operation in the ethanol production and distribution for bio-fuel purposes
- (3) Renewable Energy:** Business operation in investment and service in renewable energy businesses

Registered and Paid-up Capital: 524,999,679 ordinary shares at a par value of Baht 1 per share, for a total paid-up registered capital of Baht 524,999,679.

Registrar: Thailand Securities Depository Co., Ltd., 93 Stock Exchange of Thailand Building, Rajadapisek Road, Dindang, Bangkok 10400 Tel.: 0-2009-9999, Fax: 0-2009-9991

Auditor: Ms. Patcharawan Koonarangsri, certified public accountants no. 6650; and/or Ms. Siriwan Suratepin, certified public accountants no. 4604; and/or Ms. Kamontip Lertwitworatep, certified public accountant no. 4377 of EY Office Limited with address at 193/136-137 Ratchadapisek Rd., Klongtoey, Bangkok 10110, Tel.: 0-2264-9090, Fax: 0-2264-0789-90

Legal Advisor: Dharmniti International Co., Ltd., 2/2 Bhakdi Building, 2nd Floor, Wireless Road, Lumpini, Pathumwan, Bangkok 10330, Tel.: 0-2680-9777, Fax: 0-2680-9711

For more information on the Company Profile, please refer to the Annual Report 2021 (Form 56-1 One Report) on the Company website (www.lannar.com).

(1.2) BUSINESS ACTIVITIES

(1.2.1) REVENUE STRUCTURE

Company's Revenue Structure	Year 2019		Year 2020		Year 2021		
	Million Baht	%	Million Baht	%	Million Baht	%	
Revenues from Coal Sales	6,719.81	71.94	7,105.88	74.26	13,527.17	85.32	
Revenues from Ethanol Sales	2,534.00	27.13	2,405.99	25.14	2,207.30	13.92	
Other Revenues	86.85	0.93	57.27	0.60	119.96	0.76	
Total Revenue	9,340.66	100.00	9,569.14	100.00	15,854.43	100.00	
Revenue Structure of Subsidiary and Associated Companies	Direct and Indirect Shareholding %	Year 2019		Year 2020		Year 2021	
		Million Baht	%	Million Baht	%	Million Baht	%
Thai Agro Energy Public Co., Ltd.	51						
Ethanol Sales Revenue		2,534.00	98.32	2,405.99	99.89	2,207.30	99.97
Other Revenues		43.22	1.68	2.61	0.11	0.63	0.03
Total Revenue		2,577.22	100.00	2,408.60	100.00	2,207.93	100.00
PT. Singlurus Pratama	65						
Coal Sales Revenue		2,450.61	98.98	3,545.46	98.75	7,049.76	98.80
Other Revenues		25.32	1.02	44.96	1.25	85.81	1.20
Total Revenue		2,475.93	100.00	3,590.42	100.00	7,135.57	100.00
PT. Lanna Harita Indonesia	55						
Coal Sales Revenue		3,390.37	99.33	2,346.92	99.51	5,740.87	99.74
Other Revenues		22.97	0.67	11.47	0.49	15.07	0.26
Total Revenue		3,413.34	100.00	2,358.39	100.00	5,755.94	100.00
PT. Lanna Power Indonesia	99.975						
Coal Sales Revenue		-	-	-	-	-	-
Other Revenues		5.01	100.00	1.86	100.00	0.65	100.00
Total Revenue		5.01	100.00	1.86	100.00	0.65	100.00
United Bulk Shipping Pte. Ltd.	49						
Ocean Freight Shipping		187.65	99.97	231.10	99.96	278.80	100.00
Other Revenues		0.06	0.03	0.10	0.04	-	-
Total Revenue		187.71	100.00	231.20	100.00	278.80	100.00
Lanna Power Generation Co., Ltd.	99.99985						
Wood Pellet Sales Revenue		-	-	2.99	96.14	-	-
Other Revenues		0.06	100.00	0.12	3.86	1.57	100.00
Total Revenue		0.06	100.00	3.11	100.00	1.57	100.00
SRT Power Pellet Co., Ltd.	99.9998						
Wood Pellet Sales Revenue		-	-	16.69	99.46	1.86	7.78
Other Revenues		-	-	0.09	0.54	22.06	92.22
Total Revenue		-	-	16.78	100.00	23.92	100.00
PT. Pesona Khatulistiwa Nusantara	10						
Coal Sales Revenue		-	-	-	-	2,044.12	99.16
Other Revenues		-	-	-	-	17.36	0.84
Total Revenue		-	-	-	-	2,061.48	100.00

Remark: Revenues are accounted from when the Company has acquired the shares.

(1.2.2) BUSINESS INFORMATION

Domestic Coal Business

The Company imports coal from the joint venture coal mining projects and from other sources in Indonesia for distribution in Thailand by either direct delivery and for inventory and processing before delivery to the customers at Ayutthaya Coal Distribution Center, located in Nakornluang District, Ayutthaya Province on an area of 31 rai and 29 square wah, which can support over 200,000 metric tons of coal inventory. The Company's domestic coal market share in 2021 was approximately 5 percent of the amount of coal used in the industrial sector, excluding coal used for electricity production of independent power producer (IPP) and small power producer (SPP). The majority of domestic coal consumption in 2021 was mainly by cement industry at approximately 33 percent with the remaining 67 percent by electricity production and other industries, which excludes electricity production from the Electricity Generating Authority of Thailand (EGAT). It is expected that the consumption of coal, with lower cost per heat unit than other types of fuel, will continue to increase in the future.

Overseas Coal Business

For more than 20 years, the Company has invested in joint venture coal mining projects in Indonesia, of which coal is imported for distribution to the domestic customers and exported to other countries especially in the Asia region market, such as India, Japan, South Korea, Taiwan, Hong Kong, etc. Coal produced by the Company has good quality with reputable brand and trusted by both domestic and overseas customers. The Company is one of the highly regarded and reliable coal companies in the Asia region.

PT. Lanna Harita Indonesia ("LHI"), a subsidiary company registered in Indonesia, with Lanna Resources Public Co., Ltd. directly holds shares at 55 percent of the paid-up capital, conducts coal mining business operation in Samarinda district, Kutai Regency, East Kalimantan, having received the coal mining concession (Coal Contract of Work) from the Indonesian Government for coal production and distribution for a period of 30 years (from 2001 to 2031). The remaining coal reserves are estimated at 20 million metric tons. Currently, the production capacity is approximately 3.5 million metric tons per year.

PT. Singlurus Pratama ("SGP"), a subsidiary company registered in Indonesia, with Lanna Resources Public Co., Ltd. directly holds shares at 65 percent of the paid-up capital, conducts coal mining business operation in Kutai Regency, East Kalimantan, having received the coal mining concession (Coal Contract of Work) from the Indonesian Government for coal production and distribution for a period of 30 years (from 2009 to 2039). The remaining coal reserves are estimated at 43 million metric tons, which has increased its coal production capacity from approximately 3.5 million metric tons in 2021 to 4-5 million metric tons in the following years. At present, SGP has developed a new coal deposit (Argosari Block or "AG") within the coal concession area of SGP by having constructed hauling road and port and jetty, including coal processing plant and stockyard areas, having coal stockpile capacity of 140,000 metric tons, and there is also a 1.70-km long conveyor belt extending from the port to jetty at the sea. The production and distribution of coal from AG Block has started since January 2020, and the plan is to produce and sell coal from AG Block of approximately 2-3 million metric tons per year. Coal produced from AG Block has a good quality coal with relatively high calorific value of 4,600-5,000 Kcal/Kg (GAR) and low sulphur value, which should be easily marketable and earns good profit margin. In addition, SGP is in the process of developing a new coal deposit (Margomulyo Block or "MG"), which is scheduled to begin the production and distribution of coal from MG within 2022 of approximately 0.5 million metric tons before increasing to 1-1.5 million metric tons in the following years.

PT. Pesona Khatulistiwa Nusantara (“PKN”) a subsidiary company registered in Indonesia, with Lanna Resources Public Co., Ltd. directly holds shares at 10 percent of the paid-up capital, conducts coal mining business operation in Bulungan Regency, North Kalimantan, having received the coal mining concession (Coal Contract of Work) from the Indonesian Government for coal production and distribution for a period of 30 years (from 2009 to 2039). The remaining coal reserves are estimated at not less than 36 million metric tons with production capacity in 2021 of approximately 3.5 million metric tons per year, and plans to increase production capacity to 5.5 million metric tons in year 2022.

United Bulk Shipping Pte. Ltd. (“UBS”), an associated company registered in Singapore, with Lanna Resources Public Co., Ltd. directly holds shares at 49 percent of the paid-up capital, has been established to undertake business in ocean freight transport and coal trading, which has effectively managed coal transport services for imported coal into Thailand and coal distribution to other countries at reasonable costs.

Ethanol-for Fuel Business

Thai Agro Energy Public Co., Ltd. (“TAE”), a subsidiary company registered in Thailand, with Lanna Resources Public Co., Ltd. directly holds shares at 51 percent of the paid-up capital, conducts business in the production and distribution of ethanol (99.5% anhydrous alcohol by volume) for bio-fuel purpose, with two ethanol production plants operating in Dan Chang District, Suphanburi Province consisting of the Production Line No. 1 with a production capacity of 150,000 liters per day and the Production Line No. 2 with a production capacity of 200,000 liters per day, totaling 350,000 liters per day, utilizing molasses and cassava as main raw materials. Both ethanol plants have received investment privileges under the Investment Promotion Act B.E. 2520. Ethanol is a clean fuel used for blending with gasoline at 10, 20 and 85 percent to become gasohol, namely E10, E20 or E85, that can be used by automobiles in general. Additionally, the ordinary shares of Thai Agro Energy Public Company Limited have been listed in the Stock Exchange of Thailand and security trading has started since June 5, 2014.

RENEWABLE ENERGY BUSINESS

Lanna Power Generation Co., Ltd. (“LPG”), a subsidiary company registered in Thailand in year 2016, with Lanna Resources Public Co., Ltd. directly holds shares at 99.99985 percent of the paid-up capital, having objectives to study and prepare for an investment in renewable energy business both domestically and overseas. In 2020, LPG invested in the acquisition of ordinary shares and preferred shares of SRT Power Pellet Co., Ltd. (“SRT”) with shareholding of 99.9998 percent of the paid-up capital, conducting commercial business of production and distribution of wood pellet with manufacturing plant in Khian Sa District, Surat Thani Province, with production capacity of 60,000 metric tons per year. In addition, the Company and LPG are still looking for investment opportunities and conduct feasibility studies for additional investments in renewable energy projects both domestically and overseas such as biomass energy business, electricity generation from biomass fuels, etc., including investment and development of other energy businesses such as solar energy, wind energy, electric charging station (EV Charging) or related projects, etc., which should bring in more revenues and profit in the future.

SRT Power Pellet Co., Ltd. (“SRT”), a subsidiary company registered in Thailand, with Lanna Power Generation Co., Ltd. (“LPG”), which is Company’s subsidiary, having invested in the acquisition of ordinary shares and preferred shares of SRT at 99.9998 percent of the paid-up capital, conducting commercial business in the production and distribution of wood pellet, having manufacturing plant in Khian Sa subdistrict, Surat Thani Province, 60,000 metric tons per year production capacity. The raw material is mainly from agricultural product wastes such as wood chips, wood slabs from furniture industry, and rubber wood roots, being fed through production process and compressed into wood pellets, which are suitable as biomass fuel for the boilers and furnaces in the electricity power and steam generation and several other industries. Currently, SRT has been affected by the pandemic situation of COVID-19, with a decline in furniture exports causing shortages of wood raw materials, which is the main raw material for wood pellet production, and thus the prices are increased considerably. This affects the operation results of SRT resulting in a net loss in 2021. Therefore, the Company has restructured its investment in SRT to be more flexible by having SRT to transfer the business to LPG, which is expected that wood pellet business trend will continue to improve in the future.

PT Lanna Power Indonesia (“LPI”), a subsidiary company registered in Indonesia, with Lanna Resources Public Co., Ltd. directly holds shares at 99.975 percent of the paid-up capital, which had conducted coal trading business by importing coal for further selling to customers, as well as to seek additional investment opportunities in power plants and renewable energy projects in Indonesia. Nonetheless, the Company has decided to dissolve and liquidate LPI due to current business situation in Indonesia, whereby laws and regulations recently issued by the Government of Indonesia have become more stringent, making coal trading business of LPI more difficult to operate and LPI had no longer conducted coal trading business. In addition, for the development of power generation and renewable projects in Indonesia, a new or separate single-purpose company must be established to conduct such business, by which the Company may establish a new company in Indonesia when interesting investment projects have come up in the future. It is expected that the dissolution and liquidation of LPI will be completed within 2022.

(1.2.3) COAL BUSINESS

Coal Characteristics

Coal is a fossil fuel, consisting of volatile matter, inherent moisture and important combustible mixture of carbon. After combustion with the volatile matter and inherent moisture driven out, small portion of coal ash remains. Coal is found in various forms or grades based on the contents of heating or calorific value, volatile matter and fixed carbon, representing in descending order of quality in 4 groups from (1) anthracite, (2) bituminous, (3) sub-bituminous, and (4) lignite. The indigenous coal deposits in that have been explored and extensively developed for local industries in Thailand are generally of lignite grade. Imported coal is mostly of bituminous grade which contains higher calorific value than lignite coal produced in Thailand.

The price of coal is usually determined based on the quality of coal, consisting of calorific value, moisture, volatile matter, fixed carbon, ash, sulfur and size.

Coal Production

Coal is formed in several stages from plant remains that have been compacted, hardened, chemically altered and metamorphosed by heat and pressure over millions of years. Therefore, in order to develop a coal mine, coal exploration works are required for the collection and interpretation of geological data in order to learn about the thickness of coal seams, boundary areas of the coal resource, chemical content and quality, and economic reserve estimation. The development of coal deposit is generally based on the information and data obtained from these exploration programs. Accordingly, the production of coal consists of following three major steps:

(1) Coal Exploration: The exploration program begins with the preliminary collection and analysis of the land surface and geological data at the target areas. Subsequently, fieldwork includes scout drilling to study the formation and type of soil and rock, and geological structure of the target areas to ascertain that there exists the coal deposit with further assessment of coal quality and reserve estimation for economic analysis to facilitate a decision for further development of the coal mine.

(2) Coal Mining: Before proceeding with coal mining operation, more detail drilling activities are required to collect and interpret necessary information and data of the mining areas; such as, coal reserves and quality for each of the coal seam formations including soil layers. The collected data and information will be used to determine the mine master plan which includes the analysis of mining costs and mining methods, as well as the quantity and areas for overburden removal and coal winning logistics, and also selection of suitable mining equipment and machinery.

(3) Coal Dressing: In order to attain the quality as required by the users or customers, coal extracted from the coal mining operation need to go through coal dressing process which includes crushing, sizing, sorting and washing to remove any contaminations, etc.

Coal Pricing Policy

Coal pricing is mainly determined by its heating value, similar to other type of fuels. Coal sale price for each customer varies depending on certain factors such as order volume, coal specifications such as calorific value, credit term and other conditions specified by the customer. These factors shall be used to determine the coal price fairly and similarly with all the customers. The price for imported coal is based on the agreement with each customer which can either be priced on FOB or CIF basis, or priced as delivered to the customer's factory, etc.

Coal Distribution

For coal distribution in the domestic market, the Company directly sells coal directly to customers without going through agent. As for the overseas market, coal are sold directly to the customers or through coal trading agents, mostly on the credit term basis, of which the Company carefully provides credit terms only for the longtime customers with stable financial status. For new customers, the Company protects the risk by having a letter of credit (L/C) opened by the customer. Since the start of operation in 1985, the Company has encountered very few bad debts from the sales of coal.

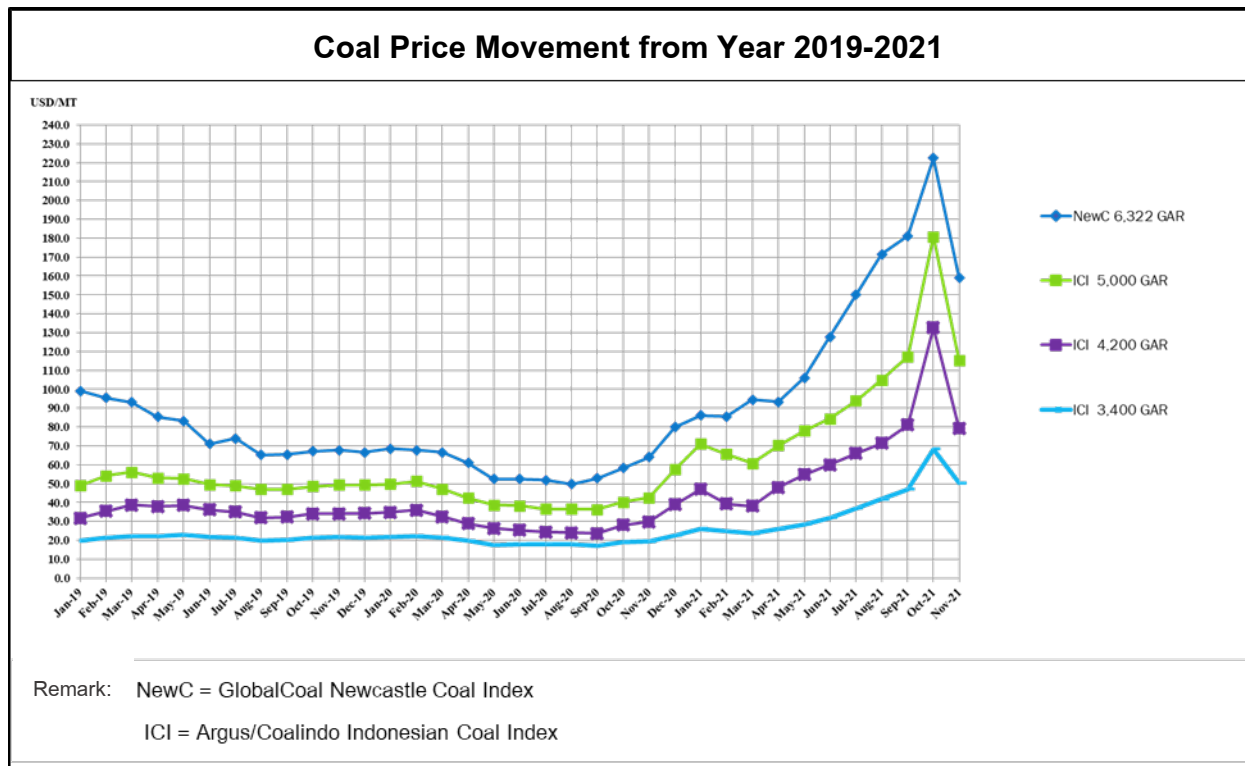
Competitive Strategy

The Company focuses mainly on the service and quality control of the coal products as its marketing strategy rather than relying on pricing strategy. In addition, the Company has continually developed ways to produce high quality coal by bringing in modern technology for continuing improvement of coal production and operation.

Competition

The domestic coal distribution business has been recognized as an oligopoly market with only a few numbers of operators, having group of large and small industrial customers with the major competitor is Banpu Public Co., Ltd. Nevertheless, since the Company has its own coal mines with high quality coal and decades of mineable reserves, therefore possesses sufficient competitive advantage and business potential.

Industrial Trend



The pandemic situation of the coronavirus disease 2019 (“COVID-19”) continues to occur throughout the world during 2021 for the second consecutive year since 2020. However, with prevention and control measures, the pandemic situation of COVID-19 began to improve in many countries around the world with the economic necessity and for the people’s life to return to normal as soon as possible. Accordingly, many countries have begun to ease their control measures and opening up the countries, as a result, consumption in the industrial sector, including exports, tourism and services have increased, economic dynamics gain more confidence and are currently able to move forward. As a result, the total energy consumption has increased, including global coal consumption in 2021 increased from 2020 by more than 6 percent or approximately 7,906 million metric tons, especially in China with coal consumption of 4,130 million metric tons, an increase of more than 4 percent from 2020, and India’s coal consumption in 2021 is approximately 1,056 million metric tons, an increase of 13 percent from 2020, the combined coal use of these two countries is more than 65 percent or about two-thirds of the world’s coal consumption, this does not include consumption from other Asian countries, especially Southeast Asian and South Asian countries, including Pakistan and Bangladesh, where the growth rate of coal consumption has increased steadily and significantly. In the part of market and price, especially the export market of major coal producing countries such as Indonesia, Australia, and South Africa has hit a record for the highest price of coal which is higher than the previous highest record in year 2008. This was due to the rapidly increasing demand for coal delivery during the same period, in addition to the pressure in the coal production sector that there are limitations to coal mining operators to increase their coal production capacity from the reduction or slowdown during year 2020 with the severe spread of COVID-19 pandemic situation, including continuous monsoon and rainy weather conditions, while the operators lack of readiness or insufficient number of machines for production increase, and problems concerning logistics, resulting from significant increase of overall demand.

The forecast on coal demand from the recent studies by the Energy Information Administration (“EIA”) based on an analysis of economic growth data, amount of electricity demand, capacity of each type of electricity generation, cost of fuel and different energy prices, coal use in other industries, coal use for heat generation in households during winter, including the results that will occur under the Paris Agreement that many countries have agreed in 2015 to work together to reduce greenhouse gas emissions to protect nature and mitigate climate change. After 2021 to 2024, global coal consumption is expected to increase from 7,906 million metric tons in 2021 to 8,013 million metric tons in 2024, but this is a slower rate of coal consumption growth, by which the increase in coal consumption will come from China with an increase of 135 million metric tons, from India with an increase of 129 million metric tons, and from Southeast Asia with an increase of 50 million metric tons, while there will be a reduction in coal consumption from the European Union countries by 102 million metric tons and the United States of America by 77 million metric tons. The forecast above is based on global GDP estimates at 4% (Compound Average Annual Growth Rate) from 2022 to 2024. As for the main factor that will adversely affect the global coal consumption estimates will be the fact that the economic figures may not be in line with the above estimates, especially with the major consumer, China, which has a huge impact on overall coal consumption, and another variable that will have a significant impact on the adjustment of energy type proportion is the difference between natural gas prices and coal used for electricity generation.

As for the coal export market, there is still a chance to experience high rate of volatility due to the major consuming countries, especially China, which operates domestic coal production for the most part and can increase or reduce coal imports by adjusting its own production capacity and domestic usage. In addition, government policies or the difference in coal prices between the domestic market and imports, as well as for coal producing and exporting countries such as Indonesia and Australia, there are also limitations for increasing production capacity and investing in new coal mining projects while coal prices were at low level in 2020. Moreover, it is likely that Indonesia, the number one coal exporter, will increase domestic coal consumption and the government can implement mechanism to regulate and control the country’s coal exports.

(1.2.4) ETHANOL-FOR-FUEL BUSINESS

Ethanol, also known as ethyl alcohol is an alcohol derived from the processing of agricultural products of starch and sugar crops such as cassava, sugarcane, molasses and corn, etc., derived from digestion of starch to sugar (in case of starch raw material), and fermentation to convert sugar to alcohol; and then followed by distillation and dehydration to produce alcohol at the desired purity, up to 99.5% by volume.

The molecular formula of ethanol is C_2H_5OH with a boiling point at around $78^{\circ}C$. In general, its properties are transparent liquid, colorless, flammable, and high octane fuel, which can be blended with gasoline at an appropriate amount to produce a clean and complete combustible fuel and reduce air pollution with less formation of hydrocarbon compound, carbon monoxide (CO) and carbon dioxide (CO_2), which is the main cause of greenhouse effect in the atmosphere.

Production of Ethanol for Fuel

Thai Agro Energy Public Co., Ltd. ("TAE"), a subsidiary company, produces ethanol for fuel by using molasses and cassava as its main raw material. The ethanol production process consists of four main stages as follows:

(1) Mash Preparation: each type of raw material requires different processes as follows:

(a) Molasses: Preparation of molasses before fermentation by dilution with water for suitable concentration and added with acidic additive, causing organic substance or salt to settle from the molasses solvent.

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

(2) Fermentation: Solvent from the first stage is fed to fermentation tanks with yeast being added to convert sugar into alcohol.

(3) Distillation: Fermentation mash from the second stage is fed to the distillation column to separate contaminants and water producing about 96 percent pure alcohol which is the maximum concentration that can be achieved through this normal fermentation process. The remaining 4 percent of water shall be removed by the final stage.

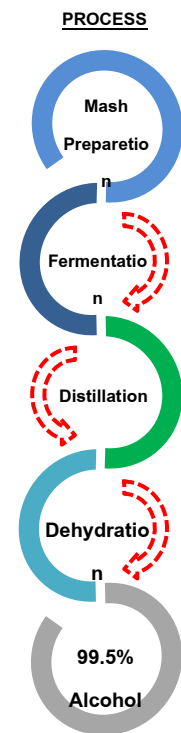
(4) Dehydration: The water removal process for producing the dehydrated alcohol from the distillation process into 99.5 percent pure alcohol. Water content is absorbed by zeolites molecular sieves in two dehydration units. The dehydrated alcohol will then be distilled and cooled down before being stored for further distribution.

Ethanol Pricing Policy

The Energy Policy Council (EPC) has approved the reference ethanol pricing by comparing the lowest prices between the ethanol price as reported to the Excise Department by ethanol producers and the ethanol price as reported to the Energy Policy and Planning Office (EPPO), Ministry of Energy, by Section 7 traders under the Fuel Trade Act B.E. 2543. The reference pricing was to be effective from December 2015 onwards. Currently, the Energy Policy and Planning Office ("EPPO") is under a review process for the criteria determining the biomass fuel prices in order to reflect current situation for fairness to every sector as the production and technology conditions have changed. Such new criteria is expected to be completed within 2022.

The determination of ethanol selling price is based on cost-plus-margin basis, as well as other factors, including, ethanol raw material price, supply and demand, and domestic and international competition.

ETHANOL PRODUCTION



Ethanol Sales and Distribution Channels

In compliance with the regulation of the Excise Department, the ethanol product sold to oil companies must undergo denaturation process, in which ethanol of at least 99.5 percent by volume is mixed with gasoline or gasohol of 0.5 percent by volume. The result is denatured ethanol that can be sold to oil companies according to Section 7 of Fuel Trade Act B.E. 2543. The denatured ethanol purchased by the oil companies is then blended with gasoline at 10, 20 or 85 percent to become the Gasohol E10, E20 or E85. While most customers are responsible for the transportation of ethanol, in some cases the sellers are responsible for the transportation to the storages of a few other customers. Most of the sales are on credit term basis, and the customers are large oil companies with stable financial status. Therefore, there is no risk of customers not paying debt in the future.

Competitive Strategy

Priorities are to given to service and quality control of the products which have earned customers' trust, making it possible to retain majority of the market share.

Ethanol Industrial Trend

Ethanol consumption demand in year 2021 averaged at 3.71 million liters per day, which was lower than 2020 by 7.25 percent, due mainly from the coronavirus disease 2019 ("Covid-19") pandemic that has continued to exist since 2021. Accordingly, lockdown and work from home measures have been carried out periodically, including new strain of Covid-19 has started during the end of 2021, have resulted in a drastic reduction of oil consumption from public sector. In addition, the number of passenger cars up to 7 people registered in 2021 has reduced from 2020 by 43,596 cars or 7.79 percent.

Demand for Ethanol-for-Fuel

Description	(Unit : Million Liters)					
	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	Year 2021
Ethanol Consumption Volume	1,334.91	1,435.40	1,532.65	1,629.90	1,519.98	1,355.67
Average Daily Ethanol Consumption	3.66	4.00	4.20	4.43	4.00	3.71
Source: Department of Alternative Energy Development and Efficiency, Ministry of Energy						

Market Share of Ethanol Business

Year	Domestic Ethanol Consumption (Million Liters)	Denatured Ethanol Sales Volume of TAE (Million Liters)	Market Share of TAE (%)
2016	1,334.91	105.92	7.93
2017	1,435.18	98.09	6.83
2018	1,532.65	115.83	7.56
2019	1,629.90	117.02	7.18
2020	1,519.98	104.425	6.87
2021	1,355.67	85.352	6.30
Remarks : (1) TAE's market share in 2021 was 6.30 percent, a decrease of 0.57 percent from 2020. (2) Source: Department of Alternative Energy Development and Efficiency, Ministry of Energy			

(1.2.5) FUTURE INVESTMENT PROJECTS

The Company has established business plan and investment strategy by following diversification strategy guidelines; nonetheless such development or investment shall be under prudent and careful consideration with appropriate diversification of risks, in order for the Company to develop with quality, stability and sustainability in long term. In addition, the Company places importance on business operations with good corporate governance with social and environment responsibility. Currently, the Company's core business is in the coal business, having two existing coal mining concessions in Indonesia and has recently invested in the third coal mining concession in 2021, in which the concession period of these three coal mines shall last for than 10 years with large amount of good quality coal reserves that can earn revenues and income continuously for a long time into the future. Nonetheless, current global trend has negative view on fossil fuels, namely oil, natural gas and coal, which are regarded as important factor for creating greenhouse gases, which cause global warming condition, seriously impacting climate conditions, by which there have been attempts to reduce and replace fossil fuels with renewable energy. However, in reality, fossil fuels are currently still the main energy sources and there are still a lot of limitations for switching to alternative energy or renewable energy for the main energy sources. Thus, fossil fuels remain necessary during this transitional period, including coal, which is still required for electricity generation and industrial process, especially with higher demand from countries in the Asia Region, albeit with declining rate of demand in the future. In any case, the Company, with knowledge and expertise in the coal business, is still looking for more investment opportunities in coal concessions in Indonesia in order to compensate for the reduction in coal reserves resulted from continuous production and distribution of coal every year.

The Company realizes about the climate change issues and places importance on the effective utilization of resources by giving priority to environmental care and endeavor, to develop and achieve Company's goal toward carbon neutrality in the near future. The Company has established plan to create balances in its investments by focusing on future investments in the clean or renewable energy businesses, which are environmental friendly and have continued to expand; for instance, projects involving solar energy, wind energy, hydro energy and biomass energy, etc. Especially at present, the government sector has encouraged and increased its support for renewable and clean energy projects. Accordingly, the Company is looking for business opportunities or investment channels in order to achieve another round of business growth or a new s-curve by trying to think outside the box from previous energy business development concept, being more creative in order to develop a new business, which is non-coal, albeit without knowledge or expertise in such business. Such investment can be undertaken through business takeover, merger and acquisition or joint venture partnership deal, etc. The objective is to find opportunity or channel for investment in the other business to supplement revenues and income from the Company's existing coal business and ethanol business, which should contribute to Company's growth with stability, quality and sustainability in long term according to established guidelines and objectives.

(1.2.6) ASSETS USED IN BUSINESS OPERATIONS**Land, Building and Equipment**

Category/Type of Asset	Owner	Objective	Book Value as at December 31, 2021 (Unit: Million Baht)
(A) Land and Land Improvement			
(1) Ayutthaya Coal Distribution Center, having area of 31 rai 29 square wah	LANNA	Warehouse and Coal Distribution Center	241.29
(2) Indonesia Coal Mine (2 nd Coal Concession)	SGP	Coal Mining	17.58
(3) Suphanburi Province, having area of 1,848 rai 0 ngan 59.40 square wah	TAE	Ethanol Production Plant Location	315.54
(B) Buildings and Structures			
(1) Ayutthaya Coal Distribution Center	LANNA	Warehouse and Coal Distribution Center	30.34
(2) Indonesia Coal Mine (1 st Coal Concession)	LHI	Coal Mining	6.69
(3) Indonesia Coal Mine (2 nd Coal Concession)	SGP	Coal Mining	271.60
(4) Ethanol Production Plant	TAE	Ethanol Production	391.80
(C) Machinery and Equipment			
(1) Ayutthaya Coal Distribution Center	LANNA	Warehouse and Coal Distribution Center	37.25
(2) Indonesia Coal Mine (1 st Coal Concession)	LHI	Coal Mining	42.93
(3) Indonesia Coal Mine (2 nd Coal Concession)	SGP	Coal Mining	588.53
(4) Ethanol Production Plant	TAE	Ethanol Production	1,444.07
(D) Land, Buildings and Equipment under Procurement/Construction			
(1) Ayutthaya Coal Distribution Center	LANNA	Warehouse and Coal Distribution Center	8.66
(2) Indonesia Coal Mine (2 nd Coal Concession)	SGP	Coal Mining	29.40
(3) Ethanol Production Plant	TAE	Ethanol Production	545.23
Remarks : LANNA = LANNA RESOURCES PUBLIC CO., LTD., LHI = PT.LANNA HARITA INDONESIA, TAE = THAI AGRO ENERGY PUBLIC CO., LTD., SGP = PT.SINGLURUS PRATAMA			

The Company and its subsidiaries are the owners of assets such as land, buildings and machinery used for business operations, and the land, buildings and equipment of certain subsidiaries are bound by obligations as follows:

The local subsidiaries have mortgaged part of their land and construction thereon and machinery with net book value as at 31 December 2021 amounting to approximately Baht 1,314 million (2020: Baht 1,469 million) as collateral for short-term and long-term loans and credit facilities granted by a commercial bank

The overseas subsidiary has mortgaged part of its land, machinery, and equipment with net book value as at 31 December 2021 amounting to approximately USD 20.1 million or equivalent to Baht 670.9 million (31 December 2020: USD 22.7 million or equivalent to Baht 681.7 million) as collateral for short-term and long-term loans and credit facilities granted by a commercial bank.

The Company had investment properties, which mainly are plots of land of Paka mine, and property, plant in Ubon Ratchathani province, which is owned by subsidiary with an aggregate net book value of approximately Baht 57.53 million. The Group is considering making use and/or selling such assets to other parties. Therefore did not set aside any reserve for any impairment in the account.

Coal mining concession

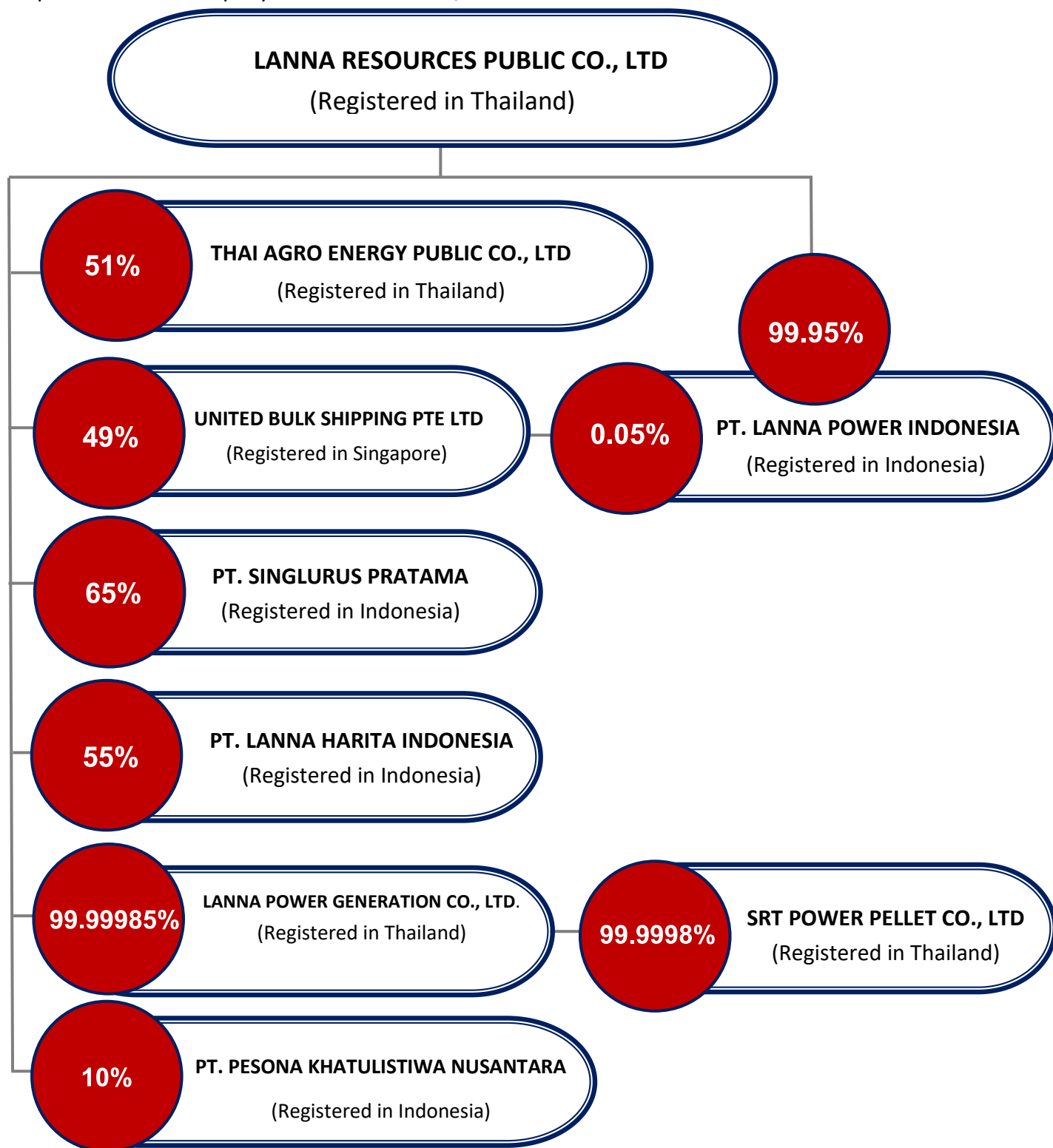
PT. Lanna Harita Indonesia, subsidiary company, had been granted the right under a Coal Contract of Work (“CCOW”) from the Indonesian government to explore for and exploit coal for a period of thirty years in a total survey area of 30,018 hectares or approximately 187,612.50 Rai in Tanah Merah in Samarinda and Kutai, East Kalimantan, Indonesia. It has a period of 30 years from 2001 to 2031 still has reserves of proven reserves not less than 20 million tons. The subsidiary has a continuing obligation to pay a fee and compensation under the contract of 13.50 percent from coal price.

PT. Singlurus Pratama, subsidiary company, was granted the right under a Coal Contract of Work (“CCOW”) from the Indonesian government to explore for and exploit coal for a period of thirty years beginning at the commencement of the first mining operation in a total survey area of 24,760 hectares or approximately 154,750 Rai in Kutai, East Kalimantan, Indonesia. . It has a period of 30 years from 2009 to 2039 still has reserves of proven reserves not less than 43 million tons. The subsidiary has a continuing obligation to pay a fee and compensation under the contract of 13.50 percent from coal price.

(1.3) SHAREHOLDING STRUCTURE OF THE CORPORATE GROUP

(1.3.1) INVESTMENT IN THE SUBSIDIARY AND ASSOCIATED COMPANIES

The Company has invested in six subsidiary companies both direct and indirect shareholding exceeding 50 percent of the paid-up capital, in one associated company in direct shareholding of 49 percent of the paid-up capital, and in one associated company in direct shareholding of 10 percent of the paid-up shares according to the investment structure and profile of each company as at December 31, 2021 below.



Note: Shareholding proportion in each company above represents all shares with voting rights, without any restrictions.

THAI AGRO ENERGY PUBLIC CO., LTD. (REGISTERED IN THAILAND)

Location: 888/114 Mahathun Plaza Building, 11th Floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330, Tel.: 02-627-3890-94, Fax: 02-627-3888-89

Type of Business: Listed company in the Stock Exchange of Thailand with a business of Production and Distribution of Ethanol-for-Fuel (99.5% Anhydrous Alcohol by volume)
The ethanol is a clean fuel used in 10%, 20% and 85% mixture as Gasohol E10, E20 and E85 for automobiles.

Registered Capital: 1,000,000,000 ordinary shares at Baht 1 per share totaling Baht 1,000,000,000

Paid-up Capital: 1,000,000,000 ordinary shares at Baht 1 per share totaling Baht 1,000,000,000

Company's Shareholding: 510,000,000 ordinary shares at Baht 1 per share totaling Baht 510,000,000

Shareholding Proportion: Direct shareholding of 51 percent of paid up capital

PT. LANNA POWER INDONESIA (REGISTERED IN INDONESIA)

Location: The City Tower, 9th Floor #1S, JL.MH. Thamrin No. 81, Jakarta Pusat, 10310 Indonesia, Tel.: 62(21) 3199-7214, Fax: 62(21) 3199-7254

Type of Business: Coal Trading

Registered Capital: 21,000 ordinary shares at USD 100 per share totaling USD 2,100,000

Paid-up Capital: 21,000 ordinary shares at USD 100 per share totaling USD 2,100,000

Company's Shareholding: 20,990 ordinary shares at USD 100 per share totaling USD 2,099,000

Shareholding Proportion: Direct and indirect shareholding of 99.975 percent of the paid-up capital

PT. SINGLURUS PRATAMA (REGISTERED IN INDONESIA)

Location: Sentral Senayan I, 5th Floor, Unit 105B, Jl. Asia Afrika No.8, Gelora Bung Karno Jakarta Pusat 10270, Indonesia Tel.: 62(21) 572-5725

Type of Business: Coal Production and Distribution

Registered Capital: 10,500 ordinary shares at Indonesian Rupiah 1,000,000 per share totaling Indonesian Rupiah 10,500,000,000

Paid-up Capital: 10,500 ordinary shares at Indonesian Rupiah 1,000,000 per share totaling Indonesian Rupiah 10,500,000,000

Company's Shareholding: 6,825 ordinary shares at Indonesian Rupiah 1,000,000 per share totaling Indonesian Rupiah 6,825,000,000

Shareholding Proportion: Direct shareholding of 65 percent of the paid-up capital

PT. LANNA HARITA INDONESIA (REGISTERED IN INDONESIA)

Location: Sentral Senayan I, 5th Floor, Unit 105B, Jl. Asia Afrika No.8, Gelora Bung Karno Jakarta Pusat 10270, Indonesia Tel.: 62(21) 572-5727

Type of Business: Coal Production and Distribution

Registered Capital: 10,500 ordinary shares at USD 1,000 per share totaling USD 10,500,000

Paid-up Capital: 8,000 ordinary shares at USD 1,000 per share totaling USD 8,000,000

Company's Shareholding: 4,400 ordinary shares at USD 1,000 per share totaling USD 4,400,000

Shareholding Proportion: Direct shareholding of 55 percent of the paid-up capital

PT. PESONA KHATULISTIWA NUSANTARA (REGISTERED IN INDONESIA)

Location: Equity Tower, 29th Floor, Jl. Jend Sudirman, Kav 52-53 SCBD Lot 9, Senayan, Kebayoran Baru, Jakarta Selatan 12190 Indonesia
Tel.: 62(21) 515-1591, Fax: 62(21) 515-5363

Type of Business: Coal Production and Distribution

Registered Capital: 615,546,524 ordinary shares totaling USD 40,911,071

Paid-up Capital: 615,546,524 ordinary shares totaling USD 40,911,071

Company's Shareholding: 61,554,652 ordinary shares totaling USD 1,817,431

Shareholding Proportion: Direct shareholding of 10 percent of the paid-up shares

UNITED BULK SHIPPING PTE. LTD. (REGISTERED IN SINGAPORE)

Location: 7 Temasek Boulevard #16-01, Suntec Tower One, Singapore 038987
Tel.: (65) 6305-7368, Fax: (65) 6238-1301

Type of Business: Ocean Freight Shipping

Registered Capital: 1,000,000 ordinary shares at USD 0.71429 per share totaling USD 714,290

Paid-up Capital: 100,000 ordinary shares at USD 0.71429 per share totaling USD 71,429

Company's Shareholding: 49,000 ordinary shares at USD 0.71429 per share totaling USD 35,000

Shareholding Proportion: Direct shareholding of 49 percent of the paid-up capital

LANNA POWER GENERATION (REGISTERED IN THAILAND)

Location: 888/98 Mahathun Plaza Building, 9th Floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330, Tel.: 02-252-4469, Fax: 02-255-2676

Type of Business: Investment and service in renewable energy business

Registered Capital: 60,000,000 ordinary shares at Baht 5 per share totaling Baht 300,000,000

Paid-up Capital: 60,000,000 ordinary shares at Baht 5 per share totaling Baht 300,000,000

Company's Shareholding: 59,999,910 ordinary shares at Baht 5 per share totaling Baht 299,999,560

Shareholding Proportion: Direct shareholding of 99.99985 percent of the paid-up capital

SRT POWER PELLET CO., LTD. (REGISTERED IN THAILAND)

Location: 888/127 Mahathun Plaza Building, 12th Floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330, Tel.: 02-002-2922, Fax: 02-002-8266

Type of Business: Wood Pellet Production and Distribution

Registered Capital: 980,000 ordinary shares at Baht 100 per share totaling Baht 98,000,000
120,000 preferred shares at Baht 100 per share totaling Baht 12,000,000
totaling Baht 110 Million

Paid-up Capital: 980,000 ordinary shares at Baht 100 per share totaling Baht 98,000,000
120,000 preferred shares at Baht 100 per share totaling Baht 12,000,000
totaling Baht 110 Million

Company's Shareholding: None

Shareholding Proportion: Indirect shareholding of 99.99965 percent of the paid-up capital

(1.3.2) SHAREHOLDERS

(1) Major Shareholders

Major shareholders and their respective shareholding percentages as at November 1, 2021, which was the Record Date for listing the names of shareholders having right to receive the interim dividend, having details as follows:

List of Shareholders	Number of Shares	Shareholding Proportion (%)
(1) Siam City Cement Public Co., Ltd. Group and its executives	236,863,980	45.12
(2) Mr. Taweecat Chulangkul	45,023,100	8.58
(3) Sirirungsi Group	31,697,781	6.04
(4) Tantisunthorn Group	29,527,240	5.62
(5) Thai NVDR Co., Ltd.	23,507,355	4.48
(6) Mr. Sataporn Ngamruengpong	19,954,200	3.80
(7) Tanchatchawan Group	9,141,500	1.74
(8) Gypsum Industry Company Limited	3,250,000	0.62
(9) Anaktham Group	3,050,000	0.58
(10) Phanwongklom Group	3,016,700	0.57
(11) Other Shareholders	119,967,823	22.85
Total	524,999,679	100.00

(1) The group of “Siam City Cement Public Co., Ltd.” and its executives is the largest shareholder, comprising of Siam City Cement Public Co., Ltd. (“SCCC”), Mr. Vanchai Tosomboon, Mrs. Sunun Mahasandana and Mr. Sivakorn Mahasandana (wife and son of Mr. Siva Mahasandana who is the member of Executive Committee, Director and Chief Executive Officer of SCCC) holding a total of 236,863,980 shares or 45.12 percent of the paid-up capital and all shares with voting right, having 4 representing directors; namely, Mr. Paul Heinz Hugentobler, Mr. Siva Mahasandana, Mr. Vanchai Tosomboon and Mr. Mark Anatol Schmidt, whom are non-executives, with Mr. Vanchai Tosomboon being the Chairman of the Board and authorized director.

(2) Mr. Taweecat Chulangkul is the second largest share, holding a total of 45,023,100 shares or 8.58 percent of the paid-up capital and being all shares with voting rights, having no representative as the director and/or executive.

(3) The “Sirirungsi” group is the third largest shareholder, comprising of Mr. Kraisi Sirirungsi and Ms. Kraikan Sirirungsi, holding a total of 31,697,781 shares or 6.04 percent of the paid-up capital and being all shares with voting right, having one representing director; namely, Mr. Kraisi Sirirungsi, whom is the Management Advisor and Company’s authorized director.

(4) The “Tantisunthorn” group is the fourth largest shareholder, comprising of Mr. Tawee Tantisunthorn, Mr. Visit Tantisunthorn, Mr. Tanat Tantisunthorn, Mr. Boonlieng Tantisunthorn, Mrs. Mullika Intusuth, Mrs. Nalinee Rattanaadi, Mrs. Malee Tantisunthorn, Ms. Wanida Tantisunthorn, Mr. Phongthai Tantisunthorn, and Ms. Siriphan Tissayakorn, holding a total of 29,527,240 shares or 5.62 percent of the paid-up capital and being all shares with voting right, having two representing directors; namely, Mr. Visit Tantisunthorn, and Mr. Tanon Tantisunthorn, whom are non-executive and non-authorized directors.

(5) Thai NVDR Co., Ltd. is the fifth largest shareholder, holding a total of 23,507,355 or 4.48 percent of the paid-up capital and being all shares with voting right, having no representative as the director and/or executive.

(6) Mr. Sataporn Ngamruengpon is the sixth largest shareholder, holding a total of 19,954,200 shares or 3.80 percent of paid-up capital and being all shares with voting rights, having no representatives as the director and/or executive.

(7) Tanchatchawan Group is the seventh largest shareholder, comprising of Mr. Chairat Tanchatchawan, Mr. Boonchai Tanchatchawan, Mrs. Ladda Tanchatchawan and Mrs. Kittma Tanchatchawan, holding a total of 9,141,500 shares or 1.74 percent of paid-up capital and being all shares with voting rights, having no representatives as the director and/or executive.

(8) Gypsum Industry Company Limited is the eighth largest shareholder, holding a total of 3,250,000 shares or 0.62 percent of paid-up capital and being all shares with voting rights, having no representatives as the director and/or executive.

(9) The “Anaktham” Group is the ninth largest shareholder, comprising of Mr. Banyong Anaktham and Ms. Kamonporn Anaktham, holding a total of 3,050,000 shares or 0.58 percent of paid-up capital and being all shares with voting rights, having no representatives as the director and/or executive.

(10) Phanwongklom Group is the tenth largest shareholder, comprising of Ms. Waraporn Phanwongklom and Mr. Yanyong Phanwongklom, holding a total of 3,016,700 shares or 0.57 percent of paid-up capital and being all shares with voting rights, having no representatives as the director and/or executive.

Investors may look at current information on the major shareholders and shareholding proportion eligible for attendance of the Annual General Meeting of Shareholders Year 2022 from the Company’s website, www.lannar.com, prior to the Annual General Meeting of Shareholders Year 2022.

(2) Shareholding in Lanna Resources Public Co., Ltd. by the Directors and Executives

Directors and Executives of the Company must report the shareholding in Lanna Resources Public Co., Ltd. of themselves, their spouses and children whom are minors to the Board of Directors' Meeting by including in the agenda of every Board of Directors' Meeting.

Directors and/or Executives	Year 2021						Number of Shares		
	Number of Shares		Number of Shares		Number of Shares		Increase(+) Decrease(-) in 2021		
	Directors/ Executives	Spouse	Directors/ Executives	Spouse	Directors/ Executives	Spouse	Directors/ Executives	Spouse	
(1) Mr. Vanchai Tosomboon	560,000	-	-	-	560,000	0.107	-	-	-
(2) Mr. Kraisi Sirirungsi	9,697,781	-	-	-	9,697,781	1.847	-	-	-
(3) Mr. Paul Heinz Hugentobler	-	-	-	-	-	-	-	-	-
(4) Mr. Siva Mahasandana	-	10,000	-	-	10,000	0.002	-10,000	-0.002	-
(5) Mr. Mark Anatol Schmidt	-	-	-	-	-	-	-	-	-
(6) Mr. Visit Tantisunthorn	6,430,500	-	-	-	6,430,500	1.225	-	-	-
(7) Mr. Adul Tantharatana	-	-	-	-	-	-	-	-	-
(8) Mrs. Duangkamol Suchato	180,000	-	-	-	180,000	0.034	-	-	-
(9) Mr. Ralph Robert Tye	-	-	-	-	-	-	-	-	-
(10) Mr. Tanon Tantisunthorn	-	-	-	-	-	-	-	-	-
(11) Mr. Anun Louharano	1,380,587	-	-	-	1,380,587	0.263	-	-	-
(12) Mr. Srihasak Arirachakaran	508,010	-	-	-	508,010	0.097	-	-	-
(13) Mrs. Petcharat Chayanon	147,659	-	-	-	147,659	0.028	-	-	-
(14) Mr. Prasert Promdech	-	-	-	-	-	-	-	-	-
(15) Mr. Vacharachai Nachailert	185,303	-	-	-	185,303	0.036	-	-	-
(16) Mr. Sudusit Ounsangchan	901	-	-	-	901	0.010	-54,000	-0.010	-
(17) Mr. Saharat Vatanatumrak	186,986	-	-	-	186,986	0.036	-	-	-
(18) Mr. Bandhit Ngarmkum	-	-	-	-	-	-	-	-	-
(19) Ms. Siriporn Trakoonkitcharoen	129,490	-	-	-	129,490	0.025	-	-	-
(20) Mrs. Prapawan Puengpakdee	43,602	-	-	-	43,602	0.008	-	-	-

Remarks: Disclosed information on shareholding of directors and executives include spouse, minor child, representative and/or related person.

Shareholding in Thai Agro Energy Public Co., Ltd (Subsidiary) by the Directors and Executives

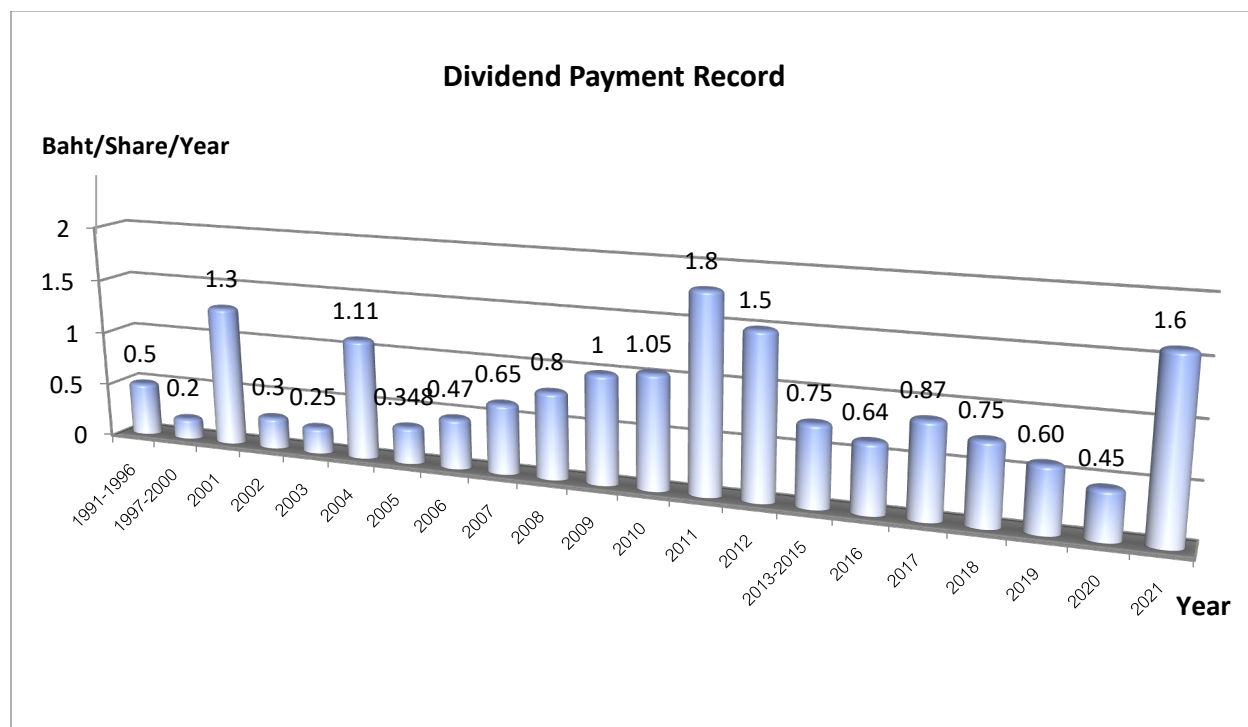
Directors and/or Executives	Year 2021						Number of Shares		
	Number of Shares		Number of Shares		Number of Shares		Increase(+) Decrease(-) in 2021		
	Directors/ Executives	Spouse	Directors/ Executives	Spouse	Directors/ Executives	Spouse	Directors/ Executives	Spouse	
(1) Mr. Vanchai Tosomboon	502,700	-	-	-	502,700	0.050	-	-	-
(2) Mr. Kraisi Sirirungsi	41,200,000	4,100,000	-	-	45,300,000	4.530	-	-	-
(3) Mr. Paul Heinz Hugentobler	-	-	-	-	-	-	-	-	-
(4) Mr. Siva Mahasandana	-	-	-	-	-	-	-	-	-
(5) Mr. Mark Anatol Schmidt	-	-	-	-	-	-	-	-	-
(6) Mr. Visit Tantisunthorn	9,308,600	-	-	-	9,308,600	0.931	-2,876,300	-0.288	-
(7) Mr. Adul Tantharatana	-	-	-	-	-	-	-	-	-
(8) Mrs. Duangkamol Suchato	36,000	-	-	-	36,000	0.004	-	-	-
(9) Mr. Ralph Robert Tye	-	-	-	-	-	-	-	-	-
(10) Mr. Tanon Tantisunthorn	-	-	-	-	-	-	-	-	-
(11) Mr. Anun Louharano	4,771,895	-	-	-	4,771,895	0.477	-	-	-
(12) Mr. Srihasak Arirachakaran	45,940	-	-	-	45,940	0.005	-	-	-
(13) Mrs. Petcharat Chayanon	-	-	-	-	-	-	-	-	-
(14) Mr. Prasert Promdech	-	-	-	-	-	-	-	-	-
(15) Mr. Vacharachai Nachailert	-	-	-	-	-	-	-	-	-
(16) Mr. Sudusit Ounsangchan	-	-	-	-	-	-	-	-	-
(17) Mr. Saharat Vatanatumrak	20,000	-	-	-	20,000	0.002	-	-	-
(18) Mr. Bandhit Ngarmkum	-	-	-	-	-	-	-	-	-
(19) Ms. Siriporn Trakoonkitcharoen	9,000	-	-	-	9,000	0.001	-	-	-
(20) Mrs. Prapawan Puengpakdee	-	-	-	-	-	-	-	-	-

Remarks: Disclosed information on shareholding of directors and executives include spouse, minor child, representative and/or related person.

(1.4) DIVIDEND PAYMENT POLICY

The Company's dividend payment policy to the shareholders: In the case that no additional investment is required and there are no outstanding loans, the Company's dividend payment policy is not less than 60 percent of its net income according to the separate financial statements for each financial period after deduction of legal provisions and the net loss carried forward (if any).

The dividend payment policy of the subsidiary companies to the Company: In the case that the subsidiary company has no additional investment and no outstanding loans, the subsidiary's dividend policy payment is not less than 60 percent of its net income according to the separate financial statements for each financial period after deduction of legal provisions and the net loss carried forward (if any).



Dividend Payment in Year 2021: The Company's net profit according to the separate financial statements was approximately Baht 1,173 million or Baht 2.23 per share. The Board of Directors has proposed for the appropriation of earnings for the purpose of dividend payment to the shareholders at Baht 1.60 per share or 71.62 percent of the net profit according to the separate financial statements, which is in line with the Company's dividend payment policy with higher dividend than previous year of Baht 1.15 per share but lower than the dividend payment ratio of the previous year by 11.51 percent. Regardless, the appropriation of earnings for the purpose of dividend payment above is not final and still pending approval of the Annual General Meeting of Shareholders Year 2022.

Separate Financial Statements	Unit	Y2016	Y2017	Y2018	Y2019	Y2020	Y2021
Net Profit per Share	Baht/Share	0.642	1.44	1.15	0.62	0.56	2.23
Dividend per Share	Baht/Share	0.64	0.87	0.75	0.60	0.45	1.60
Dividend Payment per Net Profit	%	99.63	60.58	65.44	97.25	80.94	71.62

(2) RISK MANAGEMENT

The Company and subsidiary companies place great emphasis on risk management that may possibly impact the achievement of the business operations in the future with prudence and discretion in all aspects, by analyzing and assessing risks continuously in order to manage risks in line with organization's goals and strategic plans, including supervising, improving, establishing risk prevention measures and monitoring to have an effective risk management system, especially during the Coronavirus disease 2019 ("COVID-19) pandemic situation, in order to minimize the risks and mitigate their impacts and made efforts to reduce unpredictability of the overall operations to ensure that the Company and subsidiary companies have a concise and appropriate risk management framework according to the principles of good corporate governance under the management of executives at all level and the supervision of the Board of Directors. The Risk Management Committee held 7 meetings during 2021 and regularly provided risk management reports to the Audit Committee and the Board of Directors on a quarterly basis. The Company has adjusted the risk management in 2021 to be in line with the Company's strategic plan and the changing situation, as well as impact to the global economy, including Thailand, which may continue to have more impact in the following year.

RISKS IN COAL BUSINESS

The Risk Management Committee focuses on revenue and cost of sales management, by having the Management plan on producing and distributing coal in correspondence with the fluctuation of global coal prices, and on foreign currency exchange management to ensure that the Company and its subsidiary companies have good profitability. Management of the significant risks during 2021 can be summarized as follows:

(1) Coal Mining Operation Risk: Subsidiary companies have been granted coal mining concessions (Coal Contract of Work) from the Indonesian government. The Company thoroughly conducts proper exploration and assessment activities on coal deposits to ensure adequate coal reserves for mining. The results of such exploration and assessment are the basis for pit designing and mine master plan preparation. Risks associated with coal mining operation are mainly from natural occurrences, particularly for the coal deposits in Indonesia which experience heavy rain each year, hampering and delaying coal production and delivery. Accordingly, in order to mitigate such risks, the Company has established policy for the coal operation departments to keep adequate inventory of the finished coals for distribution according to the obligations in the advance coal sale agreements.

(2) Coal Price Fluctuation Risk: Coal prices tend to fluctuate similarly to other types of fuel, depending on market demand and supply with several factors affecting coal prices. Coal prices in 2021 had continued to increase; therefore, coal production and distribution plans were adjusted according to the global coal market and price movement, with the Company and subsidiary companies closely monitoring and assessing coal market conditions and price trends in order to determine appropriate timing of coal sale and purchase agreement negotiation with customers. The price is also index-linked corresponding to the market and product mix is adjusted for higher selling price, which have resulted in excellent performance of the subsidiary companies in Indonesia overall, with higher profit in 2021.

(3) Coal Delivery Risk: The risk is mostly from delayed coal delivery to customers and vessel demurrage incurred, which is mostly from unforeseen incidents; for instance, heavy rain preventing coal production according to the established plan. Close communication between sales department and production department, and information tracking system are put in place in order to determine the production capacity, quality, and coal inventory at all time, allowing preemptive change of production and delivery plans. Accordingly, in 2021, the subsidiary companies in Indonesia, were able to manage this coal delivery risk well and effectively, resulting in a faster loading and delivery time than specified in the contracts, which earned quite a lot of despatch bonuses for early delivery.

(4) Risk associated with Being Dependent on Coal Sales to the Major Customers: In 2020, the subsidiary companies in Indonesia have been able to find new customers without having to depend on any specific customer. Additionally, with price of coal lower than other types of fuel, several industrial operators increasingly switch to coal for their source of energy every year, creating more demand to support new customers to distribute the risk for the least impact.

(5) Risk associated with Customers' Defaults on Coal Payment: Majority of domestic coal sales are sold on cash basis but for sales on credit term, the customer must submit commercial bank guarantee contract to the Company as a guarantee for debt payment on coal sales. As for the coal sales of the subsidiary companies in Indonesia require a letter of credit (L/C) before coal delivery. Nonetheless, credit terms are only extended to quality customers. The Company has established the Credit Committee for consideration of credit terms for the customers to carefully screen any credit sales.

(6) Fuel Product Substitutes Risk: Comparing the price per heat unit with other substituted fuels, such as fuel oil, diesel oil, and natural gas, the price per heat unit of coal is still significantly lower. Therefore, the risk from fuel product substitutes is still considered low.

(7) Coal Reserves Risk: In order to mitigate the risk concerning coal reserves depletion, the Company has established a policy for the acquisition of additional coal deposits to increase coal reserves or to extend the mine life. Moreover, operational audit is performed to ensure that the mine design and ongoing coal production process are consistent with the geographic regions and ore deposits orientation. This is to warrant that every process of the production is of international standards and highly effective, allowing complete commercial utilization of coal reserves, according to the Australasian Code for Reporting Mineral Standards ("Joint Ore Reserves Committee Code"). Accordingly, in 2021, the Company has invested in another coal mine concession in Indonesia by acquiring shares in PT. Pesona Khatulistiwa Nusantara ("PKN"), thereby increasing coal reserves of the Company.

(8) Risk associated with Mining Contractors' Operation: The subsidiary companies hire mining contractors for coal mine operations, therefore, if the mining contractors could not perform their operation as planned; for instance, procurement of machinery is not according to the plan or having inadequate maintenance or experiencing labor problems or contractors' working plans lack effectiveness and quality. All these factors would certainly impact coal production and distribution of the Company and the subsidiary companies. Accordingly, in order to prevent such risk, only reliable and experienced mining contractors with good work performance history are hired. The mining contracts are executed with more than one contractor with long term contract to ensure that the contractors have sufficient work for their capital acquisition for machinery purchase and working capital. Additionally, the operations of contractors are closely monitored, and a weekly meeting is held together with each contractor with cooperation from all departments in the Company and the contractors to find ways to prevent problems that may occur and impact operations in the future.

(9) Safety and Environmental Risk: The Company and subsidiary companies have operated in accordance with environmental standards as stipulated by the laws by focusing on appropriate utilization of resources and put emphasis on responsibilities to the community, society, and environment by organizing training courses, preparing emergency plan, warning system and strict compliance control. The subsidiary companies are required to operate by adhering to the mine plan and environmental impact analysis report, which have been approved by the relevant authorities. The mined out land must be rehabilitated for improvement of environment, surrounding and ecology system with plantation of trees which are conservation of nature and improvement of surrounding land for several activities such as agricultural areas, water reservoirs, residential areas, etc. The Company has received the Sustainability Disclosure Acknowledgement Award 2021 as the Company realizes and gives importance to the dissemination of operating information, which covers economic, social and environmental or ESG (Environmental, Social and Governance). In addition, the Company has received the appreciation certificate for participating in the “Low Carbon Industry Development Project based on the Renewable Economy Concept” conducted under the Thailand Greenhouse Gas Management Organization (Public Organization) and the King Mongkut’s University of Technology Thonburi. As for the subsidiary companies with coal mining operations in Indonesia, they have received the Blue Certificate for Environmental Management Year 2021-2022 recognizing their compliance with environmental and safety management standards as required by the laws. In addition, they have received awards and recognitions on the Corporate Social Responsibility due to the support on the universal health coverage for the communities, and the Bronze Certificate for good management of coal business in accordance with relevant regulations and standards for the coal product group of the Coal Contract of Work (“CCOW”). As for the Ayutthaya Coal Distribution Center at Ayutthaya Province, which is the domestic operator, also realizes the importance of responsibilities to the surrounding communities, society and environment and has taken care of the communities, society and environment by planting trees around the area and constructing a permanent wind break, as well as installing high pressure sprinklers to spray water around the coal stockpile and hauling road areas. Wastewater is channeled into the sediment pond so that the sediment will not flow into the public river. Coal hauling trucks are covered with canvases and wheels and tires are cleaned by driving into the water well so to protect them from carrying any scraps onto the public road. Monitoring of air, water, and noise quality are regularly conducted. Moreover, a close system of large silos has been constructed for coal storage, effectively minimizes dust dispersion. Accordingly, in 2021, the Ayutthaya Coal Distribution Center has received the Corporate Social Responsibility-Department of Industrial Works Award (CSR-DIW CONTINUOUS AWARD 2021) and has been certified as the Eco Social Value Factory at the Bronze Awards level from the Department of Industrial Works, the Ministry of Industry.

(10) Risk associated with Compliance with the Regulations and Relevant Laws: The Company and subsidiary companies place emphasis on the compliance with the regulations and relevant laws both in the country and overseas with the awareness of the adverse impacts such warnings, penalty or lawsuit action and damage to the reputation of the Company and subsidiary companies by having the executives to closely monitor and coordinate with related agencies to keep up with the changes in policies, rules, regulations and laws, including hiring legal advisors to interpret and establish guidelines to ensure strict compliance with the laws. Accordingly, one of the subsidiary companies in Indonesia has received awards from the Revenue Department of East Kalimantan for accurate tax compliance in 2021.

(11) Anti-Corruption Risk: The Company places emphasis on anti-corruption policy by establishing strong anti-corruption policy for Lanna Corporate Group to be used as a clear guideline and disseminated to all levels of the organization including third parties by establishing an anti-corruption working team in order to implement the policy, to communicate and to raise awareness in conducting businesses without corruption, by which self-assessment has been conducted on the corruption risk with all departments to improve the rules and regulations relating to daily operations to cover such risks in a concise and adequate manner. The Company has been officially certified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption ("CAC") since July 10, 2014 and has been continuously re-certified until present. In addition, the Company also promotes and supports the subsidiary company to be certified as a member of the CAC. In this regard, Thai Agro Energy Public Co., Ltd., a subsidiary company in Thailand, with ethanol-for-fuel production and distribution, is also certified as CAC member on March 5, 2017 and has been continuously re-certified.

(12) Risk associated with Compliance with Loan Agreements: PT. Lanna Harita Indonesia ("LHI") and PT. Singlurus Pratama ("SGP"), subsidiary companies in Indonesia, including Thai Agro Energy Public Co., Ltd. ("TAE") and SRT Power Pellet Co., Ltd. ("SRT"), subsidiary companies in Thailand, having loans from financial institutions for business operation during 2021. All four companies have correctly complied with the terms and conditions of the loan agreement without any default.

(13) Risk associated with the outbreak situation of the coronavirus disease 2019 ("COVID-19"): Due to the outbreak situation of the COVID-19 since late 2019 until present, the Company and subsidiary companies are aware of the possible impacts such as interruption to the business operations and safety of Company's employees. Accordingly, the Company and subsidiary companies have issued announcements and regulations to communicate with employees for their acknowledgment and adjusted working hours of the employees according to the situation by having the employees work from home ("WFH") and improved information technology system to enable meetings via electronic media, as well as preparing and supporting WFH situation for the employees by providing system with quick and timely connection and communication of important data and information within and outside the organization, resulting in an efficient and smooth business operation, which is deemed important for driving the Company forward. In 2021, the Company and subsidiary companies have continuously monitored the outbreak situation of the COVID-19 and adjusted their strategy for coal production and distribution according to the situation, as well as having coordination in line with the coal sales and delivery plan for the customers with the subsidiary companies having achieved their coal production and distribution targets in 2021, maintaining good level of liquidity, without major or significant impact during this COVID-19 pandemic period. Apparently, one of the subsidiary companies in Indonesia, has received the awards at a Platinum Level for the prevention and control of COVID-19 within the workplace from the Governor of East Kalimantan of Indonesia. As for the domestic coal sales, there was no significant impact as the Company was still able to achieve its coal sales according to the established plan and target.

RISKS IN ETHANOL BUSINESS

Thai Agro Energy Public Co., Ltd. (“TAE”), a subsidiary company in Thailand, conducts its business in the production and distribution of ethanol-for-fuel for blending with the gasoline at different proportions to become the Gasohol for use in automobiles, namely, E10, E20, and E85. TAE is regarded as a midstream industry, which is neither upstream nor downstream industry; therefore, it is important to manage the risk regarding the procurement of raw materials, which is the upstream industry, such as molasses and cassava, etc., including the utilization of biogas as the main fuel, both being the major costs in ethanol production affecting profitability. Significant risk management in year 2021 can be summarized as follows.

(1) Risk associated with Procurement of Main Raw Materials: TAE uses molasses and cassava, which are deemed agricultural products, as the main raw materials to produce the ethanol. Therefore, there are various impacting factors, including climate condition, crop diseases, and annual rainfall, especially plantation areas may vary according to the return or compensation as compared with other agricultural products. Despite the fact that there was higher volume of sugarcane crushing in 2021 than 2020 of over 28.64 percent, but there were large requirement for molasses from the liquor factories and together with the weak Thai baht currency, driving up molasses price. Accordingly, TAE was using cassava products, including tapioca chips, mashed tapioca and tapioca flour as the raw materials for ethanol production in the ethanol production line no. 2 to reduce the risk concerning sole dependency on the molasses as the raw material.

(2) Risk associated with Price Fluctuation of Main Raw Materials: As the main raw materials for ethanol production are agricultural products, their prices vary according to the demand and supply. The changes in the raw material prices directly impact production cost of ethanol. If the raw materials prices rise rapidly, the sales cost and the profit margin of TAE may be affected. Nonetheless, TAE has determined its ethanol selling price based on a cost-plus basis with appropriate gross margin. In addition, market situation and price trend of the raw materials are closely and regularly monitored in order to procure raw materials at competitive price, as well as consider the possibility of finding business partners to create the stability of raw materials for TAE in the future.

(3) Risk associated with Being Dependent on Major Customers: TAE sells ethanol-for-fuel to oil companies for gasohol blending process. Currently, there is an oversupply situation for the ethanol and major gasohol producers with high ethanol demand have more bargaining power in terms of price and selling terms. In addition, in the event that major producer has business relationship with the ethanol manufacturer both in the form of shareholding and the joint venture, they will have even more bargaining power. TAE realizes such risk in relying on major customers and the impact on its operating results; therefore, TAE focuses on making effort to reduce its dependence on any single customer as the main buyer of ethanol product, having expanded its customer base to ensure ethanol sales target with optimal terms and prices, as well as monitoring export market situation to increase another distribution channel.

(4) Government Policy Risk: The reduction of target on ethanol use promotion by the Alternative Energy Development Plan (AEDP) and the postponement of announcement of Gasohol E20 as the basic gasoline of the Country to 2023 instead of 2022 as previously anticipated, as well as the plan to cancel the price subsidy for renewable energy by the Oil Fuel Fund Office, have certainly affected the business operation of TAE, in which the ethanol production and distribution must be managed efficiently and effectively, by focusing on cost management, product quality maintenance and good relationship with the customers, as well as consideration of guidelines for adding values to the ethanol product to expand the market into other industries, ensuring minimal impact from the government policies.

(5) Risk associated with Growing Trends on the Use of Electric and Hybrid Vehicles: As the government has established a policy to support the electric vehicles industry (“EVs”) according to the “30@30” Policy, having set target for producing the zero emission vehicles for at least 30 percent of all vehicles production in 2030, by which the demand for fuel and ethanol will be affected in the future. Besides, environment concern is another important factor for the increase in electric vehicle popularity. Accordingly, TAE is currently conducting a feasibility study for production of other products or derivatives products of ethanol to mitigate the impact on the reduction in ethanol demand in the future.

(6) Risk associated with Utilization of Biogas as Main Fuel for Power Generation and Steam Production used in Ethanol Production Process: This is one of the policies concerning cost reduction and improvement on ethanol production efficiency, instead of using fuel oil and biomass as the main fuel, which significantly reduces fuel cost. Currently, TAE can produce enough biogas for power generation and steam production for both production lines. However, there is certain risk from natural disaster, which is uncontrollable, causing damages to the biogas digester ponds, rendering them dysfunctional and requiring substituted fuels such as fuel oil and palm shell, etc., increasing the cost of ethanol production. Recognizing such risk, TAE has strengthened the structure and made improvement on 2 biogas digester ponds in 2021 and plans to do another one in 2022. In addition, TAE conducts regular maintenance as well as having assigned working team to closely monitor all biogas production systems, by planning to change the canvas covering biogas digester ponds (HDPE Cover) before the expiration of its use to reduce the risk of tearing when the storm occurs, having inspection, repairs and maintenance of machinery consistently to ensure continuous and effective biogas generation. Moreover, insurance policies covering every type of risk from natural disaster are also in place.

(7) Risk from Environmental Impact: TAE places emphasis and recognizes the health and sanitation impacts to the surrounding community, and thus, is determined to pay attention to the potential risks including environment and pollution aspects as follows.

(7.1) Risk associated with Environmental Impact of Air Pollution: TAE installed bio scrubber system for removal hydrogen sulfide (H₂S) in biogas, which is used for power generation and steam production for to make biogas clean and has better quality. Additionally, there is a working team monitoring and inspecting the emission of pollution from the tip of the chimney to meet the government standards with plan to maintain or replace the canvas covering biogas ponds before the expiration of its use to ensure that it is in good condition in order to prevent and minimize air pollution that would have an impact on the surrounding community.

(7.2) Risk associated with Environmental Impact of Water Resources and Wastewater Treatment: TAE has complied with the requirements of the government in “Wastewater Management in Industrial Plants” by constructing properly treated spent wash ponds from biogas production process with inspection and repair of the levees in accordance with the engineering standards with adequate freeboard distance to reduce the risk of the overflows caused by heavy rains. In addition, TAE has started running the machinery of the spent wash evaporation plant in order to reduce the treated spent wash and mitigate the risk of water leakage in the event of flooding to ensure safety and to prevent the potential impact on the surrounding community. In 2021, 273,599 cubic meters of spent wash were evaporated and evaporation of 599,760 cubic meters of spent wash is planned in 2022.

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

RISKS IN WOOD PELLET BUSINESS

SRT Power Pellet Co., Ltd. (“SRT”), a subsidiary company in Thailand, conducts its business in the production and distribution of wood pellet, which is a new business with a plant located at 9/2, Moo 7, Khian Sa Subdistrict, Khian Sa District, Surat Thani Province. The commercial production and distribution of wood pellet has been started since March 2020. Significant risk management in year 2021 can be summarized as follows.

(1) SRT has stopped the production of wood pellet since March 5, 2021, to conduct feasibility study of the wood pellet production project for the domestic market, covering several aspects including raw materials, personnel, logistics and domestic market.

(2) SRT has revised its investment structure with LANNA having holding shares indirectly through Lanna Power Generation Co., Ltd., a subsidiary company, at 99.99965 of the paid-up capital, for more flexibility and effectiveness of the management. Subsequently, SRT will be dissolved and liquidated, which is anticipated to be within 2022.

(3) Risk associated with Compliance with Loan Agreements: SRT has a long-term loan for business operation since 2020 by mortgaging machinery and equipment as collateral for the loan as specified by the lender bank. SRT was able to comply with the terms and conditions of the loan agreement without any default. SRT has already paid off the loan including interest to the lending bank in 2021.

FINANCIAL RISK

(1) Loan-Related Risk: At present, the Company had no loan for business operation and therefore has no risk related to loan. PT. Harita Indonesia and PT. Singlurus Pratama, subsidiary companies in Indonesia, Thai Agro Energy Public Co., Ltd. and SRT Power Pellet Co., Ltd., subsidiary companies in Thailand, have taken loans from financial institutions for business operations during year 2021. All four companies have correctly complied with the terms and conditions of the loan agreements without any default.

(2) Overseas Investment Risk: The Company has investments in the subsidiary and associated companies overseas in several currencies including Singapore Dollar, US Dollar and Indonesian Rupiah, of which are long-term investments without definite term period, therefore, there is currently no risk mitigation in place. If the time of project termination was known, this risk could be managed promptly and appropriately.

(3) Foreign Exchange Risk: The Company has revenues from coal sales in Thai Baht currency and coal procurements for further sales are done in US Dollar currency. While the revenues for coal sales of the subsidiary companies in Indonesia are in US Dollar but their operating expenses are paid in US Dollar and Indonesian Rupiah. As for the associated company in Singapore, the revenues are in US Dollar; however, the operating expenses are paid in US Dollar and Singapore Dollar. As a result, the Company and its affiliated companies possess foreign exchange related risk from changes of the aforementioned currency values. Accordingly, the risk is mitigated by entering into forward exchange contracts when transaction occurs or deposit of foreign currencies received in US Dollar into various bank accounts as cash reserves for coal payments and/or other transactions in foreign currency in the future. In the past years, the management of foreign exchange was at a satisfactory level, and there was no significant impact to the Company and its affiliated companies.

(4) Other Factors Having Impact on Investment: Apart from the aforementioned transactions, the Company and its affiliated companies have no commitments or obligations regarding issued shares, warrants, convertible securities, debentures or other types of derivatives currently or in the future, as well as there is no unusual or serious event or important incident that might significantly affect financial position and operating results of the Company and its affiliated companies.

(3) SUSTAINABLE BUSINESS DEVELOPMENT REPORT

(3.1) POLICY AND SUSTAINABILITY MANAGEMENT GOALS

The Company recognizes the importance of sustainable development and determines to conduct its business in accordance with the guidelines for sustainable development that are consistent with the Sufficiency Economy Philosophy and the social responsibility guidelines, by creating participation and value to all stakeholders. The Company is in the process of establishing a sustainability policy for the Company and subsidiaries both domestically and overseas to be in line with the requirements for preparing global sustainability report under the Global Reporting Initiative Standards (GRI Standards) Framework, which has engaged the Research Centre on Environmental Strategy for Green Business (VGREEN), Kasetsart University, to verify and certify carbon footprint of the organization and to validate greenhouse gas. As for overseas subsidiaries, they are in the process of finding an international accredited certification body to conduct certain verification, with the goal to reduce greenhouse gas emissions by at least 25 percent from the base year of 2022 by 2030.

The Company and subsidiaries both domestically and overseas have established policies towards a low-carbon organization, create sustainability in good governance, and utilize resources efficiently, as well as create shared value for society, conduct greenhouse gas management to alleviate the problems of global warming and climate change, which is an important issue both domestically and internationally. Among the international agreements that emphasize the importance of balance in the integration of the economic, social, and environmental dimensions, a performance focused organizations that rely on growth alone cannot meet today's business expectations, only sustainable business operations will be considered as an important part of the Company's operations, as well as social responsibility, which is a factor that encourages the Company to achieve sustainability in business operations that take accountability in all aspects, whether economic, social, and environmental dimensions, as well as build up the confidence of the society, ready to develop business operations to become more efficient and effective, reduce various risks and increase competitiveness, including developing the value chain that lead to sustainable development.

Accordingly, the guidelines for sustainable development have been implemented as part of the management on achieving the common goals of the organization for sustainable development under the Sustainable Development Goals (SDGs) that covering three dimensions; environment, social, and corporate governance dimensions.



ENVIRONMENTAL DIMENSION

Committed to drive business towards a low-carbon society with environmentally friendly business operations, use resources wisely, reduce negative impacts by business activity on ecosystem and biodiversity, as well as mitigating and adapting to climate change by adhering to circular economy principles.

SOCIAL DIMENSION

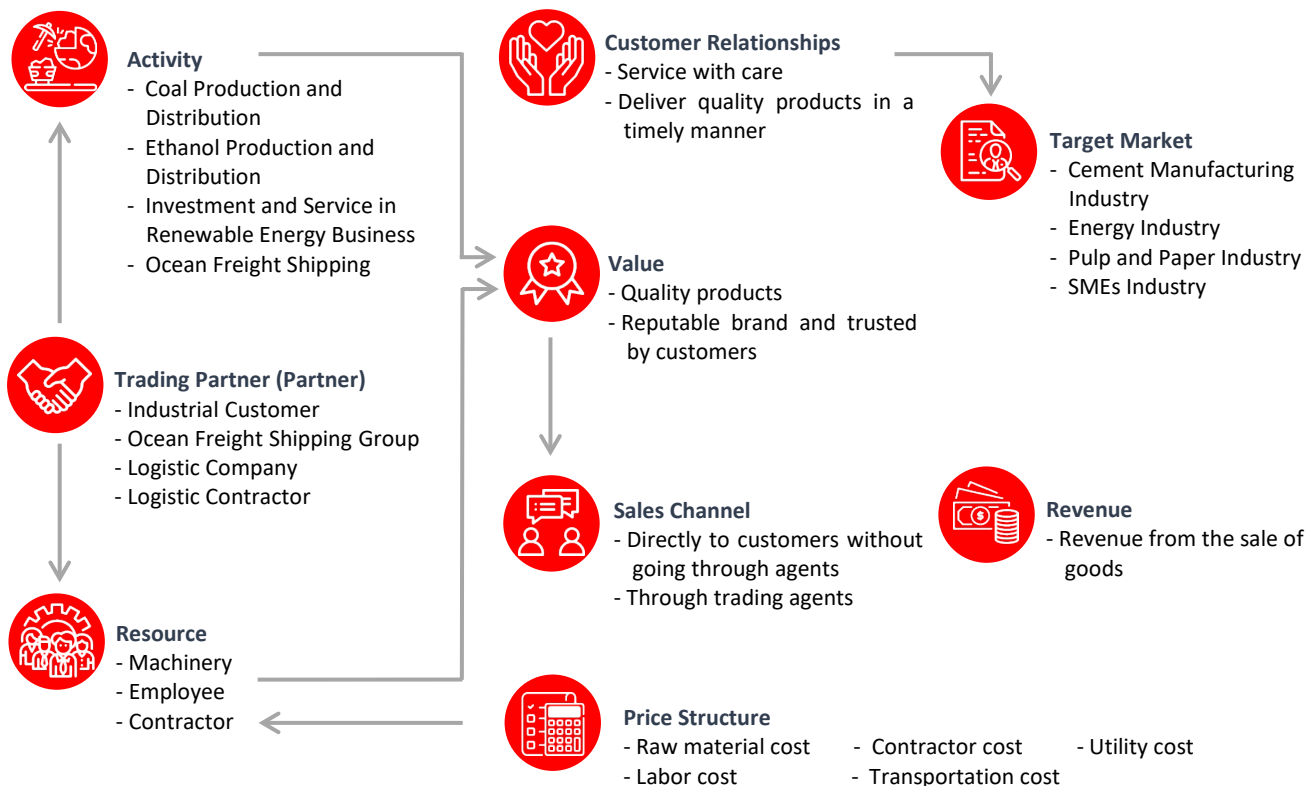
Conduct business responsibly in accordance with human rights principles, fair treatment of labors, occupational health and safety, including creating a good working environment along with management and development that focuses on providing employees with new knowledge, abilities, and necessary skills, as well as participating in community and social development to create shared values and enhance the quality of life of the community and society for sustainable growth.

CORPORATE GOVERNANCE DIMENSION

Realize the importance of Good Corporate Governance by adhering to fairness and integrity, accountability, responsibility, transparency, promote equitable treatment and gain trust from shareholders and all stakeholders.

(3.2) MANAGEMENT OF IMPACT TO STAKEHOLDERS WITHIN THE BUSINESS VALUE CHAIN

(3.2.1) BUSINESS VALUE CHAIN



(3.2.2) STAKEHOLDER ANALYSIS OF THE BUSINESS VALUE CHAIN

Stakeholder Analysis			
Stakeholder	Expectation of Stakeholder	Sustainable Development Strategy	Guidelines
Shareholders	<ol style="list-style-type: none"> 1. Conduct business fairly to generate good results. 2. Treat all shareholders equitably. 3. Provide good internal audit and control system. 4. Provide effective risk management system. 5. Disclosure of accurate and complete information. 	<ol style="list-style-type: none"> 1. Build investor confidence. 2. Generate good and consistent returns. 3. Provide reliable internal control system. 4. Disclosure of transparent and verifiable information. 	<ol style="list-style-type: none"> 1. Arrangement of the Annual General Meeting of Shareholders 2. Annual Report 3. Quarterly report on operating results. 4. Information, news, and announcements on the Company's website.
Employees	<ol style="list-style-type: none"> 1. Appropriate compensation and benefits system. 2. Continuous learning opportunities. 3. Career growth and stability. 4. Workplace safety standards. 	<ol style="list-style-type: none"> 1. Create an appropriate and fair compensation and benefits system. 2. Develop employees knowledge and skills. 3. Focus on occupational health and safety. 4. Organize activities to build relationships between employees. 	<ol style="list-style-type: none"> 1. Performance assessment. 2. Personnel development plan. 3. Annual training on Basic Firefighting and Evacuation Fire Drill. 4. Listen to complaints and suggestions.
Customers	<ol style="list-style-type: none"> 1. Treat all customers equitably. 2. Offer and deliver quality products in a timely manner at reasonable prices. 3. Protect confidentiality of customers information. 	<ol style="list-style-type: none"> 1. Take care, understand, and respect every customer, as well as coordinate and solve any problems to create an impression. 2. Deliver quality products that meet the requirements at reasonable prices. 3. Provide measures to protect confidentiality of customers information. 	<ol style="list-style-type: none"> 1. Produce and deliver quality products in a timely manner. 2. Conduct customer satisfaction survey. 3. Provide customer service through every channel at every time.

Stakeholder Analysis			
Stakeholder	Expectation of Stakeholder	Sustainable Development Strategy	Guidelines
Partners Competitors and Creditors	<ol style="list-style-type: none"> 1. Strictly comply with the terms and conditions. 2. Promote sustainable business growth together. 3. Create satisfaction in doing business together. 4. Generate good and fair returns. 5. Maintain trade secret information under relevant laws and regulations. 	<ol style="list-style-type: none"> 1. Guarantee fairness and transparency in operating business. 2. Fulfill the contract, financial obligations and commercial terms. 3. Not request or pay any benefits that may lead to corruption. 4. Maintain the interests of doing business together. 	<ol style="list-style-type: none"> 1. Meeting with partners. 2. Conduct business partner check. 3. Accept suggestions and complaints through every channel at every time.
Society, Community, and Environment	<ol style="list-style-type: none"> 1. Conduct business with social responsibility and taking into account the public interest. 2. Promote and participate in activities that are beneficial to the community and society. 3. Build a good relationship with each other. 4. Maintain good environment and safety for the community and surrounding society. 	<ol style="list-style-type: none"> 1. Support activities that are beneficial to the community and surrounding society. 2. Enhance the quality and standards of environmental management. 3. Participate in community and society development for sustainable growth through various activities. 	<ol style="list-style-type: none"> 1. Organize activities with the community. 2. Prepare policy and guidelines on environmental protection. 3. Report and disseminate pictures of the annual community relations activity. 4. Report the results of the environmental quality measurements.
Regulatory Agencies	<ol style="list-style-type: none"> 1. Strictly comply with relevant laws. 2. Cooperate in various project of the government agencies. 	<ol style="list-style-type: none"> 1. Strictly company with the law and report the results. 2. Not request or pay any benefits that may lead to corruption. 	<ol style="list-style-type: none"> 1. Prepare and report documents related to laws.

(3.3) SUSTAINABILITY MANAGEMENT IN ENVIRONMENTAL DIMENSION

(3.3.1) ENVIRONMENTAL RESPONSIBILITY AND PRESERVATION

The Company operates with awareness of environmental responsibility in all action undertaken in business procedure in order to prevent any consequential impact from Company's business operations.

Environmental Responsibility Policies and Guidelines

(1) All executives and employees shall operate with quality management system of occupational health and safety, and environment as it optimizes efficiency and effectiveness for the best interest of the Company.

(2) Executives and employees must adhere to and work in compliance with laws, policies and regulations concerning quality standard of occupational health and safety, and environment.

(3) The Company shall undertake any measures to control and prevent loss from fire accident, physical accident, loss or damage of property, security breach, wrong procedure, and operational errors, as well as ensure safe working environment for the employee. It is executives' and employees' duty to report accidents by strictly following established protocol.

(4) The Company shall establish an emergency control and prevention plan for all work areas as well as an organization's emergency and crisis management plan to prepare countermeasures for situations that may occur. Moreover, the Company shall also undertake preparation for other crisis that may cause the business suspension or defamation to the organization.

(5) The Company shall communicate and advocate employees and stakeholders about policies, regulations, processes and cautions concerning quality, safety, occupational health and environment in order to bring into practice with accuracy without any harm to health, properties and environment.

(6) The Company shall promote and create awareness of quality, safety, occupational health and environment to be applied to employees' everyday work.

(7) The Company shall provide trainings for employees and assign supervisors with additional responsibility of managing operation with safety systems and continually adhering to operate with it.

(8) The Company shall improve standards of safety and environment to international standards for better quality of working life and environment.

(9) The Company is committed to continuous corporation on social responsibility in terms of quality, safety, occupational health and environment. The Company recognizes the importance of environment, safety of stakeholders and social responsibility activities and plans to preserve the environment and develop living quality for the community in accordance with the principles of sustainable development.

(10) The Company participated in the Eco-Industrial Town Project in 15 provinces, Green Industry Project, CSR-DIW, Development of Circular Economy and Low Carbon Industry Project, and Eco Factory Project organized by the Department of Industrial Works in order to improve the environmental management, safety, energy conservation, environmental-friendly manufacturing process and good use of energy and resources. In year 2021, the Company has enrolled employees to the following activities.

(A) "Development of Circular Economy and Low Carbon Industry", dated August 23, 2021, organized by the Ministry of Industry.

(B) "Eco Factory", dated February 23, 2021, organized by the Ministry of Industry.

(C) "Basic Fire Fighting and Evacuation Fire Drill Training for Year 2021", dated November 23, 2021, at the Ayutthaya Coal Distribution Center.

(3.3.2) ENVIRONMENTAL PERFORMANCE

The Company operates business by applying the concept of social responsibility and sufficiency economy to business strategies, which are derived from years of expertise. The development of the combination leads to business innovation which adds competitive advantage and values to the Company's sustainable growth. In year 2021, the Company has implemented on innovations and dissemination of innovations from social corporate responsibility activities as follows:

(1) The coal processing and coal storage and silos for distribution to customers of small and medium-sized enterprises have operated in terms of quality according to the objective and could significantly and effectively reduce the dispersion of dust. The 4,000-square-meter parking area for customers' trucks is adequate and has been improved with concrete surface.

(2) The Company has constructed two truck wheels washing facilities at the Ayutthaya Coal Distribution Center in which departing coal trucks are required to pass through before exiting into public roads to prevent debris and other problems that may obstruct public transportation.

(3) Construction of the mineral processing plant as an additional extension from the original mineral processing plant that was constructed in 2014 in order to increase coal production capacity for the SME industry for more than 60 percent of the current coal production capacity, which has enabled the Company to have more coal production capacity in 2020 with variety of coal products at all sizes and qualities for current demand of the SME industry.

(4) The Company has constructed sediment treatment system in the Ayutthaya Coal Distribution Center in order to prevent sediment from being discharged into public waterways. The sediment ponds have been constructed are scattered across the area in order to collect and keep surface water, which includes rain and water used for sprinkle onto stockpiles for dust suppression. The collected water is then stored in the settling ponds. Once the process is over, the water is brought back for reuse with the purpose of minimizing waste and saving water resources.

(5) The Company has constructed a permanent wind break structure around coal stockpile areas in order to improve the effectiveness of wind protection and dust dispersion to the public, in addition to the existing plantation of trees as wind barriers.

(6) The Company realizes the importance of tree planting and caring in the Ayutthaya Coal Distribution Center as it is wind barrier and suppresses dust from spreading into public places.

The Ayutthaya Coal Distribution Center

The Ayutthaya Coal Distribution Center, a domestic operator, has carried out measures concerning the community, society and environment. Trees have been planted and permanent wind break structure has been constructed in order to prevent dust pollution, and high-pressure water spray system has been set up to constantly spray water around coal stockpiles and hauling roads. The sediment from waste water is contained in the sediment ponds and not released to the public river. Coal trucks are ensured to have complete coverage, and their wheels are washed before entering public road. Air and water quality are measured regularly every three months in order to ensure that the dust was effectively in control. Moreover, a close system of large silos has been constructed for coal storage and transportation that effectively minimizes dust dispersion. In year 2021, the Ayutthaya Coal Distribution Center having been granted the award for its responsibility toward the community, society and environment (CSR-DIW Continuous Award 2021 which covers organizational governance, human rights, labor, environment, fair treatment, consumers, and participation in community and society development, and has received Eco Social Value Factory Awards, Bronze Award level, from the Department of Industrial Works, Ministry of Industry.

Environmental Quality Measurements in Various Dimensions at the Ayutthaya Coal Distribution Center, Phra Nakhon Si Ayutthaya Province

The Company has engaged Mine Engineering Consultant Co., Ltd. to conduct measurements of air quality, noise level and water quality at the surrounding areas of the Ayutthaya Coal Distribution Center, Phra Nakhon Si Ayutthaya Province, for at least 4 times every year and found that the procedures have been carried out in accordance with the Notification of the National Environmental Board No. 24, B.E.2547 (2004), which can be summarized as follows.

(1) Measurement of Atmospheric Ambient Air Quality: The results of ambient air quality measurements in 2020, as compared to the atmospheric ambient air quality standard according to the Notification of the National Environmental Board No. 24, B.E.2547 (2004), were found to within the established criteria and standard, having concentration of the total suspended particulate matter (TSP) not exceeding 0.330 mg/m³ and the particulate matter of less than 10 micron (PM-10) not exceeding 0.120 mg/m³.

(2) Measurement of Ambient Noise Level: The results of ambient noise level measurements in 2020, including 24-hrs. average level (Leq. 24 hrs.) and maximum level (Lmax), as compared to the ambient noise standard according to the Notification of the National Environmental Board No. 15, B.E.2540 (1997), were found to be within the established criteria and standard, having Leq. 24 hrs. not exceeding 70 dB(A) and the Lmax not exceeding 115 dB(A).

(3) Measurement of Water Quality: The results of water quality measurements in 2020 from 2 locations, namely, Pa Sak River area before passing through the Company's port and jetty (ST.1) and after passing through the Company's port and jetty (ST.2) were found to within the established criteria and standard according to the Notification of the National Environmental Board, No. 8, B.E. 2537 (1994), issued under the Enhancement and Conservation of National Environmental Quality Act B.E.2535 (1992), published in the Royal Government Gazette, Vol. 111, Part 16, dated February 24, B.E.2537 (1994) (Category No. 4). Water with hardness in the form of CaCO₃ not exceeding 100 milligram per liter, and having standard value equal to 0.005 milligram per

Coal Mines in Indonesia

Every coal mining project must operate according to the mine plan and environmental impact analysis report which was approved by relevant governmental agency and carried out the mine site rehabilitation in order to improve environmental surroundings and ecosystem and return to its useful state such as agriculture, water reservoirs, residence, etc. In the past year 2021, PT. Lanna Harita Indonesia (LHI) and PT. Singlurus Pratama (SGP), subsidiary companies operating coal mining business in Indonesia, having received outstanding environmental awards from the central and local governments due to the management of environment in accordance with the standards and legal requirements. In addition, SGP has received the Platinum Award for the prevention and control measure of the coronavirus disease 2019 (COVID-19) in the workplace from the Ministry of Labor of Indonesia.

(3.4) SUSTAINABILITY MANAGEMENT IN SOCIAL DIMENSION

(3.4.1) SOCIAL POLICY AND PRACTICE GUIDELINES

Company's Policy on Human Rights

Respect for human rights is fundamental for human resource development and directly relates to the business as added value. Also, human resource is a key factor for the business. Therefore, the Company always improves the surrounding and working conditions for better quality of life and in order to draw full potential of the employees. The employees are also provided with opportunities to train and develop their skills. The policy concerning respect on human rights is as follows:

(1) The Company strictly abides by human rights principle by providing knowledge and understanding in human rights to employees as part of the operation in the Company, as well as discouraging any businesses that violate human rights.

(2) Employees at every level must thoroughly understand the law concerning with their duties and responsibilities and strictly comply with the governmental laws and regulations. Employees should consult with their supervisors and/or related law consultant on any law related concerns. Do not imply and proceed alone.

(3) Employees traveling to work overseas should study laws, traditions, and culture of the country of destination prior to the trip in order to ensure that overseas business undertaking shall not be illegal or contrary to the traditions and culture of the country of destination.

(4) The Company shall uphold fairness and sincerity upon engaging in management related to salary, wages, benefits, and employment terms. Forced labors and child labors are not tolerated. The Company shall support all employees with equal opportunity and provide appropriate and pleasant working environment. Additionally, the Company shall strictly comply with the Labor Protection Act and Thai Labor Standards, including other related laws and regulations.

Equitable Treatment to Workforce

(1) The Company always operates with equitable treatment to its workforce. In the past, the Company never had any disputes with its workforce and always strictly follows the labor law.

(2) The Company provides wages and salaries at no less than the rate required by law. Compensations to managers and employees are considered based on skills, experiences, and expertise of each individual. Appropriate salary adjustments are also regularly reviewed and increased according to the economic condition to enable employees and executives to live and work properly.

(3) The Company also never ceases to improve on the working environment. Events are regularly held to promote good relationship among employees, such as, New Year activities, Company's Anniversary, etc.

(4) The Welfare Committee is established to ensure proper welfares and benefits as required by law and to inspire morale among employees. Safety in workplace is emphasized, with related trainings regularly held. Corporation with the authority on surrounding environment with regular water and air quality monitoring every 3 months to ensure good environment of surrounding communities.

Responsibilities toward Consumers and Customers

The Company's Sales and Marketing division engages with the customers and receive any feedback in order to ensure customer's satisfaction in the products and services. Also, the production process is always being improved according to the customer's needs along with reduction of unnecessary cost. Moreover, business is conducted fairly. The policy and practice guideline regarding this matter are as follows:

(1) The Company's products are safe and reliable without any harm to the consumers' health.

(2) The Company shall safeguard customer information and shall not forward any information to others without customer's consent.

(3) The Company discloses correct and adequate information concerning its products by considering the health and good living of the consumers such as no advertisement hype or exaggeration, complete and correct information on product label, easy to read and understand the information, product safety instruction as well as instruction on sanitary disposal of the products, etc.

(4) The Company encourages environmental and societal consciousness for the usage of its products among the consumers and producers

(5) The Company shall develop its products and services for the best interest of the Company and pay attention to goodness of consumer society with culture and moral, which will lead to sustainable development.

(6) The Company operates on free competition basis and plays by the rules. It shall never slanderously attack competitors without reasonable evidence.

(7) The Company shall encourage and cooperate with competitors for the benefit of the consumers. Such cooperation shall not be a monopoly, sharing of market, deterioration of product quality, and price readjustment that is disadvantageous for overall consumers. The personnel of the Company shall engage with competitors with care without disclosing or revealing any company's secret to competitors.

(8) The Company shall select its business partners by considering the competency and experience of the business partners, their financial status, reputation, whistleblowing and legal cases, policy of the business partners, and risks, etc.

(9) The Company shall not violate intellectual property or copyright of others.

(10) The Company shall make payment to the business partners correctly and punctually and shall conduct its business in a sustainable and transparent manner, in compliance with the prescribed terms and conditions of trade and contract, and fair to the stakeholders.

(3.4.2) SOCIAL PERFORMANCE

(1) Information on Employees

(1.1) Employment

The Company has an employment policy that committed to equality and diversity regarding gender, race, and religion. In addition, the Company has employed persons with disabilities to work at the coal distribution center, which is considered an implementation under the Empowerment of Persons with Disabilities Act, B.E. 2550, Section 33, for the purpose of the Empowerment of Persons with Disabilities, employers or owners of the establishments shall employ persons with disabilities to work in suitable positions in proper proportions to the entire number of the employees in the establishments. In year 2021, the Company has a total number of employees as shown in the table below.

Number of Employees Year 2021	
Classified by Gender	Number (Person)
Male	49
Female	35
Total	84
Classified by Employment Level	Number (Person)
Operational Level	39
Head of Department and Line Manager	19
Management Level	26
Total	84

(1.2) Remunerations of Employees

In year 2021, The Company has paid remunerations for employees totaling Baht 118 million, with the proportion of remunerations paid for male employees to female employees of 2.18 times, which consists of fair remuneration and other welfare payments for employees as stipulated by laws such as social security, and other than as required by law such as medical expenses, health insurance, business travel accident insurance both domestically and overseas, including various types of allowances such as business trip allowance, gasoline allowance, telephone allowance, funeral allowance for the deceased parents of employees, etc.

In addition, the Company has also encouraged money savings and financial planning with provident fund contributions for all employees. In year 2021, as at December 31, 2021, the proportion of employees participating in the provident fund compared to the total number of employees is 100 percent.

(1.3) Employees Training and Development

In year 2021, the company has promoted the development of knowledge and skills of employees in accordance with the strategic direction of the organization with many types of training such as online seminars, In-house and Public Training, etc. There are also various training courses to develop the potential of employees in all aspects as follows:

- 1 **Organizational and Personnel Development Course**
To enhance organizational abilities to become a leader, which would be able to cope, adapt, and change to the future of business in a changing world to keep up with consumer behavior.
- 2 **Anti-Corruption in Organizations with Good Corporate Governance Principles Course**
To ensure the need for the Company to have good corporate governance in the organization and be able to operate with efficiency and best benefits.
- 3 **Environmental Course**
To realize key issues regarding climate change policy and measures, and the preparation for the Carbon Neutrality-Net Zero goal.
- 4 **Human Rights Course**
To create an understanding of the principles on business and human rights, as well as sustainability management, which would be able to identify problems, prevent and mitigate damage, and responsible for the way business impacts human rights.
- 5 **Tax Course**
To be able to effectively apply knowledge to the business, and able to pay taxes accurately and completely that can prevent business mistakes.

(1.4) Safety, Occupational Health and Environment

Rate of Occupational Accident, Leave of Absence, and Occupational Illness during Year 2021

	Occupational Accident Rate		Leave of Absence Rate		Occupational Illness Rate	
	2020	2021	2020	2021	2020	2021
Lanna Resources Public Co., Ltd. Headquarter, Bangkok	0	0	0	0	0	0
Coal Distribution Center Phra Nakhon Si Ayutthaya Province	0	0	0	0	0	0

Risk Prevention Measures Regarding Safety, Occupational Health and Environment

Basic Firefighting and Evacuation Fire Drill Training




The Company gives precedence to accident prevention and environmental protection by complying with relevant laws and regulations in order to ensure safety for the employees and to have good working environment, including continuing improvement on safety, occupational health and environment, as well as organizing a training of “Basic Firefighting and Evacuation Fire Drill Training” on November 23, 2021 at the Ayutthaya Coal Distribution Center, Phra Nakhon Si Ayutthaya Province.



Pictures of Basic Firefighting and Evacuation Fire Drill Training

Measures to Prevent the Spread of the Coronavirus Disease 2019 (COVID-19)

The Company has established measures to reduce the risk of infection and build confidence in employees' lives amid the pandemic situation of the coronavirus disease 2019 (COVID-19) that still needs to be closely monitored as follows:

-  Provide Moderna vaccine for all employees as a booster dose for immunization after all employees have received two doses of vaccine.
-  Issue a work from home policy and flexible attendance policy, including working from home for social distancing at work and avoid commuting by public transportation.
-  Change the time and attendance device of employees from a fingerprint scanner to a face scanner in order to reduce common touch point on the fingerprint reading head that may have accumulated germs, which the device purchased by the Company is considered effective enough to identify faces even when an individual is wearing a mask



In addition, the Company also provide essential supplies for prevention and control of the coronavirus disease 2019 (COVID-19) to the society and communities around the coal sorting and distribution center in various forms; financial support, face masks, infrared thermometer, alcohol disinfectants, necessary medical equipment, consumer goods for field hospitals and medical centers such as Central Chest Institute, Nong Ya Sai Hospital, etc.



Donate face masks to the community



Donate consumer goods to community isolation

(2) Community and Social Development

The Company realizes the importance of continuous community and social development and has established policies concerning community and social development as follows:

- (1) Not engage in business or any act that may defame the Country or has negative impact to natural resources, environment or society in general.
- (2) Encourage activities that are beneficial to the community and society and prioritize preservation of environment and local tradition.
- (3) Commit to continuously raise community and social responsibility awareness among employees at every level as well as improve standard of safety in the community and society with or without help from government sector.
- (4) Strictly operate in compliance with the relevant laws and regulations.
- (5) Must not support and engage with an individual or business that is harmful to society and national security or any kind of corruption.
- (6) In the past year, the Company has conducted various activities to develop neighboring communities in order for the surrounding society to get along and live together with the organization sustainably through the following activities:

The Company has established a community relations unit to visit the area to exchange information and coordinate with the community, entrepreneurs, and government agencies in order to create a good relationship between the organization and other units in the area, having activities during year 2021 as follows:

Lanna Resources Public, Co., Ltd.

Community Relations Aspect



Donate rescue equipment to the Ruam Katanyu Rescue Foundation



Support rice for elderly



Visiting bedridden elderly

Religious Aspect



Donate money for the restoration of crematorium



Donate PPE suits

Educational Aspect



Support budget for associate teachers for early childhood curriculum



Paint the cafeteria and school



Donate Non-contact Body Infrared Thermometer with Automatic Alcohol Dispensers

LANNA, LOVE FOR THE HOMETOWN PROJECT



Support Contract Teacher Recruitment Fund Project



Support Sufficiency Economy Learning Center Project



Donate gallons of alcohol disinfectants and Automatic Alcohol Dispensers.

Subsidiary Companies in Indonesia

During year 2021, PT. Lanna Harita Indonesia, a subsidiary company in Indonesia, has implemented a Community Development and Empowerment (“PPM”) project with the objective to enhance the quality of life for the surrounding communities in terms of the community economy, social environment, and infrastructure, having details of activities during year 2021 as follows:

- Improve roads used for transporting agricultural produce at Sidomulyo Village.
- Provide agricultural equipment to Kutai Lama Village and Tanah Merah Sub-district.
- Develop a clean source of water at Tanah Datar Village.
- Provide medical equipment to the Community Health Center in Sungai Siring Sub-district.
- Provide food to flood victims in Pampang Village.



During year 2021, PT. Singlurus Pratama, a subsidiary company in Indonesia, has engaged in community activities covering many dimensions; agriculture, livestock, occupational health, education, career promotion, including helping those affected by the coronavirus disease 2019 (COVID-19) pandemic situation as well as a natural disasters that occurred in Indonesia, having details of activities during year 2021 as follows:

- Support cattle raising and fish breeding projects for villagers.
 - Organize health check-up activity for elderly and pregnant women in Kampung Lama Village.
 - Provide educational materials to learning centers in the Kawar Samboja area.
 - Help communities to cope with and prevent the spread of COVID-19.
- Help those affected by an eruption of Mount Semeru.



(3.5) GRI CONTENT INDEX

ECONOMIC						
GRI	OPERATION DATA	UNIT	YEAR			
			2018	2019	2020	2021
*G4-EC1	Revenues from sales and services	million baht	1,549.74	1,139.10	1,550.58	1772.68
	Profit for the year	million baht	601.70	323.90	291.88	1,172.91
	Dividend payment to shareholders of Lanna Resources Public Co., Ltd.	baht/share	0.75	0.60	0.40	1.60
	Wages and compensation to employees	million baht	82	86	82	118
	Interest and financial expenses to lenders	million baht	0	0	0	0
	Taxes paid to Government and local government agencies such as corporate income tax, local maintenance tax, house and building tax or others, please specify:	million baht	133.88	41.94	44.90	304.00
	Expenses for social and community development and supporting projects	baht	1,292,306	1,440,053	1,615,992	2,013,503
G4-EC3	Rate of Company's contribution to the provident fund for employees (percentage of monthly salary) <i>Remark: In case of no provident fund, specify (-)</i>					
	- Employment period not exceeding 6 years	%	5	5	5	5
	- Employment period of 6-9 years	%	7.5	7.5	7.5	7.5
	- Employment period of 10 years and above	%	10	10	10	10
G4-EC9	Percentage of delivery person locally (Supplier /Service/Outsource) (within 5 kilometer radius or within the province)	%	50	50	50	50
G4-LA10	Total number of employees	person	76	81	83	84
	- Permanent employees	person	22	75	77	83
	- Temporary employees	person	2	6	6	1
	Number of employees classified by gender	person				
	- Male	person	43	49	49	49
	- Female	person	33	32	34	35
	Number of employees classified by employee level	person				
	- Operational level	person	40	45	47	39
	- Command and professional level	person	13	13	13	19
- Manager level	person	23	23	23	26	

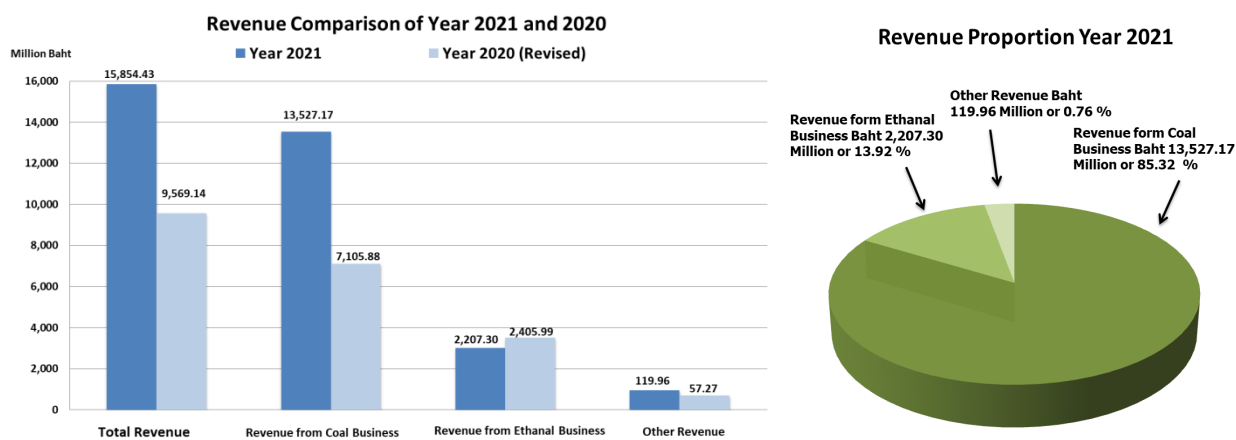
SOCIAL						
GRI	OPERATION DATA	UNIT	YEAR			
			2018	2019	2020	2021
G4-LA3	Rate of return to work after maternity leave	%	-	-	-	-
G4-LA5	Number of employees being members of the Welfare Committee	person	8	8	8	9
	Number of employees being members of the Operational Safety and Health Committee (OSH Committee)	person	7	7	7	12
	- Employer representatives and OSH officers	person	4	4	4	7
	- Employee representatives	person	3	3	3	5
0G4-LA6	Injury Rate from work (IR)	person per working hour	0	0	0	0
	Occupational Disease Rate (ODR)	person per working hour	0	0	0	0
	Lost Day Rate (LDR)	person per working hour	0	0	0	0
	Rate of work absence from work illness, Absenteeism Rate (AR)	person per working hour	0	0	0	0
	Number of death from work	Person	0	0	0	0
G4-LA9	Average Hours of Training per person per year	hour/person/year	7.5	25	25	7.2
G4-LA11	Percentage of employees with performance assessment and career path planning	%	99	99	100	100
G4-LA13	Compensation rate of male to female employees	times	-	-	-	2.18
	- Operational level	times	-	-	-	0.65
	- Command and professional level	times	-	-	-	1.39
	- Manager level	times	-	-	-	0.31
G4-HR1 G4-HR10	Percentage of important delivery persons, contractors and business partners having been screened on human rights aspect	%	100	100	100	100
G4-HR9	Percentage of work process with assessment of impact on human rights aspect	%	100	100	100	100
G4-SO4	Percentage of employees having been trained on company's anti-corruption policy and guidelines	%	100	100	100	100
G4-SO11	Number of written complaints on social impact and formal rectification process	times	0	0	0	0
G4-PR5	Customers satisfaction survey results	%	-	-	-	-

ENVIRONMENT						
GRI	OPERATION DATA	UNIT	YEAR			
			2018	2019	2020	2021
G4-EN1	Main Raw Materials					
	1. Coal	ton	843,663	746,405	1,028,062	896,401
G4-EN3	Fossil fuel consumption volume					
	1. Diesel Oil (Static Combustion)	liter	-	-	-	-
	2. Diesel Oil (Moving Combustion)	liter	93,507	87,434	127,501	127,140
G4-EN3	Electricity Consumption	kWh				
	1. Electricity consumption from outside	kWh	591,320	832,380	834,420	770,820
G4-EN8	Water consumption classified by water sources					
	1. Tap Water	m ³	4,628	5,300	3,127	4,700
	2. Ground water	m ³	-	-	-	-
	3. Treated water after recycling process	m ³	-	-	-	-
G4-EN10	Percentage of recycled water usage	%	-	-	-	-
G4-EN15	Direct Greenhouse gas emission : Scope 1 (ton CO ₂ e)*					
	1. Diesel Oil (Static Combustion) x 2.708 /1,000	ton CO ₂ e	-	-	-	-
	2. Diesel Oil (Moving Combustion) x 2.7446 / 1,000	ton CO ₂ e	253.21	239.97	349.94	384.95
G4-EN16	Indirect greenhouse gas emission through electricity usage : Scope 2* <u>calculated from electricity consumption from outside x 0,6093 / 1,000</u>	ton CO ₂ e	344.21	507.17	508.41	469.66
G4-EN22	Wastewater volume discharged outside the factory	m ³	0	0	0	0
G4-EN23	Waste Volume	ton				
	1. Hazardous wastes	ton	3	1	1	1
	2. Non-hazardous wastes	ton	10	10	10	10

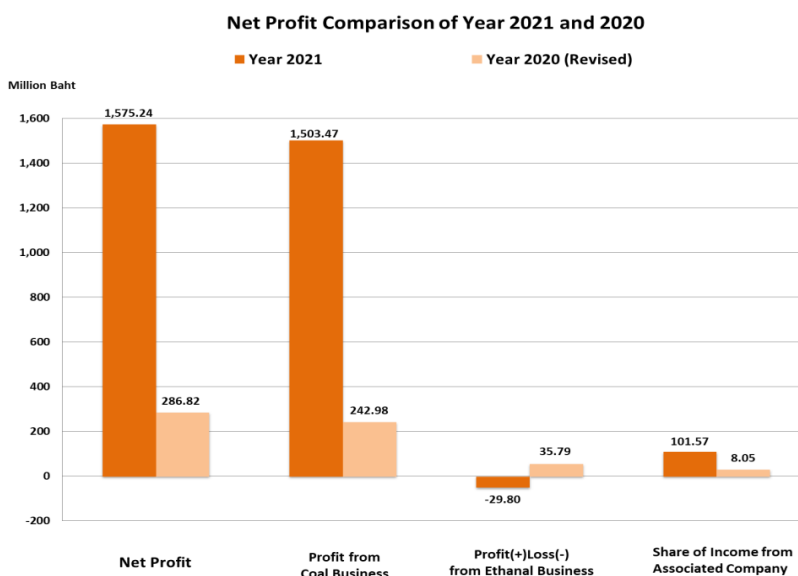
(4) MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

OVERALL OPERATING RESULTS

The total revenue of the Company and subsidiary companies in year 2021 was Baht 15,854.43 million, which increased from the previous year by Baht 6,285.29 million or 65.68 percent. The revenue proportion from coal business, ethanol business and other revenue in year 2021 accounted for 85.32 percent, 13.92 percent and 0.76 percent, respectively.



The net profit of the Company and subsidiary companies in year 2021 totaled Baht 1,575.24 million or Baht 3.00 per share, which increased from the previous year by Baht 1,288.42 million or Baht 2.45 per share, a 449.21 percent increase, which is the highest net profit the Company has recorded since its establishment in 1985, having the net profit margin of 17.14 percent, the EBITDA margin of 32.80 percent, and the return on equity of 31.23 percent.



The overall financial position and liquidity of the Company and subsidiary companies as at the end of year 2021 were considered in excellent standing. The current ratio was as high as 1.92 times and the quick ratio was at 1.35 times and the total debt to total assets ratio was only 36.99 percent with debt to equity ratio of only 58.70 percent.

Operating Results of the Coal Business or the Core Business: The Company and subsidiary companies had total revenue from coal business in year 2021 of Baht 13,527.17 million, which increased from the previous year by Baht 6,421.29 million or 90.37 percent, due to the increase in coal sales volume and average coal selling price from the previous year of 8.69 percent and 75.17 percent, respectively. The net profit derived from shareholding proportion of the Company in year 2021 was Baht 1,503.47 million, which increased from the previous year by Baht 1,260.49 million or 518.76 percent, which is the highest net profit the Company has recorded since its establishment in 1985. This was due to the rising coal prices in the global market as a result of an increasing demand for coal, especially from China, which imported more coal from Indonesia.

Operating Results of the Ethanol-for-Fuel Business or the Secondary Core Business: The Company and subsidiary company had total revenue from ethanol business in year 2021 of Baht 2,207.30 million, which decreased from previous year by Baht 198.69 million or 8.26 percent, due to the fact that even though there was an increase in average ethanol selling price in year 2021 from the previous year of 12.24 percent, but the ethanol sales volume in year 2021 decreased by 18.23 percent. The net loss derived from shareholding proportion of the Company in year 2021 totaled Baht 29.80 million, with the decrease in net profit from the previous year of Baht 65.59 million or 183.26 percent.

OPERATING RESULTS ANALYSIS

Revenue	Year 2021		Year 2020 (Revised)		Increase (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from Coal Sales	13,527.17	85.32	7,105.88	74.26	6,421.29	90.37
Revenue from Ethanol Sales	2,207.30	13.92	2,405.99	25.14	(198.69)	(8.26)
Other Revenue	119.96	0.76	57.27	0.60	62.69	109.46
Total Revenue	15,854.43	100.00	9,569.14	100.00	6,285.29	65.68

REVENUE

Revenue of the Company and subsidiary companies in year 2021 totaled Baht 15,854.43 million, which increased from the previous year by Baht 6,285.29 million or 65.68 percent due to the following reasons:

(1) Revenue from coal business, which is the core business, was Baht 13,527.17 million, which increased from the previous year by Baht 6,421.29 million or 90.37 percent. This was due to the increase in coal sales volume and average coal selling price from the previous year of 8.69 and 75.17 percent as described above.

(2) Revenue from ethanol business, which is the secondary core business, was Baht 2,207.30 million, which decreased from the previous year by Baht 198.69 million or 8.26 percent. This was due to the decrease in ethanol sales volume from the previous year of 18.23 percent as described above; and

(3) Other revenue totaled Baht 119.96 million, which increased from the previous year by Baht 62.69 million or 109.46 percent. This was due to the increase in foreign exchange gain and revenue from port services of the subsidiary company in Indonesia.

Expenses	Year 2021		Year 2020 (Revised)		Increase (Decrease)	
	Million Baht	% Sales	Million Baht	% Sales	Million Baht	% Sales
Coal Business						
Cost of sales	5,649.13	41.76	4,432.79	62.38	1,216.34	27.44
Selling and administrative	3,729.02	27.57	2,225.05	31.31	1,503.97	67.59
Financial expense	2.29	0.02	4.52	0.06	(2.23)	(49.34)
Corporate income tax	1,592.35	11.77	170.64	2.40	1,421.71	833.16
Ethanol Business						
Cost of sales	2,142.49	97.06	2,206.71	91.72	(64.22)	(2.91)
Selling and administrative	102.03	4.62	85.64	3.56	16.39	19.14
Financial expense	36.74	1.66	40.01	1.66	(3.27)	(8.17)
Corporate income tax	(14.97)	(0.68)	6.07	0.25	(21.04)	(346.62)

COAL BUSINESS EXPENSES

Coal business expenses of the Company and subsidiary companies in year 2021 totaled Baht 10,972.79 million, which increased from the previous year by Baht 4,139.79 million or 60.59 percent, due to the following reasons:

(1) Cost of coal sales increased from the previous year by Baht 1,216.34 million or 27.44 percent, due to the increase in coal sales volume of 8.69 percent as described above.

(2) Selling and administrative expenses increased from the previous year by Baht 1,503.97 million or 67.59 percent due to the increase in coal sales volume of 8.69 percent as described above.

(3) Financial expense decreased from the previous year by Baht 2.23 million or 49.34 percent due to the decrease in interest expense; and

(4) Corporate income tax increased from the previous year by Baht 1,421.71 million or 833.16 percent due to the increase in profit.

ETHANOL BUSSINESS EXPENSES

Ethanol business expenses of the subsidiary company in year 2021 totaled Baht 2,266.29 million, which decreased from the previous year by Baht 72.14 million or 3.08 percent, due to the following reasons:

(1) Cost of ethanol sales decreased from the previous year by Baht 64.22 million or 2.91 percent due to decrease in ethanol sales volume of 18.23 percent as described above.

(2) Selling and administrative expenses increased from the previous year by Baht 16.39 million or 19.14 percent due to the cost of the temporary suspension of ethanol production in Production Line No. 1, which was recorded as an increase in administrative expense.

(3) Financial expense decreased from the previous year by Baht 3.27 million or 8.17 percent due to the decrease in interest expense; and

(4) Corporate income tax decreased from the previous year by Baht 21.04 million or 346.62 percent due to the increase in deferred tax assets.

Gross Profit	Coal Business		Ethanol Business		Total	
	Million Baht	%	Million Baht	%	Million Baht	%
Year 2021						
Revenue from sales	13,527.17	100.00	2,207.30	100.00	15,734.47	100.00
Less Cost of sales	5,649.13	41.76	2,142.49	97.06	7,791.62	49.52
Gross Profit	7,878.04	58.24	64.81	2.94	7,942.85	50.48
Year 2020 (Revised)						
Revenue from sales	7,105.88	100.00	2,405.99	100.00	9,511.87	100.00
Less Cost of sales	4,432.79	62.38	2,206.71	91.72	6,639.50	69.80
Gross Profit	2,673.09	37.62	199.28	8.28	2,872.37	30.20

GROSS PROFIT

Gross profit of the Company and subsidiary companies in year 2021 totaled Baht 7,942.85 million or 50.48 percent of the sales revenue, which increased from the previous year with the gross profit of Baht 2,872.37 million or 30.20 percent of the sales revenue, due to the following reasons:

(1) Gross profit from coal business in year 2021 totaled Baht 7,878.04 million or 58.24 percent of the sales revenue from the increase in sale, which increased from the previous year with gross profit of Baht 2,673.09 million or 37.62 percent of the sales revenue. This was due to the increase in average coal selling price of 75.17 percent but the average cost of coal sales increased by only 17.25 percent; and

(2) Gross profit from ethanol business in year 2021 totaled Baht 64.81 million or 2.94 percent of the sales revenue, which decreased from the previous year with gross profit of Baht 199.28 million or 8.28 percent of the sales revenue, due to the molasses price, which is a major cost of ethanol production, increased by over 28.05 percent.

Net Profit	Year 2021		Year 2020 (Revised)		Increase (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Profit from Coal Business	1,503.47	95.44	242.98	84.72	1,260.49	518.76
Profit (Loss) from Ethanol Business	(29.80)	(1.89)	35.79	12.48	(65.59)	(183.26)
Share of income from associated company and other revenue	101.57	6.45	8.05	2.80	93.52	1,161.74
Net Profit	1,575.24	100.00	286.82	100.00	1,288.42	449.21
Net Earnings per Share (Baht per Share)	3.00		0.55		2.45	449.21
Remark: Registered par value of Baht 1 per share						

NET PROFIT

The net profit of the Company and subsidiary companies in year 2021 totaled Baht 1,575.24 million, which increased from the previous year by Baht 1,288.42 million and net earnings per share was Baht 3.00 per share, which increased from the previous year by Baht 2.45 per share or 449.21 percent, due to the following reasons:

(1) Net profit from coal business and wood pellet business derived from shareholding proportion of the Company in year 2021 was Baht 1,503.47 million, which increased from the previous year by Baht 1,260.49 million or 518.76 percent. This was due to the increase in coal sales volume and average coal selling price as described above.

(2) Net loss from ethanol business derived from shareholding proportion of the Company in year 2021 was Baht 29.80 million, with the decrease in net profit from the previous year of Baht 65.59 million or 183.26 percent due to the increase in molasses price, which is a major cost of ethanol production, as described above; and

(3) Share of income from associated companies totaled Baht 101.57 million, which increased from the previous year by Baht 93.52 million or 1,161.74 percent. This was due to the share of income of Baht 93.59 from the operating results of PT. Pesona Khatulistiwa Nusantara ("PKN"), which is the associated company that the Company acquired new issued shares in PKN at 10 percent of the total number of paid-up shares on August 31, 2021.

EARNINGS EFFICIENCY

(1) EBITDA (Earnings before financial expenses, corporate income tax, depreciation and amortization) of the Company and subsidiary companies in year 2021 was Baht 5,200.37 million, which increased from the previous year by Baht 3,746.74 million or 257.75 percent and EBITDA margin was at 32.80 percent, which increased from the previous year by 115.92 percent

(2) Net profit margin of the Company and subsidiary companies in year 2021 was at 17.14 percent, which increased from the previous year by 304.14 percent.

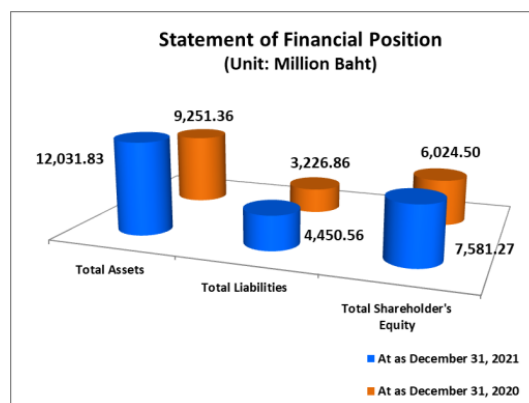
(3) Return on equity of the Company and subsidiary companies in year 2021 was at 31.23 percent, which increased from the previous year by 377.19 percent.

(4) Return on total assets of the Company and subsidiary companies in year 2021 was at 25.53 percent, which increased from the previous year by 497.34 percent. The return on fixed assets in year 2021 was at 83.69 percent, which increased from the previous year by 199.74 percent.

STATEMENTS OF FINANCIAL POSITION

Description	Unit	As at December 31, 2021	As at December 31, 2020 (Revised)	Increase (Decrease)	%
Total Assets	Million Baht	12,031.83	9,251.36	2,780.47	30.05
Total Liabilities	Million Baht	4,450.56	3,226.86	1,223.70	37.92
Total Shareholders' Equity	Million Baht	7,581.27	6,024.50	1,556.77	25.84
Book Value	Baht per Share	10.83	8.38	2.45	29.24
Remark: Registered par value of Baht 1 per share					

ASSETS: The total assets of the Company and subsidiary companies as at the end of year 2021 was Baht 12,031.83 million, which increased from the end of year 2020 by Baht 2,780.47 million or 30.05 percent, due to (1) current assets increased by Baht 2,447.38 million or 65.75 percent, consisting of: (A) cash and cash equivalent increased by Baht 1,331.03 million or 96.19 percent; (B) trade accounts receivable and other accounts receivable increased by Baht 730.25 million or 78.03 percent; (C) inventories increased by Baht 223.20 million or 73.83 percent; and (D) other current assets most of which were prepaid corporate income tax, advance payment for goods, etc., increased by Baht 162.90 million or 14.80 percent; and (2) non-current assets increased by Baht 333.09 million or 6.02 percent.



LIABILITIES: The total liabilities of the Company and subsidiary companies as at the end of year 2021 was Baht 4,450.56 million, which increased from the end of year 2020 by Baht 1,223.70 million or 37.92 percent, due to (1) trade accounts payable and other accounts payable increased by Baht 48.67 million or 10.12 percent (2) accrued expenses, most of which were overburden removal expenses and freight cost, etc., increased by Baht 1,151.76 million or 257.83 percent (3) other liabilities, most of which were the lease agreement on coal loading jetty acquisition and provision for mine rehabilitation of the subsidiary companies and allowance for long-term benefits of employees, etc., increased by Baht 10.31 million or 1.62 percent; and (4) short-term loan and long-term loan of the subsidiary companies increased by Baht 12.96 million or 0.78 percent.

TOTAL SHAREHOLDERS' EQUITY: The total shareholders' equity of the Company and subsidiary companies as at the end of year 2021 was Baht 7,581.27 million, which increased from the end of year 2020 by Baht 1,556.77 million or 25.84 percent, resulting in an increase of the share's book value from Baht 8.38 per share to Baht 10.83 per share, an increase of Baht 2.45 per share or 29.24 percent. This was due to (1) an increase in retained earnings of Baht 1,107.49 million or 33.98 percent due to the net profit and revised comprehensive income items of Baht 1,579.99 million in year 2021 but there was dividend payment of Baht 472.50 million (2) an increase in translation adjustment in financial of Baht 180.16 million or 277.17 percent; and (3) an increase in minority shareholders' equity of Baht 269.12 million or 16.56 percent.

CASH FLOWS

Description	Unit: Million Baht	
	Year 2021	Year 2020
Cash Flows from (used in) Operating Activities	3,623.81	2,217.74
Cash Flows from (used in) Investing Activities	(940.62)	(686.33)
Cash Flows from (used in) Financing Activities	(1,365.01)	(1,173.64)
Increase (Decrease) in Translation Adjustments in Financial Statements	12.84	(2.69)
Net Increase (Decrease) in Cash	1,331.02	355.08
Cash at the beginning of the period	832.70	477.62
Cash at the end of the period	2,163.72	832.70

(1) The net cash from operating activities of the Company and subsidiary companies in year 2021 totaled Baht 3,623.81 million, consisting of (A) income before corporate income tax and interest expense of Baht 4,294.31 million (B) transactions that did not affect the cash such as depreciation and amortization of assets, most of which were mostly transactions concerning coal mining operations of the subsidiary companies in Indonesia of Baht 973.87 million (C) an increase in operating assets of Baht 1,236.51 million (D) an increase in operating liabilities of Baht 202.19 million (E) interest received of Baht 14.08 million; and (F) a net increase in interest expense and taxes of Baht 624.13 million.

(2) The net cash used in investing activities of the Company and subsidiary companies in year 2021 totaled Baht 940.62 million, consisting of (A) properties, buildings and equipment, most of which were wood pellet production plant of the subsidiary company increased by Baht 140.87 million (B) an increase in expenses of coal mine projects of subsidiary companies in Indonesia of Baht 631.42 million (C) short-term capital investment and other items increased by Baht 176.08 million; and (D) income dividend from subsidiary companies of Baht 7.75 million.

(3) The net cash used in financing activities of the Company and subsidiary companies in year 2021 totaled Baht 1,365.01 million, consisting of (A) a decrease in loan of Baht 18.83 million (B) dividend payment of Baht 1,454.64 million; and (C) an increase in minority shareholders' equity of Baht 108.46 million.

ASSET MANAGEMENT CAPABILITY

(1) The trade accounts receivable and other accounts receivable of the Company and subsidiary companies as at the end of year 2021 were 13.85 percent of total assets. The provisions of doubtful debts are considered based on review of receivable period and assessment of past debt collection experience. Accordingly, there was no provision of doubtful debt in year 2021.

(2) Inventory of the Company and subsidiary companies as at the end of year 2021 was 4.37 percent of total assets as there was allowance for impairment loss of inventory of Baht 16.31 million due to deterioration or impairment of the products and having higher cost than market price.

(3) The Company's goodwill incurred from investment in the subsidiary company as at the end of year 2021 accounted for 1.55 percent of total assets, having provision of goodwill impairment from investment in wood pellet production project of Baht 48.77 million.

LIQUIDITY AND SUFFICIENCY OF CAPITAL

(1) The total debt-to-equity ratio of the Company and subsidiary companies as at the end of year 2021 was as low as 0.59:1 with appropriate capital structure. The Company has cash generation and credit facilities sufficient for future investment projects.

(2) The current ratio and the quick ratio of the Company and subsidiary companies as at the end of year 2021 were as high as 1.92 times and 1.35 times, respectively. In addition, the Company and subsidiary companies have sufficient credit facilities for future working capital.

(3) The cash cycle of the Company and subsidiary companies in the end of year 2021 was 29 days, which decreased from the previous year by 6 days. The average debt collection period was at 29 days, which increased from the previous year by 1 day. The average inventory turnover was at 19 days, which decreased from the previous year by 9 days but the average debt repayment period was at 19 days, which decreased from the previous year by 4 days.

DEBT OBLIGATION

The subsidiary company in a business of ethanol production and distribution for fuel purpose has obligation according to the terms and conditions of the loan agreement with a local commercial bank, which is the lender as follows:

(1) The subsidiary company must maintain its D/E ratio (Debt to Equity Ratio) not exceeding 2.5 times and DSCR (Debt Service Coverage Ratio) of no less than 1.1 times until the expiration of the loan agreement. It appears that as at December 31, 2021, the abovementioned subsidiary company is unable to maintain the DSCR as required by the contractual obligation of the loan, in which the subsidiary company has classified a portion of long-term loan as long-term loan that is due to be paid within one year's time. Nevertheless, on October 27, 2021, the lending bank has issued a waiver letter regarding such conditions.

(2) The lending bank has stipulated that the Company must maintain its shareholding proportion in the subsidiary company of no less than 50 percent of the total number of shares during the whole duration of the loan agreement. Accordingly, the Company has no plan to sell or decrease its shareholding proportion in the subsidiary company to below 50 percent of the total number of shares.

(3) The lending bank has stipulated that the subsidiary company cannot pay dividend to its shareholders, including the Company, if the subsidiary company cannot comply with the conditions as stipulated within the loan agreement, such as the maintenance of D/E ratio, DSCR, and shareholding proportion of the Company in the abovementioned subsidiary company, etc. Accordingly, the subsidiary company has never breached the conditions of loan agreements and has been provided with good financial support from lending banks.

FUTURE TREND

Coal Business: Coal prices has started to increase since the end of year 2021 and returned to the same highest level of year 2021 due to the start of winter season and the Indonesian Government announced coal export ban for one month starting from January 1, 2022 as the anticipation was that coal volume for domestic power generation would not be sufficient. Nonetheless, despite the fact that the Indonesian Government has already allowed coal export to continue again since the end of January 2022, control measures are still in place for all the coal producers to place importance in domestic market obligation by supplying coal at no less than 25 percent of total coal sales, especially for the distribution of coal to the state-owned power plants in order to prevent impact to the domestic electricity consumption as in the past years. Most importantly, domestic coal prices are stipulated currently at 50 percent lower than the export prices. In addition, China still bans coal import from Australia, causing coal price increase. Therefore, it is expected that the Company's performance in 2022 will continue to be profitable. The Company has emphasized the importance of strict compliance with relevant laws and regulations so that there is no impact to the business and coal export in the future.

Ethanol Business: There is an increasing trend for the volume of important raw materials for ethanol production, including both molasses and cassava, as the volume of sugarcane milling has increased from the previous year for over 28.64 percent, resulting in an increase in the molasses volume, being the by-product. Similarly, the cassava volume is expected to increase from the previous year by 4.20 percent; however, the prices of both molasses and cassava tend to highly fluctuate as there are increasing demands for cassava from overseas countries. It is anticipated that the demand for ethanol should increase in line with the recovery of economic situation.

Overall Business: The COVID-19 pandemic situation should improve with reducing severeness of covid strain, which should result in a recovery of global economy including Thailand. Therefore, the overall operating results of the Company and subsidiary companies in 2022 are expected to continue to be profitable as the energy business has clearly recovered in line with the overall macroeconomic situation.

STATEMENT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES TO THE FINANCIAL REPORT

The consolidated financial statements year 2021 of Lanna Resources Public Company Limited and its subsidiary companies have been prepared in accordance with the Notification of the Department of Business Development, regarding to the condensed transactions of the financial statements, effective under the Accounting Act B.E. 2543 and in compliance with the accounting standard established in the Accounting Profession Act B.E. 2547.

The Board of Directors is responsible for the preparation of the financial report of Lanna Resources Public Company Limited and its subsidiary companies, assuring that the financial status, operating results, and cash flows are presented in truth and fairness by having established a correct and complete keeping of the financial records. These financial statements have been prepared in accordance to the generally accepted accounting standard by using accounting policies that are appropriate and corresponding to the business operation, which are undertaken on a regular basis. The Company also considers and maintains adequate provisions for uncertainty items or items that may have significant effect on future operation, by disclosing important information in the Notes to Financial Statements with certified accountant's opinions in the Report of Independent Auditor.

Accordingly, the Board of Directors has appointed the Audit Committee, comprising of independent and non-executive directors with complete qualifications as established by the Securities and Exchange Commission (SEC), to review the financial statements for compliance with the accounting standard; to review the internal control system, internal audit system and risk management for appropriateness and efficiency; to review that the business operation has been conducted in accordance with the Company's regulations and relevant laws; and to oversee that there are no conflict of interest; as well as to consider and propose for the appointment of the Company's auditors. The opinions of the Audit Committee are expressed in the Report of the Audit Committee which has been included within the Annual Report 2021 (Form 56-1 One Report).

March 7, 2022

On behalf of the Board of Directors of Lanna Resources Public Company Limited

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(Mr. Vanchai Tosomboon)
Chairman of the Board

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(Mr. Srihasak Arirachakaran)
Chief Executive Officer

SUMMARY OF THE INDEPENDENT AUDITOR'S REPORT

The consolidated financial statements and separate financial statements of Lanna Resources Public Company Limited have been audited by the certified public accountant of EY Office Limited, whom has presented the independent auditor's report, which can be summarized as follows.

Opinion

The auditor has audited the accompanying consolidated financial statements of Lanna Resources 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 income, 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 Lanna Resources Public Company Limited for the same period. According to the auditor's opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lanna Resources Public Company Limited and its subsidiaries and of Lanna Resources 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

The auditor conducted the audit in accordance with Thai Standards on Auditing. Auditor's responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of the report. The auditor is 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 the audit of the financial statements, and the auditor has fulfilled other ethical responsibilities in accordance with the Code. The auditor believes that the audit evidence obtained is sufficient and appropriate to provide a basis for auditor's opinion.

Key Audit Matters

Key audit matters are those matters that, in the auditor's professional judgement, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming auditor's opinion thereon, and the auditor does not provide a separate opinion on these matters.

The auditor has fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of the report, including in relation to these matters. Accordingly, the audit included the performance of procedures designed to respond to auditor's assessment of the risks of material misstatement of the financial statements. The results of the audit procedures, including the procedures performed to address the matters below, provide the basis for the auditor's audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Revenue recognition

Major revenue of the Group is derived from production and distribution of coal and ethanol. The Group recognized revenue, based on the contractual price, when control of goods is transferred to the customer, generally on delivery goods. The price is based on the market price with adjusted by other factors. Revenue from sales is a significant account because the amount of revenue from sales is material and directly affects the Group's profit or loss. In addition, selling prices are based on the fluctuated market price and current demands. The auditor therefore gave significant attention to the revenue recognition of the Group.

The auditor has examined the revenue recognition of the Group by assessing and testing its internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls, applying a sampling method to select sales agreements to assess whether revenue recognition was consistent with the conditions of the relevant agreement, and whether it was in compliance with the Group's policy, on a sampling basis, examining supporting documents for actual sales transactions occurring during the year and near the end of the accounting period, reviewing credit notes that the Group issued after the period-end and performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Coal reserve estimates for the overseas subsidiaries

Coal reserves are estimates of the amounts of coal that can be economically and legally extracted by the subsidiary companies. The subsidiary companies determine and report their coal reserves under the Australasian Code for Reporting, Exploration Results, Mineral Resources and Ore Reserves (Joint Ore Reserves Committee Code).

Estimating coal reserves requires the use of assumptions about a range of geological, technical and economic factors, including production quantities, production techniques, stripping ratio, production costs, transport costs, commodity demand, coal prices and exchange rates. Estimating the quantity and/or calorific value of coal ore reserves requires the size, shape and depth of coal ore bodies or fields to be determined through an analysis of geological data such as drilling data, samples and topography. The process of making judgements with respect to such geological data is complex and difficult.

Because the economic assumptions used to estimate the reserves change from period to period, and because additional geological data may be generated during the course of operations, the estimates of reserves may change from period to period.

Changes in reported reserves may affect the subsidiary companies' financial results and financial position in a number of ways, including the following:

- Assets' carrying values may be affected by changes in estimated future cash flows.
- Depreciation, depletion and amortization charges in the statements of income and other comprehensive income may change when such charges are determined by the units of production basis, or when the useful economic lives of assets change.
- Overburden removal costs recorded in the statements of financial position or charged to the statement of income and other comprehensive income may change due to changes in stripping ratios.
- Decommissioning costs and provisions for site and environmental restoration may change due to changes in estimated reserves which result from the timing or cost of these activities.
- The recognized value of deferred tax assets/liabilities may change due to changes in estimates of the recoverable amounts of the tax benefits.

The auditor audited the coal reserve estimates by assessing the competency and capability of the management and the expert used by the management to estimate the subsidiary companies' coal reserves as of 31 December 2021. In addition, the auditor tested the significant assumptions used by the management and the expert in the estimation, especially the assumptions relating to coal prices, production levels and discount rate determination. The auditor also reviewed the disclosure of the accounting policy relating to the estimation of coal reserves in the notes to the financial statements.

Goodwill

As at 31 December 2021, the Company recorded goodwill amounting to Baht 186 million, as disclosed in Note 19 to the financial statements. The assessment of goodwill impairment is a significant accounting estimate requiring the management to exercise a high degree of judgement in identifying the cash generating unit, estimating the cash inflows that are expected to be generated from the group of assets in the future, and setting an appropriate discount rate and long-term growth rate. This will affect the appropriateness of the amount of goodwill.

The auditor assessed the identification of cash generating units and the financial models selected by the management by making enquiry of the management and gaining an understanding of its decision-making process to assess whether the decisions made were consistent with how the assets are utilized. In addition, the auditor tested the significant assumptions applied by the management in preparing estimates of the cash flows expected to be realized from the assets, by comparing those assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgement in estimating the cash flow projections. The auditor also evaluated the discount rate applied by the management through analysis of the weighted average finance costs of the Company and of the industry, tested the calculation of the recoverable amounts of the assets using the selected financial model and considered the impact of changes in key assumptions on those recoverable amounts, especially changes in the discount rate and long-term revenue growth rates. Moreover, the auditor reviewed the disclosures made with respect to the impairment assessment for goodwill.

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 the auditor's report thereon. The annual report of the Group is expected to be made available to the auditor after the date of this auditor's report.

The auditor's opinion on the financial statements does not cover the other information and the auditor does not express any form of assurance conclusion thereon.

In connection with the audit of the financial statements, auditor's responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or auditor's knowledge obtained in the audit or otherwise appears to be materially misstated.

When the auditor reads the annual report of the Group, if the auditor concludes that there is a material misstatement therein, the auditor is 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

The auditor's 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 the auditor's opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, the auditor exercises professional judgement and maintains professional skepticism throughout the audit. The auditor also:

- Identifies and assesses 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 auditor's 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.
- Obtains 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.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concludes 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 the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify auditor's opinion. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluates 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.
- Obtains 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. The auditor is responsible for the direction, supervision and performance of the group audit. The auditor remains solely responsible for the audit opinion.

The auditor communicates 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 the auditor identifies during the audit.

The auditor also provides those charged with governance with a statement that the auditor has 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 the auditor's independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, the auditor determines 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. The auditor describes these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, the auditor determines that a matter should not be communicated in the report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

(A) CONSOLIDATED FINANCIAL STATEMENTS**Statement of Financial Position Year 2019 – Year 2021**

Description	Year 2019		Year 2020		Year 2021	
	Million Baht	%	Million Baht	%	Million Baht	%
<u>Assets</u>						
<u>Current Assets</u>						
Cash and Cash Equivalents	477.62	4.91	832.70	9.00	2,163.72	17.98
Short Term Investment	611.57	6.28	551.06	5.96	551.10	4.58
Trade and other Receivables	706.16	7.25	935.84	10.12	1,666.08	13.85
Inventories-net	729.35	7.49	302.32	3.27	525.52	4.37
Other Current Assets	1,748.41	17.96	1,100.57	11.89	1,263.45	10.50
Total Current Assets	4,273.11	43.89	3,722.49	40.24	6,169.87	51.28
Long-Term Loans to Related Party	-	-	-	-	105.81	0.88
Restricted bank deposit	105.74	1.09	151.42	1.64	343.23	2.85
Investment in Associated Companies	19.61	0.20	20.79	0.22	173.04	1.44
Advance Payment for Share Subscription	241.15	2.48	160.77	1.74	0.00	0.00
Property, Plant and Equipment	4,363.01	44.82	4,271.49	46.17	4,140.20	34.41
Biological Assets	1.96	0.02	6.46	0.07	11.58	0.10
Investment properties	32.42	0.33	61.14	0.66	57.53	0.48
Other Non-Current Assets	698.48	7.17	856.80	9.26	1,030.57	8.56
Total Assets	9,735.48	100.00	9,251.36	100.00	12,031.83	100.00
<u>Liabilities and Shareholders' Equity</u>						
<u>Current Liabilities</u>						
Short -Term Loans from Financial Institutions	1,606.86	16.51	994.74	10.75	763.61	6.35
Trade and other payables	519.05	5.33	481.14	5.20	529.81	4.40
Current Portion of Long Term loans from Financial Institution	166.11	1.71	190.13	2.06	291.61	2.42
Other Current Liabilities	364.77	3.74	470.98	5.09	1,628.89	13.54
Total Current Liabilities	2,656.79	27.29	2,136.99	23.10	3,213.92	26.71
Lease Liabilities- net of current portion	8.98	0.09	60.87	0.66	62.54	0.52
Long-Term Loans from Financial Institution – net of current portion	587.82	6.04	476.48	5.15	619.09	5.15
Provision for Mine reclamation and Decommissioning	87.20	0.90	96.73	1.05	124.99	1.04
Provision for Long-Term Employee Benefits	252.81	2.60	268.14	2.90	203.69	1.69
Deferred Tax Liabilities	161.23	1.65	187.65	2.02	226.33	1.88
Total Liabilities	3,754.83	38.57	3,226.86	34.88	4,450.56	36.99
<u>Shareholders' Equity</u>						
Registered, Issued and Fully Paid up	525.00	5.39	525.00	5.67	525.00	4.36
Share Premium	680.40	6.99	680.40	7.35	680.40	5.66
<u>Retained Earnings</u>						
Appropriated-Statutory Reserve	52.50	0.54	52.50	0.57	52.50	0.44
Appropriated-General Reserve	1,250.60	12.85	1,255.00	13.57	1,310.60	10.89
Unappropriated	1,909.83	19.61	1,951.55	21.09	3,003.44	24.96
Other Components of Shareholders' Equity	(53.91)	(0.55)	(65.00)	(0.70)	115.16	0.96
Equity Attributable to owners of The Company	4,364.42	44.83	4,399.45	47.55	5,687.10	47.27
Non-Controlling interests of The Subsidiaries	1,616.23	16.60	1,625.05	17.57	1,894.17	15.74
Total Shareholders' equity	5,980.65	61.43	6,024.50	65.12	7,581.27	63.01
Total Liabilities and Shareholders' Equity	9,735.48	100.00	9,251.36	100.00	12,031.83	100.00

Income Statements Year 2019 – Year 2021

Description	Year 2019		Year 2020		Year 2021	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues						
Revenue from Sales	9,253.81	99.07	9,511.87	99.40	15,734.47	99.24
Other Income	86.85	0.93	57.27	0.60	119.96	0.76
Total Revenues	9,340.66	100.00	9,569.14	100.00	15,854.43	100.00
Expenses						
Cost of sales	6,088.31	65.18	6,639.50	69.38	7,791.62	49.14
Selling and Administrative Expenses	2,221.89	23.79	2,310.69	24.15	3,831.05	24.16
Financial Cost	53.49	0.57	44.53	0.47	39.03	0.25
Total Expenses	8,363.69	89.54	8,994.72	94.00	11,661.70	73.55
Share of Profit from Investment in Associated Companies	7.15	0.08	8.05	0.08	101.57	0.64
Income Tax Expenses	(192.97)	(2.07)	(176.71)	(1.84)	(1,577.38)	(9.95)
Profit for the Year	791.15	8.47	405.76	4.24	2,716.92	17.14
Non-Controlling Interests of the Subsidiaries	(370.57)	(3.97)	(118.94)	(1.24)	(1,141.68)	(7.20)
Net Profit	420.58	4.50	286.82	3.00	1,575.24	9.94
Earnings per Share – Baht per Share	0.80		0.55		3.00	

Retained Earnings Year 2019 - Year 2021

Description	Unit : Million Baht		
	Year 2019	Year 2020	Year 2021
Unappropriated Retained Earnings Brought Forward	2,018.75	1,909.83	1,951.55
Net Profit (Loss)	420.58	286.82	1,575.24
Unappropriated Retained Earnings	2,439.33	2,196.65	3,526.79
Other Comprehensive income for the Year	(8.40)	(4.45)	4.75
Unappropriated Retained Earnings Transferred to General Reserve	(206.10)	(4.40)	(55.60)
Retained Earnings for Appropriations	2,224.83	2,187.80	3,475.94
Less Dividend Paid			
Final Dividends	(157.50)	(157.50)	(157.50)
Interim Dividends	(157.50)	(78.75)	(315.00)
Unappropriated Retained Earnings Carried Forward	1,909.83	1,951.55	3,003.44

Statements of Cash Flows Year 2019 - Year 2021

Description	Unit : Million Baht		
	Year 2019	Year 2020	Year 2021
<u>Cash Flows from Operating Activities</u>			
Profit before Tax	984.13	582.47	4,294.31
Depreciation and Amortization	706.08	812.76	852.75
Share of Profit from Investment in Associated Companies	(7.15)	(8.05)	(101.57)
Adjustments other Transactions	100.38	131.38	222.69
Operating Assets and Liabilities	(269.73)	837.79	(1,034.32)
Interest Income	16.01	13.90	14.08
Cash Paid for Interest Expenses	(40.12)	(48.22)	(44.97)
Cash Paid for Income Tax	(367.28)	(104.29)	(579.16)
Net Cash from (used in) operating activities	1,122.32	2,217.74	3,623.81
<u>Cash Flows from Investment Activities</u>			
Cash Paid for Investment in Subsidiary	-	(74.71)	-
Dividend Received from Subsidiaries and Associated Company	11.42	6.87	7.75
Decrease in Debt Instruments Investments	41.97	61.91	-
Increase in Restricted Bank Deposits	(8.11)	(36.70)	(175.81)
Proceeds from Disposals of Equipment, Computer software and investment Properties	1.91	11.24	1.78
Acquisitions of Property, Plant and Equipment	(603.67)	(266.73)	(142.65)
Increase in other Non-Current Assets	(378.70)	(388.21)	(631.69)
Net Cash from (used in) Investing Activities	(935.18)	(686.33)	(940.62)
<u>Cash Flows from Financing Activities</u>			
Increase (Decrease) in loans from Financial Institutions	373.74	(629.32)	285.68
Dividend Paid	(563.78)	(336.71)	(1,454.64)
Repayment of Long-Term Loan from Financing Institution	(102.00)	(166.53)	(270.85)
Cash paid for Lease Liabilities	0.00	(33.78)	(33.66)
Increase(Decrease) in Non-Controlling Interests of the Subsidiaries	(54.91)	(7.30)	108.46
Net Cash used in Financing Activities	(346.95)	(1,173.64)	(1,365.01)
Increase (Decrease) in Translation Adjustments	32.07	(2.69)	12.84
Net Increase in Cash and Cash Equivalents	(127.74)	355.08	1,331.02
Cash and Cash Equivalents at beginning of Year	605.36	477.62	832.70
Cash and Cash Equivalents at end of Year	477.62	832.70	2,163.72

Financial Ratio Year 2019 - Year 2021

Consolidated Financial Statements	Unit	Year 2019	Year 2020	Year 2021
<u>Per Share Data</u>				
Book Value	Baht per Share	8.31	8.38	10.83
Earnings per Share	Baht per Share	0.80	0.55	3.00
Dividend Per Share	Baht per Share	0.60	0.45	1.60
<u>Liquidity Ratios</u>				
Current Ratio	times	1.61	1.74	1.92
Quick Ratio	times	0.67	1.07	1.35
Cash Flow Liquidity Ratio	times	0.42	0.93	1.35
Account Receivable Turnover Ratio	times	10.48	11.98	12.54
Average Debt Collection Period	days	34	30	29
Inventory Turnover Ratio	times	11.08	12.87	18.82
Average Selling Period	days	32	28	19
Account Payable Turnover Ratio	times	13.08	15.57	18.48
Average Debt Payment Period	days	28	23	19
Cash Cycle	days	38	35	29
<u>Profitability Ratio</u>				
Gross Profit Margin	%	34.21	30.20	50.48
Operating Profitability Ratio	%	9.62	5.44	25.88
Others Profitability Ratio	%	1.01	0.68	1.40
Cash Flow to Profitability Ratio	%	126.09	428.84	88.98
EBITDA Margin	%	18.81	15.19	32.80
Net Profit Margin	%	8.46	4.24	17.14
Return on Equity	%	9.64	6.55	31.23
<u>Operating Efficiency Ratio</u>				
Return on Total Assets	%	8.16	4.27	25.53
Return on Fixed Assets	%	34.92	27.92	83.69
Total Assets Turnover Ratio	times	0.97	1.01	1.49
<u>Financial Policy Ratio</u>				
Debt to Equity Ratio	times	0.63	0.54	0.59
Interest Coverage Ratio	times	19.81	42.00	98.55
EBITDA Coverage Ratio (cash basis)	times	0.88	2.88	1.94
Dividend Payment Ratio	%	74.90	82.37	53.35

(B) SEPARATED FINANCIAL STATEMENTS**Statements of Financial Position Year 2019 - Year 2021**

Description	Year 2019		Year 2020		Year 2021	
	Million Baht	%	Million Baht	%	Million Baht	%
<u>Assets</u>						
<u>Current Assets</u>						
Cash and Cash Equivalents	124.55	4.50	277.70	9.67	874.23	24.09
Other Current financial Assets	609.31	22.00	550.01	19.15	550.01	15.15
Trade and other Receivables	121.99	4.40	185.86	6.47	322.90	8.90
Inventories-net	140.27	5.06	108.97	3.79	254.76	7.02
Other Current Assets	212.83	7.68	130.88	4.55	54.09	1.49
Total Current Assets	1,208.95	43.64	1,253.42	43.63	2,055.99	56.65
Investment in Associated Companies	769.22	27.77	906.03	31.54	903.54	24.90
Advance Payment for Share Subscription	241.15	8.71	160.77	5.60	0.00	0.00
Long-Term Loans to Related Party	0.00	0.00	0.00	0.00	105.81	2.92
Property, Plant and Equipment	491.85	17.76	458.33	15.95	427.96	11.79
Investment properties	32.42	1.17	29.86	1.04	29.45	0.81
Other Non-Current Assets	26.32	0.95	64.34	2.24	106.29	2.93
Total Assets	2,769.91	100.00	2,873	100.00	3,629	100.00
<u>Liabilities and Shareholders' Equity</u>						
<u>Current Liabilities</u>						
Trade and other payables	31.85	1.15	33.29	1.16	53.68	1.48
Other Current Liabilities	21.97	0.79	36.48	1.27	62.63	1.73
Total Current Liabilities	53.82	1.94	69.77	2.43	116.31	3.21
Lease Liabilities- net of current portion			28.11	0.98	34.89	0.96
Provision for Long-Term Employee Benefits	45.65	1.65	48.80	1.70	47.59	1.31
Total Liabilities	99.47	3.59	147	5.11	199	5.48
<u>Shareholders' Equity</u>						
Registered, Issued and Fully Paid up	525.00	18.95	525.00	18.28	525.00	14.47
Share Premium	680.40	24.56	680.40	23.68	680.40	18.75
<u>Retained Earning</u>						
Appropriated-Statutory Reserve	52.50	1.90	52.50	1.83	52.50	1.45
Appropriated-General Reserve	1,250.60	45.15	1,255.00	43.68	1,310.60	36.11
Unappropriated	161.94	5.85	213.17	7.42	861.75	23.74
Equity Attributable to owners of The Company	2,670.44	96.41	2,726.07	94.89	3,430.25	94.52
Total Shareholders' equity	2,670.44	96.41	2,726.07	94.89	3,430.25	94.52
Total Liabilities and Shareholders' Equity	2,769.91	100.00	2,872.75	100.00	3,629.04	100.00

Income Statement Year 2019 – Year 2021

Description	Year 2019		Year 2020		Year 2021	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues						
Revenue from Sales	1,139.10	77.31	1,550.50	88.59	1,772.68	52.85
Other Income	334.31	22.69	199.71	11.41	1,581.56	47.15
Total Revenues	1,473.41	100.00	1,750.29	100.00	3,354.24	100.00
Expenses						
Cost of sales	832.74	56.52	1,129.53	64.53	1,429.66	42.62
Selling and Administrative Expenses	280.73	19.05	285.90	16.33	449.91	13.41
Finance cost (Income)	(5.75)	(0.39)	(1.62)	(0.09)	(2.01)	(0.06)
Total Expenses	1,107.72	75.18	1,413.81	80.77	1,877.56	55.97
Income Tax Expenses	(41.79)	(2.84)	(44.60)	(2.55)	(303.77)	(9.06)
Net Profit	323.90	21.98	291.80	16.68	1,172.91	34.97
Earnings per Share	0.62		0.56		2.23	

Retained Earnings Year 2019 – Year 2021

Description	Year 2019	Year 2020	Year 2021
	Million Baht	Million Baht	Million Baht
Unappropriated Retained Earnings Brought Forward	363.67	161.94	213.17
Net Profit (Loss)	323.90	291.88	1,172.91
Unappropriated Retained Earnings	687.57	453.82	1,386.08
Other Comprehensive income for the Year	(4.53)		3.77
Unappropriated Retained Earnings Transferred to General Reserve	(206.10)	(4.40)	(55.60)
Retained Earnings for Appropriations	476.94	449.42	1,334.25
<u>Less</u> Dividend Paid			
Final Dividends	(157.50)	(157.50)	(157.50)
Interim Dividends	(157.50)	(78.75)	(315.00)
Unappropriated Retained Earnings Carried Forward	161.94	213.17	861.75

Cash Flows Year 2019 - Year 2021

Description	Unit: Million Baht		
	Year 2019	Year 2020	Year 2021
<u>Cash Flows from Operating Activities</u>			
Profit before Tax	365.69	336.49	1,476.69
Depreciation and Amortization	31.66	55.02	54.65
Dividend Income	(284.37)	(127.04)	(1,506.26)
Adjustments other Transactions	11.78	3.22	175.16
Operating Assets and Liabilities	(86.56)	125.52	(178.65)
Interest Income	5.27	3.75	4.17
Cash Paid for Income Tax	(39.79)	(36.83)	(334.47)
Net Cash from (used in) operating activities	3.68	360.13	(308.71)
<u>Cash Flows from Investment Activities</u>			
Decrease in Debt Instruments Investments	38.82	60.69	0.00
Dividend Received from Subsidiaries and Associated Company	284.37	127.04	1,506.26
Cash Received from the partial Return on Investment from Subsidiary	0.00	0.00	53.12
Cash Paid for Investment in Subsidiary	(3.79)	(145.00)	(145.00)
Proceeds from Disposals of Equipment, Computer software and investment Properties	0.11	10.30	0.67
Acquisitions of Property, Plant and Equipment	(39.61)	(10.74)	(19.81)
Increase in other Non-Current Assets	(0.05)	0.05	(0.23)
Net Cash from (used in) Investing Activities	279.85	42.34	1,395.01
<u>Cash Flows from Financing Activities</u>			
Cash paid for Lease Liabilities	-	(12.97)	(13.61)
Dividend Paid	(315.00)	(236.25)	(472.50)
Net Cash used in Financing Activities	(315.00)	(249.22)	(486.11)
Increase (Decrease) in Translation Adjustments	(0.01)	(0.10)	(3.66)
Net Increase in Cash and Cash Equivalents	(31.48)	153.15	596.53
Cash and Cash Equivalents at beginning of Year	156.03	124.55	277.70
Cash and Cash Equivalents at end of Year	124.55	277.70	874.23

Financial Ratio Year 2019 - Year 2021

Description	Unit	Year 2019	Year 2020	Year 2021
<u>Per Share Data</u>				
Book Value	Baht per Share	5.09	5.19	6.53
Earnings per Share	Baht per Share	0.62	0.56	2.23
Dividend Per Share	Baht per Share	0.60	0.45	1.60
<u>Liquidity Ratios</u>				
Current Ratio	times	22.46	17.97	17.68
Quick Ratio	times	15.90	14.53	14.94
Cash Flow Liquidity Ratio	times	0.05	5.83	(3.32)
Account Receivable Turnover Ratio	times	8.18	11.04	7.36
Average Debt Collection Period	days	44	33	49
Inventory Turnover Ratio	times	6.01	9.06	7.86
Average Selling Period	days	60	40	46
Account Payable Turnover Ratio	times	24.66	40.97	35.08
Average Debt Payment Period	days	15	9	10
Cash Cycle	days	89	64	85
<u>Profitability Ratio</u>				
Gross Profit Margin	%	26.89	27.15	19.35
Operating Profitability Ratio	%	2.75	8.82	(5.92)
Others Profitability Ratio	%	22.69	11.41	47.15
Cash Flow to Profitability Ratio	%	11.73	263.31	294.35
EBITDA Margin	%	26.93	22.58	45.78
Net Profit Margin	%	21.90	16.68	34.97
Return on Equity	%	12.14	10.82	38.10
<u>Operating Efficiency Ratio</u>				
Return on Total Assets	%	11.68	10.35	36.08
Return on Fixed Assets	%	81.79	68.53	259.64
Total Assets Turnover Ratio	times	0.53	0.62	1.03
<u>Financial Policy Ratio</u>				
Debt to Equity Ratio	times	0.40	0.05	0.06
Interest Coverage Ratio	times	N/A	N/A	N/A
EBITDA Coverage Ratio (cash basis)	times	0.01	1.46	(0.63)
Dividend Payment Ratio	%	97.25	80.94	71.62

(5) GENERAL INFORMATION AND OTHER INFORMATION

(5.1) REFERENCE INFORMATION

Registrar	Audit Company
Thailand Securities Depository Co., Ltd. 93 Stock Exchange of Thailand Building, Rajadapisek Road, Dindang, Bangkok 10400 Tel.: 0-2009-9999, Fax: 0-2009-9991 SET Contact Center : 02-009-9999 E-mail : SETContactCenter@set.or.th Website : www.set.or.th/tsd	EY Office Limited 193/136-137 Ratchadapisek Rd., Klongtoey, Bangkok 10110 Tel.: 0-2264-9090, Fax: 0-2264-0789-90 E-mail : ey.thailand@th.ey.com Website : https://www.ey.com/th/en/home

(5.2) LITIGATION

In 2011, a company sued the subsidiary for its alleged non-compliance with the cassava chip purchase agreement dated January 21, 2011. The company, as the plaintiff, filed a civil lawsuit at the Civil Court of Southern Bangkok on September 23, 2011 claiming a compensation for damage of Baht 186.9 million. The subsidiary submitted the testimony and countersued that company on November 8, 2011, claiming a compensation for damage of Baht 82.4 million and the Civil Court of Southern Bangkok, which is the court of first instance, dismissed Plaintiff's case on October 9, 2014 and ordered that company ("Plaintiff") to make payments for purchases of cassava chip that the subsidiary paid in advance of Baht 6.9 million including interest expense of 7.5 percent per annum starting from November 8, 2011 (Countersue date) until completion of payment, as well as make parts of legal cost and fee for the subsidiary. Subsequently, on December 3, 2014, the subsidiary submitted an appeal to the Appeal Court objecting the judgment of the Civil Court and on February 9, 2016, the Appeal Court upheld the judgment of the Civil Court above.

On April 7, 2016, the subsidiary submitted dika appeal to the Supreme Court objecting the judgment of the Appeal Court, which is still under consideration by the Supreme Court. In addition, on 18 May 2018, the subsidiary sued that company for bankruptcy case. The Bankruptcy court passed the judgment on 29 May 2019 that the case was thrown out as that company has the right to claim with a debtor which is a government agency then that company has not become insolvent yet. The subsidiary has already made attachment of the claim. On 13 August 2019, the subsidiary received partial of Baht 0.2 million. In addition, on 21 January 2022, the court ordered he debtor, a government agency, to submit the funds as they had been withheld to the subsidiary. Currently, the subsidiary is awaiting the remittance of the funds in accordance with the enforcement procedure. However, the subsidiary has previously recorded allowance for impairment in advance paid to that company for a whole amount of Baht 6.9 million.

(5.3) OTHER IMPORTANT INFORMATION : None

PART 2 : CORPORATE GOVERNANCE

(6) CORPORATE GOVERNANCE POLICY

(6.1) FUNDAMENTAL POLICY ON CORPORATE GOVERNANCE

The Company is fully aware of the importance of good corporate governance and adheres to the principles of fairness and integrity, accountability, responsibility and transparency, and promoting equitable treatment and gaining faith from all the stakeholders. The Company focuses on building values to the business and persons with associated interest in long term for sustainable growth and development of the Company in the future.

Accordingly, the Board of Directors has established its policy or basic principles of the corporate governance for use as guidelines for the business operation as follows:

(1) Establish the management structure of the Company so that there are clear scope of authorities, duties and responsibilities for the Board, sub-committees and the Management for confidence and effective work performance at all levels of the organization.

(2) Operate in such manner to assure that various courses of action of the Company are effectively and efficiently performed under effective internal control system with appropriate balance of authorities as well as having transparent operation which can be audited and effective information disclosure procedures.

(3) Operating in such manner to assure that the financial reports reflect actual operating results and status, including having assessment and establish appropriate level of risk protection and mitigation measures.

(4) Proceed with the matters concerning conflict of interest cautiously and reasonably, taking the interest of the Company into consideration.

(5) Oppose to any forms of corruption and instill moral principle and conscience among the executives and employees for good behaviors, honesty and discipline, and also be conscious of duties and responsibilities of own individual and to the working team, ready for better things and always be responsive to the changes.

(6) Aim to attain operational excellence by adhering to creating customers satisfaction by listening to comments, as well as performing self-assessment and review in order to continuously develop and create better things.

(7) Recognize and respect the ownership right of the shareholders, including the right stakeholders and treat them with justice and fairness, without being partial and provide opportunity for the stakeholders to express opinions and also provide channels for whistleblowing and filing complaints concerning any violation of law or deficiencies, as well as establishing measures for compensation in the case of stakeholders being damaged from such violation of the law.

(8) Conduct its business by considering its responsibility to the shareholders, stakeholders and overall community and society including conservation of environment by taking part in the creation and/or support of developments which are sustainable and beneficial to the overall society, at the level of the Company's status.



(9) Conduct its business with protection measures against anyone for using inside information of the Company dishonestly for their own benefit.

(10) Establish measures and procedures in reporting of fraudulent or suspecting a fraudulent and illegal conduct or other unusual activities which may cause significant damage to the Company's reputation and financial status, of which the incident must be reported immediately in order to correct the deficiencies or impacts without delay, including seeking protection measures to prevent such incident from happening again.

The Company is committed in conducting business with efficiency and effectiveness, having competitive potential with good performance. It is the responsibility of all executives and employees at every level of the Company to adhere and perform duties with accountability, prudence and integrity with equitable treatment of shareholders to protect the inside information of being used with dishonestly for the benefit of their own or for others, transparency and disclosure information, ethically conducted business with stakeholders and all relevant parties by not violate the human rights, political neutrality and oppose to any forms of corruption, in order for sustainable growth and development of the Company in long term.

(6.1.1) CORPORATE GOVERNANCE STRUCTURE

The Board of Directors has a duty to govern the business at policy level and set the direction for the operations by establishing objectives, plans, and main targets for the Company, as well as set out the vision, mission, core values, and corporate culture. The policy shall be regularly reviewed as least once per year to ensure that all directors, executives, and employees can implement the strategy and work plan successfully and effectively according to the objectives and main targets of the Company, leading to sustainable development.



Executive Level	Roles and Important Issues
<p style="text-align: center;">Board of Directors</p> <p style="text-align: center;"></p>	<ul style="list-style-type: none"> ● Establishing objectives and main targets, providing policies and strategies that drive good corporate governance for the enterprise. ● Creating sustainable value for the enterprise, ensuring competitiveness with good operating results and financial position. ● Fostering corporate values that uphold ethics by considering contribution to the society and minimizing environmental impact.
<p style="text-align: center;">Chief Executive Officer, Chief Officer and Deputy Chief Officer</p> <p style="text-align: center;"></p>	<ul style="list-style-type: none"> ● Establishing strategies, targets, work plans, and annual budget according to the assigned objectives and main targets. ● Ensuring suitability and adequacy of risk management and internal control as assigned. ● Monitoring efficiency and effectiveness of the strategies (KPI).
<p style="text-align: center;">Division Managers</p>	<ul style="list-style-type: none"> ● Implementing the strategies, monitoring, and reporting the operating results from time to time, continuously and consistently.

(6.1.2) MONITORING AND REPORTING ON OPERATING RESULTS TOWARD SUSTAINABILITY

All directors, executives, and employees at every level of the Company have duty to uphold the good corporate governance principles, as well as the code of conduct and best practices of the Company, as guidelines for work without neglecting the principles described in this handbook.

The Corporate Governance Committee (CGC) has duty to monitor Company’s operations to ensure compliance with the good corporate governance principles and the code of conduct in business operations, as well as a duty to review Company’s guidelines and provide opinions to the Board of Directors, leading to sustainable operating results.

The Audit Committee has assigned the Internal Audit to be the division responsible for auditing and monitoring compliance with the Company’s good corporate governance principles and the code of conduct. The audit results shall be reported to the Audit Committee for further proposal with opinion to the Board of Directors, as well as to ensure that all directors, executives, and employees at every level of the Company shall report in good faith to their superiors regarding violation or potential violations on such principles. It is a duty of the superiors in inspecting and giving advice to the subordinates for compliance with the good corporate governance principles and the code of conduct.

Executive Level	Monitoring and Reporting Methods	Frequency
Board of Directors	<ul style="list-style-type: none"> Board of Directors' Meetings 	<ul style="list-style-type: none"> Quarterly
 Chief Executive Officer, Chief Officer and Deputy Chief Officer	<ul style="list-style-type: none"> Quarterly follow-up meetings Executive meetings for department managers 	<ul style="list-style-type: none"> Quarterly Monthly
 Department Managers Division Managers	<ul style="list-style-type: none"> Chief Executive Officer meetings with mid-level executives and department managers Executive meetings for division managers Sustainability report preparation 	<ul style="list-style-type: none"> Quarterly Monthly Annually

(6.1.3) CORPORATE GOVERNANCE CODE

The Company's Corporate Governance Code is divided into 8 principles as follows:

PRINCIPLE 1: ESTABLISH CLEAR LEADERSHIP ROLE AND RESPONSIBILITIES OF THE BOARD

The Board of Directors is considered the key to good corporate governance. It comprises a diverse set of qualified persons with knowledge, expertise, experience, leadership, vision, independence in decision making, full devotion of time and commitment to perform the duty of care and duty of loyalty for the best interest of the Company and shareholders (see details on page 102 under topic (7.2), "Board of Directors Information).

PRINCIPLE 2: DEFINE OBJECTIVES THAT PROMOTE SUSTAINABLE VALUE CREATION

The Board of Directors has established clear and appropriate main objectives and goals as guidelines for employees at every level to move forward in the same direction, and also determines the vision, mission, core values, and corporate culture for the business, customers, stakeholders and society overall, to ensure sustainable value creation (see details on page 4 under topic (1.1.1) Corporate's Goal, Vision, Value, Mission, and Culture).

PRINCIPLE 3: STRENGTHEN BOARD EFFECTIVENESS

1. THE BOARD STRUCTURE

The Board of Directors has assigned the NRC Committee to determine and review the board structure, in terms of size, composition, and the proportion of independent directors, non-executive director, and executive director that are appropriate and necessary so as to ensure its leadership role in achieving the Company's objectives (see details on page 102 under topic (7.2), "Board of Directors Information).

- In 2021, the Board of Directors consisted of 12 directors, including 4 authorized directors and 9 non-executive directors and 4 independent directors and Audit Committee members. The Company has established description of the independent director of the Company equal the minimum qualifications established by the SEC and the Stock Exchange of Thailand for the matter of shareholding in the Company; namely the independent director of the Company must not hold more than 0.80 percent of all the number of shares with voting right.

- The Board of Directors appoints special committees as deemed necessary and appropriate in order to carry out various matters as delegated by the Board of Directors through the nomination process of the NRC to clearly separate roles, duties and responsibilities between the Board of Directors, sub-committees and the Management team and for the important issues to be thoroughly considered before presenting opinions to the Board of Directors for further consideration. There are 4 sub-committees; namely, Audit Committee ("AC"), Risk Management Committee ("RMC"), Nomination and Remuneration Committee ("NRC"), and Corporate Governance Committee ("CGC"). Details can be found under the topic "Corporate Structure and Important Information about Board of Directors, Sub-Committees, Executives, Employees and Others" in the Annual Report (Form 56-1 One Report).

- The Company has policy to occasionally appoint specific sub-committee as deemed necessary for future business operation in order to consider important issues that the Board of Directors deems important and may have significant impact on the business operation.

- The Nomination process for the Company's directorship positions must go through the Nomination and Remuneration Committee. Nevertheless, the Board of Directors has provided opportunity for the minority shareholders to propose names of qualified persons for the directorship positions according to criteria or guidelines recommended by the Stock Exchange of Thailand, having notified the shareholders via the information dissemination of the Stock Exchange of Thailand and Company's website.

- The Board of Directors consists of persons possessing knowledge, capability, experience and expertise in various professions, which are deemed beneficial to the Company's operation, and with suitable qualifications to become the directors of the listed company according to the Company's regulations and established laws.

- The Chairman is independent having no relationship whatsoever with the Management and is not a chairman or member in any other boards or sub-committees.

- The Chairman of the Board is not same person as the Chief Executive Officer or Managing Director in order to clearly separate the corporate governance policy making roles and the daily management role.

- The Company has published within the Annual Report the information on the representing directors for each group, having directors on the Board, excluding independent director, not yet proportional to the shareholding for each group. Details can be found on page 24 under topic "Shareholders" in the Annual Report (Form 56-1 One Report).

- The number of years for the directorship position for each office term is in accordance with the regulation in the Public Limited Company Act B.E. 2535 but there is no specification on the number of terms that the director can continuously be in the position.

- The number of years in each term for the Audit Committee Member is stated in the Charter of Audit Committee but there is no specification on the number of terms that the Audit Committee Member can continuously be in the position.

- In order for the directors to dedicate time and effort for their duties, the Board of Directors has established the number of companies that each director may take up positions as follows:

- (1) Executive directors or full time directors may take up directorship position at no more than 4 listed companies.

- (2) Non-executive directors or professional directors may take up directorship position at no more than 5 listed companies.

- (3) The Chairman of the Board may take up the Chairman of the Board position at only 1 listed company.

- For the proposal of the persons for the directorship positions of the Company, sufficient information on directorship positions in other companies for each person must be provided to the shareholders for consideration before the voting for the appointment.

- Top executives may take up directorship positions in the Company's subsidiaries or affiliated companies with an approval from the Board of Directors.

- The Company has appointed a person, a permanent employee, to be responsible for the work of the Company Secretary and has clearly established scope of authorities and duties of the executives for each level of work organization by separating authorities, duties and responsibilities in each of the level in descending order.

2. SUB-COMMITTEES

The management structure of the Company comprises the Board of Directors, Sub-Committees, Executives and Corporate Secretary. The Company has four sub-committees comprises the Audit Committee ("AC"), the Risk Management Committee ("RMC"), the Nomination and Remuneration Committee ("NRC"), and the Corporate Governance Committee ("CGC"). (see details on page 102 under topic (7.2), "Board of Directors Information")

3. NOMINATION OF THE BOARD OF DIRECTORS MEMBERS AND SUB-COMMITTEES MEMBERS

The Board of Directors has assigned the NRC Committee with a duty to select and nominate the Company's directors with a transparent and clear procedure, in compliance with the Company's regulations and regulations of the SEC and the Stock Exchange of Thailand, to obtain Company's director with appropriate qualifications as required by the Company, without discrimination toward genders, races, or religions. (see details on page 129 under topic (8.1.1), "Committee Recruitment, Development and Evaluation")

4. CONSIDERATION OF REMUNERATION FOR THE BOARD OF DIRECTORS AND SUB-COMMITTEES

The NRC Committee has a duty to consider the structure and the rate of remunerations that are suitable for the roles and responsibilities. The remunerations must be attractive and motivating for the directors to lead the organization, ensuring that the operations are successful according to the objectives and the main targets, both in short-term and long-term. (see details on page 118 under topic (7.4.2), "Remuneration of Directors and Executives")

5. ACCOUNTABILITY TO ONES' DUTIES AND SUFFICIENT TIME ALLOCATION

The Board of Directors ensures that all directors are accountable for their duties and allocate sufficient time as directors of the Company. (see details on page 71 under topic (6.1.1), "Corporate Governance Structure")

6. POLICIES ON INVESTMENT IN SUBSIDIARIES AND AFFILIATED COMPANIES

The Board of Directors has established policies and operations of subsidiaries and other businesses with significant investment at a level appropriate for such businesses, ensuring that the subsidiaries and other invested businesses have mutual understanding on such matter. (see details on page 133 under topic (8.1.2), "Supervision of Subsidiary Companies and Associated Company")

7. SELF-ASSESSMENT ON THE PERFORMANCE OF THE BOARD OF DIRECTORS AND SUB-COMMITTEES AS A GROUP AND AS AN INDIVIDUAL

The Board of Directors has established criteria and self-assessment on the performance of the Board of Directors and sub-committees, both as a group and an individual, at least once per year with some adaptations to suit the Company. (see details on page 132 under topic (3), "Assessment of Performance of the Board of Directors and Sub-Committees")

8. DIRECTORS' TRAINING AND DEVELOPMENT

The Board of Directors ensures that each individual director and sub-committees recognize their roles, duties, and responsibilities as directors of the Company and/or sub-committees, nature of the businesses, and laws related to Company's businesses. Additionally, all directors and/or sub-committees are encouraged to reinforce skills with regular training and development on directorship.

(8.1) New Director Orientations

The Board of Directors arranges an orientation for all new directors to familiarize them with the nature of businesses and to prepare and ensure expedient and effective transition with the Company Secretary as the coordinator as follows:

(1) Must-know matters such as structure of business, structure of committee, structure of the company, scope of authority and responsibility as well as laws and regulations related to business operation, etc.

(2) General business knowledge i.e. objectives, goals, vision, mission, and corporate values as well as the nature of the business, operating guidelines and operation plant visits.

(3) Develop knowledge and new aspects in terms of corporate governance, code of conduct or good governance in business operations, industry outlook, and new innovations.

(4) Arrange a meeting with Chairman of the Board, Chief Executive Officer of Managing Director for in-depth discussion regarding the business nature of the Company.

(5) All directors shall enroll in Director Accreditation Program (DAP) and all audit committee members shall enroll in Audit Committee Program (ACP) conducted by the Thai Institute of Directors (IOD) in order to understand the roles, duties, and responsibilities that are related to the position of director of companies listed on the Stock Exchange of Thailand.

(8.2) Development of Directors

The Board of Directors encourages and supports the Company's directors to attend trainings and seminars being held by the Thai Institute of Directors, the SEC, the SET, or other independent institutions to enhance their knowledge, and skills that are useful to perform duties more efficiently and effectively as follows:

(1) Encourage the Company's directors to attend training and develop the necessary knowledge and enhance skills in performing the duties of the Company's directors continuously and regularly.

(2) Encourages the Company's directors to have an understanding of laws, rules, standards, risks, information technology, and the environment related to the Company's operations as well as to stay informed of up-to-date information continuously and regularly.

(3) Disclosure of development training and continuous knowledge enhancement of the Company's directors in the Annual Report 2021 (Form 56-1 One Report).

9. BOARD OF DIRECTORS' MEETINGS

- Every director can express opinions independently. In the event that the number of votes are equal during voting by the Board of Directors, the Chairman, a non-executive member, has the right to cast the deciding vote.

- The Chairman and the Chief Executive Officer or the Managing Director together shall consider and choose the Board of Directors' meeting agenda and give opportunity for each of the directors to be able to propose matter for the meeting agenda.

- The Company Secretary prepares and forwards the meeting invitation 7 to 10 days in advance, so as to provide sufficient time for the Board of Directors to study and review the information for decision making and the Board of Directors may also request for additional information from the Company Secretary, having the Management and top executives attend the meeting to clarify any issues in order for the directors to have full understanding to properly consider and make decision on the matter.

- The minutes of the meetings have been recorded in writing and the approved minutes from the Board of Directors have been kept completely and in order, readily available for review by the Board of Directors and related parties. The meeting minutes cannot be revised without passing through the Board of Directors' Meeting.

- The Board of Directors' meeting is regularly scheduled at least once every two months (one meeting every other month). The meeting schedule, including date, time and venue, is proposed in advance for each year in order for the director to prepare his/her own schedule to attend the meeting. The extraordinary meeting is scheduled as necessary and appropriate with the business. Details of the board meeting attendance for the past year are shown in the Annual Report 2021 (Form 56-1 One Report) on page 102 under topic "Board of Directors Information". The meeting agenda are clearly established in advance, having regular agenda for consideration of the operating results. Each meeting normally takes approximately 1 to 3 hours, depending on the extent of the meeting agenda considered during the meeting.

- Non-executive directors shall occasionally hold meeting among themselves as deemed appropriate and necessary. The Company's Board of Directors has established the policy to hold the Non-Executive Directors' Meeting at least once a year. In 2021, Non-Executive Directors Meeting No. 1/2021 was held on December 20, 2021.

PRINCIPLE 4: ENSURE EFFECTIVE CEO AND PEOPLE MANAGEMENT

The Board of Directors ensures that a proper mechanism is in place for the nomination and development of top executives to ensure that they possess the knowledge, skills, experience, and characteristics necessary for the Company to achieve its objectives.

1. MANAGEMENT STRUCTURE

The management structure comprises the Board of Directors, sub-committees, top executives, and Company's executives. The top executives must possess proper qualifications, with stated roles, duties, and responsibilities. (see details on page 102 under topic (7.2), "Board of Directors Information")

2. NOMINATION OF TOP EXECUTIVES

The NRC Committee has a duty to consider and screen individuals as per the procedure set out in the Company's regulations, by selecting individuals as top executives who possess knowledge, capabilities, expertise, and experience that would benefit the Company's operations. (see details on page 129 under topic (8.1.1), "Committee Recruitment, Development and Evaluation")

3. CONSIDERATION OF REMUNERATION FOR TOP EXECUTIVES AND EMPLOYEES OF THE COMPANY

The NRC Committee has a duty to consider the structure and amount of remuneration that are appropriate with the responsibilities and able to motivate top executives and employees of the Company to drive the Company toward its main objectives and goals, according to the short-term and long-term remuneration policies (see details on page 118 under topic (7.4.2), "Remuneration of Directors and Executives")

4. PERFORMANCE ASSESSMENT OF TOP EXECUTIVES AND EMPLOYEES OF THE COMPANY

The Board of Directors together with the NRC Committee have prepared the performance assessment form for top executives and assigned the Chief Executive Officer and Human Resources Division Manager to arrange performance assessment for deputy chief-officer and operational employees, which can be summarized as follows:

(4.1) Performance Assessment for Top Executives of Chief Officer level and Above

The NRC Committee has arranged performance assessments for top executives. The top executives are to fill out the assessment form, specifying each individual's responsible work plan including additional assigned tasks in the sub-committees. Key performance indicators (KPI) are jointly established by the assessor and the one being assessed, having incentives for the business management according to the main objectives and goals, in line with long-term benefits for the Company. Preliminarily, top executives shall assess their performance against the established KPI, and further propose to the NRC Committee for consideration as follows:

(1) The NRC shall assess the performance and determine the remuneration of the Chief Executive Officer each year before proposing to the Board of Directors for further approval.

(2) The Chief Executive Officer shall assess the performance of the top executives from the Chief Officer level and above, and presented to the NRC to consider and approve the salary increase adjustment according to the budget approved by the Board of Directors.

(3) Performance assessment form for supervisor level and above, divided into 2 parts as follows:

(3.1) Using task oriented performance assessment and measure performance in KPI, which the top executives shall determine according to the main objectives and goals of the Company.

(3.2) Assessment of necessary competencies for performing the duties in accordance with corporate culture.

(4.2) Performance Assessment for Executives Ranking from Deputy Chief-Officer to Operational Employees

The Chief Executive Officer assigns the Human Resources Division Manager to arrange performance assessments for executives ranking from the deputy chief-officer to operational employees, which must be in accordance with the objectives and main goals of the Company, having details as follows:

(A) Performance Assessment Criteria: The Human Resources Department has established criteria for performance assessment and performance assessment form by sending to all departments to fill out the assessment form for each individual by specifying the assessment topics in accordance with the KPI to propose for further approval from the supervisors before being used to assess the performance each year, by which the performance assessment shall be conducted at least once a year.

(B) Performance assessment form is categorized into 2 types as follows:

- (1) Performance assessment form for supervisor level and above; and
- (2) Performance assessment form for operational employees

(C) Performance assessor can be summarized as follows:

(1) **Deputy Chief Officer level and above** shall be the assessor for the performance of department managers and assistant managers by preparing a performance assessment form that is in accordance with KPI in order to propose for approval of annual salary adjustment which will depend on the achievement of each individual's performance according to the specified KPI.

(2) **Department Manager** shall be the assessor for the division manager and operational employees and propose to the deputy chief officer for further consideration, by which the HR manager will prepare the performance assessment form for division manager and operational employees in order to propose for approval of annual salary adjustment which will depend on the achievement of each individual's performance according to the specified KPI.

(3) **Human Resources Department Manager** shall summarize the results of the performance assessment from the operational level to the chief officer of each line in order to propose to the Chief Executive Officer for approval before proposing to the NRC for consideration and approval on the salary increase adjustment according to the budget approved by the Board of Directors.

(D) Communication and follow-up: Once the results of each employee's performance assessment have been approved, the supervisors of each line will communicate to each employee regarding the annual salary increase adjustment and bonus payment. This will be based on the assessment of each individual's performance for employees to be informed and improve their performance in the following year.

5. TOP EXECUTIVE DEVELOPMENT

(5.1) Orientation for new top executives

An orientation for all new directors is arranged to familiarize them with the nature of businesses and to prepare and expedite the executive to effectively undertake the directorship position. The Human Resources Division shall coordinate on various matters as follows:

(1) Must-know matters such as structure of business, structure of committee, structure of the company, scope of authority and responsibility as well as regulation related to business operation.

(2) General business knowledge i.e. understanding of the main objectives and goals, vision, mission, corporate culture, as well as the business nature and operating guidelines, including operation plant visits and also departments related to the Company's operations.

(3) Enhance new knowledge and perspectives in terms of corporate governance, code of conduct or good governance in business operations, industrial conditions and new innovations.

(4) Arrange a meeting with the Chief Executive Officer and Chief Officer level and above for in-depth discussion regarding the business nature of the Company.

(5.2) Top Executive Development

The Board of Directors provides support to the Chief Executive Officer and top executives to attend trainings and seminars being held by the Thai Institute of Directors, the SEC, the SET, and other independent institutions to expand their knowledge, skills, experience, and characteristics required for driving the Company toward the objectives and goals. In order to increase work efficiency, plans are also put in place for job rotations and succession plan for top executives in case of vacancy, with regular assessment on the top executives. Training and development of directors and executives in year 2021 are as follows:

Attendees in Training/Seminar	Training/Seminar	Institution	Date of Training/Seminar
Mr. Srihasak Arirachakaran	(1) Executive Briefing LIVE-Online: Executing Your Business Plans amidst Uncertainty	PacRim/Online	9/2/2021
	(2) TLCA HU Transformation LAB	PacRim&TLCA/Online	3/8/2021
	(3) Empowering Thai Companies to Win in the Vietnam Market through M&A	BBL Vietnam/Online	5/2/2021
	(4) "2021 Content & Communication Trend"	SET/Online	24/2/2021

Attendees in Training/Seminar	Training/Seminar	Institution	Date of Training/Seminar
	(5) CEO Club 1/2021: “International Trade Disputes Risks”,	SET/Online	22/6/2021
	(6) CEO Club 2/2021 “Biotechnology Expanding Business in the New S-Curve”	SET/Online	04/10/2021
	(7) Director Briefing 1/2021: Governing in Tomorrow 's world	IOD/Online	29/1/2021
	(8) Successful Formulation & Execution of Strategy (SFE34/2021)	IOD/Online	5/2/2021
	(9) Director’s Briefing 5/2021: Roadmap and Action Plan for a Post-pandemic World	IOD/Online	23/3/2021
	(10) Corruption, CAC Change Agent Program	Thai CAC/Online	05/05/2021
	(11) Director Refreshment Training Program	IOD/Online	11/8/2021
	(12) National Director Conference 2021: Leadership Behind Closed Door	IOD/Online	17/8/2021
	(13) Director Forum 1/2021: GRC Through the Perfect Storm	IOD/Online	05/11/2021
	(14) Chairman Forum: Chairing a Virtual Board Meeting	IOD/Online	23/11/2021
	(15) BCG Energy, Materials and Chemicals: Challenges & Solutions	NSTDA/Online	25/3/2021
	(16) Lessons learned: Application and practices of Rendanheyi model in large and complex organizations	SEAC/Online	8/4/2021
	(17) Rebuilding and Rethinking for 2021	SEAC/Online	27/5/2021
	(18) Enterprise Transformation at Haier - the View from a Microenterprise	SEAC/Online	19/08/2021
	(19) Exclusive Virtual Sharing: Create a Workforce of self-leaders to power your organization	SEAC/Online	10/11/2021
	(20) Management Model Design: How to Improve Your Organization's Performance From The Core	SEAC/Online	11/11/2021
	(21) Webinar series: Challenges in Increasing share of renewable energy in Thailand	CU/Online	29/6/2021
	(22) The Role of Political Parties in Thailand, and their Place in Thai Democracy	ISEAS/Online	2/8/2021
	(23) Ways to Survive Thailand from COVID-19 Crisis	ECT./Online	10/8/2021
	(24) Go Green: Megatrend for a Green World	Krungthep Turakij /Online	30/09/2021
	(25) Exponential Path to Net Zero: Bangchak 100x - 100 Ideas for Sustainable World	Bangchak /Online	18/11/2021
	(26) ASEW Webinar Series #8 Renewable Energy for Thailand Data Centers	EVAT/Online	10/09/2021
	(27) Adaptation of the Thai Industrial Sector in the Era of Energy Transition to Sustainability	FTI/Online	09/09/2021
	(28) Trade and Development Regional Forum 2021	IITD/Online	24/08/2021
	(29) Thai Power Industry’s Transition towards the Net Zero	Thansettakij/Online	27/08/2021

Attendees in Training/Seminar	Training/Seminar	Institution	Date of Training/Seminar
Mr. Prasert Promdech	(1) Corruption, CAC Change Agent Program	IOD/Online	05/05/2021
	(2) The Future of Financial System	Krungthep Turakij /Online	13/09/2021
Mr. Vacharachai Nachailert	(1) Corruption, CAC Change Agent Program	Thai CAC/Online	05/05/2021
Mr. Saharat Vatanatumrak	(1) Anti-Corruption	IOD/Online	05/05/2021
	(2) Company Secretary Forum	IOD/Online	26/11/2021
Mr. Sudusit Ounsangchan	(1) Corruption, CAC Change Agent Program	Thai CAC/Online	05/05/2021
	(2) Ethical Leadership Program	IOD/Online	09/11/2021
Mrs. Petcharat Chayanon	(1) Corruption, CAC Change Agent Program	Thai CAC/Online	05/05/2021
	(2) Ethical Leadership Program	IOD/Online	09/11/2021
	(3) Important Issues on Corporate Income Tax	Accounting Coach (Thailand) Co., Ltd.	05/11/2021
	(4) Changes in Income Tax and Audit Direction of the Revenue Department	Accounting Coach (Thailand) Co., Ltd.	05/11/2021
Mr. Bandhit Ngarmkum	(1) Anti-Corruption	IOD/Online	05/05/2021
	(2) Creating Agile Enterprise Architecture Intensive	DUGA	28/10/2021
Ms. Siriporn Trakoonkitcharoen	(1) Corruption, CAC Change Agent Program	Thai CAC/Online	05/05/2021
	(2) 2022 Deferred Tax)	NYC Management Co., Ltd.	17/11/2021
	(3) CFO 2020	NYC Management Co., Ltd.	24/11/2021
Mrs. Prapawan Puengpakdee	(1) Corruption, CAC Change Agent Program	Thai CAC/Online	05/5/2021
	(2) Economic Outlook Thailand Forecast: Industry Outlook Analysis and Thai Stocks under the 3 rd Wave of COVID-19	Kasikornbank Public Co., Ltd.	20/5/2021
	(3) Global Economic Outlook on the Return of COVID-19	Kasikornbank Public Co., Ltd.	22/7/2021
	(4) Economic Outlook Thailand Forecast: Industry Outlook Analysis and Thai Stocks under the 4 th Wave of COVID-19	Kasikornbank Public Co., Ltd.	25/8/2021
	(5) Economic Outlook, Interest Rate and Currency Trends in the 4 th Quarter	Kasikornbank Public Co., Ltd.	20/9/2021
	(6) Currency and Interest Rate Trends in Volatile Financial Market Conditions	Kasikornbank Public Co., Ltd.	22/9/2021

6. EXECUTIVE MEETING

The executive team which consists of executives from department manager level and above must hold a meeting to summarize the financial position and operating results as follows:

(6.1) Managers' Meeting consists of executives from department manager level and above, by the Management Advisor shall be the chairman of the meeting, which the meeting shall be held to summarize the operating results at least once a month, or may arrange additional meetings as the chairman of the meeting deems appropriate, with the chief officer from the department of Domestic Marketing, International Marketing, Business Development, Management, Accounting and Finance, Internal Audit, and Human Resources to attend every meeting, including in the event that there is a need for clarification on important matters, which the Chairman of the meeting will invite relevant executives to attend the meeting to clarify the matter, having details as follows:

(1) The Chief Officer from the department of Domestic Marketing and International Marketing shall prepare monthly summary reports of both domestic and international sales performance by comparing to the established targets and KPI in order to assess performance results to be in accordance with goals, strategies, plans, and approved budget from the Board of Directors.

(2) In the event that the operating results do not meet the established goals, Chief Executive Officer and Chief Officer of Domestic and International Marketing shall suggest plans to improve strategies and sales plans in a timely manner or in the case of requiring rapid countermeasures against competitors.

(3) In the event that the product was found to have a problem, when receiving complaints from customers, Marketing Department shall report at the meeting so that the immediate improvements can be made by the production department.

(4) Appoint one suitable top executive as secretary of the meeting with the duty to collect meeting documents and prepare minutes of the meeting, as well as coordinating and communicating to relevant parties for acknowledgment of important resolutions of each meeting.

(6.2) Quarterly's Meeting having the Management Advisor as the chairman of the meeting, which shall hold a meeting to summarize the performance results at least once every quarter to present the operating results of the Company, subsidiary and associated companies, by preparing summary reports in PowerPoint format as follows:

(1) The department manager responsible for each matter shall report to the meeting regarding the quarterly operating results in comparison with the established goals and KPI for use in improving strategies, plans and goals of each department. The relevant managers shall report the factors and/or problems that occur during each quarter for the meeting to acknowledge and consider giving opinions for further action or improvement.

(2) All department managers shall communicate the resolution of the meeting to their subordinates, with plans, strategies, and goals of each department will be adjusted accordingly in order for the operating results to be in accordance with the established plans, main goals, and KPI.

(3) Appoint suitable department manager as secretary of the meeting, with the duty to collect meeting documents and prepare minutes of the meeting, as well as coordinating and communicating to relevant parties for acknowledgment of important resolutions of each meeting.

(6.3) Middle Level Managers' Meeting including Chief Officer, Deputy Chief Officer, Department Manager, and Division Manager, by holding a meeting with Chief Executive Officer at least once every quarter to allow middle level managers to have an opportunity to meet with the Chief Executive Officer to acknowledge the quarterly operating results, as well as having the opportunity to suggest opinions regarding the operation and operational problems in order for the Chief Executive Officer to be well informed and to improve the plans and strategies for the operating results to be in line with the established goals and KPI.

7. HUMAN RESOURCE MANAGEMENT

The Company has human resources management for recruiting, selecting, developing, promoting and retaining knowledgeable and qualified employees, which are considered the most important resources of the organization, as well as promoting a positive image within the organization in order to achieve the objectives and goals with efficiency and effectiveness in the long term.

PRINCIPLE 5: NURTURE INNOVATION AND RESPONSIBLE BUSINESS

1. INNOVATION CREATION

The Board of Directors has applied social and community responsibility concepts with the philosophy of sufficiency economy in line with business strategy planning by bringing knowledge from business experience to develop, including applying and inventing business innovations that continuously increase competitiveness and increase business value for the company to continue to grow with quality, stability and sustainability in the long term, having principles as follows:

(1) Supporting the creation of innovations that create value for the business while creating benefits for customers or related parties with responsibility to society, community and environment.

(2) Monitor and supervise the management to conduct business with responsibility to society, community and environment that reflected in the operational plan in order to ensure that all departments of the organization are performing in accordance with the objectives, goals and strategies.

(3) Supervise the Management to allocate and manage resources efficiently and effectively by taking into account the impact and development of resources throughout the value chain in order to be able to achieve objectives and main goals with stability and sustainability.

(4) Provide a framework for supervision and management of information technology that is consistent with the needs of business, as well as supervising the use of information technology to increase business opportunities and improving operations and risk management in order to enable the company to achieve its objectives and main goals.

2. BUSINESS ETHICS

(1) The business ethics or code of conduct of the Company is the code of practices which the Company considers as appropriate guidelines for business ethics and practices, of which the Company believes that these practices have been traditionally followed for a long period of time and became faithful and acceptable in every circle to distinguish between what is “should” or “should not”.

(2) The Corporate Governance Committee therefore has established the business ethics or the code of conduct for the Company and fully wishes that all the executives and employees at every level will use as guidelines and strictly follow them for routine practice at all time.

(3) Every executive and employee at every level recognizes the fiduciary duties towards the stakeholders. (see details on page 96 under topic (6.2), “Business Ethics”)

3. EFFICIENT AND EFFECTIVE RESOURCES MANAGEMENT

The Company efficiently and effectively manage resources by taking into account of the impact and development of resources throughout the sustainable value chain, as well as taking into account of the maximum benefits to all stakeholders from procurement, production, transportation partners, and partners in various groups such as domestic and international distributors and responsibility to consumers as the end user of supply chain, to be able to achieve the main objectives and goals with stability and sustainability as follows:

(3.1) Sustainable Value Chain Management

(A) Production Process

The Company has improved its production process by applying modern technology to increase productivity, reduce time and production processes.

(B) Procurement

The Company’s procurement process is systematic and theoretically correct, having tight control over the procurement and the Company encourages procurement from Thai operators and/or affiliated companies by negotiating based on terms of fair business relationship, protection of confidential information received from each of the bidders or tender participants without disclosing information to the others, maintain equitable business relationship with trading partners without demanding for any assets or other benefits directly or indirectly from the trading partner without any exception. The executives and/or persons with procurement authority must use discretion in giving advice, recommendation and listen to opinion of the employee objectively and fairly, as well as, having the authority to control, inspect and supervise that the matter is conducted strictly according to the code of conduct or good governance. If it is found that there is a violation of the code of conduct or good governance, investigation must take place and disciplinary action must be strictly considered according to established procedure. The Company considers this as the importance of quality and benefit received.

(C) Transportation

The Company hires transport companies known for their effectiveness, reputable with international standards in transport service, to transport products to the customers with quality, by which quality inspection on the transport companies are continuously and regularly performed.

(D) Trading Partners

The Company treats trading partners with transparency and fairness without demanding, receiving or paying any benefits, strictly follows the terms and agreement, jointly resolve any problem and properly maintain good relationship and understanding with accountability. If there is any information on dishonest demand, receipt or payment of any benefit, such information should be disclosed to the trading partner and the case should be jointly resolved fairly and promptly.

(E) Consumers

The Company places importance to the customers whom are important stakeholders in the value chain, by adhering to the principles of honesty and justice, protection of confidential trade information of the customers, strict compliance with the terms and obligations agreed with the customers, no profiteering, manufacturing good quality products, as well as, providing after sale service, for the best interest and satisfaction of the customers.

(3.2) Energy Management

The Company is committed to effective energy utilization and has established a guideline for energy utilization and conservation as follows:

(1) The Company shall regularly and continuously develop energy management system, having energy conservation as a part of operations of the Company, while proceeding in accordance with related laws and regulations.

(2) The Company shall regularly and continuously improve energy efficiency of the Company as appropriate for the technology being used and good operating standards.

(3) The Company shall established energy conservation plan and target annually and communicate such plan to all employees for understanding and proper proceedings.

(4) The Company expects energy conservation to be the duty and responsibility of all executives and employees at every level, who must cooperate with the elected measures.

(5) The Company shall give necessary support, including human resources, technology, budget, trainings, and feedback for regular and continuous energy management development.

(6) The Company shall revise and update energy related policy, target, and plan annually for most effective energy management development and utilization.

(3.3) Procurement Management

The Company has established a procurement unit to carry out any procurement matters in order to fulfill the purpose of every unit and in accordance with the established standard of quality. The related procedure and regulations are as follows.

(1) Every procurement transaction must emphasize on the benefit and quality for the Company by receiving package and product correctly as ordered on the quality, price, quantity, service period and promptness. The policy on quality, safety, health and environment of the Company must also be taken into consideration.

(2) Employee who is in charge of the procurement must plan ahead well to avoid unreasonable rush of procurement.

(3) The Company shall not take advantage of the trading partners by considering the benefit and damage that may occur in terms of reputation, image and perception of the Company with the outsiders.

(4) Employee who is in charge of the procurement must provide information that are correct, clear and complete to the trading partner, using disclosure method and providing equitable opportunity to the trading partners.

(5) Employee who is in charge should listen to comments and any suggestions that the trading partners complain or comment in order to improve and resolve problems that have occurred for better efficiency and effectiveness.

(6) Employee who is in charge must maintain the information received from each proposal or bidder as confidential and must not disclose the information to other parties.

(7) Invitation for the bidding process must be conducted in a competitive manner with fairness and impartiality to every trading partner.

(8) Negotiation should be based on business relations to both parties which are open and fair, having evidence that can be referred to.

(9) Maintain equitable business relationship with the trading partners without making demand, receiving goods or any other benefits directly or indirectly from the trading partner without any exception.

(10) The executive and/or authorized person in the procurement must employ impartial and fair discretion in providing advice, recommendations and listening to comments from the employee.

(11) The executive and/or authorized person on the procurement must control, check and supervise so that the task has been strictly undertaken in accordance with the code of conduct and if it is found that the code of conduct has been violated, investigation and disciplinary action or punishment must be strictly undertaken according to the established procedure.

(12) It is encouraged that the procurement is provided to the Thai operator and/or affiliated companies of the Company with important consideration on the receiving quality and benefit.

(13) The procurement should be conducted in a systematic manner and correct in principle having strict control which can always be improved in consistent with changing business situation.

(3.4) The Use of Information Technology and Communication Management

The Information technology and communication system is regarded as an important factor in promoting business operation and increase efficiency and effectiveness of the work. Accordingly, the Company has established a joint responsibility for every employee that must use the information technology and communication system in compliance with the laws, regulations, orders and standard as established by the Company, which are as follows.

(1) The Company has established safety management of the information system by having issued Company's regulation and order for the Company's employee to comply with the law regarding the use of such computer.

(2) Every employee of the Company has duty and must adhere to the following practices.

(A) Employee must comply with the copyright law, law on the use of computer, regulations and orders of the Company concerning with the use of the information system.

(B) Employee must not violate software copyright or intellectual property of the others.

(C) Employee must not take software program belonging to the Company for own personal use or give it to other individual whom is not a Company's employee for commercial use, copy, disseminate, or make revision of any kind without permission.

(D) Employee must not use the Company's email system on the account of oneself or the others to send or forward information or messages which are deemed harmful to the security of the Country, religion, and royal institution, personal messages, messages with falsehood content, uncreative, chain letters, threatening, computer virus content, to the outside or within the Company, and no falsification of any statement in the email messages of the Company without any exception.

(E) Employee must not use the Company's email system to disseminate news or information of the Company to the outsiders except for those authorized and having duty concerning with the public relations.

(F) Employee must not download any types of file without permission and must not use internal network for any entertainment so not to deteriorate the efficiency of others' email receiving and sending capacity.

(G) Employee must not use the computer network with intention to perform any illegal activities, go against peace, moral standard, and commerce, disclose confidential information or express personal comments.

(H) The use of computer or personal communication device which requires connection with the network of the Company must be approved by the Chief Executive Officer.

(I) The use of computer in the Company or taking the notebook computer for use outside the Company is required that a password be installed and entered every time of use for security of the work. The password must be kept confidential and should be changed from time to time or at least every three months.

(J) Employee must not install a software program that can check or capture information from the network unless having been authorized from the Chief Executive Officer on a special case in order to comply with the relevant laws or regulations.

(K) Employee must maintain the computer and devices under responsibility in good care and use them properly.

(3) The Company shall inspect, search, monitor, investigate and control the use of information system of the employee if it has been found that the employee has used the system inappropriately or might cause damage to information system of the Company.

(4) If the Company finds that an employee has violated or has not complied with the regulations and orders of the Company, such employee may be subject to disciplinary action and/or punishment by law, depending on the severity of the case.

(3.5) Intellectual Properties and Copyright Management

In pursuant to copyright related laws and computer acts, the Company has established a guideline as follows.

(1) Software being used for operation of the Company must be legal copies. "Free ware" or "Shareware" are usable.

(2) Installation, updates, modification, or uninstallation of any software on the Company's computers must be conducted by the Information Technology Sector, or be approved by the Information Technology Sector.

(3) In case of installation of unauthorized software, the employee who installed the software, including any employee who uses the computer with such software, shall be fully responsible and may be subjected to disciplinary action.

(4) Software of the Company may not be used with personal computers or computers of third-party without approval.

(5) Software of the Company may not be given to external persons, or be commercialized without approval, such as, lending or selling.

(6) Software of the Company may not be copied, distributed, or modified without approval.

(7) Inventions or software being developed are considered assets of the Company. The Company has all rights to such inventions or software. Employees may not distribute or commercialized such inventions or software.

(8) Anti-virus software shall be regularly updated by the Information Technology Sector. Users must scan for virus on any external data being used on the Company's computer.

(9) Employees must be responsible and vigilant while using software of the Company to prevent damage to the software which is an asset of the Company, and to the business of the Company.

(10) Employees and external persons who use software of the Company must strictly follow regulations of the Company. Any violation shall be subjected to disciplinary action according to the regulations of the Company and be subjected to legal proceedings.

(3.6) Community, Social and Environmental Management

The Company operates business with transparency and fairness; adhere to responsibility to the community, society and environment in accordance with good corporate governance principles and business ethics, as well as strictly complying with relevant laws. Accordingly, the Board of Directors has established policy regarding responsibility towards community, society and environment as follows:

(1) Not conducting business and/or taking any action that will damage the reputation of the country, natural resources and environment and/or to the public.

(2) Support activities that are beneficial to the overall community and society, giving importance to the preservation of the environment, as well as the local customs and traditions.

(3) Instill awareness and responsibility to community, society and environment among the employees at all levels continuously and enthusiastically, as well as raising the quality and maintaining safety for the community, society and environment by conducting independently and cooperate with the government.

(4) Perform or control to have strict compliance with relevant laws and regulations.

(5) Must not cooperate or support any person who does illegal business or a threat to society and national security, as well as against fraud and corruption in every form.

The Company recognizes that "Community, Society and Environment" is an important mechanism to help promote the business of the Company to grow steadily by starting from a small society in the organization, namely the employees who are the key to enhance to potential and competitiveness to the community level and country level, having involved in activities with the following targets:

(A) Organization Level

- Develop skills of all employees at all levels and create knowledge within organization into competency management
- Encourage employees to express their opinion in the organization.

- Encourage employees to participate in community development.
- (B) Community Level
- Conserve resources and environment.
 - Promote and improve the quality of life.
 - Promote education and develop learning of youths in the community.
 - Promote learning, cultural awareness, morality and ethics as the foundation of the quality of life improvement for youths.
- (C) Country Level
- Support environmental conservation activities.
 - Support learning development and creating consciousness and social responsibility among youths.

The Company has disclosed communication and dissemination of operations regarding responsibility to the community, society and environment for the employees and all related parties acknowledgement on the Company website www.lannar.com

(3.7) Anti-Corruption

The Company is committed to anti-corruption in every form by raising the awareness of directors, executives, and employees at every level about the danger of corruption, instilling proper values, and inspiring confidence of all stakeholders for sustainable development of the corporation in long-term. Accordingly, the Company has declared an intention on anti-corruption and has been officially certified as a member of “Thailand’s Private Sector Collective Action Coalition Against Corruption” or “CAC” since 2015 and has been recertified for the second time until December 31, 2024.

PRINCIPLE 6 STRENGTHEN EFFECTIVE RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ensures that the Company possesses suitable and sufficient risk management system and internal control system that ensure effective objective achievements and compliance with related laws and standards.

1. RISK MANAGEMENT

The Board of Directors has established the Risk Management Committee (“RMC”) consisting of directors and executives from all departments of the Company, from the department manager or above, with at least one member from each department, having duties and responsibilities to consider any risk factors which may impact the operation of the company and subsidiary companies and by establishing preventive measures and focusing on effective risk management in every step of the operation in accordance with good corporate governance principles to mitigate or minimize the risks by using resources efficiently and appropriately to assess and manage overall risks in accordance with the current situation and expected changes in the future. (see details on page 28 under topic (2), “Risk Management”)

2. INTERNAL CONTROL

The Board of Directors has established corporate governance policy for every unit to carry out their work effectively and efficiently in accordance with the objectives and goals of the Company; to maintain and utilize the assets economically and appropriately; to assess and manage risks effectively and cautiously and continuously. Moreover, each unit must establish work system that is standard and has adequate internal control in order to control risks to within an appropriate level so not to have any significant impact to the Company’s operation. Communication and development of staff within the unit have been established so to foster shared feeling to carry out work in accordance with appropriate practices, including compliance with the relevant laws and regulations and readily available for evaluation and review. (see details on page 146 under topic (9.1), “Internal Control”)

3. USE OF INTERNAL INFORMATION

The Company has established measures and practices on use of Company’s significant internal information that have not been disclosed to the public for its own and other’s benefit. (see details on page 133 under topic (2), “Supervision over the Use of Company’s Inside Information”)

4. REGULATION CONCERNING CONFIDENTIALITY

The Company has established measures and procedure concerning the protection of trade secrets which are deemed important to the Company's business operation and cannot be disclosed to the public by establishing a data security system, which includes defining policy and procedures to protect confidentiality, integrity and availability of data, as well as managing market sensitive information as follows.

(1) Protection of Company's Confidential Information

(A) The Company's Board of Directors, executives and employees must protect the confidential information and documents that cannot be disclosed and/or trade secrets including formulas, inventions, and researches which the Company has the sole right.

(B) The persons holding position of Company's directors, executives, staffs and employees must not disclose confidential information and documents or trade secrets for another 2 years after leaving such position.

(C) The executives and employees of the Company must acknowledge the procedure and measures in the safety protection of information, which must be strictly adhered to, in order to prevent from unintentional disclosure of confidential information.

(2) Level of Confidential Information

(A) The Company's trade secrets must be concealed and not leaked out, depending on the significance of the information such as information that can be disclosed, concealed information, secret information, top secret, etc.

(B) Using of internal information must only be in the assigned scope of duty and responsibility.

(3) Provision of Information to the Outsiders

(A) Director or executive assigned by the Company shall only be the person approving for the public disclosure of the information.

(B) Disclosure of information of other investors must be approved by such investors (if any).

(C) Units that are designated to provide information to the public are Business Development and Investor Relations Department and Accounting and Finance Department by having such unit to prepare the details.

(D) In order to comply with the regulation of the Stock Exchange of Thailand and/or other relevant laws regarding information disclosure of the listed companies, the Company has established that the person inquiring for news and information of the Company must contact the Investor Relations Office.

(4) Comments to the Outsiders

(A) Normally, the executive and/or employee of the Company must not disclose or express opinion to the outsider.

(B) The executive and/or employee must ask oneself first whether or not he/she has duty to answer such inquiries from the outsider. If not, he/she should politely refuse and recommend that the outsider directly make inquiry to the responsible unit.

5. TRADING OF THE COMPANY'S SECURITIES

• The Company has determined the rules and procedures for reporting on the trading of the Company's securities being held by the directors and executives of the Company that must follow the requirements of the SEC and the Stock Exchange of Thailand as follows:

(1) The Board of Directors, executives from the director/chief officer level and above and accounting and finance manager has duty to report the holding of their securities in accordance with the regulations of the SEC and the Stock Exchange of Thailand.

(2) The Company, subsidiary company and/or associated company of the Company, which are listed in the Stock Exchange of Thailand, must comply with laws related to the use of inside information. Every shareholder shall be treated fairly and equitably. In order to prevent illegal act by every Company's employee at every level and their families who acknowledge or may become aware of Company's inside information that have not been disclosed to the public, the Company prohibits such persons from trading or persuade other people to buy or sell or offer to buy or sell the securities of the Company, subsidiary company and/or associated company that are listed in the Stock Exchange of Thailand, regardless of whether by oneself or through broker, during the time that such information have not been disclosed to the public. The Company and the Stock Exchange of Thailand consider this act as speculative trading of securities or creating advantage for certain group of people.

(3) The Company has established a security system at the workplace to protect confidential files and documents and limit access to non-disclosed information by allowing only related persons to acknowledge the information as necessary. Therefore, it is a duty of the owner or holder of the information not disclosed to the public to reiterate relevant persons to strictly follow the procedure concerning information security. Those who violate the rule on using inside information will face disciplinary action and/or legal action depending on the case.

(4) The Company prohibits the directors, executives, managers and employees whom have acknowledged inside information of the Company from trading Company's securities within 30 days prior to Company's submission and disclosure of quarterly and yearly financial statements to the SEC, SET and the public later.

(5) The Company has established that the directors, executives, managers and employees whom have acknowledges inside information of the Company to notify the Company Secretary at least one day ahead of Company's securities trading.

6. ANTI-CORRUPTION MEASURES

The Company is committed to anti-corruption in every form, by raising awareness among directors, executives and employees at every level on the danger of corruption, instilling proper values, and inspiring confidence of all stakeholders for sustainable development of the organization in long-term. The Company has been officially certified as a member of "Thailand's Private Sector Collective Action Coalition Against Corruption" continuously. (see details on page 134 under topic (3), "Anti-Corruption Policy")

7. ANTI-CORRUPTION BEST PRACTICES

The Company has established anti-corruption best practices on various matters according to the established anti-corruption policy. In order for the operation to achieve the objectives with orderliness and transparency, therefore, the directives and best practices have been established (see details in the Corporate Governance Handbook under the topic Policy Concerning Anti-Corruption).

8. TRANSACTIONS WITH POSSIBLE CONFLICT OF INTEREST

The Company has established measures and procedure concerning the approval of transaction with conflict of interest; namely, connected transaction or transaction concerning acquisition or disposition of assets of the Company or its subsidiaries in order to comply with the regulation as well as related laws, as follows.

(1) Directors, executives and employees of the Company are prohibited from conducting business which is similar in nature to or in competition with the business of the Company and shall avoid engaging in the connected transaction which may create conflict of interest with the Company.

(2) The stakeholder or person who may have conflict of interest may not approve the transaction that is connected to oneself.

(3) The establishment of price or compensation must be based on normal business and general commercial terms with consideration on the best interest of the Company.

(4) The Audit Committee has to consider and provide comments on the said transaction. Should the Audit Committee possesses no expertise in any matter, the Company must provide independent expert to advise the Audit Committee for consideration before proposing to the Board of Directors of the Company and/or the shareholders' meeting for consideration and approval.

(5) In such case that the transaction is a commercial agreement that reasonable person ought to do with any contract party in general under the same situation, having commercial bargaining power without influence from the position of director, executive or related person on a case-by-case basis, or a normal business transaction or supporting normal business transaction with general commercial terms, the Company must present such agreement to the Board of Directors of the Company for consideration and approval or approval in principle, before the execution of the agreement, in compliance with the law of the Securities and Exchange.

The Company discloses related transactions or connected transactions in the Annual Report 2021 (Form 56-1 One Report).

9. REPORT ON INTEREST

The Company has established rules, procedures and details on the reporting on interest of the directors, executives and related persons, in accordance with the Securities and Exchange Law as follows:

(A) Objectives

(1) To comply with the Securities and Exchange Law which stipulates that the directors and executives must report to the Company on the interest or the related persons' interest in relation to management of the Company or the subsidiaries, in order for the Company to have such information to perform according to the regulations concerning with the connected transaction, which may result in a conflict of interest that may lead to the transfer of benefit of the Company and its subsidiaries.

(2) To comply with the Securities and Exchange Law which stipulates that in conducting the business of the company, the directors and an executives must perform their duty with responsibility, due care and loyalty (fiduciary duties), by making decision without interest whether directly or indirectly. Therefore, the aforementioned report on interest is beneficial to the monitoring and supervision of duties conducted by the directors and executives following the above principles.

(3) To comply with the Public Limited Company Law which stipulates that the director must notify the Company without delay for the following events:

(3.1) Having a direct or indirect interest in any contract which is made by the Company during an accounting year, by specifying the nature of the contract, names of the contracting party and interest of the director in the contract (if any);

(3.2) Holding shares or debentures of the Company and affiliated company, by specifying the total number of increasing or decreasing shares during the accounting year (if any).

10. PROCEDURES FOR REPORTING ON INTEREST

(1) The directors and executives are required to file a report with the Company on the interest or the related persons' interest in relation to management of the Company or the subsidiaries by notifying the company secretary using the form established by the Company.

(1.1) First time report must be filed within 7 (seven) days after the effective date of the announcement or from the date of appointment as the director or executive for the case of appointment after this announcement has become effective.

(1.2) Reporting of change in information after the first time reporting in (1.1) must be filed without delay within 3 (three) working days starting from the date of the change in such information on interest.

(2) The Company Secretary shall forward a copy of the submitted report on interest of the directors and executives under (1) above to the chairman of the board of directors and audit committee chairman for their acknowledgement within 7 (seven) working days after the company has received such report and the company secretary shall keep record and maintain the submitted reports on interest of the directors and executives under (1) to be used by the Company for the above objectives.

(3) The Company shall disclose information on the submitted interest of the directors and executives under (1) above within the Annual Report 2021 (Form 56-1 One Report) of the Company. However, only those items that are required by the established laws shall be disclosed.

11. PROTECTION OF PERSONAL INFORMATION

The Company places importance on personal information of employees, customers, partners, and all stakeholders related to the business operations of the Company that must be protected, retained, and used only with the consent from the data subjects, and in order to comply with the Personal Data Protection Act, the Company therefore established the "**Personal Data Protection Policy**" as follows:

(1) The Company has the utmost respect for the privacy of customers, business partners, employees, and all stakeholders.

(2) The Company shall collect the personal data directly from the data subject as necessary and solely for the purpose of its management, operations, or as required by law.

(3) The Company shall notify the purpose of data collection, storage, the rights of the data subject, and to request their consent prior to collection.

(4) The Company shall provide a system for data using, processing, storing, as well as retention period strictly in accordance with the operating regulations.

(5) The Company shall provide a personal data controller, reviewer/approver to ensure that personal data is used within the scope of the objectives and not beyond consent or cause any damage to the data subject.

(6) Sensitive personal data that requires special caution such as ethnicity, race, political opinions, cults, religious or philosophical beliefs, sexual behavior, criminal records, health data, disabilities, genetic data, etc., in case of the need to collect such data, the Company shall request explicit consent from the data subject and use carefully only for the purpose of requesting this information.

(7) The data subject has the right to access, rectification, withdraw consent to that data for the duration of its retention unless it is the data that is involved in the legal proceedings.

(8) The data of the foreigner as data subject will be maintained and used in the same manner as Thai person.

(9) If there is a transfer of personal data to an external database or to a foreign country, the Company will strictly comply with the law.

(10) Personal data retained by the Company will be treated as an asset of the Company, which do not allow anyone to violate, disclose, access, use for personal benefit, or destroy this data without approval of the data controller. Violators shall be subject to disciplinary action and legal prosecution, as well as having to pay in full for the damage incurred according to the rate prescribed by law.

(11) All employees involved must comply with the policy, regulations or strictly as required by law.

12. SAFEKEEPING OF IMPORTANT DOCUMENTS

The Company has established guidelines for the safekeeping of important documents of the Company in order to proceed with order and conciseness as follows:

(1) Accounting and Finance: Safekeeping of the Company's important documents related to the operating assets, accounting and finance, and taxation.

(2) Legal and Secretary: Safekeeping of the document showing ownership of the property, licenses, document of rights related to the business operation, legal documents related to the Company, documents under the Securities and Exchange Act as well as other related law, which includes Director Registration, shareholders list, Board of Directors' Meeting Invitations and Minutes, Shareholders' Meeting Invitations and Minutes, the reports of interest which are reported by the Directors and Executives, etc.

(3) Information Technology: Safekeeping of the Company's important documents in electronic format securely on the Company's server and determine the right to access information in order of importance, as well as storing licenses for all computer programs used within the Company.

(5) Sales and Marketing: Safekeeping of documents for account opening of both domestic and foreign customers, including all supporting documents for account opening.

(6) Human Resources and Administration: Safekeeping of employee health insurance policies, beneficiary designation, orders and internal announcement of the Company, work regulations, and any other documents related to employees that are required by law, such as employee registration, employment contract, working conditions agreement, payment of wages and compensation, etc.

PRINCIPLE 7 ENSURE DISCLOSURE AND FINANCIAL INTEGRITY

1. MAINTAINING FINANCIAL RELIABILITY

The Company has established regulation concerning with the accounting and financial transactions by specifying that the transactions be recorded accurately and completely which can be reviewed, according to the regulation of the Company and related laws. Moreover, every employee must adhere to the principles of honesty and ethics in their work and duties as follows.

(1) Accuracy of the Records

(A) All business transactions of the Company must be recorded accurately and completely which can be reviewed without any limitation or exception.

(B) Recording of the accounting transaction and business record must be based on facts without distortion or making any false transaction record regardless of any objectives.

(C) The employee at every level must carry out business tasks in conformation and in accordance with the rules and regulations of the Company, including accurate and complete supporting evidence and documents of the business transaction records. Accordingly, the information must be adequately and promptly provided so that the responsible employee in charge of the record taking and preparation of all types of accounting and financial transactions of the Company can record such transactions with accurate and complete details.

(2) Accounting and Financial Reports

(A) Every employee must not distort any information or make false transaction record regardless of whether they are accounting and financial information or any other business information of the Company.

(B) Every employee must realize that the accuracy and completeness of the accounting and financial transaction are joint accountability of the directors, executives and employees.

(C) Every employee has duty and responsibility to prepare and/or provide detailed information supporting the accounting and financial transaction accurately and completely in accordance with the facts.

(3) Legal Compliance

(A) Every employee at every level must comply with the rules and regulations in accordance with the relevant laws in the preparation and record of the accounting and financial transactions of the Company with accuracy and completeness.

(B) Every employee at every level must adhere to the principles of honesty without prejudice and with trustworthiness in recording and filing of the information, as well as not involving in any illegal and unethical activities.

2. INFORMATION DISCLOSURE AND TRANSPARENCY

- The Company has disclosed important information including financial information and other information accurately, completely, timely, transparently, and in accordance with the criteria established by Securities and Exchange Commission and the Stock Exchange of Thailand. During the past year, the Company has not been punished or acted upon concerning incorrect disclosure of information. The Company believes in the importance of information disclosures that affect the decision of investors and stakeholders equally and periodically performs assessment on the information disclosure process.

- The Company has adequately and appropriately disclosed information within the Annual Report 2021 (Form 56-1 One Report) according to the regulations of Securities and Exchange Commission and the Stock Exchange of Thailand

- The Company has disclosed its shareholding structure by explaining and showing details on major shareholders and shareholding proportion of the minority shareholders completely and clearly and disclosure of information of shareholding by the directors and executives within the Annual Report 2021 (Form 56-1 One Report).

- The Company has prepared the statement of the Board of Directors' responsibilities to the financial report to be presented together with the auditor's report within the Annual Report 2021 (Form 56-1 One Report) every year.

- The Company has prepared the Management Discussion and Analysis (MD&A) to be disclosed together with the Financial Statements of each quarter and yearend for shareholders' and investors' acknowledgement and understanding of changes in the Company's financial and performance during each quarter and year.

- The Company has disclosed the roles and responsibilities of the Board of Directors, sub-committees, number of meetings and number of time attendance of each director in the past year, including suggestions on performing important duties (if any) within the Annual Report 2021 (Form 56-1 One Report) every year.

- The Company has disclosed the policy on remuneration of directors and executives that reflect duties and responsibilities of each individual, including type and characteristic of remuneration within the Annual Report 2021 (Form 56-1 One Report) every year.

- The Company has disclosed the audit fees and other expenses from the services provided by the auditor for both the Company and its subsidiaries within the Annual Report 2021 (Form 56-1 One Report) every year.

- The Board of Directors is accountable for the financial statements and financial information, which is endorsed by the Chairman of the Board and Chief Executive Officer or Managing Director, as appeared in the Annual Report 2021 (Form 56-1 One Report) prepared in accordance with the generally accepted accounting standards by using accounting policies that are appropriate and corresponding to the business operation, taken on the regular basis with careful consideration. Important information are also adequately disclosed within the Notes to Financial Statements, which are supervised and responsible by the independent auditor and the Audit Committee on the quality of such financial information.

- The Company has established the Investor Relations Unit to be responsible for investor relations, by assigning top executives to be responsible for consistently communicating and providing information to investors, analysts, shareholders, as well as other interested parties, including financial information such as operating results and quarterly financial statements, quarterly Management Discussion and Analysis (MD&A), market conditions and the progress of ongoing investment projects with equitable treatment. In 2021, the Company has convened a total of 6 meetings via electronic means due to the COVID-19 pandemic situation. The Investor Relations Unit can be contacted at 02-253-8080 or e-mail address: CorplR@lannar.com

3. MONITORING AND ASSESSMENT ON COMPANY'S FINANCIAL STATUS

The Board of Directors monitors and assesses the Company's financial status to be in line with the company's annual budget plan by overseeing the Management to operate effectively and efficiently, having guidelines as follows:

(1) Establish financial management policy, liquidity, and ability to pay debt, as well as determine deposit limit for each financial institution to diversify risk. The Management is also responsible for projecting the cash flow statement for the adequacy of the Company's financial liquidity. The Management has made a request for credit lines with financial institutions to reserve for the use of financial crisis. In terms of employee rights and benefits, the company also provides provident fund for employees' financial savings.

(2) The Management has set up the financial assessment monthly, quarterly, and annually in order to monitor the overall performance of the Company as well as to ensure the high quality of organizational management.

(3) The Management has prepared performance reports to the Board of Directors regularly and consistently, especially, during the economic downturn, which could affect the company's overall performance. For that reason, the Management shall raise the issues and propose solutions, or ask for the recommendation from the Board of Directors, especially in the case related to the Company's financial liquidity. This can apply to when there is a sign relating to company's inability to pay debt.

(4) The Board of Directors must consider the adequacy of the Company's financial liquidity and going concern as the top priority prior to approval of any transaction.

4. IN CASE OF FINANCIAL DIFFICULTIES OR POTENTIAL FINANCIAL DIFFICULTIES

The Company was established in 1985 and has been through multiple economic crises. Since the beginning, the Company has been following a high standard of good corporate governance and conciseness in business operation. Although there are certain periods when the Company is facing losses, such as, the 1997 Asian Financial Crisis, when the government announced the use of a floating exchange rate system that affected the Company's overall performance with an exchange loss of Baht 360.56 million. By having a low short-term debt rate, the Company was able to maintain high financial liquidity. As a result, the crisis only caused a minor impact and the Company was able to earn profit in the following year.

Although the Company has never faced critical financial problems, the Company is still managed under close supervision of the Board of Directors, particularly on investment in new business channels and efficient deposit management. This is to ensure the efficiency and effectiveness of overall performance and financial liquidity and being able to pay dividends to shareholders continuously. Due to the business risk, in case of the Company is facing financial issues or tends to encounter financial problems, the Board of Directors must ensure that the Company shall be able to establish strong business continuity plan under the consideration of the rights of stakeholders, having guidelines as follows:

(1) In the preparation of business plans, strategies, and annual budget, risk assessment is required in order for the plans to meet the established goals.

(2) In case of financial instability or when the Company tends to encounter financial problems, the Management must formulate plans and policies to resolve the issues, or other mechanisms that can reasonably solve the financial problems, by taking into consideration of the rights and benefits of each and every stakeholder including financial creditors.

(3) The Management must follow-up and evaluate the company's financial solution findings as well as report to the Board of Directors continuously until the issue has been successfully mitigated.

5. SUSTAINABILITY REPORT

The Company operates its business under the Business Code of Conduct by adhering to the responsibility and respects for the rights of each and every stakeholder both inside and outside the Company, as well as places importance on responsibilities toward society, community and environment. This is to develop confidence among stakeholders and to ensure fair protection of the rights with equality in every sector to create a sustainable business value chain.

(1) The company has prepared Sustainability Report at least once a year, and integrated the corporate social responsibility to the business operations. The company also discloses information about its operation to public under 8 topics as follows: (1) Fair Business Conduct (2) Anti-Corruption Measures (3) Respect For Human Rights (4) Equitable Treatment to Workforce (5) Responsibilities Toward Consumers and Customers (6) Environmental Responsibility and Preservation (7) Community and Social Development (8) Innovation and Dissemination of Innovation Through CSR Activities. All eight aforementioned topics are in compliance with the company's policies, strategies, and corporate governance as well as aligning with the company's business plan with an important purpose of growing together with all stakeholders in the most sustainable way.

(2) The company sets to disclose a sustainability report within the Annual Report (Form 56-1 Report).

6. CORPORATE DEVELOPMENT AND INVESTOR RELATIONS

The Board of Directors assigned the Management to establish Corporate Development and Investor Relations Unit to be responsible for investor relations tasks by assigning top executives to be responsible for consistently communicating and providing information to investors, analysts, shareholders and other interested parties equally and in the timely manner as follows:

(1) Establish Communication Policy and Disclosure Policy to ensure that communication and disclosure to third parties is appropriate, transparent, equitable, and timely through the specified channel in order to protect leakage of confidential information that affecting securities prices. The policies shall be understood through the organization.

(2) Assign the Corporate Chief Officer, who understands the businesses, including objectives, goals, and corporate culture of the Company to be in charge of the Corporate Development and Investor Relations Unit responsible for providing information to third parties and communicate with the capital market effectively.

(3) Set directions to support the investor relations tasks, such as sets up guidelines for disclosing information, develops policies for management of information that affecting securities prices, as well as establish clear roles and responsibilities of investor relations to ensure efficient and effective communication and disclosure of information.

(4) Promote and incorporate technology for disseminating information. In addition to disclosing information through the Stock Exchange of Thailand, the Company also discloses information in both Thai and English language on the Company's website.

(5) Assign the Corporate Development and Investor Relations Unit to perform duties by adhering to the Investor Relations Code of Conduct as follows:

(5.1) Perform duties with transparency, honesty, fairness, and commitment.

(5.2) Disclose information in accurate, clear, timely, and fair manners by refraining from using inappropriate words, which may lead to misunderstanding of the Company's securities.

(5.3) Provide opportunities to all relevant parties to be able to access and to inquire information at any time.

(5.4) Prohibit from presenting information affects the price of the Company's securities or may sway investment decisions or affect shareholders' rights and benefits prior to officially publishing to the Stock Exchange of Thailand.

(5.5) Refrain from disclosing any inconclusive information, which is uncertain or exaggeration.

(5.6) Perform duties in good faith of rights and benefits for shareholders and stakeholders.

(5.7) Build confidence to enhance positive image and attitude toward the company as well as building strong relationships with each and every stakeholder.

(5.8) Preserve confidential information of the Company and avoid any activity from taking advantage of the Company's information to seek benefit for oneself.

(5.9) Perform duties with full capability, professional, eager to learn, and willing to improve employability skill sets.

(5.10) Following the guidelines for not accepting appointments made by analysts or investors near the period of earnings announcement to be in accordance with the shares trading guidelines of the Company.

(5.11) Must not make any transaction relating to the Company's shares 30 days prior to the Company's earnings announcement

(5.12) Perform duties in accordance with rules, regulations, and related legal provisions, as well as regulatory agencies.

(6) Investor Relations Unit can be contacted at 02 – 2538080 or e-mail address: CorpIR@lannar.com

7. USE OF TECHNOLOGY IN DISCLOSURE

The Board of Directors promotes the use of information technology in disclosure, apart from disclosure according to the regulations and via the established channel of the Stock Exchange of Thailand. The Board of Directors regularly discloses information in both Thai and English via other channels, and provides up-to-date information on the Company website, etc.

PRINCIPLE 8 ENSURE ENGAGEMENT AND COMMUNICATION WITH SHAREHOLDERS

The Board of Directors ensures that shareholders are involved in the decision making process of important matters of the Company equally and fairly with transparency to cause and effect.

(1) SHAREHOLDERS' MEETINGS include:

(A) General Meetings of Shareholders, being held annually within 4 (four) months after the end of accounting period of the Company.

(B) Extraordinary Meetings of Shareholders, being held to consider urgent matters, including matters requiring shareholders' approval before proceeding by law, such as, capital increase, capital reduction, debenture issuance, partial or full disposition or transfer of Company's businesses to other persons, acquisition or transfer of businesses of other companies to the Company, and amendments of the Memorandum of Association or Articles of Association of the Company, etc.

Arrangement of Shareholders' Meeting: The Company recognizes the importance of shareholders, who possess the right in business ownership, controlling the business via the appointment of directors as proxy. Shareholders also have a right in decision making of important changes and matters. The Company shall not violate or undermine the rights of shareholders, and shall encourage every shareholder to exercise their lawful and basic rights. The arrangement procedure of shareholders' meeting is as follows:

(1.1) Important Matters as Shareholders' Meeting Agenda

The Board of Directors recognizes the importance of placing important matters as shareholders' meeting agenda. Both matters required by law and matters that may affect the direction of business operations must be considered and/or approved by the shareholders meeting.

(1.2) Participation of Minority Shareholders

The Company has a policy that ensures equitable rights among all shareholders, especially for the minority shareholders. One of the measures is to allow shareholders to propose meeting agenda and new directors appointment in advance. This established measure provides additional right to shareholders apart from the requirement by Company's regulation and related laws. The procedure for such proposals is disclosed on the Company website, by which shareholders may propose agenda within three months before the end of financial year, from October to December of every year.

(1.3) Shareholders' Meeting Invitations

The Company ensures that invitation to shareholders' meeting and related documents are delivered and disclosed on the Company website at least 30 days before the meeting in both Thai and English to provide shareholders sufficient time to study the information, which the details of the invitation include:

(1) Date, time, and venue of the shareholders' meeting.

(2) Meeting agendas; specify agenda for acknowledgment or for approval, and clearly divided into subjects, for example, an agenda relating to directors must be divided into the appointment of each individual director, as for the approval of directors' remuneration, must be divided into the Board of Directors and sub-committees by categorized in a monthly basis and annual remuneration for each agenda, etc.

(3) Objectives, rationale, and opinions of the Board of Directors on each proposed agenda, which include:

(A) Dividend payment and approval agenda; specify the dividend payment policy, the proposed dividend payment with reasons and supporting information, and in the case of proposing to refrain from paying dividends should also specify reasons and supporting information.

(B) Director appointment agenda; specify name, education, work experience, nomination criteria, types of directors proposed, and in the case of nominating former director to be re-appointed shall specify information of meeting attendance of the previous year, and the date of appointment as a director of the Company.

(C) Directors' remuneration approval agenda; specify the policy and criteria for determining the remuneration of each director and all types of directors' remuneration both in cash-based and other benefits.

(D) Auditor appointment agenda; specify auditor's name, audit firm, work experience, independence of auditor, including audit fees and other service fees used by the Company, subsidiary and associated companies, which should comply with the auditor rotation criteria.

(4) Proxy forms as required by the Ministry of Commerce

(5) Meeting's supporting documents such as voting rules, vote counting and reporting, voting right for each type of share, information of independent directors proposed by the Company as a proxy for shareholders, documents that shareholders must present before attending the meeting, supporting documents for proxy, and a map showing the meeting venue, etc.

(1.4) Arrangement of Shareholders' Meeting

(A) Procedures prior to the Shareholders' Meeting

(1) The Company establishes the corporate governance principle by considering the rights of shareholders and encouraging every shareholder to exercise their fundamental rights as stipulated by the law. The Company has policy to support or promote every group of shareholders including institutional shareholders to attend the Shareholders' Meeting.

(2) The Company has set up a website to disclose important information and/or news, such as, quarterly and annual financial statements, annual report (Form 56-1 One Report), as well as Invitation to the Shareholders' Meeting completely showing meeting date, time, venue, meeting agenda, and supporting information for decision making in each agenda, meeting regulations used in the meeting, and voting procedure, which are the same information sent to the shareholders in the form of documents. Information on shareholders' meeting is disseminated on the Company's website at least 30 days before the meeting to allow sufficient time for shareholders' consideration.

(3) The Company provides opportunity and offer right for the shareholders to propose meeting agenda deemed important by the shareholders and to propose name list of persons with appropriate qualifications for nomination as the new director in advance for at least three months before the end of the fiscal year (from October 1 to December 31 of every year) having clear procedure disseminated through Company's website.

(4) The Company provides opportunity for the shareholders to send inquiries related to the meeting agenda through the Company's website for at least three weeks in advance before the meeting date.

(5) The Company supports the shareholders to use the proxy form which is formatted in the way that the shareholders can choose how to vote and propose at least one Independent Director as an alternative in granting proxy by the shareholders.

(B) Procedures at the Shareholders' Meeting

(1) The Company determines date, time and venue for the meeting by taking into account the convenience of shareholders to attend the meeting such as suitable and sufficient meeting time for discussions, and meeting venue that is convenient for traveling, etc.

(2) The Company requires shareholders or proxies to bring identification documents as specified in the meeting invitations in accordance with the guidelines of the relevant regulatory authorities.

(3) The Company has brought in technology for use in the Shareholders' Meeting, including registration of shareholders, vote counting and results, in order to have quick, correct and accurate meeting operation, by notifying voting procedure and vote counting for each meeting agenda for shareholders' acknowledgment before the Shareholders' Meeting starts.

(4) The Company clarifies the meeting procedure, voting procedure, vote counting procedure, and the number of shares and the proportion of shareholders attending the meeting in person and shareholders who appoint proxies prior to the meeting.

(5) The Company has designated the Board of Directors, subcommittees and executives to attend the Shareholders' Meeting, with some exception, such as, illness or other important obligation prohibiting meeting attendance. The shareholders may make relevant inquiry to the Chairman of the subcommittees.

(6) Chairman of the Board of Directors shall preside as the Chairman of the Shareholders' Meeting, which has a duty to ensure that the meeting is in accordance with the law, related rules, and the Company's Articles of Association, as well as appropriately allocate time for each meeting agenda set forth in the meeting invitations and provides opportunities for shareholders to freely express opinions and ask questions to the meeting on matters related to the Company.

(7) The Company assigns all relevant directors and executives to attend the meeting so that shareholders will be able to ask questions on various issues directly.

(8) The Company supports the use of voting ballots in the important meeting agenda such as connected transaction, acquisition or disposition of assets transaction, etc. for transparency and verifiable in case of dispute later.

(9) The Company has arranged for vote counting inspectors during the Shareholders' Meeting and disclosure within the minutes of the Shareholders' Meeting.

(10) The Company provides opportunity for the shareholders to choose to vote for appointment of director individually in director appointment agenda, and provides opportunity for the shareholders to make appropriate inquiry concerning meeting agenda.

(11) The Chairman of the meeting shall allocate sufficient time and provide equal opportunities for shareholders to express opinion and make inquiries at the meeting on each agenda appropriately.

(12) The Company avoids adding other meeting agenda which had not been specified before in the Shareholders' Meeting as it is unfair for the shareholders not attending the meeting.

(13) The Company ensures that independent persons are responsible for vote counting and reviewing, as well as disclosure of voting results – Approve, Disapprove and Abstain – in each agenda, and record the results in the minutes of the meeting.

(C) Procedures after the Shareholders' Meeting

(1) The Company prepares accurate and complete minutes of shareholders' meeting as well as disclosing on the Company's website in both Thai and English, which can be summarized as follows:

(1.1) Record the clarification of meeting procedure, voting procedure, vote counting procedure, and inform the number of shares and proportion of shareholders attending the meeting in person, and shareholders appointing proxies prior to the commencement of the shareholders' meeting.

(1.2) Record the names of directors and executives attending the meeting and the percentage of directors who attended and did not attend the meeting.

(1.3) Record the meeting resolutions and voting results (Approve, Disapprove, Abstain) in each agenda

(1.4) Summarize questions and answers in the meeting, including clearly specify the name-surname of the questioner and the respondent.

(2) The Company discloses shareholders' meeting resolutions and voting results for each meeting agenda on the next day after the shareholders' meeting by reporting to the Stock Exchange of Thailand and on the Company's website.

(3) The Company submits a copy of minutes of the shareholders' meeting to the Stock Exchange of Thailand within 14 days from the date of the shareholders' meeting.

(4) The Company complies with the AGM Checklist conducted by the Thai Investors Association.

(5) The Company operates in accordance with the guidelines of the Thai Investors Association to be the project organizer to bring the shareholders of listed companies for a company visit for the best benefit of shareholders or investors, which may considers an arrangement of plant visit from time to time such as organize the project once every three years.

(2) COMMUNICATION WITH SHAREHOLDERS

The Company utilizes its website as a channel for communicating important information and/or news to external parties, such as, shareholders, institutional investors, analysts, general investors, and every group of individuals is provided with equal opportunities to access and inquire for information. The guidelines are as follows:

(1) Information being communicated is categorized to ensure equitable communication to all related parties in various categories such as, investor information, marketing information, and general information, etc., to ensure appropriateness in each group without putting any group at a disadvantage or loss of opportunity for investment.

(2) The characteristics of information have been established to ensure equitable communication and understanding to all related parties for example, the information must be accurate and truthful, financial information must be approved by the Audit Committee and the auditor in order for investors to be able to assess the importance including using language that is easy to be understood by the general public.

(3) Able to answer the questions or provide additional information to interested parties when information has been communicated to the public, which must be carried out equally without discrimination, and has been approved by the authorized person of the Company.

(4) As for communication of information, in case of any issues leading to misunderstanding and it is necessary to clarify, executives at director level or above has the duty to clarify information via the system of the Stock Exchange of Thailand, in order for all related parties to be informed to prevent the problem concerning unequal data acquisition.

(5) Shareholders' right to propose meeting agenda items and appointment of new director in advance, the Company provides opportunity for an individual shareholder or combined number of shareholders with shareholding of no less than 0.50 percent of the total number of voting rights of the Company to have the right to propose matters for inclusion as the meeting agenda for the shareholders' meeting and to propose a nomination of new director in advance. The Company conducts this matter by receiving the proposal prior to the shareholders' meeting from October 1st through December 31st of every year with the shareholder having to propose such matter in writing and sending it by mail or by facsimile to the Company Secretary or sending it through the website to for initial notification before sending document to the Company Secretary.

- **By Mail to:**
Company Secretary of Lanna Resources Public Co., Ltd.
888/99, 9th Floor, Mahathun Plaza Building, Ploenchit Road
Lumpini, Pathumwan, Bangkok 10330
- **By E-Mail Address :** CorpSec@lannar.com
Telephone : 02-2538080 Facsimile : 02-2536822

Consideration of matters for inclusion as the meeting agenda for shareholders' meeting and nomination of new directors shall conform to regulations and procedure as determined and notified in advance by the Company.

(3) DIVIDEND PAYMENTS

The Board of Directors has established the dividend payment policy of the Company and the subsidiary that is in line with Company's regulations and related laws as follows:

The Company's dividend payment policy to the shareholders: In the case that no additional investment is required and there are no outstanding loans, the Company's dividend payment policy is not less than 60 percent of its net income according to the separate financial statements for each financial period after deduction of legal provisions and the net loss carried forward (if any).

The dividend payment policy of the subsidiary companies to the Company: In the case that the subsidiary company has no additional investment and no outstanding loans, the subsidiary's dividend policy payment is not less than 60 percent of its net income according to the separate financial statements for each financial period after deduction of legal provisions and the net loss carried forward (if any).

6.2 BUSINESS ETHICS

(1) The business ethics or code of conduct of the Company is the code of practices which the Company considers as appropriate guidelines for business ethics and practices, of which the Company believes that these practices have been traditionally followed for a long period of time and became faithful and acceptable in every circle to distinguish between what is “should” or “should not”.

(2) The Corporate Governance Committee therefore has established the business ethics or the code of conduct for the Company and fully wishes that all the executives and employees at every level will use as guidelines and strictly follow them for routine practice at all time.

(3) Every executive and employee at every level recognizes the fiduciary duties towards the stakeholders and adheres to the following practices:

(1) Toward Company and Shareholders

(1.1) Perform duties with honesty and in accordance with the laws, as well as making any decision in good faith and fairness to the major and minority shareholders for the maximum benefits of the Company and shareholders overall.

(1.2) Manage the business with skills and knowledge with aim to attain strong and sustainable progress and growth of the Company with appropriate return to the shareholders.

(1.3) Protect Company’s interest and look after the Company’s assets as if a person responsible for his/her own assets; do not seek to gain personal interest fraudulently, either directly or indirectly.

(1.4) Report the Company’s status and operating results accurately and completely based on truth at all times.

(1.5) Do not reveal Company’s secret and do not use Company’s information or secret to gain personal benefits or others or seek for other benefits dishonestly from work duties.

(1.6) Get rid of problems concerning conflict of interest cautiously and reasonably and disclose the information completely.

(1.7) Respect the ownership right and treat the shareholders equally.

(2) Toward Customers

(2.1) Treat the customers with honesty and fairness, as well as disclose and provide information on the products and services accurately and completely without distorting the information.

(2.2) Strictly comply with the terms and conditions provided to the customers, as well as offer services and treat the customers with kindness.

(2.3) Be attentive to the complaints from the customers and promptly and fairly take care of the matter to meet the demand of the customers.

(2.4) Maintain trade secret of the customers and do not use the information to dishonestly gain personal benefit and/or for other related parties.

(2.5) Constantly provide products and services with quality and standard, together with develop excellent products and services and new innovation to continuously add value to products and services, in order to meet requirements of the customers and/or seek means for maximum benefit for the customers.

(2.6) Do not gain too much profit when compared with the product quality and services and avoid setting trading conditions that are unfair to the customers.

(3) Toward Employees

(3.1) Treat employees fairly and courteously while paying due respect to individuality and human dignity.

(3.2) Maintain work environment that is safe to employees’ life and occupational health.

(3.3) Support, promote, practice, train and develop the skill and knowledge of the employees on equitable basis in order to build job security and provide opportunity for advancement according to capability of each employee.

(3.4) Encourage employees to take part in the establishment of direction, development and solution to problems of the Company as teamwork and professionally

(3.5) Provide fair remunerations, appropriate to the responsibilities, knowledge and capabilities and work performance of each employee.

(3.6) Carry out professional appointments, transfer, including rewards and disciplinary actions in good faith and based on competence, capability and suitability of such employee.

(3.7) Comply with all employee-related laws, rules and regulations.

(3.8) Avoid any unfair action to the employees and provide opportunity for employees to file grievances for unfair treatment or unjust processes in order to resolve such employees' grievances in a correct way.

(4) Toward Trading Partners and/or Creditors

(4.1) Do not demand, receive or pay any improper benefits to the trading partners and/or creditors and should it become known that corrupt demand, receipt or payment of any improper benefits occurs, full information will be disclosed to the trading partners and/or creditors and jointly resolve the problem on a fair and timely basis.

(4.2) Strictly comply with the all the terms and conditions agreed with the trading partners and/or creditors. In the case that any particular condition cannot be met, the Company will promptly inform the trading partners and/or creditors in advance in order to jointly seek for acceptable solution and to prevent from further damages.

(4.3) Report accurate and timely financial information to the trading partners and/or creditors on a regular basis.

(4.4) Build good relationship and understanding in a correct and transparent means.

(5) Toward Competitors

(5.1) Treat competitors within legal framework and promote fair competition.

(5.2) Will not fraudulently or inappropriately seek confidential information of the competitors such as paying bribery to the employee of the competitor.

(5.3) Will not damage competitors' reputation by abusive accusation without truth.

(6) Toward Community, Society and Environment

(6.1) Will not engage in business activities and any actions that could damage the reputation of the Country, natural resources and environmental condition and the overall society.

(6.2) Support activities that are beneficial to the community and society overall. Be conscious in the conservation of the environment and local culture.

(6.3) Encourage moral principles or conscience and responsibilities to the overall communities among the employees at every level seriously and on a regular basis. Enhance the quality and security of the overall community, society, and environment by its own initiative or participating with the government.

(6.4) Strictly comply with or supervise on compliance with all relevant laws.

(6.5) Will not cooperate or support any person involving in illegal business or dangerous to the society and security of the Country. Oppose to any forms of corruption.

(7) Toward International Human Rights

(7.1) The Company strictly abide by the human rights principle by providing knowledge and understanding in human rights to employees as part of the operation in the Company, as well as discouraging any business that violates human rights or illegal business.

(7.2) Employees at every level must thoroughly understand the law concerning with their duties and responsibilities and strictly comply with the governmental laws and regulations. Employees should consult with their supervisors and/or related law consultant on any law related concerns. Do not imply and proceed alone.

(7.3) Employees traveling to work overseas should study laws, traditions and culture of the country of destination prior to the trip in order to ensure that overseas business undertaking shall not be illegal or contrary to the traditions and culture of the country of destination.

(7.4) The Company shall uphold fairness and sincerity upon engaging in management related to salary, wages, benefits, and employment terms without favoritism. Forced labors and child labors are not tolerated. The Company shall support all employees with equal opportunity and provide appropriate and pleasant working environment. Additionally, the Company shall comply with the Labor Protection Act and Thai Labor Standards, including other related laws and regulations.

(8) Toward Political Neutrality

(8.1) The Company recognizes the importance of political neutrality. It shall not be involved and aligned with any political parties and political figures.

(8.2) The Company shall not give any monetary support or resources of the Company to any political parties and politicians, directly or indirectly.

(8.3) The Company does not have policy of both direct and indirect monetary and/or resources support in favor of any politicians or political parties.

(8.4) The Company encourages all employees at every level uphold the principles of democracy to exercise their rights to vote on elections according to the Constitution, which employees have the right to express their personal political view or political participation during off-hour.

(8.5) Employees at every level are able to exercise their just political rights as an individual. Employees shall not exploit their position in the Company and the name and the seal of the Company in convincing other people to give monetary and other supports to any politicians and political parties.

(8.6) The Company has no policy for employee at every level of the Company to order or persuade in any way to make employee and subordinate join any type of political activities which may create conflict within the organization and cause damage to the Company in any case.

CODE OF CONDUCT WHEN PROBLEM OCCURS

- The established Business Ethics and Code of Conduct for the employees may not cover all the possible cases that may occur; therefore, when problem arises in practice, the employee should consult and discuss with the supervisor according to level of authority for appropriate and suitable guidelines on a case by case basis.


CORPORATE GOVERNANCE PRACTICES

The Company has followed the principles of the Corporate Governance Code for Listed Companies 2017 (CG Code) as issued by the Securities and Exchange Commission (SEC), as well as having considered and reviewed the Company's Corporate Governance Policy every year at least once a year. In 2020, there were some corporate governance principles that the Company had not put into practice, having appropriate replacement measures as follows.

Items Not Yet in Practice	Reasons or Substituting Measures of the Company
(1) The Board of Directors should clearly specify the term period of directorship position for the independent director to not more than 9 years without exception (E11).	The Company has not specified the term period of directorship position for the independent director to not more than 9 years. Nonetheless, those independent directors who have held the directorship position for more than 9 years can express their opinions independently and still have complete qualifications according to the definition of the independent director of the Company, as well as having various expertise, especially in accounting and financial aspect and legal knowledge, as well as bringing these knowledge, experience and skills to offer opinions and advice which are beneficial for planning Company's business strategy and policy according to the principle of long-term sustainable development. Thus, the Board of Directors has proposed to the Shareholders' Meeting to consider approving the re-appointment of the independent directors for another term.
(2) The Company should establish a policy specifying for the minimum number of directors as at time of voting during the Board of Directors' Meeting to be not less than two-third of the total directors to constitute a meeting quorum.	The Company follows the Company's Articles of Association, Chapter 3, Article 18 and Public Limited Company Act, B.E. 2535, Section 80, which states that "Not less than one-half of the total directors must be present at a meeting of the Board of Directors to constitute a quorum....."
(3) Each director should attend not less than 75 percent of all board meetings in any whole year (E44).	The Company's Board of Directors comprises of 13 directors and there were 8 meetings altogether in 2020, having 12 directors attending over 75 percent of all the board meetings but only one director could not attend more than 75 percent of all the board meetings due to other important business obligations. Nonetheless, complete and adequate meeting documents were sent to the directors for consideration at least 7 days in advance prior to each board meeting of the Company, by which the directors who could not attend the board meeting could offer their opinions beneficial to the Company for each meeting agenda prior to the board meeting.

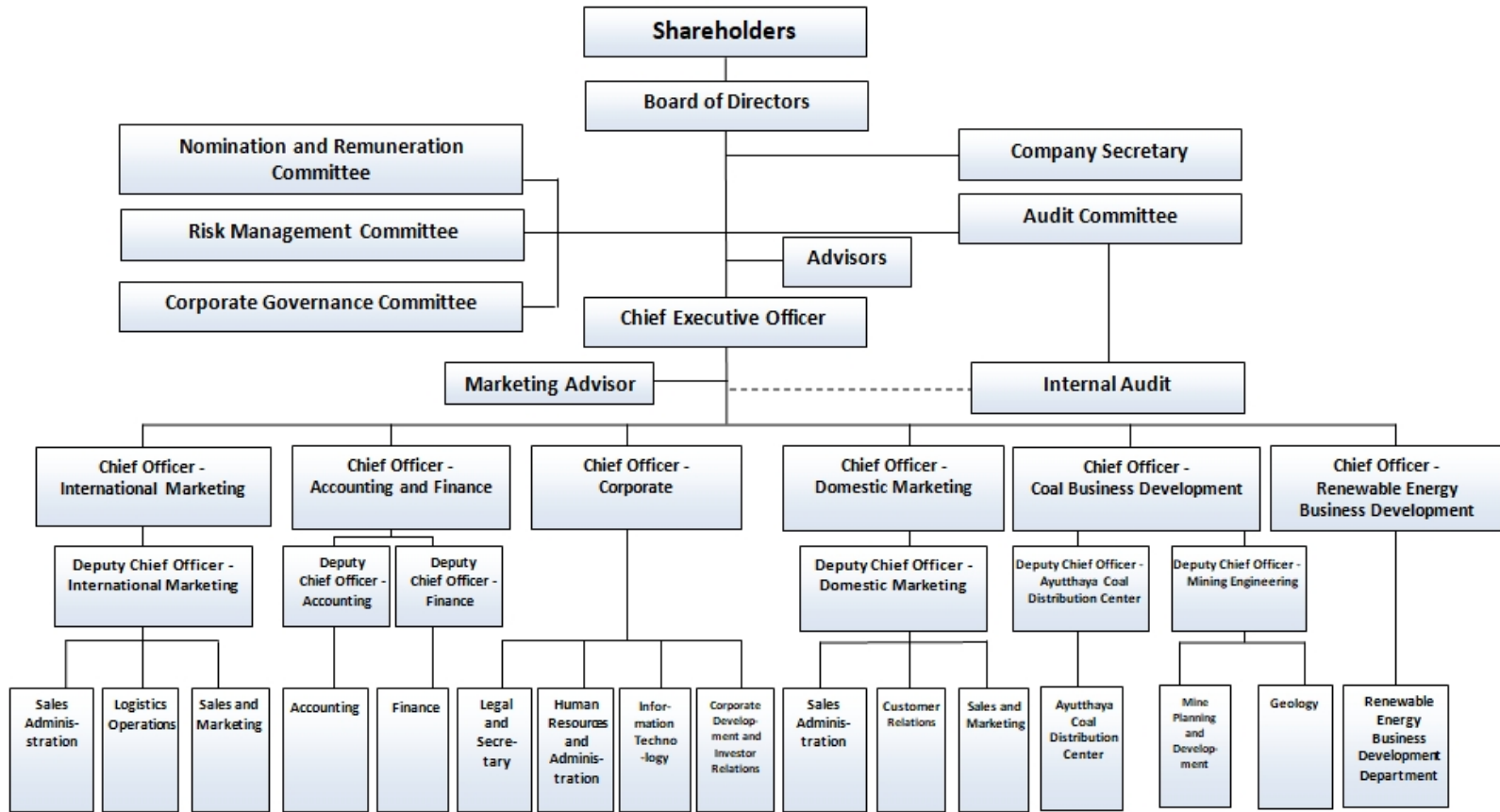
Items Not Yet in Practice	Reasons or Substituting Measures of the Company
(4) The Board of Directors should consider appointing an independent director as the Chairman of the Board (E69).	Although the Chairman of the Board is not an independent director; nonetheless, the Chairman of the Board has carried out his duties according to the role of Company's Chairman with fairness and transparency by considering Company's best interest without benefiting anyone in particular. Furthermore, the Chairman supports and promotes the directors and independent directors to participate in discussion and offer their opinions independently and there has never been a case of the Chairman of the Board casting a deciding vote.
(5) The majority of the members of the Nomination and Remuneration Committee should be independent directors (more than 50 percent) (E83, E90).	Although the majority of the members of the Nomination and Remuneration Committee are not independent directors; nonetheless, they possess knowledge, capability, skill and experience, and have understanding with regard to the authority, duties and responsibilities as members of the Nomination and Remuneration Committee, as well as having virtue, making decision with information and rationale, having maturity and adhering to systematic work and principle, able to offer independent opinions without being under influence by any person, and can sufficiently dedicate their time for the work of the Nomination and Remuneration Committee.
(6) The Company should consider appointing an independent director as the Chairman of the Nomination and Remuneration Committee (E84, E91).	Although the Chairman of the Nomination and Remuneration Committee of the Company is not an independent director; nonetheless, he possesses knowledge, capability, skill and experience, and has understanding with regard to the authority, duties and responsibilities as the Chairman of the Nomination and Remuneration Committee, as well as having virtue, making decision with information and rationale, having maturity and adhering to systematic work and principle, able to offer independent opinions without being under influence by any person, and can sufficiently dedicate his time for the work of the Nomination and Remuneration Committee and there has never been a case of the Chairman of the Nomination and Remuneration Committee casting a deciding vote.
(7) The Board of Directors should consider establishing the Corporate Governance Committee (at a board level) (E94).	The Corporate Governance Committee comprises of at least 3 directors and executives from every department of the Company. Although the majority of the Corporate Governance Committee members are the executives; nonetheless, they possess knowledge, capability, skill and experience, and have understanding with regard to the roles, authority, duties and responsibilities as members of the CG Committee, as well as having virtue, making decision with information and rationale, having maturity and adhering to systematic work and principle, able to offer independent opinions without being under influence by any person, and can sufficiently dedicate their time for the work of the CG Committee.
(8) The majority of the members of the Board of Directors should be independent directors (more than 50 percent) (E99).	Although the majority of the members of the Board of Directors are not independent directors; nonetheless, the Board of Directors has overseen the Company with fairness and transparency by considering Company's best interest without benefiting anyone in particular. Furthermore, the Board of Directors supports and promotes the directors and independent directors to participate in discussion and offer their opinions independently without being under influence by any person.

CORPORATE GOVERNANCE ASSESSMENT OF YEAR 2021

The Thai Institute of Directors Association (IOD) has prepared the Corporate Governance Report of Thai Listed Companies Year 2021, of which Lanna Resources Public Co., Ltd. was placed in an **“Excellent”** level () for two consecutive years (2020-2021) having received a score of 90 percent.

(7) CORPORATE GOVERNANCE STRUCTURE AND IMPORTANT INFORMATION ABOUT THE BOARD OF DIRECTORS, SUB-COMMITTEES, EXECUTIVES, EMPLOYEES AND OTHER
(7.1) CORPORATE GOVERNANCE STRUCTURE

The Organization Structure as at December 31, 2021



Remark: This organization structure does not indicate the level of importance, seniority, or salary of the positions

(7.2) BOARD OF DIRECTORS INFORMATION

(7.2.1) MANAGEMENT STRUCTURE

The management structure of the Company comprises the Board of Directors, Sub-Committees, Executives and Corporate Secretary. The Company has four sub-committees comprises the Audit Committee (“AC”), the Risk Management Committee (“RMC”), the Nomination and Remuneration Committee (“NRC”), and the Corporate Governance Committee (“CGC”), which has different qualifications, roles, duties and responsibilities. It is clearly defined in “**The Good Corporate Governance Handbook**”, published on the company’s website in the “CG Policy” section to guide directors, executives and employees as a guideline for their operations

(7.2.2) THE BOARD OF DIRECTORS

The Board of Directors consists of 12 Directors, including 4 Authorized Directors, 8 Non-Executive Directors, and 4 Independent Directors and Audit Committee Members. The name, position, and photograph of each Director are shown on Attachment 1 of this report

Name list and number of Directors who have been authorized to sign on behalf of the Company are Mr. Kraisi Sirirungsi, Mr. Srihasak Arirachakaran, Mr. Anun Louharanoo and Mr. Vanchai Tosomboon Louharanoo two out of four Directors sign and affixed with the Company’s seal.

The term for the directorship position is in accordance with the Public Limited Companies Act B.E. 2535 and the Company does not establish the maximum number of consecutive terms of directorship position.

Normally, the Board of Directors holds meeting at least once for every two months (one meeting every other month) and will occasionally hold extraordinary meeting in case of important or urgent matter. In 2021, there were 6 meetings altogether, having details as follows:

Director’s Name	Position	Meeting Attendance in 2021
(1) Mr. Vanchai Tosomboon	Chairman of the Board	6 out of 6
(2) Mr. Kraisi Sirirungsi	Vice Chairman	6 out of 6
(3) Mr. Paul Heinz Hugentobler	Director	4 out of 6
(4) Mr. Siva Mahasandana	Director	6 out of 6
(5) Mr. Mark Anatol Schmidt	Director	5 out of 5
(6) Mr. Visit Tantisunthorn	Director	6 out of 6
(7) Mr. Adul Tantharatana	Audit Committee Chairman	6 out of 6
(8) Mrs. Duangkamol Suchato	Independent Director and Audit Committee Member	5 out of 6
(9) Mr. Ralph Robert Tye	Independent Director and Audit Committee Member	3 out of 3
(10) Mr. Tanon Tantisunthorn	Independent Director	6 out of 6
(11) Mr. Anun Louharanoo	Director	6 out of 6
(12) Mr. Srihasak Arirachakaran	Director	6 out of 6

Remark: (1) Mr. Adul Tantharatana was appointed as the Audit Committee Chairman on July 14, 2021.

(2) Mr. Mark Anatol Schmidt was appointed as the Director on March 2, 2021.

(3) Mr. Ralph Robert Tye was appointed as the Independent Director and Audit Committee Member on June 22, 2021.

(4) Mr. Tanon Tantisunthorn was appointed as the Independent Director on June 22, 2021.

The Board of Directors is required to possess following qualifications:

(1) Directors are not required to be the shareholders and shall possess the qualifications in compliance with laws concerning public companies and related laws, but without inappropriate traits that express untrustworthiness to perform duties for the Company.

(2) Directors shall possess knowledge, expertise, value of honesty and business ethics and willingness to devote their time in performing duties to the fullest capacity for the highest benefit of the Company and shareholders.

(3) Directors shall possess experience and expertise in various professions e.g. industrial engineering, business management, sales and marketing, accounting and finance, law and corporate governance, etc.

(4) Directors must not be an entrepreneur, a shareholder or directors in any legal entity with similar business or a competitor unless it is declared at shareholders' meeting prior to the appointment.

(5) Independent Directors and/or Audit Committee must demonstrate an attribute of independence, in compliance with the Company's requirement and the Securities and Exchange Laws, as well as the ability to preserve the interest of shareholders equitably without conflict of interest and to express opinion independently in meetings of the Board of Directors.

(6) Directors shall receive trainings and continuously master knowledge concerning business nature of the Company in order to match with emerging changes and continuously optimize efficiency and efficacy of the board.

(7.2.3) ROLE, DUTIES AND RESPONSIBILITIES OF THE BOARD

The Board of Directors has the authority, duties and responsibilities in the management of the Company by conducting its duties in compliance with all laws, the objects and the articles of association of the Company, and the resolutions of any shareholder meetings in good faith, and with care to preserve the interests of the Company. In summary, the authorization and responsibilities are as follows:

(1) The Board of Directors has adopted the Company's direction, objectives, business plan and budget, as well as monitor and supervises over the management to operate efficiently and effectively in accordance with the established business plan and budget, in order to maximize economic value of the business and shareholders' wealth and stability, having important details summarized as follows:

(1.1) Establishment of organization structure to have the management and operation system that are highly effective and efficient.

(1.2) Approval of annual business plan and budget within 30 days prior to the end of the year for the management to managed according to the approval of the Board of Directors each and every year.

(1.3) Approval of investment projects or joint-venture projects, as well as business expansion and/or reduction of business operation, which are deemed most beneficial for the Company's operation in both long-term and short-term, not including transactions that need approval from the Shareholders according to the regulations established by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand.

(1.4) Approval of financial plans of the Company, as well as the plan for securing loan and credit facilities sufficiently and appropriately for the operation of the Company occasionally.

(1.5) Arrangement for preparation of balance sheets and statement of income at end of the Company's accounting period in order for a review and verification by the auditor appointed by the shareholders before presenting the matter for approval by the shareholders' meeting.

(1.6) Consideration of various matters proposed for approval by the shareholders' meeting, including dividend payment, capital increase, capital reduction, issuance of debenture, sale or transfer of business, purchase, acquisition, or merger of business, etc.

(1.7) Consideration for the establishment of Company's policies, direction, objectives, vision, mission and values and other important matters that may impact Company's financial status and operating results presently or in the future.

(2) The Board of Directors has duties to clearly establish and separate roles and responsibilities between the Board of Directors, sub-committees, and the management, as well as having routine communications to the Board of Directors, sub-committees, the management and employees of the Company, which are summarized below.

(2.1) The Board of Directors has appointed and assigned the Chief Executive Officer to manage daily operations of the Company in accordance with the policy, business plan and budget, established by the board of directors.

(2.2) Chief Executive Officer shall assign and establish duties to each department and employee level in descending order within the authorities assigned by the Board of Executive Directors, by establishing audit and control system in order to have effective work coordination and achieve both short term and long term objectives.

(2.3) Chief Executive Officer or the management shall arrange individual meetings or specific purpose meetings among employees and managers in order to be informed on the operating results and work progress, as well as considering problems and obstacles encountered in the operation (if any) from time to time.

(2.4) Chief Executive Officer or the management has issued announcement, establishing procedures for carrying out important tasks, for employees to understand and utilize as work guidelines in order to achieve systematic and well-coordinated operation.

(2.5) Chief Executive Officer or the management has organized for all the business units to participate in the preparation of the annual business plan and budget by having management level staff from each of the departments jointly prepares the annual business plan and budget for effective operation and efficient control of expenses, as well as achieving the policy and objectives established by the Board of Directors. The Chief Executive Officer also attends the meeting, participating in the consideration of the annual business plan and budget before proposing to the Board of Directors for its consideration and approval. The business plan and budget will then be implemented and monthly evaluated to see whether it meets the established policies and objectives. The business plan and budget may be appropriately adjusted according to changing circumstances.

(2.6) The Board of Directors has established internal audit division to oversee and review the operations of the Company to be in accordance with the established internal control system, and also to coordinate and support the Audit Committee for good corporate governance.

(2.7) The Board of Directors has established the Audit Committee (“AC”) in accordance with the rules and regulations established by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand with duties and responsibilities to oversee that the operations are trustworthy and beneficial to all related parties.

(2.8) The Board of Directors has established the Nomination and Remuneration Committee (“NRC”) with duties and responsibilities concerning nomination and determination of remuneration of directors and executives that is suitable and according to related laws and the regulations of the Company, comparable with other companies in the same industry.

(2.9) The Board of Directors has established the Risk Management Committee (“RMC”) with duties and responsibilities to consider any problems and risk factors which may impact Company’s operation and seek measures to mitigate or minimize the risks.

(2.10) The Board of Directors has appointed Corporate Governance Committee (“CGC”) with responsibilities to establish policy, regulations and good practices in various activities in accordance with good corporate governance principles.

(2.11) The Board of Directors may occasionally seek consultants or experts in particular fields such as legal or financial advisors to give opinions concerning certain matters in consideration as appropriately and necessary.

(2.12) The Board of Directors has appointed a Company Secretary including working team with responsibilities to oversee activities of the directors and shareholders in accordance with the relevant laws and regulations.

(3) The Board of Directors has established an effective internal control system, internal audit and risk management system for the Company, as well as having regular monitoring and review of above matters by the Board of Directors periodically, which can be summarized as follows:

(3.1) Chief Executive Officer must report the operating results and financial status for each month with comparison to the work plan and budget as approved by the Board of Directors to the Board of Directors at least once every quarter.

(3.2) Chief Executive Officer must report on the progress of investment projects, as well as problems and obstacles encountered (if any) to the Board of Directors at every meeting.

(3.3) Chief Executive Officer must periodically report on the litigation cases concerning with the Company, including its compliance with relevant laws and contractual terms to the Board of Directors.

(4) Arrangement of the Annual General Meeting of Shareholders within 4 months after the end of accounting period of the Company and convene extraordinary shareholders' meeting necessary for the operation.

(5) Must become aware of the importance of good corporate governance by adhering to the principles of fairness and integrity, accountability, and promoting equitable treatment, as well as gaining faith from all the stakeholders, focusing on building value to the business and persons sharing the benefit in long term in order for sustainable growth and development of the Company. In addition, the scope of authority of the Board of Directors including to ensure compliance with the Securities and Exchange law also the notification and/or regulations of the Stock Exchange of Thailand such as related party transaction, acquisition or disposal of assets, etc., and to comply with all applicable laws which relevant to the Company's business.

(6) The Board of Directors of the Company may assign duties and responsibilities to the sub-committees, individual or several Directors or other persons to perform certain matter on behalf of the Board of Directors under supervision of the Board of Directors according to terms and time period deemed appropriate and necessary for Company's business operation. The Board of Directors may cancel, revoke or change the authorized person or such authority when deemed appropriate.

Such assignment of authority in above paragraph must not be in the way of granting authority which will enable the authorized person to approve transaction that may have any interest or conflict of interest with the Company or affiliated companies, except for the approval of transactions which are in accordance with the policy and criteria that the Board of Directors has already approved.

(7) The meeting of the Board of Directors must be held at least once every 3 months and there must be an annual assessment on the performance of the Board of Directors.

(8) Fostering conscience and moral principles among the employees at every level by establishing the code of conduct in writing as appropriate guidelines for each of every employees to realize the importance of moral standard which the Company use in conducting business, realize the importance of internal control system and risk management system to minimize the risk on corruption and the abuse of power. In addition, to prevent violation of laws that relevant to the Company's business.

(9) The Board of Directors grant the right to each director to propose meeting agenda in advance at least ten days prior to the meeting by sending meeting agenda to the Company Secretary by *E-Mail Address: CorpSec@lannar.com or Facsimile: 0-2253-6822* for the Company Secretary to include in the meeting agenda.

(10) The Board of Directors has appointed the Company Secretary and determined roles and responsibilities of the Company Secretary to perform duties with integrity, prudence and honesty as follows:

(A) Arrange the Shareholder's Meeting and Board of Directors' Meeting according to laws and regulations of the Company.

(B) Prepare the minutes of the Shareholders' Meeting and Board of Directors' Meeting, including monitor that the resolutions from the Shareholders' Meeting and Board of Directors' Meeting are followed completely and accurately.

(C) Supervise on the disclosure of information and report within scope of responsibilities according rules and regulations established by the SEC and SET.

(D) Prepare and Safekeeping of the following documents: Director Registration, Board of Directors' Meeting Invitations and Minutes, Shareholders' Meeting Invitations and Minutes, Company's Annual Reports, and other documents as required by law (if any).

(E) Safekeeping of the reports of interest which are reported by the Directors and Executives.

(F) Provide initial suggestions to the Directors concerning with rules, regulations and regulations of the Company and monitor the operation to ensure regularly and accurately compliance, and periodically report to the Board on any significant changes.

(G) Supervise the activities of the Board of Directors and perform other matters according to laws or assigned by the Board of Directors.

(11) Each director must adhere to and practice as follows:

(A) Must not operate the business that is of the same nature and in competition with the business of the Company or become a partner in ordinary partnership limited or unlimited partner in the partnership limited or be a director of a private company or other juristic company operating in the same nature and in competition with the Company, regardless of doing it for the benefit of oneself or for the others, unless the shareholder's meeting is informed before the resolution for appointment.

(B) Must inform the Company without delay if there is any interest, whether direct or indirect, in the contract that the Company or affiliated company engages in, or holding more or less shares or other securities in the Company or affiliated company.

(12) The Company's Strategic Planning and Implementation

In the Board of Directors Meeting each year, the Board shall consider together on the next 2-Year Strategic Plan. In the past year 2020, the Board of Directors has considered the Strategic Plan of year 2021-2022, and subsequently, the Board shall monitor the work progress from the Management on implementation of such strategic plan, in which the Management shall regularly report on an implementation progress to the Board of Directors for acknowledgement regularly.

Regulation of the Board of Directors

In order to demonstrate Company's intention and professionalism in the business management with transparency, morality, and accountability to all stakeholders, regulation for good practices of the Board of Directors has been established as the code of conduct as follows.

(1) Perform duties in accordance with the relevant laws and regulations, Company's regulation and resolutions of the Board of Directors' and shareholders' meetings.

(2) Strictly manage the business with honesty and unbiased position as well as be independent in the decision making and in other conducts.

(3) Authorize the executives for full control of management and daily operation without imposing inappropriate or unreasonable guidance.

(4) Have no direct or indirect interest in the business related with the Company and its affiliated companies or in the business that is in competition with the Company or its affiliated companies.

(5) Avoid having conflict of interest of oneself with the interest of the Company to achieve full efficiency and effectiveness in the business operation.

(6) Manage the business prudently without creating any obligations or commitments which might later be in conflict with the duties.

(7) Do not directly or indirectly seek unlawful benefit from work.

(8) Perform duties to the fullest capacity for the highest benefit of the organization.

(9) Do not execute anything that will destroy Company's interest or subserve interest to other individuals or juristic persons.

(10) Focus on the prevention and elimination of wrongful activities and consider that these matters need to be managed quickly and decisively in order to create value and positive image for the organization.

Roles and Responsibilities of Chairman of the Board are as follows:

(1) To summon meetings of directors and oversee delivery of meeting invitation and other documents in order for directors to receive sufficient information in timely manner.

(2) To support and promote standards of good corporate governance, as well as monitor the management team to give advice and support without any engagement or interference with management's everyday work.

(3) Must exhibit leadership and ensure that committees are not under the influence of the management by taking the role as a chairman of the Board of Directors' meeting and Shareholders' meeting by monitoring the meeting to be in compliance with the Company's restriction and planned agendas as well as regulations and laws.

(4) To establish an efficient communication between shareholders, the board and the management as well as coordination to drive the Company's business operation to reach the long term growth plan.

(5) To perform other duties as stipulated by the laws, particularly concerning with duties of the chairman of the Board.

(7.3) SUB-COMMITTEES INFORMATION

(7.3.1) THE AUDIT COMMITTEE

The Board of Directors has appointed the Audit Committee or "AC" to have duties and responsibilities in compliance with regulations established by the board of directors, which can be summarized as follows:

(1) Qualifications

(A) Must be Independent Director of the Company

(B) Must not be the Director assigned by the Board to make business operation decision of the Company, holding company, subsidiary company, associated company, subsidiary of the same level, or corporate with possible conflict, except that the decision is made based on a collective decision.

(C) Must not be the Director of the holding company, subsidiary company or subsidiary of the same level and;

(D) Possesses sufficient knowledge and expertise to perform duties as the Audit Committee Member. Nonetheless, at least one member of the Audit Committee must have sufficient knowledge and expertise to perform and review a reliability of the financial statements.

(2) Composition

The Audit Committee, as approved by the Board of Directors, consists of at least 3 members, comprising 1 Audit Committee Chairman, and at least 2 Audit Committee members, having the qualifications as stated in (1) above. The Audit Committee shall appoint appropriate person as Secretary to the Audit Committee. The Audit Committee members are as follows:

Name	Position	Meeting Attendance in 2021
(1) Mr. Adul Tantharatana	Independent Director and Audit Committee Chairman	9 out of 9
(2) Mr. Ralph Robert Tye	Independent Director and Audit Committee Member	5 out of 5
(3) Mrs. Duangkamol Suchato	Independent Director and Audit Committee Member	9 out of 9
(4) Mrs. Wanna Chomkhokruad	Secretary	9 out of 9

Remark: Mr. Ralph Robert Tye was appointed as the Audit Committee Member on June 22, 2021

(3) Office Term

The member of the Audit Committee (including the Audit Committee Chairman) has a three-year term each. The member of the Audit Committee who is retired by rotation may be re-appointed.

To ensure continuity of operation, upon the retirement by rotation or premature resignation of a member of the Audit Committee that results in a total number of members of less than the number as determined in (2) above, the shareholder's meeting or the Board of Directors must appoint new Audit Committee member for a complete committee at least within 3 months after the date with incomplete members as described in (2) above.

(4) Duties and Responsibilities of the Audit Committee

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

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

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

(4.4) To review the accuracy of reference documents and self-assessment form on the anti-corruption measures of the Company according to the Private Sector Collective Action Coalition Against Corruption.

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

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

(4.7) To review that the Company has established appropriate and effective risk management system.

(4.8) To review and approve the internal audit plan and the performance of internal audit unit to be efficient and effective throughout the organization of the Company and its subsidiaries or company of the same level.

(4.9) To review and proceed to have the Management to establish an appropriate whistle blowing system or process for receiving complaints, as well as appropriately improve and supervise on the whistle blowing on a case-by-case basis.

(4.10) To annually assess the performance of the audit committee and report the assessment results to the Board of Directors for its acknowledgment and consideration at least once a year.

(4.11) To prepare the Report of the Audit Committee and disclose in the Annual Report (Form 56-1 One Report). The Report of the Audit Committee must be signed by the Chairman of the Audit Committee and must at least contain the following information:

(1) Opinions concerning with the correctness, completeness and trustworthiness of the financial reports of the Company.

(2) Opinions concerning with the adequacy of the Company's internal control system.

(3) Opinions concerning with the Company's compliance with the law and regulations of the Securities and Exchange and regulations of the Stock Exchange of Thailand, or any law governing the Company's business.

(4) Opinions concerning with the appropriateness of the auditor.

(5) Opinions concerning with the transactions that may involve conflict of interest as well as acquisition or disposition of assets as specified by law.

(6) The number of the Audit Committee's Meetings and attendance record for each of the Audit Committee Members.

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

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

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

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

In its performance of duties under the first paragraph, the Audit Committee must be directly responsible to the Company's Board of Directors, while the Board of Directors shall remain responsible to third parties for the operations of the Company.

In the case that the Audit Committee's duties are changed, the Company shall report on a resolution to change its duties, and shall prepare a name list and scope of work of the audit committee according to such change in the form as prescribed by the Stock Exchange of Thailand to the Stock Exchange of Thailand within 3 (three) business days from the date on which the change is made.

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

(1) Transaction having conflict of interest

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

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

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

The Company must disclose information and/or submit documents via an electronic media according to the regulations of the Stock Exchange of Thailand.

(6) The Audit Committee may audit the concerning persons and matters within the authorities of the Audit Committee and may seek independent professional counsel when it is deemed necessary and appropriate on a case-by-case basis.

(7.3.2) THE NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee or the “NRC” has been appointed by the Board of Directors to have duties and responsibilities according to the Charter established by the Board of Directors, which can be summarized as follows.

(1) Composition and Qualification

The NRC is appointed by the Board of Directors to comprise of at least 3 Company’s directors, having 1 NRC Chairman, and at least 2 NRC Members. The Board of Directors or the NRC shall appoint a suitable person as the Secretary. The name list and positions of the NRC members are as follows.

Name	Position	Meeting Attendance in 2021
(1) Mr. Kraisi Sirirungsi	NRC Chairman	3 out of 3
(2) Mr. Vanchai Tosomboon	NRC Member	3 out of 3
(3) Mr. Anun Louharanoo	NRC Member	3 out of 3
(4) Mr. Srihasak Arirachakaran	NRC Member	3 out of 3
(5) Mr. Saharat Vatanatumrak	Secretary	3 out of 3

(2) Office Term

The NRC Members (including the NRC Chairman) has a three-year term each. The member of the NRC who is retired by rotation may be re-appointed.

To ensure continuity of operation, the NRC member, upon retirement by rotation or in the event that can no longer serve until the term ends, resulting in a lesser number of members as specified in (1) above, the Board of Directors shall nominate and appoint new NRC member(s) to complete the NRC immediately or at least within 3 months after the date with incomplete members as described in (1) above.

(3) Authorities, Duties and Responsibilities of the NRC

(3.1) Duties and Responsibilities concerning Nomination

(a) To determine the nomination procedure for individuals succeeding the retired or resigned directors. The nomination shall be proposed to the Board of Directors for further proposal to the shareholders’ meeting for approval on a case-by-case basis.

(b) To consider succession plan and determine nomination procedure for individuals qualifying for the Chief Executive Officer position and/or high-level executives, which shall be proposed to the Board of Directors for approval on a case-by-case basis.

(c) To recommend procedure for performance assessment of the Board of Directors, Chief Executive Officer, and/or high-level executives, which shall be proposed to the Board of Directors for approval on a case-by-case basis.

(d) To assess the independence of directors in performance of their duties and provide recommendations to the Board of Directors for its consideration on a case-by-case basis.

(e) To determine appropriate qualifications of individuals for the director positions by considering the diversity of skills, experience, and expertise that are beneficial to the Company and propose them to the Board of Directors for approval on a case-by-case basis.

(3.2) Duties and Responsibilities concerning Remuneration

(a) To recommend guidelines and procedure for payment of remunerations for the Board of Directors and sub-committees appointed by the Board of Directors.

(b) To propose remuneration policy for the Chief Executive Officer and/or high-level executives in accordance with the Company’s performance and actual operating results before proposing the Board of Directors for approval.

(c) To consider budget for salary adjustment, wages, and annual bonus for employees before proposing the Board of Directors for approval or consent.

(3.3) General duties and responsibilities

(1) To regularly report the operation of the NRC to the Board of Directors at least once every year for disclosure in the Annual Report (Form 56-1 One Report) in accordance with the good corporate governance.

(2) To have authority to hire consultants or experts to provide advice and/or opinions as deemed appropriate on a case by case basis. The Company shall be responsible for the incurred expenses.

(3) To have authority to invite executives and/or relevant persons of any level for briefing meetings or submission of related documents.

(4) To prepare a form self-assessment on the performance of the NRC member as a whole and individual basis at least once a year to propose the results to the Board of Directors for further consideration.

(5) To promote and support the NRC member to continuously and consistently attend necessary training and strengthen the skills in performing duties of NRC member. The disclosure of training information and knowledge development of the NRC member shall be included in the Annual Report (Form 56-1 One Report).

(6) To perform any other tasks as assigned by the Board of Directors on a case-by-case basis.

(7.3.3) THE RISK MANAGEMENT COMMITTEE

The Risk Management Committee or “RMC” has been appointed by the Board of Directors, consisting of directors and executives from all departments of the Company, from the department manager or above, with at least one member from each department. The members and position of the Risk Management Committee are as follows:

Name	Position	Meeting Attendance in 2021
(1) Mr. Anun Louharanoo	RMC Chairman	7 out of 7
(2) Mr. Srihasak Arirachakaran	RMC Vice Chairman	7 out of 7
(3) Mr. Vacharachai Nachailert	RMC Member	7 out of 7
(4) Mr. Prasert Promdech	RMC Member	7 out of 7
(5) Mrs. Petcharat Chayanon	RMC Member	7 out of 7
(6) Mr. Saharat Vatanatumrak	RMC Member	7 out of 7
(7) Mr. Sudusit Ounsangchan	RMC Member	7 out of 7
(8) Mr. Bandhit Ngarmkum	RMC Member	3 out of 3
(9) Mrs. Wanna Chomkhokkrud	RMC Member and Secretary	7 out of 7

Remark: Mr. Bandhit Ngarmkum was appointed as the Risk Management Committee Member on July 1, 2021

The Risk Management Committee has the scope of authorities and important duties as assigned by the Board of Directors, which must be performed with responsibility, prudence and integrity as follows:

(1) To propose the risk management policy and goals of the Company and subsidiary companies for approval from the Board of Directors, as well as giving advice to the Board of Directors and the Management regarding the organization’s risk management, which must cover financial risks, operational risks, business risks, strategic and other event risks throughout the organization.

(2) To supervise and support the enterprise wide risk management by focusing on risk awareness in each matter in order to make a decision in using resources and various processes appropriately with efficiency, effectiveness and the most beneficial to the whole organization.

(3) To study, analyze and assess risks and potential trends that shall affect the Company both internal and external by managing risks in accordance with the policies and targets approved by the Board of Directors, which will lead to practice to cover potential risk factors that may occur to the business operation of the Company throughout the organization.

(4) To determine rectification guidelines to mitigate the risk to an acceptable level or to manage the risk to be as low as possible. The risks can be categorized as follows:

Red Risk	A risk factor requiring urgent rectification, having highest priority for mitigation.
Orange Risk	A risk factor requiring close monitoring. Preventative measures may be required
Yellow Risk	A risk factor requiring monitoring. Preventative measures may be required in both short term and long term.
Green Risk	An inconsequential risk factor or not yet requires close monitoring.

(5) To supervise and follow up risk management measures, including monitoring procedures, and provide report to ensure adequate and effective risk management framework.

(6) To regularly report risk management on each factor with appropriate suggestions to the Board of Directors and the Audit Committee at least once every quarter for consideration and review on the risk management policy, plan and objectives of the defined risk management to be in accordance with the current situation and ever-changing circumstances.

(7) To prepare the report on the operation of the RMC with appropriate suggestions each year for disclosure in the Annual Report (Form 56-1 One Report). The reports shall be signed by the RMC Chairman.

(8) The RMC has authority to invite all executives and employees at any level of the Company and subsidiary companies to provide clarification in details and provide documents related to the risk management of the Company in all aspects as it deems appropriate on a case-by-case basis.

(9) The RMC has authority to hire consultant or specialist to give advices and opinions as deemed proper and appropriate. The Company shall be responsible for the incurred expenses in accordance with the plan and annual budget approved by the Board of Directors.

(10) To establish the criteria and prepare a self-assessment of the RMC member as a whole and individual basis annually at least once a year by having assessors to identify strengths, weaknesses, and issues that need to be addressed to be used as a guideline for the improvement of the RMC performance to be more effective in the following year.

(11) To determine that the subsidiary company and/or affiliated company shall operate with the same risk management system and internal control system as the parent company.

(12) To promote and support the RMC member to continuously and consistently attend necessary training and strengthen the skills in performing duties of RMC member. The disclosure of training information and knowledge development of the RMC member shall be included in the Annual Report (Form 56-1 One Report).

(13) To perform any other tasks as delegated by the Company's Board of Directors related to the risk management on a case-by-case basis.

(7.3.4) THE CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee or the “CGC” has been appointed by the Board of Directors to have duties and responsibilities according to the Charter established by the Board of Directors, which can be summarized as follows.

(1) The CGC is appointed by the Board of Directors to comprise of at least 3 Company’s directors and executives, having 1 CGC Chairman, and at least 2 CGC Members. The Board of Directors or the CG Committee shall appoint a suitable person as the Secretary. The name list and positions of the CGC members are as follows.

Name	Position	Meeting Attendance in Year 2021
(1) Mr. Srihasak Arirachakaran	CGC Chairman	3 of 3 Meetings
(2) Mrs. Petcharat Chayanon	CGC Member	3 of 3 Meetings
(3) Mr. Prasert Promdech	CGC Member	3 of 3 Meetings
(4) Mr. Sudusit Ounsangchan	CGC Member	3 of 3 Meetings
(5) Mr. Vacharachai Nachailert	CGC Member	3 of 3 Meetings
(6) Mr. Saharat Vatanatumrak	CGC Member and Secretary	3 of 3 Meetings

(2) Office Term

The CGC Members has a three-year term of office each. The member of the CGC who is retired by rotation may be re-appointed.

To ensure continuity of operation, upon retirement by rotation or the event that can no longer serve until the term ends, resulting in a lesser number of members as specified in (1) above, the Board of Directors shall nominate and appoint new CGC Committee member(s) to complete the CGC immediately or at least within three months after the date with incomplete members as described in (1) above.

(3) Authorities, Duties and Responsibilities of the CGC

(3.1) To consider and propose the policy, rule and practice guidelines for activities in accordance with corporate governance principles.

(3.2) To prepare the Corporate Governance Handbook and Code of Conduct to be adhered and followed by the directors, executives and employees at every level, which must be regarded as important duties to operate in accordance with corporate governance principles and must not be neglected by everyone.

(3.3) To monitor, review and improve corporate governance and regulations or guidelines to be in compliance with good corporate governance principles of the SEC, SET and other relevant laws (if any).

(3.4) To promote the dissemination of good corporate governance within the organization to be understood by directors, executives and employees at all levels for a practical results throughout the organization.

(3.5) To consider forms and results of self-assessment on the performance of the Board of Directors and sub-committees including offering opinions to propose to the Board of Directors for consideration on a yearly basis.

(3.6) Other Duties and Responsibilities

(a) To prepare a self-assessment form on the performance of the CGC as a whole and individual basis at least once a year to propose to the Board of Directors for further consideration.

(b) To regularly report the operation of the CGC to the Board of Directors at least once every year for disclosure in the Annual Report (Form 56-1 One Report). in accordance with the good corporate governance principles.

(c) To establish policies and encourage the assessment of corporate governance standards within organization regularly at least once a year in order to identify the problems or obstacles that cause the operation to fail and report to the Board of Directors for further consideration.

(d) To have authority to hire consultants or experts to provide advice and/or opinions as deemed appropriate on a case-by-case basis. The Company shall be responsible for the incurred expenses.

(e) To promote and support the CGC member to continuously and consistently attend necessary training and strengthen the skills in performing duties of CGC member. The disclosure of training information and knowledge development of the CGC members shall be included in the Annual Report (Form 56-1 One Report).

(f) To have authority to invite executives and/or relevant persons of any level for briefing meetings or submission of related documents.

(g) To perform any other tasks as assigned by the Board of Directors on a case-by-case basis.

COMPANY SECRETARY

The Board of Directors has appointed Mr. Saharat Vatanatumrak as the Company Secretary (his brief curriculum vitae on page 280 of this 56-1 One Report) having the scope of duties and responsibilities of the Company Secretary as follows:

(1) Provide initial suggestions to the Directors concerning with requirements, rules and regulations of the Company, including laws and regulations that the Directors should know, and monitor the operation for compliance including report of any significant changes to the Board for consideration on a case-by-case basis.

(2) Arrange the Shareholder's Meeting and Board of Directors' Meeting according to laws and regulations as well as relevant laws of the authorities.

(3) Prepare the minutes of the Shareholders' Meeting and Board of Directors' Meeting, including monitor that the resolutions from the Shareholders' Meeting and Board of Directors' Meeting are followed.

(4) Supervise on the disclosure of information and report within scope of responsibilities according rules and regulations established by the Securities and Exchange Commission, the Stock Exchange of Thailand and relevant laws.

(5) Prepare and Safekeeping of the following documents:

(5.1) Director Registry

(5.2) Board of Directors' Meeting Invitations and Minutes

(5.3) Shareholders' Meeting Invitations and Minutes

(5.4) The Annual Report (Form 56-1 One Report)

(6) Safekeeping of the reports of stake/interest which are reported by the Directors and Executives.

(7) Supervise the activities of the Board of Directors and perform other matters according to laws or assigned by the Board of Directors or as prescribed by the Capital Market Supervisory Board.

(8) Disclose qualifications and experience of the Company Secretary in the Annual Report (Form 56-1 One Report) and the Company's website.

(7.4) MANAGEMENT INFORMATION

(7.4.1) NAMES AND POSITIONS OF MANAGEMENT

The Executives of the Company include Chief Executive Officer and first four persons in management positions below Chief Executive Officer and all those persons who are in the equivalent positions as level-four management and also include positions in Accounting or Finance at the level of department manager or equivalent. The Company's executives consist of 9 persons with names and positions as follows.

Executive	Position
(1) Mr. Srihasak Arirachakaran	Chief Executive Officer
(2) Mr. Saharat Vatanatumrak	Chief Officer – Corporate
(3) Mrs. Petcharat Chayanon	Chief Officer – Accounting and Finance
(4) Mr. Prasert Promdech	Chief Officer – International Marketing
(5) Mr. Vacharachai Nachailert	Chief Officer – Domestic Marketing
(6) Mr. Sudusit Ounsangchan	Chief Officer – Coal Business Development
(7) Mr. Bandhit Ngarmkum	Chief Officer – Renewable Energy Business Development
(8) Ms. Siriporn Trakoonkitcharoen	Deputy Chief Officer – Accounting
(9) Mrs. Prapawan Puengpakdee	Deputy Chief Officer – Finance

The Chief Executive Officer has the following scope of duties and responsibilities:

(1) Duties and Responsibilities

(1.1) To effectively control, monitor and supervise the management of the Company, in accordance with the resolutions of the Shareholders' Meeting, the Board of Directors, and Company's objectives and articles of association to maximize Company's best interests for short and long-term period.

(1.2) To prepare the annual corporate plan and budget including manpower, employees' expenses, earnings and expenses, and investment budget to be proposed annually to the Board of Directors for approval within 30 (thirty) days before the end of the year.

(1.3) To manage the Company according to the policy and objectives established by the Board of Directors, and according to the corporate plan and budget approved by the Board of Directors.

(1.4) To manage Company's finance in accordance with the financial plan approved by the Board of Directors, as well as Company's contractual commitments to every creditor.

(1.5) To function under the relevant laws concerning with the Company, as well as follow the Company's contractual commitments with the government authorities and the third parties.

(1.6) To report operating results to the Board of Directors once every quarter.

(1.7) To undertake or carry out certain individual tasks as assigned by the Board of Directors on a case-by-case basis.

(2) Financial Authorities

(2.1) Having authority to approve daily and normal expenses according to the investment, earnings and expenses, and manpower budget plans as approved by the Board of Directors, including expenses as stipulated by the laws and/or expenses obligated by the contracts between the Company and authorities and external parties.

(2.2) Having authority to purchase/hire for fixed assets and/or transactions which are not considered normal business operation according to the investment and budget plans as approved by the Board of Directors within Baht 2 (two) million each time per one transaction, provided that the transaction is approved by the Management Consultant before execution, and the Board of Directors must be proposed for approval at the earliest opportunity.

(2.3) Having authority to obtain a loan for the business of the Company within the credit amount and under terms and conditions which have been approved by the Board of Directors. In the case that the assets of the Company must be used for loan guarantee, the matter must be approved by the Board of Directors every time, **except** for the following matters that are considered normal transaction, having authority in every case.

(1) Opening of Letter of Credit (L/C) including Trust Receipt (T/R) and Shipping Guarantee (S/G) for the purchase and/or hire of item from overseas.

(2) Obtaining bank guarantee of commercial bank and/or financial institution as guarantee for contractual obligation of the Company with the government authorities and external parties.

(3) Execution of risk protection contracts on foreign currencies such as forward exchange contracts, etc., but only in the case that the Company has contractual obligation that must make payment in foreign currencies.

(2.4) Approving of advance for the employee for use in the Company's business as follows:

(1) For expenses according to contractual obligation or by laws and/or as already approved by the Board of Directors for the advance to actual payment such as land purchase costs, mineral royalties, fees and taxes, electricity tariff and other utilities' expenses, etc.

(2) For other items besides (A), they can be approved for not more than Baht 500,000 (five hundred thousand Baht) each time or per item.

(2.5) Having authority to set provision and/or write off bad debt of the Company at not more than Baht 50,000 (fifty thousand Baht) each time or per item during each financial year, and not exceeding Baht 1,000,000 (one million Baht) overall in the financial year, and report the matter to the Board of Executive Directors once every quarter.

(2.6) Having authority to sell and write off inventory and/or damaged or lost assets, and/or make compensation at not more than Baht 50,000 (fifty thousand Baht) each time and not more than Baht 1,000,000 (one million Baht) overall in a financial year, and report the matter to the Board of Directors once every quarter.

(2.7) Having authority to set aside reserve for depreciation of every type of asset, and/or outdated or deteriorated inventories in accordance with relevant accounting standards, and report the matter to the Board of Directors at the earliest opportunity.

(3) Production Authorities

(3.1) To establish production target and plan for each year according to market requirement and as obligated by the contract with every customer, in order to present the matter for consideration and approval by the Board of Directors every year within 30 (thirty) days before the end of year.

(3.2) To plan and perform production in accordance with the plan and target as approved by the Board of Directors at the lowest cost. In the case that it is different than the approved plan and target, the matter is to be proposed to the Board of Directors for approval before execution or at the earliest opportunity.

(3.3) To establish target and strategy for additional exploration or acquisition of coal deposits or other minerals that have commercial benefits in order to increase production and distribution potential of the Company in the future and for Company's business expansion and long term and sustainable growth, with terms and conditions as established by the Board of Directors.

(4) Marketing Authorities

(4.1) To establish target, plan and strategy for the marketing the products for each year according to market requirement and as obligated by the contract with every customer, in order to present the matter for consideration and approval by the Board of Directors every year within 30 days before the end of year.

(4.2) To plan and distribute products in accordance with the plan and target as approved by the Board of Directors in order for the Company to maintain or increase its market share, as well as to increase and/or maximize the revenue and profit. In the case that it is different than the approved plan and target, the matter is to be proposed to the Board of Directors for approval before execution or at the earliest opportunity.

(4.3) Having authority to establish pricing and conditions for the sales and service of the Company as established by the Board of Executive Directors and/or according to the contractual obligation with every customer.

(4.4) Having authority to purchase/hire for production and/or to import products for selling in order for the Company to maintain and/or increase its market share, as well as increase and maximize the revenue and profit, after the approval by the Board of Directors.

(4.5) Having authority to sell products and service both domestically and overseas by entering into contractual obligation of not more than 3 (three) years, including appointment of sales representative of not more than one year each time.

(5) Employment Authorities

(5.1) Having authority to establish suitable number of manpower or employees in line with the Company's business operation, as well as, to set salaries and wages, compensations and bonuses for every employee at every level according to the manpower and budget as approved by the Board of Directors.

(5.2) Having authority to employ, appoint, transfer, remove and terminate every employee and every level, except for employee of director level and above which must be approved by the Management Consultant first.

(5.3) Having authority to establish job regulations and benefits for the employees of the Company following the criteria, conditions and budget as approved by the Board of Directors.

(6) Authorities concerning Legal Case and Contract

(6.1) Having authority to execute only the contract that is considered normal daily business operation according to the budget approved by the Board of Directors, not more than one year each time.

(6.2) Having authority to file a legal case and put up a defense for the benefit of the Company by reporting to the Board of Directors for acknowledgement at every meeting and when the legal case occurs.

(7) Authorities concerning Projects, requiring Approval from the Management Consultant

(7.1) To consider and perform preliminary feasibility study of the project that is deemed beneficial to the Company's business operation in the future and/or providing satisfactory return in long term.

(7.2) To consider hiring consultants for the projects within the budget approved by the Board of Directors.

(7.3) If the project is found to be feasible after the project's feasibility study, detailed information of the project is to be presented to the Board of Directors for consideration and approval before execution.

(7.4) For the approved project, the scope of authorities are as follows:

(1) To establish operation plan, budget and target in order to achieve objectives or internal rate of return as expected.

(2) Having authority to contact, negotiate and execute a memorandum of understanding concerning with the joint venture, with term period of not more than one year.

(3) Shareholders Agreement and establishment of a joint venture company must be approved by the Board of Directors before execution.

(7.5) To report on the progress of the approved projects to the Board of Directors for acknowledgement at every meeting.

(8) Other Matters

(8.1) Any matters that must be proposed for approval and/or to obtain approval from the Board of Directors, Chief Executive Officer will propose to the Management Consultant for consideration before proposing to the Board of Directors.

(8.2) Matters that exceed the scope of duties and authorities of the Chief Executive Officer above are to be proposed to the Board of Directors consideration and approval before execution.

(8.3) The Chief Executive Officer may establish working groups and give authorities any employee of the Company, any position or anyone to act on behalf within the scope of duties and responsibilities which deemed appropriate on a case-by-case basis.

Such assignment of authority of the Board of Directors, sub-committees, directors, executives or an individual will not assign authority which make an authorized person shall approve transaction that may have any conflict of interest with the Company, subsidiary companies or associated company except for the approval of normal business transactions which the scopes are clearly determined.

(7.4.2) REMUNERATION OF DIRECTORS AND EXECUTIVES

(1) POLICY ON THE REMUNERATION OF DIRECTORS AND EXECUTIVES

The Nomination and Remuneration Committee (NRC) has duty to establish the policy, rule, procedure and good practice for a suitable and fair nomination and determination of remunerations for the directors, executives and employees in accordance with the securities and exchange laws, regulations and good practices of the Securities and Exchange Commission and the Stock Exchange of Thailand including any laws relevant to the Company's business operation.

Remuneration Policy of the Company: The Company intends to pay fair and appropriate remuneration, both in short-term and in long-term, by considering the scopes of duties and responsibilities, achievements and expected benefits to be received from the directors, executives and employees. The remuneration is evaluated against the overall operating results of the Company in which comparisons are made with other companies in the same industry and listed companies in the Stock Exchange of Thailand of the same industrial sector.

Rules on Consideration of Remunerations for the Directors, Executives and Employees of the Company are as follows:

(1) Directors and Sub-Committees of the Company

The NRC has duty to consider remuneration structure and rules on consideration of remuneration for the directors and sub-committees of the Company, which is appropriate and fair as follows:

(A) Consider directors' remunerations which are suitable and in line with the Company's short-term and long-term objectives by considering experience, scope of duties, accountability and responsibility, as well as benefits expected to be received from each director. For the directors who have been assigned with addition duties and responsibilities such as members of the sub-committees, should be receiving and appropriate and additional remunerations, which are comparable with other companies within the same industry and listed companies in the Stock Exchange of Thailand within the same industrial sector.

(B) Establish directors' remuneration structure and rule for both cash and non-cash basis by considering each remuneration form appropriately including fixed remuneration (such as monthly meeting allowance) and remuneration paid according to yearly operating results (such as bonus or annual remuneration) by linking to the operating results and/or added value the Company has created for the shareholders, which should not be too high, resulting in a focus in just short-term turnover. Such remuneration structure shall be proposed for consideration by the Company's Board of Directors before further proposing for consideration by the shareholders' meeting.

(C) Consider the remuneration based on the operating results of the Company for each year.

(D) Consider the remuneration based on the self-assessment of the Board of Directors' and sub-committees' Performance for each year for further improvement of the effectiveness in work performance of the Board of Directors and sub-committee in the subsequent year.

(E) Establish the disclosure of policy and rule on directors' remunerations which reflect the roles, scope of authority, duties and responsibilities, including the form and amount of remuneration for each director for the whole board and sub-committees by disclosing the information within the Annual Report 2021 (Form 56-1 One Report).

(2) Executives and Employees of the Company

The NRC has duty to consider remuneration structure and rules on consideration of remuneration and benefits for the executives and employees of the Company to be in line with the Company's short-term and long-term policies as follows:

(A) Consideration of short-term remuneration including salary and annual remuneration (bonus) are undertaken as follows:

(1) Establish the monthly salary payment structure, annual remuneration (bonus), and annual salary increase for top executives and employees of the Company.

(2) Establish the Key Performance Indicators (KPI) for the Company to be used for consideration of salary adjustment and bonus payment for top executives and employees of the Company by considering the annual budget and achievement of main targets of the Company, as well as the market and economic situation and in the same level as others in the same industry and shall provide its opinions to the Company's Board of Directors for its consideration and approval.

(3) Establish rule for assessment of work performance of top executives and employees of the Company with additional assigned duties as per the overall KPI of the Company. Based on the assessment, the salary adjustment and annual remuneration (bonus) are then considered and shall provide its opinions to the Company's Board of Directors for its consideration and approval.

(4) Consider benefits and other welfares for the Company's employees in both cash and non-cash basis each year.

(B) Consideration of long-term remuneration including compensation at the time of retirement or job quitting are undertaken as follows.

(1) The Company has established the Provident Fund for employees as well as top executives to encourage money saving by the employees. For the fund saving proportion, the employee is required to save at the rate of 5-15 percent of base salary and Company's contribution is at the rate of 5, 7.5 and 10 percent of base salary depending on employment period and willingness of the employee. The fund shall be paid back to the employee upon retirement or job quitting.

(2) The Company has conducted assessment of benefits of employees including top executives at retirement or when the employee quits the job, which are determined by the actuarial method, deriving from projected benefit liability of employee having right to receive severance benefit at retirement in accordance with the Labor Protection Act. Such liability has been calculated by the independent actuary and from assumptions based on the actuarial method termed the Projected Unit Credit Method, which is projected from current value of cash flow of benefit expected to be paid in the future by calculating based on salary of the employee, turnover rate of employees, mortality, employment period and other related factors.

(3) Other remunerations, such as the Employee Joint Investment Program (EJIP), were offered to the executives and employees, with NRC considering these incentives with intention to motivate directors, executives and employees to work with all their capacity, which should result in an increase in Company's share value in long term and retention of good quality employees. Nonetheless, such offer must not be too high and is also fair to the shareholders. Should any director or employee receive shares at more than 5 percent of the total number of securities, the NRC must consider its appropriateness and must follow the regulations of the Securities and Exchange Commission and in any case, none of the NRC Committee members being appropriated with more than 5 percent of the total number of securities can take part in such consideration and propose to the Board of Directors for consideration before proposing to the shareholders' meeting for consideration and approval (the Employee Joint Investment Program for Company's executives and employees has ended since December 31, 2016 without new EJIP being offered at the moment.)

(2) AMOUNT OF REMUNERATION OF DIRECTORS AND EXECUTIVES

(1) Explicit Remuneration of Directors and Executives of the Company

(1.1) The Company has clearly and transparently determined the remuneration for directors and specific directors, through the deliberation of the Nomination and Remuneration Committee, by considering and comparing with references from the same industrial sector, including the business size, business expansion and operating results of the Company such as revenue and profit of the Company, and was approved by the Annual General Meeting of Shareholders Year 2020 with the following resolutions:

(1.1.1) Monthly remuneration which is fixed every month, with the Chairman of the Board shall receive Baht 60,000 per month, and the Directors receive Baht 30,000 per month each.

(1.1.2) Annual remuneration for year 2021 shall be paid once a year according to the Company's operating results of each year to 12 Directors totaling Baht 5,904,000 which is based on the same basis as in the previous year, by which 2 parts are given to the Chairman of the Board at Baht 787,200 and 1 part to each of the 13 directors at Baht 393,600 per person.

(1.1.3) The Audit Committee members shall receive a monthly remuneration which is fixed every month, with the Audit Committee Chairman receiving Baht 20,000 per month and the other Audit Committee Members receiving Baht 15,000 per month per person.

(1.1.4) The Nomination and Remuneration Committee shall receive a remuneration which is fixed per meeting, with the Nomination and Remuneration Committee Chairman receiving Baht 15,000 per meeting and the other Nomination and Remuneration Committee Members receiving Baht 10,000 per meeting per person.

(1.2) Remuneration policy for the directors of subsidiaries, the Company shall consider appointing executives to be directors of subsidiaries in order to ensure that the operations of the subsidiaries are in compliance with the policy framework and strategic directions of the Company.

Determination of the remuneration payment policy for the directors of subsidiaries, roles and authorities of the Board of Directors of the subsidiaries will be taken into consideration, including the size of investment, as well as business risk factors. In this regard, executives, as a director of subsidiary, shall be able to receive remuneration according to the remuneration policy of such subsidiary.

(1.3) Remuneration of Individual Director

(A) Remuneration of Directors/ Sub-Committee Members for each month and/or each meeting attended (For the year ended December 31, 2021)

Position (Unit: Baht)	Monthly Remuneration		Remuneration for each meeting attended	No Remuneration	
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Corporate Governance Committee
Chairman of the Board	60,000	20,000	15,000	-	-
Directors	30,000	15,000	10,000	-	-
Remarks:					
(1) The Nomination and Remuneration Committee ("NRC") receives remuneration for each meeting attended. There were 3 NRC meetings altogether in 2021.					
(2) The Risk Management Committee and Corporate Governance Committee receive no remuneration as their members comprise of executives who already receive monthly salary and benefits as Company's employees and therefore, there are no additional compensation.					

(B) Yearly Remuneration of Directors/Committee Members (For the year ended December 31, 2021)

Directors' Name (Unit: million Baht)	Annual Remuneration					Annual Remuneration (Bonus)	Total
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Corporate Governance Committee		
(1) Mr. Vanchai Tosomboon	611,000	-	30,000	-	-	243,000	884,000
(2) Mr. Kraisi Sirirungsi	360,000	-	45,000	-	-	243,000	648,000
(3) Mr. Paul Heinz Hugentobler	360,000	-	-	-	-	243,000	603,000
(4) Mr. Siva Mahasandana	360,000	-	-	-	-	243,000	603,000
(5) Mr. Mark Anatol Schmidt	300,000	-	-	-	-	-	300,000
(6) Mr. Visit Tantisunthorn	360,000	-	-	-	-	243,000	603,000
(7) Mr. Tanon Tantisunthorn	360,000	-	-	-	-	243,000	603,000
(8) Mr. Adul Tantharatana	360,000	207,833	-	-	-	243,000	810,833
(9) Mrs. Duangkamol Suchato	360,000	180,000	-	-	-	243,000	783,000
(10) Mr. Ralph Robert Tye	189,000	94,500	-	-	-	-	283,500
(11) Mr. Anun Louharanoo	360,000	-	30,000	-	-	243,000	633,000
(12) Mr. Srihasak Arirachakaran	360,000	-	30,000	-	-	243,000	633,000
(13) Mr. Somkiart Limsong	218,000	-	-	-	-	486,000	704,000
(14) Mr. Padoong Techasarintr	109,000	72,667	-	-	-	243,000	424,667
(15) Mr. Akasit Jirayuwanon	120,000	-	-	-	-	243,000	363,000
(16) Mr. Suroj Subhasavasdikul	-	-	-	-	-	140,000	140,000

Remarks:

- (1) The Nomination and Remuneration Committee ("NRC") receives remuneration for each meeting attended. There were 3 NRC meetings altogether in 2021.
- (2) The Risk Management Committee and Corporate Governance Committee receive no remuneration as their members comprise of executives who already receive monthly salary and benefits as Company's employees and therefore, there are no additional compensation.
- (3) Mr. Vanchai Tosomboon was appointed as the Chairman of the Board of Directors on April 19, 2021.
- (4) Mr. Kraisi Sirirungsi was appointed as Vice Chairman of the Board of Directors on April 19, 2021.
- (5) Mr. Adul Tantharatana was appointed as the Audit Committee Chairman on July 14, 2021.
- (6) Mr. Mark Anatol Schmidt was appointed as the Director on March 2, 2021.
- (7) Mr. Ralph Robert Tye was appointed as the Independent Director and Audit Committee Member on June 22, 2021.
- (8) Mr. Tanon Tantisunthorn was appointed as the Independent Director on June 22, 2021.
- (9) Mr. Somkiart Limsong retired from the position of Chairman of the Board of Directors at end of term on April 19, 2021.
- (10) Mr. Padoong Techasarintr retired from the position of Independent Director and Audit Committee Chairman at end of term on April 19, 2021.
- (11) Mr. Akasit Jirayuwanon resigned from the position of Independent on May 1, 2021.
- (12) Mr. Suroj Subhasavasdikul passed away on July 28, 2020.

(C) Remuneration of Executive Directors and Executives

Remuneration (Unit: Million Baht)	Year 2021		Year 2020		Year 2019	
	Number of Persons	Remuneration Amount	Number of Persons	Remuneration Amount	Number of Persons	Remuneration Amount
Directors' Remuneration and Bonus	16	9,019,000	14	10,663,500	14	11,994,000
Executives' Monthly Salary, Bonus and others	10	48,302,570	9	31,825,270	6	27,472,490
Total	26	57,321,570	23	42,488,770	20	39,466,490

(D) Details of the remuneration paid to the directors of the Company and subsidiaries for year 2021 are shown in the table below.

Director's Name	Position	Remuneration for Year 2021		
		LANNA	Subsidiary	Total
(1) Mr. Vanchai Tosomboon	Chairman of the Board and NRC Member	884,000	-	884,000
(2) Mr. Kraisi Sirirungsi	Vice Chairman and NRC Chairman	648,000	2,983,698	3,631,698
(3) Mr. Paul Heinz Hugentobler	Director	603,000	-	603,000
(4) Mr. Siva Mahasandana	Director	603,000	-	603,000
(5) Mr. Mark Anatol Schmidt	Director	300,000	-	300,000
(6) Mr. Visit Tantisunthorn	Director	603,000	-	603,000
(7) Mr. Adul Tantharatana	Independent Director and Audit Committee Chairman	810,833	-	810,833
(8) Mrs. Duangkamol Suchato	Independent Director and Audit Committee Member	783,000	-	783,000
(9) Mr. Ralph Robert Tye	Independent Director and Audit Committee Member	283,500	-	283,500
(10) Mr. Tanon Tantisunthorn	Independent Director	603,000	-	603,000
(11) Mr. Anun Louharanoo	Director and NRC Member	633,000	4,070,724	4,703,724
(12) Mr. Srihasak Arirachakaran	Director, NRC Member and Chief Executive Officer	633,000	6,317,650	6,950,650
(13) Mr. Somkiart Limsong	Chairman of the Board	704,000	-	704,000
(14) Mr. Padoong Techarintra	Independent Director and Audit Committee Chairman	424,667	-	424,667
(15) Mr. Akasit Jirayuwanon	Independent Director	363,000	-	363,000
(16) Mr. Suroj Subhasavasdikul	Director	140,000	-	140,000
Remark : LANNA =Lanna Resources Public Co., Ltd.				

(1.4) The Company paid remunerations to ten executives in the form of monthly salary, annual bonus and other benefits, by paying remuneration in 2021 totaling Baht 46.55 Million.

(1.5) The Company paid remuneration to Chief Executive Officer in the form of monthly salary, annual remuneration and other benefits, which varied according to operating results of the Company, by paying remuneration in 2021 totaling Baht 12.15 Million.

(2) Other Remunerations: Other than the above mentioned remuneration, the Company does not issue shares, warrant, convertible debenture and/or other privilege to directors and executives.

(7.5) EMPLOYEE INFORMATION

(7.5.1) HUMAN RESOURCE DEVELOPMENT

1. Human Resource Development Policies have been established as follow:

(1.1) Employees shall be treated fairly with dignity as being part of the organization.

(1.2) The recruitment processes must be conducted with fairness regarding qualifications, education, expertise, skills, experiences, physical conditions, and other necessary requirements for competencies of the position(s).

(1.3) The company shall determine the remuneration policy for employees fairly as appropriate to the condition and nature of the work based on performance and ability of each employee.

(1.4) The company shall arrange performance assessment of each employee individually, which shall be conducted by the supervisor for each line of work according to the rules and procedures prescribed by the Company.

(1.5) The company shall take care of employees' welfare as well as maintain a safe and hygienic working condition.

(1.6) The company shall promote and encourage employees to express their opinions by allowing employees to participate in improving the efficiency and effectiveness of their own work and the Company to be even better.

(1.7) The company shall support employee's development through training and seminars in order to enhance employee's knowledge and skill sets.

The company has established the above policies for employees to adhere and to comply with in order for developing unity, with good relationship and understanding, by taking into account the safety and growth of every employee. The supervisor of each department is considered as an important component and is responsible for overall performance of the team. This is to strengthen bonds between employees and the Company, and all employees are involved in maintaining healthy relationships in the long term.

2. Succession Plan

The Board of Directors has managed to ensure that the Company has the system for nomination and selection of personnel to assume the duties and responsibilities in every level of important executive positions suitable for the business of the Company.

(1) In case that Chief Executive Officer or Managing Director cannot perform their duties, the Company has senior executives below from the Chief Executive Officer or Managing Director who can take up the task.

(2) The Company has developed a strategic plan in selecting successor as follows:

(A) Analyzing situation of the Company: considering business expansion in 3-5 years, the Company has to estimate appropriate headcount and qualifications of employees.

(B) Investigating positions with risk: Human Resources and Administrative Department will review each position's years of service, numbers of employees expect to retire or to join early retirement program, and numbers of employees that may leave, in order to determine the competency of the workforce to carry out the Company's strategic plans. Otherwise, how long it would take to recruit new employees for the Company's expansion.

(C) Planning employee recruitment and development: specify desired requirement of knowledge, ability, personality, skills and attitude.

(D) Selecting and reviewing performance and potential: to review employee performance and potential for promotion, 360-degree feedback from supervisor, coworker, subordinate and customer (if any), in order to minimize biased opinions and error in evaluation.

(E) Identifying the successor: Human Resources and Administrative Department must notify the qualified candidate in advance of trainings in preparation for new duty which normally takes a year before the opening of position. The employees must realize the importance of their positions to the Company hence the importance of a prompt replacement in case of one is promoted.

(F) Timely reviewing and developing: even after passing the evaluation, it is not certain that the successor can perform according to expectation therefore a performance evaluation from time to time, to review the learning curve and self-improvement, is crucial. If the performance does not meet the expectation, a more suitable candidate will replace in timely manner. A strategic plan for finding a succession for important positions allows the Company to potentially and effectively sustain a continuous long term growth.

3. Personnel Development

The company and its subsidiaries give priorities to the development and improvement of personnel, modern technology system for the operation corresponding to the changing conditions to sustain long term growth with quality and stability. The Company has policy on personnel development which is carried out consistently to increase knowledge, skills, and expertise as well as work effectiveness of the employees at every level and to encourage development of knowledge and skill of employees through on-the-job training with new employee having a supervisor for each line of work assigned to train the new employee. Training courses have been regularly organized internally by inviting lecturers or speakers to pass on their experience and additional knowledge to the employees. The Company also sends its employees and executives to training program and seminars with topics related to work of each department for additional knowledge

In addition, the Company has established regulations concerning training and development of employees and enrolled the executives in the Master of Business Administration Program and other courses at reputable universities, as well as established various personnel development and training programs and activities such as workshops in order to develop the executives, reinforcement of knowledge and relationship within the working teams, including making plans and improvement of strategies to develop the organization for higher efficiency.

4. Safety, Occupational Health and Environment

The Company gives precedence to accident prevention and environmental protection by complying with relevant laws and regulations in order to ensure safety for the employees and to have good working environment, including continuing improvement on safety, occupational health and environment, with the following policies:

“5S” activity

“5S” activity and work improvement activity to promote participation in organizational development for employees, which is part of the duty involving every employee at all levels. The superior has duty to supervise, promote and recommend for the efficiency and effectiveness with continuing improvement of the program. The activity is aimed to promote good working environment and safety as well as to instill basic consciousness of increasing effectiveness in the operation.

The Company has established guidelines on the safety, occupational health and environment as follows:

(1) The executive and employee must operate a management system with quality, safety, health and environment to enhance the efficiency, effectiveness and maximum value for the operation of the Company.

(2) The executive and employee must strictly follow and operate in accordance with the laws, policy, regulations and standard in terms of quality, safety, health and environment

(3) The Company shall employ every means to control and prevent all types of loss from accident, fire, injury or illness from the workplace, loss or damage to the assets, safety system violation, improper method of operation and all the errors, including protection of environment in the workplace and safety to all employees. Accordingly, the report on any accident is the responsibility of the executive and employee by strictly follow the established procedure, regulation and order.

(4) The Company shall set up prevention and control plan for emergency in every area of operation, including emergency and crisis management plan for the organization to be prepared for any emergency events that may occur and be ready for other crisis events which may halt the business operation, damage reputation and image of the organization.

(5) The Company shall arrange for the public relations and communication to build knowledge, understanding and dissemination of information to the employees including all stakeholders to acknowledge and understand the policy, regulations, procedure and any cautions in terms of quality, safety, health and environment, to strictly follow for correct implementation without creating any hazard to the health, assets and environment.

(6) The Company shall promote and instill consciousness in the quality, safety, health and environment as part of daily routine of the employee.

Policy on the Prevention and Suppression of Narcotics Offence in the Business Place

According to the Narcotics Control Act (No. 3), B.E. 2543, the Board of Directors has therefore formulated the policy on the prevention and suppression of narcotics offence in the business place as follows:

(1) All supervisors at every level must behave in a disciplined manner as well as give advises to support staff with drug – related issues. Supervisors must also ensure that staff are being treated under proper treatments for good-health and well-being.

(2) All employees must be responsible for preventing and solving drug problems in accordance with the Company’s policy. Every employee is in charge of witnessing any suspicious illegal behaviors. If found, an employee must contact the supervisor or Human Resources Department right away or at the earliest opportunity.

(3) All employees must cooperate in the event that the Company may conduct random drug testing, if the presence of drugs is detected, the company by the hierarchical supervisor shall proceed with disciplinary action adhering to the Company’s rules and regulations. The Company will send the detected individual to a drug treatment program, by which the treatment period shall be deemed to unpaid special absence days.

(4) The Company grants opportunities for employees/staff who are able to overcome drug addiction to resume duty, which such employee must present a medical certificate for reference purposes.

(5) The Company along with all employees must cooperate with government officials to provide information and evidence of person(s) related to drug abuses in all cases.

(7.5.2) NUMBER OF EMPLOYEES AND COMPENSATION

In 2021, the Company and its affiliated companies have the following number of employees and employees-related expenses:

Description	Year 2021		
	Company Only	Affiliated Companies	Total
Number of Employees as at End of Year (Person)	84	732	816
Employees-Related Expenses (Million Baht per year)	118	493	611

Remunerations paid to the employees in 2021 comprises of monthly salaries, wages, bonuses or annual remunerations, provident fund contributions and other welfares, which may be both paid on a monthly fixed basis and vary according to the operating results and performance.

In addition, the company also grants additional benefits to employees such as bonuses, traveling expenses both domestically and overseas, as well as provident fund etc.

2. Personnel Development Policy

The Company and the affiliated companies give priorities to the development and improvement of personnel, modern technology system for the operation corresponding to the changing conditions to sustain long term growth with quality and stability. The Company has policy on personnel development which is carried out consistently to increase knowledge, skill, and expertise as well as work effectiveness of the employees at every level and to encourage development of knowledge and skill of employees through on-the-job training with new employee having a supervisor for each line of work assigned to train the new employee. Training courses have been regularly organized internally by inviting lecturers or speakers to pass on their experience and additional knowledge to the employees. The Company also sends its employees and executives to training program and seminars with topics relating to the work of each department for additional knowledge.

In addition, the Company has established regulations concerning training and development of employees and enrolled the executives in the Master of Business Administration Program and other courses at reputable universities. In addition, the Company has established various personnel development and training programs and activities such as workshops in order to develop the executives, reinforcement of knowledge and relationship within the working teams, as well as making plans and improvement of strategies to develop the Company for higher efficiency. Moreover, since the Company has made investments overseas, especially in the coal mining business in Indonesia, the core business, and therefore English and Indonesian Bahasa language training courses have been provided including knowledge on the basic laws and regulations, the traditions and culture for the employees who must travel to work in such country to have correct understanding and follow the laws and regulations correctly, preventing issues and difficulties while working in such country.

Training Expenses and Training Hours in 2021

Employee Training for Enhanced Capabilities in 2021	Average Training Hour per Person	Training Objectives
Management level	14	To develop management skills.
Heads of departments and employees	6.7	To develop personal competence and skills.
Costs of employee training and development in 2021 totaling Baht 332,792.37		

(7.5.3) EMPLOYEE CODE OF CONDUCT

The Company has established measure and practice guideline on the employee code of conduct for the employees to constantly follow and abide by on a regular basis as follows:

(1) Perform duties with honesty, discipline, accountability and awareness of assigned duties and with aim to attain advancement and security for themselves and the Company.

(2) Jointly create unity and harmony among the groups of employees; perform duties and resolve problems together and professionally with maximum effectiveness and efficiency; ready for better changes; able to respond to changes and use work skills to achieve maximum benefit.

(3) Be serious and attentive and perform duties diligently and patiently; aim to build and develop the Company to achieve its excellence.

(4) Use the Company's assets in the most efficient manner and protect the assets from improper depreciation or loss, and not to use the Company's assets for personal benefit and others or use the assets fraudulently or illegally.

(5) Must maintain confidential information of the customers, trading partners and the Company and must not disclose confidential information related to the business of the Company or use the inside information to dishonestly gain personal benefit and/or for other parties.

(6) Do not use work position to gain any personal benefit and/or others fraudulently, including the following:

(6.1) Employees are strictly prohibited from receiving cash or any other compensation from customers, trading partners or persons having connected business with the Company.

(6.2) Employees should avoid receiving gifts from the customers, trading partners or persons having connected business with the Company due to possible conflict of interest, except for accepting gifts during special or traditional occasions of which gifts must be of small and appropriate values, not excessive or unreasonable such as souvenirs made for sales promotion or general distribution, etc. Every employee can use own judgment whether it is appropriate to accept such gift. The employee should seek advice or recommendation from the supervisor if he/she feels uncertain about accepting the gift.

(7) Cooperate and assist in the work with every coworker and be respectful of other employees in the same organization, also share knowledge and experience with coworker for the interest of the Company.

(8) Be attentive and helpful in any activities for maintaining clean and safe working environment.

(9) Employees are prohibited from making accusation or abusive remarks to the Company, executives and coworkers without truth.

(10) Employees must strictly and regularly comply with the Company's regulations, Articles of Association and relevant laws, as well as support and cooperate in the practice of Company's business ethics or code of conduct for actual results.

(11) Notify the supervisor or relevant department of any wrongdoing or illegal activities and avoid or do not do anything that may damage the overall image or reputation of oneself and the Company.

(7.6) OTHER IMPORTANT INFORMATION

1. LIST OF PERSONS ASSIGNED

Name	Position within the Company	Assigned Position
1.1 Chief Accounting Mrs. Petcharat Chayanon	Chief Officer – Finance and Accounting	- Risk Management Committee Member - Corporate Governance Committee Member
1.2 Company Secretary Mr. Saharat Vatanatumrak	Chief Officer – Corporate and Company Secretary	- Risk Management Committee Member - Corporate Governance Committee Member and Secretary - Nomination and Remuneration Committee Secretary
1.3 Head of Internal Audit Mrs .Wanna Chomkhokruad	Deputy Chief Officer – Internal Audit	- Audit Committee Secretary - Risk Management Committee Member and Secretary
1.4 Head of Investor Relations Ms. Thanyaras Panyavisetpongse	Corporate Development and Investor Relations Manager	- Corporate Social Responsibility (CSR) Committee for Ban Pa Kha School Development Project, Li District, Lamphun Province

2. INVESTOR RELATIONS

Investor Relations

Ms. Thanyaras Panyavisetpongse

Address: Lanna Resources Public Company Limited

888/99, Mahatun Plaza Bldg., 9th Floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330

Tel : 02-253-8080

Fax : 02-253-6822

E-mail Address : CorpIR@LannaR.com

3. AUDIT FEE OF THE COMPANY

The Audit Committee has duty to select, propose to appoint the Company's auditor and determine the annual audit fee, as well as re-appointment or removal of continuing auditor based on the trustworthiness, adequacy of the resources, amount of work handled by such audit firm or the experience of the personnel assigned to perform the financial audit of the Company and the appropriateness of the proposed fee. The Company and affiliated companies has engaged the auditor affiliated with the same auditing office.

The Annual General Meeting of Shareholders Year 2021 has appointed the auditor from EY Office Limited to be the Company's auditor for year 2021, with independence, reliable and no connected relationship and/or having interests with the Company, subsidiary companies, directors, executives, major shareholders or related persons by determining the audit fee in year 2021 at the amount of Baht 1,350,000 without payment for other fees.

APPOINTMENT OF THE AUDITOR AND DETERMINATION OF AUDIT FEE

(A) The Company and subsidiary companies paid audit fees during year 2021 as follows:		
Company	Auditor	Audit Fee
(1) Lanna Resources Public Co., Ltd.	Ms. Patcharawan Koonarangsri EY Office Limited	Baht 1,350,000.00
(2) Thai Agro Energy Public Co., Ltd. (Subsidiary Company)	Ms. Patcharawan Koonarangsri EY Office Limited	Baht 1,130,000.00
(3) Lanna Power Generation Co., Ltd. (Subsidiary Company)	Ms. Patcharawan Koonarangsri EY Office Limited	Baht 120,000.00
(4) SRT Power Pellet Co., Ltd. (SRT)	Ms. Patcharawan Koonarangsri EY Office Limited	Baht 640,000.00
(5) PT. Lanna Harita Indonesia (Subsidiary Company)	Mr. Benediktio Salim Purwantono, Sungkoro & Surja (A member firm of Ernst & Young Global Limited)	Baht 1,408,140.00 (or IDR 600,000,000)
(6) PT. Singlurus Pratama (Subsidiary Company)	Mr. Benediktio Salim Purwantono, Sungkoro & Surja (A member firm of Ernst & Young Global Limited)	Baht 1,151,154.45 (or IDR 490,500,000)
(B) During the past year 2021, in addition of the above audit services, the Company and the subsidiary company also used non-audit services from the audit company employing the auditor and related person or business with the auditor or the audit company employing the auditor, having details as follows:		
Company and Subsidiary Company	Service Fee	Purpose of Use
(1) PT. Lanna Harita Indonesia	IDR 87,450,000 (Approximately Baht 205,236.41)	To investigate coal selling price between the companies in the same group that it is established on an arm's length basis.
(2) PT. Singlurus Pratama	IDR 155,000,000 (Approximately Baht 363,769.50) IDR 57,000,000 (Approximately Baht 133,773.30)	To investigate coal selling price between the companies in the same group that it is established on an arm's length basis. To prepare a report for accounting in accordance with the Thai Financial Reporting Standard No. 9 Re: Financial Instruments, No. 15 Re: Revenue from Contracts with Customers, and No. 16 Re: Leases.
Remark : (1) The above audit fees do not include expenses reimbursed by the auditor as the actual cost incurred such as transportation expenses, photocopying and fax expenses, etc. (2) Exchange rate at Baht 0.0023469 per Indonesian Rupiah.		

(8) REPORT OF KEY PERFORMANCE ON GOOD GOVERNANCE

(8.1) SUMMARY OF THE COMMITTEES PERFORMANCE DURING THE PAST YEAR

(8.1.1) COMMITTEE RECRUITMENT, DEVELOPMENT AND EVALUATION

(1) Nomination and Appointment of Directors and Top Executives

- The selection of candidates to nominate for director position of the Company will be considered by the NRC, which will be selected from experience, knowledge, ability and qualifications as required by law. The appointment shall be proposed to the Board of Directors for consideration before proposing to the shareholders' meeting for further consideration on the appointment of director of the Company.

- Composition and nomination, appointment, removal or termination of Company's directorship position have been specified within the Company's regulation which can be summarized as follows:

- (1) The Board of Directors consists of no less than 5 directors and not less than half of all the directors must residence in the Kingdom and must have qualifications as stipulated by the law.

- (2) The shareholders' meeting shall vote for the appointment of directors according to the following rule and procedure.

- (A) For each share that shareholder holds will be counted as one vote.

- (B) Each shareholder must use all the votes to appoint one person or several persons for the director position but cannot divide the votes into different number of votes for a particular person in case of appointments of several persons for the director positions.

- (C) The person receiving the highest number of votes in descending order will be appointed as the directors for the total number of director positions available at the time. In the case of a tie (equal number of votes) for successive positions available, the chairman of the meeting shall have the casting vote.

- (3) At every Annual General Meeting of Shareholder, one-third of the directors shall be retired by rotation and if the number of directors is not divisible directly into three parts, the number of directors to be retired shall be the nearest to one-third. The number of directors to be retired in the first year and second year after the Company's registration shall be done by drawing lots. For subsequent years, the directors in position the longest time shall be retired first. The director retired by rotation may be re-appointed.

- (4) Any director wishing to resign from the office shall submit resignation letter to the Company. The resignation will be effective from the date the letter is delivered to the Company.

- (5) In the event of vacancy of director position for reason other than by rotation, the Board of Directors may select a person, who is qualified and not of forbidden nature under the laws of the Public Listed Companies and/or laws of the Securities and Exchange, to replace such director at the following meeting of the Board of Directors unless the remaining office term is less than two months. The replacement director shall retain the directorship position only for remaining term of office of his predecessor. Accordingly, the resolution of the Board of Directors must be passed by a vote not less than three-fourth of the number of the remaining directors.

- (6) The shareholders' meeting may pass a resolution retiring any director from the office before the time of retirement by rotation by a vote not less than three-fourth of the number of the shareholders attending the meeting and entitled to vote and having shares in aggregate not less than one-half of the number of shares held by the shareholders attending the meeting and entitled to vote.

- The NRC shall consider initially the qualification of the person who will take the position of the Independent Director by considering the qualification and forbidding nature of the director according to the Public Limited Companies Act, Securities and Exchange Law, Notifications of the Capital Market Advisory Board including regulations and/or relevant rules. Furthermore, shall consider the selection of independent director from expertise, work experience and appropriateness in several aspects. The appointment shall be proposed to the Board of Directors for consideration before proposing to the shareholders' meeting for further consideration on the appointment of Independent Director of the Company. Accordingly, the Company has policy on the appointment of the Independent Directors for at least one-third of the total number of directors and must not be less than 3 persons.

- The independent director who has been nominated and appointed must have qualification and hold shares according to the regulation of the Office of the Securities and Exchange Commission as follows:

(1) Holding shares not more than 0.80 percent of all shares with voting rights of the Company, holding company, subsidiary company, associated company, major shareholder or controlling person of the Company, which shall be inclusive of the shares held by related persons of the particular independent director.

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

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

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

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

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

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

(8) Not being an entrepreneur in any business similar to or material competing with the Company or its subsidiary company or not being the material partner in partnership, executive director, employee, staff, advisor who receives salary or holds more than one percent of total number of shares with voting right of the company similar to or material competing with the Company or its subsidiary company.

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

The Independent Director having qualification according to item (1) to (9) may be assigned by the Board of Directors to make decision in the business operation of the Company, holding company, subsidiary company, associated company, subsidiary of the same level, major shareholder or controlling person of the Company, based on a collective decision. In the event that the person appointed by the Company as the independent director is the person whom has or used to have business relationship or is a provider of professional service with service fee exceeding the amount under the first paragraph of (4) or (6), the Board of Directors may consider for the allowance if it is deemed that the appointment of such person has no impact on the performance of duties and independence of opinions, and the Company has disclosed the following information within the invitation to the shareholders' meeting in the agenda concerning the consideration of the appointment of independent director.

Characteristics of the business relationship or professional service, which have made such person to have the qualification not conforming to the established criteria.

(B) Reason and necessity for maintaining or appointing such person as the independent director.

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

- The Board of Directors of the Company or the shareholders' meeting appoints the Audit Committee consisting of at least 3 members by appointing from the Independent Directors of the Company having qualification according to the Securities and Exchange Law, including regulations and/or rules of the Stock Exchange of Thailand, through the deliberation of the NRC. Accordingly, each Audit Committee member shall have the office term of 3 years each. In addition, the Independent Directors who are also the members of the Audit Committee must have additional qualifications as follows:

(1) Must not be the Director assigned by the Board to make business operation decision of the Company, holding company, subsidiary company, associated company, subsidiary of the same level, or corporate with possible conflict.

(2) Must not be the Director of the holding company, subsidiary company or subsidiary of the same level for only the listed company.

(3) Possesses sufficient knowledge and expertise to perform duties as the Audit Committee Member. Nonetheless, at least one member of the Audit Committee must have sufficient knowledge and expertise to perform and review a reliability of the financial statements.

- The NRC has duty to screen, select and appoint Chief Executive Officer according to the rules and procedure as established by the Board of Directors by selecting the individual with knowledge, capability as well as having suitable qualification and experience that is beneficial to the Company's business operation and management.

- The NRC has duty to screen, select and appoint the top executives from the director/chief officer level and above according to the established rule and procedure by selecting the individual with knowledge, capability as well as having suitable qualification and experience that is beneficial to the Company and appropriate with the position and responsibility on a case-by-case basis.

(2) Development of Directors and Executives

The Committee has conducted an orientation or a briefing for the new directors and executives for understanding of the business and duties as the directors and executives as well as to develop knowledge and new aspects in terms of corporate governance, industry outlook, and innovations in order to effectively perform their duty at the earliest. The Company Secretary arranges matters as follows:

(A) Must-know matters such as structure of business, structure of committee, structure of the company, scope of authority and responsibility as well as regulation related to business operation, etc.

(B) General business knowledge i.e. operating guidelines and operation plant visits.

(C) Arrange a meeting with Chairman of the Board, Chief Executive Officer of Managing Director for in-depth discussion regarding the business nature of the Company.

(1) The Board of Directors has established regulation on employee training and development, which executives shall enroll in Master of Business Administration and other courses in the leading university.

(2) The Company has established policy to provide knowledge to the directors continuously by enrolling them in the courses offered by the Thai Institute of Directors Association (IOD) and other courses for the directors to understand the role of director and also provide knowledge about business nature of the Company.

(3) The Company encourages continuous learning for executives and employees (e.g. the Company's Secretary, Auditor, Accountants, etc.). Employees shall enroll in courses or training programs that are related to their field of work in order to constantly increase the knowledge and new techniques.

(3) Assessment of Performance of the Board of Directors and Sub-Committees

- The Board of Directors has established criteria and arranged for the self-assessment on the performance as a whole board and of individual director at least once every year. The aforementioned Self-Assessment Form requests that the assessor specify the strong points, weak points and matters that require improvements. The Board of Directors has jointly considered the results of the assessment and established guidelines for improvement of the Board's performance in the following years for the best benefit to the Company.

- All 4 sub-committees comprise of Audit Committee ("AC"), Risk Management Committee ("RMC"), Nomination and Remuneration Committee ("NRC"), and Corporate Governance Committee ("CGC") have established criteria and arranged for the self-assessment on the performance as a whole board and of individual on a yearly basis. The aforementioned Self-Assessment Form requests that the assessor specify the strong points, weak points and matters that require improvements. Each committee has jointly considered the results of the assessment and established guidelines for improvement of each committee's performance in the following years for the best benefit to the Company.

- The self-assessment results on the performance of the Board of Directors and the sub-committee for an individual committee and person of the year 2021 was of an average score of 91.42% - 100.00%. The directors gave recommendations to improve the performance of each committee that is beneficial to the company. The assessment scores for all faculties are summarized as follow:

Committee	Self-assessment on Performance as a whole committee		Self-assessment on Performance as an Individual	
	2020	2021	2020	2021
1) Board of Directors	96.50%	92.86%	96.28%	94.34%
2) Audit Committee	100.00%	100.00%	100.00%	100.00%
3) Risk Management Committee	95.20%	94.60%	90.40%	94.20%
4) Nomination and Remuneration	91.42%	92.52%	90.97%	92.61%
5) Corporate Governance Committee	93.86%	96.31%	93.07%	95.63%

• Meeting Attendance of Directors/ Committee Members

Directors' Name	Meeting attendance per year (time)				
	Board of Directors	AC Committee	RMC Committee	NRC Committee	CGC Committee
(1) Mr. Vanchai Tosomboon	6 out of 6			3 out of 3	
(2) Mr. Kraisi Sirirungsi	6 out of 6			3 out of 3	
(3) Mr. Paul Heinz Hugentobler	4 out of 6				
(4) Mr. Siva Mahasandana	6 out of 6				
(5) Mr. Mark Anatol Schmidt	5 out of 5				
(6) Mr. Visit Tantisunthorn	6 out of 6				
(7) Mr. Adul Tantharatana	6 out of 6	9 out of 9			
(8) Mrs. Duangkamol Suchato	5 out of 6	9 out of 9			
(9) Mr. Ralph Robert Tye	3 out of 3	5 out of 5			
(10) Mr. Tanon Tantisunthorn	6 out of 6				
(11) Mr. Anun Louharanoo	6 out of 6		7 out of 7	3 out of 3	
(12) Mr. Srihasak Arirachakaran	6 out of 6		7 out of 7	3 out of 3	3 out of 3
Remarks:					
(1) Mr. Mark Anatol Schmidt was appointed as the Director on March 2, 2021.					
(2) Mr. Ralph Robert Tye was appointed as the Independent Director and Audit Committee Member on June 22, 2021.					

(8.1.2) SUPERVISION OF SUBSIDIARY COMPANIES AND ASSOCIATED COMPANY

- The Company has policy for investment in subsidiary companies or associated company with the same or similar business nature or business that supports Company's business and increases operating results or profit, or business that has synergy with the Company, which can support the core business of the Company to be more complete.

- The investment in the subsidiary companies and associated company shall be under the control and inspection by the Board of Directors. For the control of the subsidiaries company and associated company, the Company shall consider sending the director of the Company or select executive with suitable qualifications and experience for the business to be a representative in management to establish important policy and control over the management of such subsidiary companies and associated company such as capital increase or reduction, termination of the company, etc., as well as control over complete and accurate disclosure of information concerning financial status and operating results, related transactions which are connected transactions, acquisition and disposition of assets or any other transactions in accordance with relevant laws and regulations with transparency.

- Establish criteria for jointly investments in other significant businesses such as businesses with a shareholding proportion from 20 percent but not more than 50 percent of the investment amount or may require significant additional investment in the future. In case of necessity, the Board of Directors may require the preparation of Shareholders' Agreement or other agreements to be clear about the authority of management and participation in making important decisions, as well as monitoring the subsidiary's performance to be used as information in the preparation of the consolidated financial statements of the Company according to the standards and specified period.

(8.1.3) MONITORING THE COMPLIANCE WITH THE GOOD CORPORATE GOVERNANCE POLICY

(1) POLICY ON CONFLICT OF INTEREST

(1) Employees shall avoid having conflict of interest of oneself with the interest of the Company while dealing with business partners and other related persons.

(2) During employment and post-employment, employees shall not disclose confidential information of the Company to anyone, whether the electronic information, financial information, business information, business plan, or other important matters.

(3) Employees who become directors or consultants of other companies, organization, or business association shall not have any conflict of interest and have a prior approval from the Board of Directors and/or supervisors.

(4) In case of an employee or their family members participate or hold shares in any business which may have a conflict of interest, the Chief Executive Officer or Managing Director must be immediately notified in writing.

(5) Employees shall not guarantee and/or borrow money from business partners of the Company except financial institution due to the fact that it may directly or indirectly influence the operation as representative of the Company.

(6) Employees shall never offer gratuity or assets of the Company to others without permission or approval from authorized supervisors.

(7) Employees shall fully devote their time and effort for the business of the Company. In case that necessitates additional part time job for additional income or other purposes, the nature of the job must not violate any law or upset the peace and morality of the populace, not be a conflict of interest of the Company, not adversely affect the reputation and operation of the Company, not abuse the confidential information of the Company, and not affect the responsible tasks, etc.

(2) SUPERVISION OVER THE USE OF COMPANY'S INSIDE INFORMATION

- The Company has established measures and regulation concerning the protection against the use of Company's inside information, which has not been disclosed to the public, for the benefit of oneself or other persons as follows:

(1) The Company has notified the Directors and executives for acknowledgment of their duty to report the securities holding in the Company of oneself, spouse, minor child and nominee, including the report of changes in securities holding to the Securities and Exchange Commission and acknowledgment of penalties according to the law on Securities and Exchange.

(2) The director, executive, manager and employee who are aware of inside information of the Company are prohibited to disclose any inside information to any outside person or any person who has no relevant duties and are prohibited to trade the Company's securities during the 1-month period before the financial statements are disclosed to the public.

(3) The director, executive, manager and employee are prohibited to use the Company's inside information that have not been disclosed to the public which are significant to the change in the price of the Company's securities to seek benefit for oneself and/or for the trading of the Company's securities. Should anyone violate the above stipulation, the Company will proceed according to the relevant laws and severely punish such person based on facts and findings of the incident on a case-by-case basis.

(4) In case of director, executive, manager and employee being convicted in a criminal case according to the Securities and Exchange Law, the Company will severely punish such person according to one or several of the followings.

(A) Reduce the salary or compensation

(B) Terminate, fire or remove from the position of director, executive, manager or employee, alleging that the person has intentionally caused damage to the Company. Should the convicted person hold the directorship position in the Company, the matter will be proposed to the shareholders' meeting for its consideration of the punishment.

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

(D) Report the case for a legal prosecution.

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

(5) The Company expects that every director, executive, manager and employee at every level of the Company report in good faith to the superior of any misconduct or doubtful conduct in violation of the principles concerning the use of Company's inside information for the benefit of oneself. The superior is deemed to have duty in monitoring and supervising the subordinates on the use of Company's inside information for compliance with the established regulation.

(3) ANTI-CORRUPTION POLICY

All directors, executives and employees of the Company at every level are prohibited from engaging in or tolerating any forms of corruption, directly or indirectly, for both local and overseas businesses and all relevant work units. Regular inspections and reviews of the work are arranged to ensure compliance with the anti-corruption policy. Also, guidelines and regulations are regularly reviewed for conformity with changes in business condition, relevant rules, regulation and legal provision. The policy is as follows:

(1) All directors, executives and employees at every level must adhere to the anti-corruption policy and code of conduct by not involving in any corruption activities, directly or indirectly.

(2) All employees of the Company at every level must not neglect or ignore when witnessing any corruption activities related to the Company and must immediately notify the supervisors or related persons for acknowledgment and cooperate in the investigation. If in doubt, the employee should consult with the supervisors or the person assigned by the Company to be responsible on matters related to the code of conduct through established channels.

(3) The Company shall protect the employee who has notified and reported on the corruption activities as specified under Company's policy on the whistleblowing or complaints by stakeholders.

(4) The person involved in the corruption activity is considered in violation of the code of conduct and must be put through disciplinary actions as stipulated in the Company's regulation. In addition, such person may be punishable by law if illegal action has been committed.

(5) The Company recognizes the importance in educating the third-parties who conduct business with the Company about the compliance with the anti-corruption policy.

Guidelines concerning Anti-Corruption

(1) This Anti-Corruption policy covers personnel management, including recruitment, promotion, training, performance evaluation, and remuneration. Supervisors at every hierarchical level need to communicate with employees to ensure effective compliance.

(2) Any measures according to the anti-corruption policy shall follow the guidelines established in the Corporate Governance Handbook and other related guidelines established by the Company in the future.

(3) For the matters with high risk of corruption, every director, executive and employee at every level must operate with caution especially on the following matters:

(3.1) For political action, to uphold the principles of democracy and places importance on political neutrality, employees at every level were encouraged to exercise their political rights in conformity with the law as a good citizen, as well as having a policy to not give any monetary support, resources, rights or any other benefits to directly or indirectly assist, support or for any other benefits in favor of any political parties and politicians for the benefit of the Company, except for the support of democratic processes that can be performed as required by law.

(3.2) Receiving or giving of gifts, assets, entertainment, services, or any other benefits must conform to the suitability of culture and traditions, must not have unreasonable value and must not be inducement to perform fraudulent duties or refrain from performing duties, which could lead to corruption.

(3.3) Giving of donation must be able to prove that the donation has made contributions to support social community. The purpose of charitable donations must be for public charity and must have all supporting documents for donation, which shall not be used as an excuse or lead to corruption.

(3.4) Supporting fund must be carried out in transparent and legal manners by ensuring that the donated or supporting money shall not be used as bribery, having strict procedures and authority for approval and be able to review and follow up on various documents and evidence.

(3.5) Receiving or giving of bribe to the government officials or government agencies in any business operations are forbidden. Company’s operations and contacts with the government sector must be done strictly with transparency, integrity, and in compliance with the purchase/hire regulations and other regulations of the Company and must be strictly performed in accordance with the laws.

(4) Training courses are regularly organized for personnel to provide knowledge concerning rules and regulations, practice guideline, policies on anti-corruption. In 2021, the Company enrolled the employees to the following corruption-related training courses.

Training Course	Training Date	Trainee	Organizer
Anti-Corruption: The Practical Guide (ACPG)	October 14, 2021	(1) Mr. Kanchid Pangpairee	Thai Institute Of Directors : IOD
Corruption Risk and Control Workshop (CRC)	October 18, 2021	(1) Mr. Kanchid Pangpairee (2) Mr. Narin Karawa	Thai Institute Of Directors : IOD
Ethical Leadership Program	November 9, 2021	(1) Mr. Sudusit Ounsangchan (2) Mrs. Petcharat Chayanon	Thai Institute Of Directors : IOD
Corruption, CAC Change Agent Program	May 5, 2021	82 employees of the Company	Thai Private Sector Collective Action Against Corruption

Duty and Responsibility on Anti-Corruption Policy

(1) The Board of Directors has duty and responsibility to establish policies and oversee that there is a system in place to promote anti-corruption effectively in order to build confidence for the management to recognize and give precedence to anti-corruption and foster it to become part of the corporate culture.

(2) The Audit Committee has duty and responsibility to review the accounting and finance system, internal control system, internal audit system, and risk management system to ensure that every system has been carried out according to international standards with prudence, sufficiency, and effectiveness against corruption.

(3) The Chief Executive Officer and executives at every level have duty and responsibility to establish a system to promote anti-corruption policy and convey this policy to the employees and relevant work units, as well as to review the appropriateness of the system and measures to conform to changing business situation and relevant rules and regulations and laws.

(4) The Internal Audit Department has duty and responsibility in the audit and review of operations to be in compliance with policies, guidelines, rules, and regulation. It also has approval authority as well as relevant legal provision to ensure that the control system is appropriate and sufficient for the potential risk involving corruption. The Internal Audit Office directly reports to the Audit Committee.

(5) The Risk Management Committee has duty and responsibility to regularly assess the risk concerning corruption which may occur in any process as well as propose appropriate guidelines to mitigate the risk to be presented to the Board of Directors for review and establish measures for conformity to mitigate such risk that may occur.

(4) POLICY ON WHISTLEBLOWING OR COMPLAINTS BY STAKEHOLDERS

According to good corporate governance, the Board of Directors has established the policy concerning whistleblowing or complaints by stakeholders to ensure effective measures for stakeholder engagement as follows:

(1) Provide opportunity for the stakeholder for whistleblowing or making complaints

Any stakeholders who wish to contact the Board of Directors directly without going through the executives of the Company in order to offer any opinions concerning with the business operation including whistleblowing or complaints such as inappropriate action, fault, wrongdoing or mistake, illegal action or unethical behavior etc., it can be directly forwarded to the Audit Committee of the Company as follows:

By mail:

Chairman of the Audit Committee

178, Soi Phibun Watthana 2, Rama VI Road, Khwaeng Samsen Nai, Khet Phaya Thai,
Bangkok, 10400

By E-Mail Address : AC_Chairman@lannar.com

(2) Protection for the Whistleblower and Complainant

The stakeholder who makes whistleblowing or complaints according to (1) above does not need to disclose his/her name.

(3) Procedure after Whistleblowing or Complaints

The Audit Committee is assigned to investigate the information or facts informed by the whistleblower according (1) above and directly presents the matter to the Board of Directors for acknowledgment and consideration.

(4) Correction Measures and Compensation

In case the stakeholder has been damaged from the violation of right according to the laws, the Company is willing to listen to opinion or complaint and will urgently correct the fault and impact without delay including finding measures to prevent recurrence of the event and will consider making appropriate compensation to the damaged person based on cause and effect on a case-by-case basis.

(8.2) REPORT OF THE SUB-COMMITTEE FOR YEAR 2021

Report of the Audit Committee

The Audit Committee of Lanna Resources Public Co., Ltd. consists of three qualified independent directors, namely, Mr. Adul Tantharatana, Mrs. Duangkamol Suchato, the Audit Committee Member, and Mr. Ralph Robert Tye, the Audit Committee Member, with experiences in accounting and finance, technical and energy business.

The Audit Committee has independently performed its duties within the scope and responsibilities as assigned by the Board of Directors as specified in the Audit Committee Charter, which is in line with the best practices of the Securities and Exchange Commission, by driving the Company to comply with good corporate governance principles, focusing on compliance with relevant laws and regulations with regard to business operations both in Thailand and overseas countries, strict compliance with the anti-corruption policy of the Company, having adequate risk management and internal control systems, as well as efficient and effective internal audit, focusing on being a transparent, trustworthy and fair organization for the most beneficial to shareholders and stakeholders. The operating results were reported to the Company's Board of Directors for their acknowledgement and consideration on a quarterly basis.

During year 2021, the Audit Committee held 9 meetings altogether with the presence of all three committee members in every meeting, having discussions with internal auditors, and for certain agenda, the Management was invited to provide information or to exchange useful suggestions. In addition, there was one meeting with the Company's external auditors without the participation of the Management to discuss on the independence in performing duties and the opinion of the auditor, the key duties and responsibilities can be summarized as follows:

(1) Financial Statements Review: The Audit Committee reviewed the quarterly financial statements, financial statements for year 2021 and consolidated financial statements of the Company, including related party transactions, having reviewed important issues, important adjusting entries transactions affecting financial statements, financial projections affecting financial statements in order to ensure that the financial statements of the Company and its subsidiaries were prepared in accordance with generally accepted accounting standards. According to the consideration and review, the Audit Committee is of the same opinion with the external auditors reporting their opinions without conditions, and firmly believes that the financial statements have been prepared according to the legal requirements and the Thai Financial Reporting Standards ("TFRS"), which are in accordance with the International Financial Reporting Standards ("IFRS"), that the financial statements of the Company is accurate and reliable, as well as having sufficient and appropriate disclosure of information in a timely manner, which is beneficial to investors and users of financial statements.

(2) Review on the effectiveness of the Internal Control System: The Audit Committee considered the sufficiency of internal control system, which covers control within the organization, risk assessment, control on information communication system and monitoring by considering the internal audit report of the Company, results from the follow up on corrections of detected items from the audit and remarks from the external auditor, as well as assessment on sufficiency of internal control system according to the assessment form of the Securities and Exchange Commission ("SEC"), in which there were no important issues or errors found, having confidence that the internal audit system is sufficient and appropriate for effective business operations, before proposing to the Board of Directors for consideration. Also, emphasis has been put on internal control system of the Company's subsidiaries overseas covering the areas of accounting and finance, personnel administration, assets management, prevention or reduction of errors, damages, wastage, frauds and reliability of financial statements in order to ensure that the Company's subsidiaries properly operated in accordance with the regulations instructed by the local government.

(3) Internal Audit Supervision: The Audit Committee supervises the internal audit office through consideration and approval of the annual internal audit plan, ensuring that the internal audit plan is consistent and covers the internal control system of the Company and subsidiary companies, having the internal audit unit report the results directly to the Audit Committee, the follow up on the operation of the internal audit unit, including recommendations for the operation of the internal audit unit in order to add values and protect the interest of the stakeholders by emphasizing the internal audit plan to be consistent and supportive with Company's strategic plan, as well as pushing on the development of internal audit work by providing sufficient personnel to effectively carried out the tasks according to the system, as well as to approve the appointment, transfer, and termination of the head of the internal audit unit.

(4) Good Corporate Governance: The Board of Directors and the executives have established the process to ensure that the operations are in accordance with the laws governing securities and exchange, regulations of the Stock Exchange of Thailand, and laws relevant to the business of the Company, pushing forward to create positive attitude on internal control, as well as promoting the prevention and fight against corruption by encouraging actual implementation of anti-corruption policy and strict compliance with the policies, able to report any information, complaints of illegal conduct or business ethics or questions in the financial report or the internal control system directly to the Audit Committee.

(5) Review on the Connected Transactions or Transactions that might cause Conflict of Interests: The Audit Committee reviewed the connected transactions during year 2021 to be in compliance with the regulations of the Stock Exchange of Thailand. It was agreed that these transactions were carried out with commercial conditions taking into consideration the fairness, appropriateness and most beneficial to the Company and through approval from the authorized persons who are not stakeholders, and that there is disclosure of information and operating correctly according to the Capital Market Supervisory Board and other relevant laws.

(6) Risk Management Review: The Audit Committee reviewed the effectiveness and appropriateness of the process for management of risk factors which occur both internally and externally, as well as conducted assessment and follow up of important risk situations that may affect Company's business operations, reviewed risk protection measures for risk management and mitigation to within acceptable level regularly every quarter together with the management, including providing recommendations for improvement of the process according to changing business conditions, covering strategic risk, operational risk, financial risk and compliance risk, information technology risk, corruption risk and reputation risk according to the report of the risk management unit every quarter. Accordingly, the risk management unit has monitored important risk management, risk prevention and mitigation plan, situations that may affect the business, by placing importance on the risk factors that have become global trend, namely environmental, social and governance risk involving the Company, as well as risk from the COVID-19 pandemic situation to ensure that the Company is capable of controlling and mitigating the impact which may affect the achievement of Company's business goals and objectives to within the acceptable level. Accordingly, the Company has included the information about the risk management system in its annual report.

(7) Compliance with the Laws and the Government Regulations: The Audit Committee reviewed the Company's operation to ensure that they were in compliance with the Securities and Exchange Act, the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission, all the Accounting Standards and other laws which were relevant to the Company's business. It appeared that the operations have been carried out in compliance with relevant laws without any impact to the Company's business.

(8) Audit Committee's Performance Assessment: The Audit Committee has conducted assessment on the performance of the Audit Committee both as a whole committee and as an individual in year 2021, having to identify their strengths and weaknesses as well as provide recommendations for improvement in order to ensure that the Audit Committee perform their duties effectively, support and promote good corporate governance of the Company, having compositions and qualifications and carried out their tasks as assigned in accordance with the scopes, duties and responsibilities of the Audit Committee. According to the assessment, it was found that the Audit Committee has complete composition and qualifications and effectively performed its tasks according to the scopes, duties and responsibilities as stipulated in the Audit Committee Charter.

(9) Appointment of the Auditors and Determination of the Audit Fee for Year 2022: The Audit Committee has considered and selected the qualified auditors according to the announcement of the Securities and Exchange Commission by taking into consideration the work performance and experience and proposed to the Company's Board of Directors for further approval at the Annual General Meeting of Shareholders Year 2022. It was agreed to propose for the appointment of Ms. Patcharawan Koonarangsri, certified public accountant no. 6650 and/or Ms. Siriwan Suratepin, certified public accountant no. 4604 and/or Ms. Kamontip Lertwitworatep, certified public accountant no. 4377 of the EY Office Limited as the Company's auditors for the year 2022 with the audit fee for the year 2022 of Baht 1,550,000.

In summary, in year 2021, the Audit Committee carried out their duties and responsibilities by applying their knowledge and capability with prudence and discretion, having adequate independency, as well as provided opinions and recommendations creatively for equitable benefit of the stakeholders. The Audit Committee had an opinion that the Company's financial reports were accurate, reliable and in compliance with the generally accepted accounting standards. Business operations were executed in accordance with relevant laws and good corporate governance principles, especially emphasizing transparency in the operations which could be audited. Risk management system was appropriate and within acceptable level, having appropriate and effective internal control system and internal audit work.

February 23, 2022

On behalf of the Audit Committee

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(Mr. Adul Tantharatana)

Chairman of the Audit Committee

Report of the Risk Management Committee

The Board of Directors has established the Risk Management Committee or “RMC” comprising directors and executives from all departments, from the department manager or above, with at least one member from each department, who are assigned to consider risk factors that may possibly impact the operations of the Company and its subsidiary companies, as well as establish prevention measures and focus on effective risk management in every aspect of the operations according to the good corporate governance principles in order to reduce the impact or opportunity for the risk to occur in the future to the minimum level.

During year 2021, the Risk Management Committee held 7 meetings altogether in order to consider and assess risk factors, as well as monitor the risk management of all departments that might significantly impact business operations of the Company and its subsidiary companies, especially during the Coronavirus disease (“COVID-19”) pandemic situation, in order to establish appropriate risk prevention measures and mitigate impacts or opportunities of risk in various aspects appropriately and in consistent with economic conditions and business environment of the Company and its subsidiary companies. The report on the performance of the Risk Management Committee during year 2021 can be summarized as follows:

(1) The Risk Management Committee has considered the risk management process and plan in accordance with the policies and objectives approved by the Board of Directors in order to ensure that the risk management is effective and sufficient within acceptable level, as well as being appropriate and prudent in line with the business operations of the Company and its subsidiary companies according to good corporate governance principles.

(2) The Risk Management Committee has considered various risk factors, including monitoring and supervision of the risk management of the Company and its subsidiary companies by convening the Risk Management Committee’s Meetings periodically to encourage efficiency of the risk management process, as well as providing recommendations which are beneficial to the management of current and future risks appropriately and prudently.

(3) The Risk Management Committee has regularly reviewed risks at all levels by assessing and analyzing risk factors to cover and in consistent with the strategic plan in terms of production, marketing, personnel development, as well as compliance with the laws and other matters that might affect the business operation of the Company and its subsidiary companies. The risks are categorized into the risks requiring urgent rectification (Red Risk), risks requiring close monitoring (Orange Risk), risks requiring monitoring which might require guideline for risk mitigation preventing higher impact (Yellow Risk) and risks that are not considered significant or not at the level requiring monitoring (Green Risk).

(4) The Risk Management Committee, together with the Management, have established requirements for a review and self-assessment on the risks concerning corruption of all departments in order to apply the risk assessment results to amend and improve on relevant regulations and orders regarding day-to-day operations to appropriately and concisely cover such risks.

(5) The Risk Management Committee has prepared a performance summary report for presentation to the Board of Directors and the Audit Committee for acknowledgment once every quarter to take comments and/or suggestions to improve risk management to be more effective. The Risk Management Committee has disclosed the details of the significant risk management of the Company and its subsidiary companies within the Annual Report 2021 (Form 56-1 One Report).

(6) The Risk Management Committee has reviewed and revised the Risk Management Committee Charter to be appropriate and in consistent with the current situation and changing circumstances to ensure that the Risk Management Committee still has complete compositions, qualifications and performance as assigned according to the scope of duties and responsibilities of the Risk Management Committee in accordance with the good corporate governance principles.

(7) The Risk Management Committee has established rules and prepared self-assessment on performance as a whole and individual for year 2021 in accordance with good corporate governance principles. The Risk Management Committee together considered the results of the assessment and established guidelines for achieving more effective operation in the following year.

During 2021, the Risk Management Committee has managed to supervise and oversee that the management of various risks have been controlled at the level which do not affect the business operations of the Company and its subsidiary companies by responsibly and carefully performing the assigned duties for the best interest of the Company and every stakeholder.

February 28, 2022

On behalf of the Risk Management Committee



(Mr. Anun Louharanoo)

Chairman of the Risk Management Committee

Report of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee (“NRC”) would like to report the performance during year 2021, having 2 meetings in total, by which every NRC members have regularly attended every meeting, which can be summarized as follows.

(1) The NRC has considered nomination of directors in place of directors retired by rotation at the Annual General Meeting of Shareholders Year 2021, having details as follows.

(1.1) The NRC acknowledged the vacancies of directorship positions and name list of directors retired by rotation and name list of persons being proposed for appointments to vacant directorship positions and for appointments in place of the directors retired by rotation.

(1.2) The NRC considered and selected persons who are suitable for the director positions from the proposed name list. Qualifications being considered include skills, experience, and expertise from various occupation that are beneficial to the business operations of the Company. The persons must also be eligible for the director positions of a listed company in compliance with the Company’s regulations and related laws. The performance during the past year of the Directors of the Company has also been considered (if any).

(1.3) The NRC selected and proposed the name list of suitable persons for the vacant directorship positions and in place of the directors retired by rotation to the Board of Directors for further proposal to the Annual General Meeting of Shareholders for its consideration.

(2) The NRC considered the remunerations of the Board of Directors and sub-committees by considering the scope of duties, responsibilities and performance results of each committee during the past year. Comparisons with other companies in the same industrial sector were made, including the size and expansion of business and operating results of the previous year. Accordingly, the NRC has proposed appropriate remunerations to the Board of Directors for further proposal to the Annual General Meeting of Shareholders for its consideration.

(3) The NRC has reviewed the criteria in providing the opportunity for the shareholders to propose meeting agenda and nomination of new directors in accordance with good corporate governance principles by submitting written proposals via mail or facsimile (FAX) or via the website to the Company Secretary from October 1, 2021 to December 31, 2021. It appeared that no shareholders proposed any meeting agenda and new director nomination for the Annual General Meeting of Shareholders Year 2022.

(4) The NRC has established criteria for salary adjustments of employees, including the Chief Executive Officer and high-level executives for year 2022 and bonus payment of employees for year 2021, based on performance results in year 2021 with comparison of information with other companies in the same industry in order to propose to the Board of Directors for consideration and approval.

(5) The NRC has considered the organizational structure, manpower and wage budget of the Company for year 2022, which are deemed appropriate and corresponding to the Company’s operation, including the allocation of personnel resources of the Company to be efficiently and effectively used and for further proposal to the Board of Directors for its consideration and approval.

(8) The NRC has reviewed the Nomination and Remuneration Committee Charter in accordance with good corporate governance principles, in which the current charter was still deemed appropriate without being revised in year 2021.

(7) The NRC has reviewed and conducted self-assessment both as a whole and individual in year 2021 in accordance with good corporate governance principles. According to the results of the self-assessment, the NRC was deemed to perform its duties effectively and in accordance with the assigned duties and responsibilities.

(8) The NRC regularly reports its operation to the Board of Directors for acknowledgment and consideration at least once every year for disclosure in the Annual Report 2021 (Form 56-1 One Report 2021).

(9) The NRC is independent in performing their duties according to the scope of duties and responsibilities as assigned by having discussions with relevant executives regularly in order for the process of the nomination and determination of remunerations for the directors, executives and employees of the Company to be appropriate and in consistent with the performance of the Company and at the same level with companies in the same industry.

February 24, 2022

On Behalf of the Nomination and Remuneration Committee

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(Mr. Kraisi Sirirungsi)

Chairman of the Nomination and Remuneration Committee

Report of the Corporate Governance Committee

The Corporate Governance Committee (“CGC”) would like to report the performance during year 2021, having 3 meetings in total, by which every CGC members have regularly attend every meeting, which can be summarized as follows.

(1) The CGC has monitored and supervised that the employees adhere to the Corporate Governance Handbook and the Business Code of Conduct so that it will develop into a corporate culture, which having included matters on the good corporate governance and business ethics as part of the orientation program for new employees and development training of Company’s employees. Related documents and leaflets have been provided to the employees throughout the organization for their acknowledgment and practices accordingly.

(2) The CGC has reviewed and completed the performance self-assessment as a whole and as individual during year 2021 according to good corporate governance principles, which is deemed that the CGC has performed its duties efficiently and effectively in accordance with the scope of duties, authority and responsibilities as prescribed.

(3) The CGC has reviewed and improved on the performance self-assessment forms of the Board of Directors and sub-committees by referring to the guidelines of the Thai Institute of Directors Association (“IOD”) and the Stock Exchange of Thailand, which have been revised appropriately for the business of the Company. The self-assessment on the performance of the Board of Directors and sub-committees were conducted as a whole and as individual to acknowledge the problems and obstacles preventing achievements of established targets during the past year in order to achieve more effective operations as their roles, duties and responsibilities are clearly specified.

(4) The CGC has revised and improved on the Corporate Governance Handbook in accordance with the corporate governance code as stipulated by the Capital Market Supervisory Board and the Stock Exchange of Thailand, including revision of best practices and business code of conduct in order to propose to the Board of Directors for consideration and approval before disseminating within the Good Corporate Governance Handbook for the awareness and practices by the directors, executives and employees at all levels and in effect throughout the organization.

(5) The CGC regularly reports its operation to the Board of Directors for acknowledgment and consideration at least once every year for disclosure in the Annual Report 2021 (Form 56-1 One Report).

(6) The Company’s Directors, executives and employees had been enrolled in several development courses during year 2021 as follows.

(6.1) “Director’s Briefing 1/2021: Governing in Tomorrow 's world” on January 29, 2021, organized by the Thai Institute of Directors Association (IOD)

(6.2) “Successful Formulation & Execution of Strategy” on February 5, 2021, organized by the Thai Institute of Directors Association (IOD)

(6.3) “Director’s Briefing 5/2021: Roadmap and action plan for a post-pandemic world” on March 23, 2021, organized by the Thai Institute of Directors Association (IOD)

(6.4) “Corruption, CAC Change Agent Program” on May 5, 2021, organized by the Thailand’s Private Sector Collective Action Coalition Against Corruption (Thai CAC)

(6.5) “CEO Club: International Legal Dispute, Risk That Should Not Be Overlooked” on June 22, 2021, organized by the Stock Exchange of Thailand (SET)

(6.6) “Director Refreshment Training Program” on August 11, 2021, organized by the Thai Institute of Directors Association (IOD)

(6.7) “National Director Conference 2021: Leadership Behind Closed Door” on August 17, 2021, organized by the Thai Institute of Directors Association (IOD)

(6.8) “Go Green: Megatrend for Green World” on September 30, 2021, organized by Krungthep Turakij Media Co., Ltd.

(6.9) “CEO Club 2/2021 on “Biotechnology, New S-Curve” on October 4, 2021, organized by the Stock Exchange of Thailand (SET)

(6.10) “Exponential Path to Net Zero: Bangchak 100x – 100, Idea for Sustainable World” on October 28, 2021, organized by Bangchak Corporation Public Co., Ltd.


(6.11) “Director Forum 1/2021: GRC Through the Perfect Strom” on November 5, 2021, organized by the Thai Institute of Directors Association (IOD)

(6.12) “Ethical Leadership Program 23/2021 and 24/2021 ” on July 19, 2021 and November 9, 2021, respectively, organized by the Thai Institute of Directors Association (IOD)

(6.13) “Chairman Forum 1/2021: Chairing a Virtual Board Meeting” on November 23, 2021, organized by the Thai Institute of Directors Association (IOD)

(6.14) “Company Secretary Forum 1/2021: Empowering Board Through the Company Secretary Lens” on November 26, 2021, organized by the Thai Institute of Directors Association (IOD)

(7) The Company received the Awards and Recognitions in Year 2021 as follows:

(7.1) For the assessment of Corporate Governance (“CGR”) Year 2021 by the Thai Institute of Directors Association, the Company was placed in an “Excellent” level or 5 stars () for two consecutive years (2020-2021), having received a score of 90 percent, same as the previous year.

(7.2) For the Annual General Meeting Quality Assessment of the Listed Companies (“AGM Checklist”) Year 2021 conducted by the Thai Investors Association, the Company has received the score of 98 or very good level.

(7.3) The Company has received the Sustainability Disclosure Acknowledgement Award 2021 conducted by the Thaipat Institute. The Company realizes and gives importance to the dissemination of operating information, which covers economic, social and environmental or ESG (Environmental, Social and Governance) in addition to financial information, in the form of Sustainability Report, which is beneficial to every group of stakeholders and the development of the organization for long-term sustainability.

February 25, 2022

On Behalf of the Corporate Governance Committee

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(Mr. Srihasak Arirachakaran)

Chairman of the Corporate Governance Committee

(9) INTERNAL CONTROL AND RISK MANAGEMENT

(9.1) INTERNAL CONTROL

- The Board of Directors has placed emphasis on the effective internal controlling system on both the management level and operation level; therefore, duties and authorities of the staff and executives are clearly specified in writing. There exists supervision and control on the use of Company's assets for the benefit of the Company. Also, duties of the personnel are separated to create appropriate balance and check among each other. The Company has established the Internal Audit Office to conduct internal audit to ensure that main operation and important financial activities of the Company are effectively performed according to the established guidelines, as well as to review of compliances with relevant laws and regulations.

- The Board of Directors has placed emphasis on the risk management having appointed the Risk Management Committee comprising of executives from every department joining together as members to carry out the risk assessment of the business covering the whole organization as specified within the Annual Report 2021 (Form 56-1 One Report). Compliance with relevant laws and regulations are consistently monitored and supervised.

- The Board of Directors has established corporate governance policy for every unit to carry out their work effectively and efficiently in accordance with the objectives and goals of the Company; to maintain and utilize the assets economically and appropriately; to assess and manage risks effectively and cautiously and continuously. Moreover, each unit must establish work system that is standard and has adequate internal control in order to control risks to within an appropriate level so not to have any significant impact to the Company's operation. Communication and development of staff within the unit have been established so to foster shared feeling to carry out work in accordance with appropriate practices, including compliance with the relevant laws and regulations and readily available for evaluation and review. These guidelines have been established as follows.

- (1) To establish adequate control environment by assigning duty and responsibility for the executive at every level to supervise and review the work system within the executive's own unit to achieve efficiency and effectiveness and in accordance with the working regulation of the Company, having internal control system that is secure, adequate and can be reviewed and every unit must prepare its own standard work manual.

- (2) To establish adequate risk assessment and management process by having each unit perform its own risk assessment on their work and find ways to mitigate the risks or reduce opportunity for the occurrence of such risks. The Company expects that every staff at every level take part in the assessment and control management of the risk in order to prevent from damage that may occur.

- (3) To establish adequate control activities in every duty and level according to acceptable level of risk by requiring each unit to have a standard work system with adequate internal control to control the risk to be within the acceptable level that does not significantly affect the operation of the Company.

- (4) To establish adequate information and communication system that are reliable and in time by improving and developing the information technology system to be effective and secure with adequate safety and protection of the information. This is to increase efficiency and effectiveness in the operation and management, to become dependable and that such information be used to communicate throughout the organization internally and to the outside. Moreover, there should be communication and development of staff within the unit to foster shared feeling to carry out work in accordance with appropriate practices, including compliance with the relevant laws and regulations.

- (5) To establish adequate monitoring and evaluation system by assigning duty and responsibility to the executive at every level to supervise and review the work system within the executive's own unit to achieve efficiency and effectiveness and in accordance with the working regulation. The Internal Audit Office shall support the executive of every unit in establishing the internal control system and conduct a review from time to time as deemed appropriate in order to ensure that every unit possesses efficient and effective internal control system and carry out matters according to the established procedure at all times, which will bring about overall improvement of various work systems of the organization to be more efficient and more effective overall.

- The Board of Directors reviews the Company's internal control system and performs assessment on the risk management at least once every year. The Board of Directors' Meeting No. 1/2022 dated March 7, 2022, having Audit Committee Members in attendance, has reviewed all 5 compositions of the internal control system of the Company and its subsidiaries, including (1) Control Environment, (2) Risk Assessment, (3) Control Activities, (4) Information and Communication, and (5) Monitoring and Evaluation. The Board of Directors concluded that in 2020, the internal control system of the Company and its subsidiaries were sufficient and appropriate, by which the Audit Committee also shares the same opinion.

(9.2) RELATED PARTY TRANSACTIONS

(1) During the year 2021, there were no business transactions or benefit related between the Company, subsidiaries and associated companies with the directors and/or the executives.

(2) During the year 2021, the Company had significant business transactions with its related companies or juristic person by way of common shareholders and directors. These transactions, with terms and basis concluded under the normal course of business, are summarized as follows:

(A) Coal Sale and Purchase

(1) Type of Transaction				
Coal Sale and Purchase				
Related Parties				
Seller: Lanna Resources Public Co., Ltd. ("Lanna")				
Buyer: Siam City Cement Public Co., Ltd. ("SCCC")				
Connected Relationship				
Siam City Cement Public Co., Ltd. holds 44.99 percent of paid-up capital in Lanna, having three joint representatives being directors of Lanna, namely, Mr. Paul Heinz Hugentobler, Mr. Siva Mahasandana, and Mr. Vanchai Tosomboon.				
Pricing Policy				
Market price for same industrial sector and at similar coal quality.				
Reason and Necessities				
The transactions were considered under normal course of business with general commercial terms and basis, having each authorized party independent of the other party. Since Siam City Cement Public Co., Ltd. is a distributor of cement products and other related products; therefore, future sales and purchase transactions should continue into the future.				
Transaction	Unit	Year 2021	Year 2020	Year 2019
Coal Sale Volume	Metric Ton	592,936.36	846,713.38	-None-
Coal Sale Value	Baht	860,860,099.08	1,107,384,448.4	-None-
Balance Amount as at end of year	Baht	209,564,644.40	98,390,048.97	-None-

(2) Type of Transaction		
Coal Sale and Purchase		
Related Parties		
Seller: Lanna Resources Public Co., Ltd. ("Lanna")		
Buyer: Insee Superblock Co., Ltd. ("ISUB")		
Connected Relationship		
Siam City Cement Public Co., Ltd. holds 44.99 percent of paid-up capital in Lanna, having four joint representatives being directors of Lanna, namely, Mr. Paul Heinz Hugentobler, Mr. Siva Mahasandana, Mr. Vanchai Tosomboon, and Mr. Mark Anatol Schmidt.		
Siam City Cement Public Co., Ltd. holds 100 percent of paid-up capital in ISUB.		
Pricing Policy		
Market price for same industrial sector and at similar coal quality.		
Reason and Necessities		
The transactions were considered under normal course of business with general commercial terms and basis, having each authorized party independent of the other party. Since Insee Superblock Co., Ltd. uses coal as fuel in lightweight concrete production; therefore, future sales and purchase transactions should continue into the future.		
Transaction	Unit	Year 2021
Coal Sale Volume	Metric Ton	235.82
Coal Sale Value	Baht	554,177.00
Balance Amount as at end of year	Baht	-None-

(3) Type of Transaction

Coal Sale and Purchase

Related Parties

Seller: PT. Lanna Harita Indonesia (“LHI”)

Buyer: Lanna Resources Public Co., Ltd. (“Lanna”)

Connected Relationship

Lanna directly holds 55 percent of paid-up capital in LHI, represented by following commissioners and directors:

)A (Board of Commissioners: having two representatives from Lanna; namely, Mr. Kraisi Sirirungsi and Mr. Saharat Vatanatumrak.

)B (Board of Directors: having four representatives from Lanna; namely, Mr. Srihasak Arirachakaran, Mr. Anun Louharanoo, Mr. Atichart Mongkol and Mr. Thamrong Angsakul.

Pricing Policy

Market price for same industrial sector and at similar coal quality.

Reason and Necessities

The transactions were considered under normal course of business with general commercial terms and basis, having each authorized party independent of the other party. Since coal business is Lanna’s core business; therefore, future coal sales and purchase transactions between the parties should continue into the future.

Transaction	Unit	Year 2021	Year 2020	Year 2019
Coal Sale Volume	Metric Ton	136,572	248,675	285,962
Coal Sale Value	Baht	223,396,153.39	213,527,758.77	284,875,862.56
Balance Amount as at end of year	Baht	-None-	-None-	-None-

(4) Type of Transaction

Coal Sale and Purchase

Related Parties

Seller: PT. Singlurus Pratama (“SGP”)

Buyer: Lanna Resources Public Co., Ltd. (“Lanna”)

Connected Relationship

Lanna directly holds 65 percent of paid-up capital in SGP, represented by the following commissioners and directors:

(A) Board of Commissioners: having four representatives from Lanna; namely, Mr. Kraisi Sirirungsi, Mr. Prasert Promdech, Mr. Saharat Vatanatumrak, and Mrs. Petcharat Chayanon.

(B) Board of Directors: having four representatives from Lanna; namely, Mr. Srihasak Arirachakaran, Mr. Anun Louharanoo, Mr. Sudusit Ounsangchan and Mr. Panot Charoensuk.

Pricing Policy

Market price for same industrial sector and at similar coal quality.

Reasons and Necessities

The transactions were considered under normal course of business with general commercial terms and basis, having each authorized party independent of the other party. Since coal business is Lanna’s core business; therefore, future coal sales and purchase transactions between the parties should continue into the future.

Transaction	Unit	Year 2021	Year 2020	Year 2019
Coal Sale Volume	Metric Ton	145,923	207,330	-None-
Coal Sale Value	Baht	219,021,474.21	187,728,279.86	-None-
Advance Payment for Coal as at end of year	Baht	12,949,035.10	56,691,935.04	150,770,000.00

(5) Type of Transaction

Coal Sale and Purchase

Related Parties

Seller: PT. Pesona Khatulistiwa Nusantara (PKN")

Buyer: Lanna Resources Public Co., Ltd. ("Lanna")

Connected Relationship

Lanna directly holds 10 percent of paid-up capital in PKN, having one representative director, namely, Mr. Nattapon Ngamphol.

Pricing Policy

Market price for same industrial sector and at similar coal quality.

Reasons and Necessities

The transactions were considered under normal course of business with general commercial terms and basis, having each authorized party independent of the other party. Since coal business is Lanna's core business; therefore, future coal sales and purchase transactions between the parties should continue into the future.

Transaction	Unit	Year 2021
Coal Sale Volume	Metric Ton	222,185
Coal Sale Value	Baht	341,421,175,63
Advance Payment for Coal as at end of year	Baht	29,487,478.54

(B) Wood Pellet Sale and Purchase**(1) Type of Transaction**

Wood Pellet Sale and Purchase

Related Parties

Seller: SRT Power Pellet Co., Ltd. ("SRT")

Buyer: Thai Agro Energy Public Co., Ltd. ("TAE")

Connected Relationship

(A) Lanna directly holds 99.9997 percent of paid-up capital in LPG, having three joint representatives namely, Mr. Kraisi Sirirungsi, Mr. Anun Louharanoo, and Mr. Srihasak Arirachakaran.

(B) LPG directly holds 99.9998 percent of paid-up capital in SRT, having three joint representatives, namely, Mr. Kraisi Sirirungsi, Mr. Anun Louharanoo, and Mr. Srihasak Arirachakaran.

(C) Lanna directly holds 51 percent of paid-up capital in TAE, having three joint representatives, namely, Mr. Kraisi Sirirungsi, Mr. Anun Louharanoo, and Mr. Srihasak Arirachakaran.

Reasons and Necessities

The transactions were considered under normal course of business with general commercial terms and basis, having each authorized party independent of the other party, which TAE uses wood pellet as fuel for ethanol production. At present, SRT has suspended wood pellet production due to the impact of the coronavirus disease 2019 ("COVID-19") pandemic situation that led to a shortage of raw materials, which has to temporarily stop trading wood pellet.

Transaction	Unit	Year 2021	Year 2020	Year 2019
Wood Pellet Volume	Metric Ton	398.33	4,600.63	-None-
Wood Pellet Value	Baht	1,204,201.50	13,996,322.50	-None-
Balance Amount as at end of year	Baht	-None-	-None-	-None-

(2) Type of Transaction

Wood Pellet Sale and Purchase

Related Parties

Seller: SRT Power Pellet Co., Ltd. (“SRT”)

Buyer: Lanna Power Generation Co., Ltd. (“LPG”)

Connected Relationship

(A) Lanna directly holds 99.9997 percent of paid-up capital in LPG, having three joint representatives namely, Mr. Kraisi Sirirungsi, Mr. Anun Louharanoo, and Mr. Srihasak Arirachakaran.

(B) LPG directly holds 99.9998 percent of paid-up capital in SRT, having three joint representatives, namely, Mr. Kraisi Sirirungsi, Mr. Anun Louharanoo, and Mr. Srihasak Arirachakaran.

Reasons and Necessities

The transactions were considered under normal course of business with general commercial terms and basis, having each authorized party independent of the other party, which SRT is a distributor of wood pellet to LPG. At present, SRT has suspended wood pellet production due to the impact of the coronavirus disease 2019 (“COVID-19”) pandemic situation that led to a shortage of raw materials, which has to temporarily stop trading wood pellet.

Transaction	Unit	Year 2021	Year 2020	Year 2019
Wood Pellet Volume	Metric Ton	-None-	989.37	-None-
Wood Pellet Value	Baht	-None-	2,448,693.26	-None-
Advance Payment for wood pellet as at end of year	Baht	16,745,653.34	13,625,653.34	-None-
Balance Amount as at end of year	Baht	-None-	123,368.72	-None-

(C) Services**(1) Type of Transaction**

Coal Freight Transport Service

Related Parties

Employer: Lanna Resources Public Co., Ltd. (“Lanna”)

Contractor: United Bulk Shipping Pte. Ltd. (“UBS”)

Connected Relationship

Lanna directly holds 49 percent of paid-up capital in UBS, having two representative directors, namely, Mr. Kraisi Sirirungsi and Mr. Srihasak Arirachakaran

Pricing Policy

Comparable to general market freight rates paid to external vendors.

Reasons and Necessities

The transactions were considered under normal course of business with general commercial terms and basis, having each authorized party independent of the other party. Since Lanna has the policy to continue importing coals from overseas for sales as it is the core business; therefore, the tendency for future coal freight transport transactions between the parties should continue into the future.

Transaction	Unit	Year 2021	Year 2020	Year 2019
Coal Transport Volume	Metric Ton	896,401	1,025,883	746,405
Coal Transport Service Value	Baht	269,900,600.89	243,552,291.36	181,332,225.31
Advance Payment for Coal Transport Service as at end of year	Baht	-None-	-None-	11,107,602.83

(2) Type of Transaction:

Coal Distribution Service

Related Parties

Service Provider: Lanna Resources Public Co., Ltd. ("Lanna")

Service Receiver: PT. Lanna Harita Indonesia ("LHI")

Connected Relationship

Lanna directly holds 55 percent of paid-up capital in LHI and is represented by the following commissioners and directors:

(A) Board of Commissioners: having two representatives from Lanna; namely, Mr. Kraisi Sirirungsi and Mr. Saharat Vatanatumrak.

(B) Board of Directors: having four representatives from Lanna; namely, Mr. Srihasak Arirachakaran, Mr. Anun Louharanoo, Mr. Atichart Mongkol and Mr. Thamrong Angsakul.

Pricing Policy

Comparable market service rates in general.

Reasons and Necessities

The transactions were considered under normal course of business with general commercial terms and basis, having each authorized party independent of the other party. Since coal business is Lanna's core business; therefore, the tendency for future coal marketing and distribution service transactions between the parties should continue into the future.

Transaction	Unit	Year 2021	Year 2020	Year 2019
Coal Service Volume	Metric Ton	3,172,686.68	2,520,767.315	3,108,687.425
Coal Distribution Service Value	Baht	76,075,946.73	58,558,402.38	72,011,846.56
Balance Amount of Coal Distribution Service Value as at end of year	Baht	6,887,113.95	6,486,258.46	5,259,047.57

(3) Type of Transaction:

Coal Distribution Service

Related Parties

Service Provider: Lanna Resources Public Co., Ltd. ("Lanna")

Service Receiver: PT. Singlurus Pratama ("SGP")

Connected Relationship

Lanna directly holds 65 percent of paid-up capital in SGP, represented by following commissioners and directors:

(A) Board of Commissioners: having four representatives from Lanna; namely, Mr. Kraisi Sirirungsi, Mr. Prasert Promdech, Mr. Saharat Vatanatumrak, and Mrs. Petcharat Chayanon.

(B) Board of Directors: having four representatives from Lanna; namely, Mr. Srihasak Arirachakaran, Mr. Anun Louharanoo, Mr. Sudusit Ounsangchan and Mr. Panot Charoensuk.

Pricing Policy

Comparable market service rates in general.

Reasons and Necessities

The transactions were considered under normal course of business with general commercial terms and basis, having each authorized party independent of the other party. Since coal business is Lanna's core business; therefore, the tendency for future coal marketing and distribution service transactions between the parties should continue into the future.

Transaction	Unit	Year 2021	Year 2020	Year 2019
Coal Service Volume	Metric Ton	3,236,977.511	3,257,655.247	2,066,588.236
Coal Distribution Service Value	Baht	128,413,255.04	126,079,915.69	80,124,386.14
Balance Amount of Coal Distribution Service Value as at end of year	Baht	13,314,507.41	27,892,914.60	12,591,368.09

(4) Type of Transaction

General Service Fee

Related Parties

Fee Receiver: Lanna Resources Public Co., Ltd. ("Lanna")

Fee Payer: PT. Singlurus Pratama ("SGP")

Connected Relationship

Lanna directly holds 65 percent of paid-up capital in SGP, represented by the following commissioners and directors:

(A) Board of Commissioners: having four representatives from Lanna; namely, Mr. Kraisi Sirirungsi, Mr. Prasert Promdech, Mr. Saharat Vatanatumrak, and Mrs. Petcharat Chayanon.

(B) Board of Directors: having four representatives from Lanna; namely, Mr. Srihasak Arirachakaran, Mr. Anun Louharanoo, Mr. Sudusit Ounsangchan and Mr. Panot Charoensuk.

Pricing Policy

Comparable market service rates in general.

Reasons and Necessities

Purchase of right to the service fee from the other joint venture partner in SGP, which is considered under normal course of business with general commercial terms and basis.

Transaction	Unit	Year 2021	Year 2020	Year 2019
Coal Service Volume	Metric Ton	3,236,977.511	3,257,655.247	2,066,588.236
Service Fee Value	Baht	77,047,952.77	75,647,949.64	48,074,631.24
Fee Balance Amount as at end of year	Baht	7,988,704.11	16,735,748.73	7,554,820.85

(D) Financial Assistance**(1) Type of Transaction**

Financial Borrowing

Related Parties

Lender: Lanna Power Generation Co., Ltd. ("LPG")

Borrower: SRT Power Pellet Co., Ltd. ("SRT")

Connected Relationship

(A) Lanna directly holds 99.9997 percent of paid-up capital in LPG, having three joint representatives, namely, Mr. Kraisi Sirirungsi, Mr. Anun Louharanoo, and Mr. Srihasak Arirachakaran.

(B) LPG directly holds 99.9998 percent of paid-up capital in SRT, having three joint representatives, namely, Mr. Kraisi Sirirungsi, Mr. Anun Louharanoo, and Mr. Srihasak Arirachakaran.

Reasons and Necessities

(1) The transaction was considered an unsecured loan, which is a 6-month promissory note of Baht 17,080,000.00, with an interest rate of 4.25 percent per annum, for use in business operations. This is to provide assistance as necessary and appropriate.

(2) The transaction was considered a secured loan of Baht 70,820,758.18, which is a 5-year loan agreement, with interest rate of 4.22 percent per annum, for use to pay off outstanding loans, including all interest and expenses to Kasikornbank Public Co., Ltd., the former creditor.

(3) The above transaction is a transaction that is exempted from compliance with the connected transaction requirements since it is a transaction in which both parties are:

(A) Subsidiaries that Lanna holds shares of not less than 90 percent; and

(B) Subsidiaries in which the directors, executives, or related persons holding shares or having direct and indirect interests not exceeding the rate or characteristics prescribed by the Capital Market Supervisory Board, which means holding shares of no more than 10 percent and not being the person who has control over such subsidiaries.

Transaction	Unit	Year 2021
Loan	Baht	87,900,758.18
Interest	Baht	1,455,778.04
Outstanding loan and interest as at end of year	Baht	89,356,536.22

(2) Type of Transaction

Financial Borrowing

Related Parties

Lender: Mr. Srihasak Arirachakaran

Borrower: SRT Power Pellet Co., Ltd. ("SRT")

Connected Relationship

Mr. Srihasak Arirachakaran being a director in SRT and Lanna Resources Public Co., Ltd., a parent company of SRT

Reasons and Necessities

- (1) The transaction was considered an unsecured loan, which is a 6-month promissory note, with an interest rate of 2 percent per annum, for use in business operations. This is to provide assistance as necessary and appropriate.
- (2) The above transaction is a financial assistance to the connected person and is considered a small transaction. This is to provide assistance as necessary and appropriate.

Transaction	Unit	Year 2021
Loan	Baht	2,000,000.00
Interest	Baht	24,547.94
Outstanding loan and interest as at end of year	Baht	-None-

(3) Type of Transaction

Financial Borrowing

Related Parties

Lender: Lanna Resources Public Co., Ltd. ("Lanna")

Borrower: PT. Pesona Khatulistiwa Nusantara ("PKN")

Connected Relationship

Lanna directly holds 10 percent of paid-up capital in PKN, having one representative being director of PKN, namely, Mr. Nattapon Ngamphol.

Reasons and Necessities

This is a loan in accordance with the terms and conditions of the agreement for the purchase of newly issued shares and loans to PKN of USD 3,182,569 or approximately Baht 102,332,079.22. The exchange rate on the date of the loan was at USD 1 = Baht 32.1539 (outstanding loan as at end of year 2021 was USD 3,182,569 or approximately Baht 105,810,553.29 at the exchange rate of USD 1 = Baht 33.2469), with reference interest rate of 6 months at the rate of SIBOR+1% per annum, which is due to be paid when demanded by the lender, and the interest will be charged from January 1, 2022 onwards.

Transaction	Unit	Year 2021
Loan	Baht	102,332,079.22
Outstanding loan and interest as at end of year	Baht	105,810,553.29

Opinion of the Audit Committee on the Related Party Transactions

28 February 2022

Presented to The Board of Directors

Lanna Resources Public Co., Ltd.

The Audit Committee has examined and reviewed the related party transactions occurred during year 2021 among Lanna Resources Public Company Limited (“The Company”), subsidiaries, associated companies, and persons with associated interest or related persons, in order to express their opinions, including disclosure of information on the operation in accordance with the regulations established by the Securities and Exchange Commission (“SEC”) and the Stock Exchange of Thailand (“SET”), which can be summarized as follows:

(1) The Company has sold imported coal to Siam City Cement Public Co., Ltd. and Insee Superblock Co., Ltd., both of which are Company’s customers and major shareholders, with agreed trading price based on comparable quality of coal offered to other customers in the same industry and in accordance with general commercial terms, having each authorized party independent of the other party.

(2) The Company has purchased imported coal for further selling from PT. Lanna Harita Indonesia and PT. Singlurus Pratama, both of which are subsidiary companies registered in Indonesia, with agreed trading price based on a market price for comparable quality of coal and in accordance with general commercial terms, having each authorized party independent of the other party.

(3) The Company has purchased imported coal for further selling from PT. Pesona Khatulistiwa Nusantara, an associated company registered in Indonesia, with agreed trading price based on a market price for comparable quality of coal and in accordance with general commercial terms, having each authorized party independent of the other party.

(4) Thai Agro Energy Public Co., Ltd. has purchased wood pellets from SRT Power Pellet Co., Ltd., both of which are subsidiary companies registered in Thailand, to be used as fuel for ethanol production, with agreed trading price based on a market price for comparable quality of wood pellet and in accordance with general commercial terms, having each authorized party independent of the other party.

(5) Lanna Power Generation Co., Ltd has purchased wood pellets for further selling from SRT Power Pellet Co., Ltd., both of which are subsidiary companies registered in Thailand, with agreed trading price based on a market price for comparable quality of wood pellet and in accordance with general commercial terms, having each authorized party independent of the other party.

(6) United Bulk Shipping Pte. Ltd., an associated company registered in Singapore, has rendered service for freight transport of coal to the Company, with agreed freight rate based on comparable freight rates offered to external parties and in accordance with general commercial terms, having each authorized party independent of the other party.

(7) The Company has rendered coal distribution service to PT. Lanna Harita Indonesia and PT. Singlurus Pratama, both of which are subsidiary companies registered in Indonesia, with agreed commission fees or service fees based on comparable service rates offered to external parties and in accordance with general commercial terms, having each authorized party independent of the other party.

(8) The Company has received general service fees from PT. Singlurus Pratama, a subsidiary company registered in Indonesia, due to the Company's purchase of such right from another joint venture partner in 2018, which was in accordance with general commercial terms.

(9) SRT Power Pellet Co., Ltd. took a loan from Lanna Power Generation Co., Ltd., both of which are subsidiary companies registered in Thailand, to use as working capital for business operations and to pay off all outstanding loans, including all interest and expenses owed to Kasikornbank Public Co., Ltd., the former creditor, with interest rate based on the reference interest rate of domestic commercial banks.

(10) SRT Power Pellet Co., Ltd. ("SRT") took a loan from Mr. Srihasak Arirachakaran, Director of SRT, and being Director of Lanna Resources Public Co., Ltd., a parent company, to use as working capital for business operations, with interest rate at 2 percent per annum. This transaction was to provide financial assistance for business operations as necessary and appropriate.

(11) The Company has provided loan to PT. Pesona Khatulistiwa Nusantara ("PKN"), an associated company registered in Indonesia, which is in accordance with the terms and conditions of the agreement for the purchase of newly issued shares and loans to PKN, with reference interest rate of 6 months at the rate of SIBOR+1% per annum, starting from January 1, 2022 onwards.

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(Mr. Adul Tantharatana)

Audit Committee Chairman

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(Mrs. Duangkamol Suchato)

Audit Committee Member

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(Mr. Ralph Robert Tye)

Audit Committee Member

PART 3: FINANCIAL STATEMENTS

Independent Auditor's Report

To the Shareholders of Lanna Resources Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Lanna Resources 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 income, 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 Lanna Resources 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 Lanna Resources Public Company Limited and its subsidiaries and of Lanna Resources 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.

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 for each matter are described below.

Revenue recognition

Major revenue of the Group is derived from production and distribution of coal and ethanol. The Group recognised revenue, based on the contractual price, when control of goods is transferred to the customer, generally on delivery goods. The price is based on the market price with adjusted by other factors. Revenue from sales is a significant account because the amount of revenue from sales is material and directly affects the Group's profit or loss. In addition, selling prices are based on the fluctuated market price and current demands. I therefore gave significant attention to the revenue recognition of the Group.

I have examined the revenue recognition of the Group by assessing and testing its internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls, applying a sampling method to select sales agreements to assess whether revenue recognition was consistent with the conditions of the relevant agreement, and whether it was in compliance with the Group's policy, on a sampling basis, examining supporting documents for actual sales transactions occurring during the year and near the end of the accounting period, reviewing credit notes that the Group issued after the period-end and performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Coal reserve estimates for the overseas subsidiaries

Coal reserves are estimates of the amounts of coal that can be economically and legally extracted by the subsidiary companies. The subsidiary companies determine and report their coal reserves under the Australasian Code for Reporting, Exploration Results, Mineral Resources and Ore Reserves (Joint Ore Reserves Committee Code).

Estimating coal reserves requires the use of assumptions about a range of geological, technical and economic factors, including production quantities, production techniques, stripping ratio, production costs, transport costs, commodity demand, coal prices and exchange rates.

Estimating the quantity and/or calorific value of coal ore reserves requires the size, shape and depth of coal ore bodies or fields to be determined through an analysis of geological data such as drilling data, samples and topography. The process of making judgements with respect to such geological data is complex and difficult.

Because the economic assumptions used to estimate the reserves change from period to period, and because additional geological data may be generated during the course of operations, the estimates of reserves may change from period to period.

Changes in reported reserves may affect the subsidiary companies' financial results and financial position in a number of ways, including the following:

- Assets' carrying values may be affected by changes in estimated future cash flows.
- Depreciation, depletion and amortisation charges in the statements of income and other comprehensive income may change when such charges are determined by the units of production basis, or when the useful economic lives of assets change.
- Overburden removal costs recorded in the statements of financial position or charged to the statement of income and other comprehensive income may change due to changes in stripping ratios.
- Decommissioning costs and provisions for site and environmental restoration may change due to changes in estimated reserves which result from the timing or cost of these activities.
- The recognised value of deferred tax assets/liabilities may change due to changes in estimates of the recoverable amounts of the tax benefits.

I audited the coal reserve estimates by assessing the competency and capability of the management and the expert used by the management to estimate the subsidiary companies' coal reserves as of 31 December 2021. In addition, I tested the significant assumptions used by the management and the expert in the estimation, especially the assumptions relating to coal prices, production levels and discount rate determination. I also reviewed the disclosure of the accounting policy relating to the estimation of coal reserves in the notes to the financial statements.

Goodwill

As at 31 December 2021, the Company recorded goodwill amounting to Baht 186 million, as disclosed in Note 19 to the financial statements. The assessment of goodwill impairment is a significant accounting estimate requiring the management to exercise a high degree of judgement in identifying the cash generating unit, estimating the cash inflows that are expected to be generated from the group of assets in the future, and setting an appropriate discount rate and long-term growth rate. This will affect the appropriateness of the amount of goodwill.

I assessed the identification of cash generating units and the financial models selected by the management by making enquiry of the management and gaining an understanding of its decision-making process to assess whether the decisions made were consistent with how the assets are utilised. In addition, I tested the significant assumptions applied by the management in preparing estimates of the cash flows expected to be realised from the assets, by comparing those assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgement in estimating the cash flow projections. I also evaluated the discount rate applied by the management through analysis of the weighted average finance costs of the Company and of the industry, tested the calculation of the recoverable amounts of the assets using the selected financial model and considered the impact of changes in key assumptions on those recoverable amounts, especially changes in the discount rate and long-term revenue growth rates. Moreover, I reviewed the disclosures made with respect to the impairment assessment for goodwill.

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.

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.

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

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

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

I am responsible for the audit resulting in this independent auditor's report.

Patcharawan Koonarangsri
Certified Public Accountant (Thailand) No. 6650

EY Office Limited
Bangkok: 23 February 2022

Lanna Resources Public Company Limited and its subsidiaries

Statements of financial position

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements	
		31 December 2021	31 December 2020 (Restated)	1 January 2020	31 December 2021	31 December 2020
Assets						
Current assets						
Cash and cash equivalents	7	2,163,717,638	832,696,118	477,624,516	874,230,669	277,703,813
Trade and other receivables	6, 8	1,666,080,907	935,830,636	706,160,104	322,899,031	185,858,998
Inventories	9	525,524,689	302,320,531	729,349,115	254,755,840	108,970,147
Value added tax refundable		692,662,696	533,846,333	647,373,180	8,824,584	-
Prepaid income tax		124,011,809	222,935,258	280,716,195	-	-
Advance payments for goods	6, 10	316,458,238	257,383,405	667,833,828	42,436,514	127,859,017
Other current financial assets	11	551,099,427	551,087,018	611,600,619	550,006,500	550,012,663
Other current assets		130,312,145	86,389,642	151,956,144	2,839,038	3,019,428
Total current assets		6,169,867,549	3,722,488,941	4,272,613,701	2,055,992,176	1,253,424,066
Non-current assets						
Restricted bank deposits	7	343,225,261	151,423,164	105,741,923	-	-
Investments in subsidiaries	12	-	-	-	844,212,324	905,135,653
Investment in associated companies	13	173,043,466	20,786,433	19,607,780	59,328,216	890,679
Advance payment for share subscription	14	-	160,769,616	241,154,424	-	160,769,616
Long-term loans to related party	6	105,810,553	-	-	105,810,553	-
Investment properties	15	57,532,539	61,144,449	32,422,689	29,451,251	29,864,051
Biological assets	16	11,577,452	6,458,681	1,957,439	-	-
Property, plant and equipment	17	4,033,626,146	4,140,399,470	4,193,081,094	323,816,345	328,835,436
Right-of-use assets	18	89,885,000	85,281,914	85,278,678	44,633,112	36,104,474
Goodwill	19	185,999,788	234,768,720	185,999,788	-	-
Intangible assets	20	106,572,894	131,092,439	156,990,300	104,138,091	129,493,448
Deferred tax assets	33	55,034,457	54,398,581	25,883,422	57,600,613	24,408,834
Other non-current financial assets		7,948,761	7,539,160	5,759,274	4,062,320	3,827,420
Other non-current assets	21	691,702,949	474,809,416	480,821,977	-	-
Total non-current assets		5,861,959,266	5,528,872,043	5,534,698,788	1,573,052,825	1,619,329,611
Total assets		12,031,826,815	9,251,360,984	9,807,312,489	3,629,045,001	2,872,753,677

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

Lanna Resources Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements	
		31 December 2021	31 December 2020 (Restated)	1 January 2020	31 December 2021	31 December 2020
Liabilities and shareholders' equity						
Current liabilities						
Short-term loans from financial						
institutions	22	763,613,321	977,305,656	1,606,854,389	-	-
Short-term loans	6, 23	-	17,429,284	-	-	-
Trade and other payables	24	529,811,720	481,144,362	519,047,870	53,680,349	33,292,947
Current portion of lease liabilities	18	30,422,602	24,269,716	28,731,365	11,255,318	8,749,617
Current portion of long-term loans from						
financial institution	25	291,605,339	190,133,717	166,114,467	-	-
Accrued expenses		399,328,641	309,669,938	283,151,130	44,124,941	12,888,908
Income tax payable		915,767,113	31,616,010	22,097,146	-	829,765
Other current financial liabilities		4,471,767	19,022,044	2,288,363	939,371	994,057
Other current liabilities		278,897,044	86,400,223	54,225,826	6,311,358	13,012,891
Total current liabilities		3,213,917,547	2,136,990,950	2,682,510,556	116,311,337	69,768,185
Non-current liabilities						
Lease liabilities - net of current portion	18	62,536,430	60,865,221	55,094,439	34,894,151	28,111,001
Long-term loans from financial institution						
- net of current portion	25	619,088,431	476,478,157	587,824,890	-	-
Provision for long-term employee						
benefits	26	203,689,998	268,140,778	252,810,330	47,585,681	48,802,269
Provision for mine reclamation and						
decommissioning costs	27	124,990,028	96,731,232	87,201,715	-	-
Deferred tax liabilities	33	226,332,536	187,651,452	161,226,815	-	-
Total non-current liabilities		1,236,637,423	1,089,866,840	1,144,158,189	82,479,832	76,913,270
Total liabilities		4,450,554,970	3,226,857,790	3,826,668,745	198,791,169	146,681,455

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

Lanna Resources Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements	
		31 December 2021	31 December 2020 (Restated)	1 January 2020	31 December 2021	31 December 2020
Liabilities and shareholders' equity (continued)						
Shareholders' equity						
Share capital						
Registered, issued and fully paid up						
524,999,679 ordinary shares of Baht 1 each		524,999,679	524,999,679	524,999,679	524,999,679	524,999,679
Share premium		680,400,000	680,400,000	680,400,000	680,400,000	680,400,000
Retained earnings						
Appropriated - Statutory reserve	28	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000
Appropriated - General reserve		1,310,600,000	1,255,000,000	1,250,600,000	1,310,600,000	1,255,000,000
Unappropriated		3,003,444,184	1,951,548,458	1,909,834,942	861,754,153	213,172,543
Other components of shareholders' equity		115,153,382	(65,003,318)	(53,919,919)	-	-
Equity attributable to owners of the Company		5,687,097,245	4,399,444,819	4,364,414,702	3,430,253,832	2,726,072,222
Non-controlling interests of the subsidiaries		1,894,174,600	1,625,058,375	1,616,229,042	-	-
Total shareholders' equity		7,581,271,845	6,024,503,194	5,980,643,744	3,430,253,832	2,726,072,222
Total liabilities and shareholders' equity		12,031,826,815	9,251,360,984	9,807,312,489	3,629,045,001	2,872,753,677
		-	-	-	-	-

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

Directors

Lanna Resources Public Company Limited and its subsidiaries

Income statements

For the year ended 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
			(Restated)		
Revenues					
Sales	6	15,734,470,720	9,511,865,870	1,568,191,752	1,365,941,481
Commission and marketing service income	6	-	-	204,489,202	184,638,318
Other income					
Dividend income	6, 12, 13	-	-	1,506,263,001	127,038,572
Service income	6	-	-	52,194,440	50,635,673
Gain on exchange		14,308,808	-	21,616,808	13,087,446
Others		105,650,677	57,271,409	1,487,033	8,950,867
Total other income		119,959,485	57,271,409	1,581,561,282	199,712,558
Total revenues		15,854,430,205	9,569,137,279	3,354,242,236	1,750,292,357
Expenses					
Cost of sales	6	7,791,617,402	6,639,497,831	1,429,655,549	1,129,532,849
Selling and distribution expenses		3,045,092,706	1,845,316,496	160,206,191	170,434,638
Administrative expenses		785,945,874	461,635,275	289,699,274	115,458,730
Loss on exchange		-	3,732,341	-	-
Total expenses	32	11,622,655,982	8,950,181,943	1,879,561,014	1,415,426,217
Operating profit		4,231,774,223	618,955,336	1,474,681,222	334,866,140
Share of profit from investment in					
associated companies	13	101,570,096	8,045,375	-	-
Finance income	30	14,286,282	13,871,162	4,367,878	3,774,314
Finance cost	31	(53,317,723)	(58,399,707)	(2,363,383)	(2,153,406)
Profit before income tax		4,294,312,878	582,472,166	1,476,685,717	336,487,048
Income tax expenses	33	(1,577,383,787)	(176,709,177)	(303,771,104)	(44,603,730)
Profit for the year		2,716,929,091	405,762,989	1,172,914,613	291,883,318
Profit attributable to:					
Equity holders of the Company		1,575,244,559	286,822,488	1,172,914,613	291,883,318
Non-controlling interests of the subsidiaries		1,141,684,532	118,940,501		
		2,716,929,091	405,762,989		
Basic earnings per share					
Profit attributable to equity holders of the Company	35	3.00	0.55	2.23	0.56
Weighted average number of ordinary shares (shares)		524,999,679	524,999,679	524,999,679	524,999,679

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

Lanna Resources Public Company Limited and its subsidiaries

Statements of comprehensive income

For the year ended 31 December 2021

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
		(Restated)		
Profit for the year	<u>2,716,929,091</u>	<u>405,762,989</u>	<u>1,172,914,613</u>	<u>291,883,318</u>
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to income statement in subsequent periods</i>				
Exchange differences on translation of financial statements in foreign currency	<u>288,619,758</u>	<u>(18,387,306)</u>	<u>-</u>	<u>-</u>
Net other comprehensive income to be reclassified to income statement in subsequent periods	<u>288,619,758</u>	<u>(18,387,306)</u>	<u>-</u>	<u>-</u>
<i>Other comprehensive income not to be reclassified to income statement in subsequent periods</i>				
Actuarial gain (loss)	26 7,701,824	(9,219,802)	4,708,385	-
Less: Income tax effect	33 (1,839,685)	2,410,266	(941,677)	-
Net other comprehensive income not to be reclassified to income statement in subsequent periods - net of income tax	<u>5,862,139</u>	<u>(6,809,536)</u>	<u>3,766,708</u>	<u>-</u>
Other comprehensive income for the year	<u>294,481,897</u>	<u>(25,196,842)</u>	<u>3,766,708</u>	<u>-</u>
Total comprehensive income for the year	<u>3,011,410,988</u>	<u>380,566,147</u>	<u>1,176,681,321</u>	<u>291,883,318</u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>1,760,152,137</u>	<u>271,279,973</u>	<u>1,176,681,321</u>	<u>291,883,318</u>
Non-controlling interests of the subsidiaries	<u>1,251,258,851</u>	<u>109,286,174</u>		
	<u>3,011,410,988</u>	<u>380,566,147</u>		

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

Lanna Resources Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the year ended 31 December 2021

(Unit: Baht)

Consolidated financial statements												
Equity attributable to owners of the Company												
						Other component of equity						
						Retained earnings		Unappropriated	translation of financial statements in foreign currency	Surplus on change in the percentage of shareholding in subsidiary	Capital reserve for share-based payment transactions	Total other component of shareholders' equity
Issued and paid up	Share premium	Appropriated		Statutory reserve	General reserve							
		Note	share capital			-	-	-	-	-	-	-
Balance as at 31 December 2019	524,999,679	680,400,000	52,500,000	1,250,600,000	1,909,834,942	(130,425,046)	75,948,676	556,451	(53,919,919)	4,364,414,702	1,616,229,042	5,980,643,744
Profit for the year - restated	-	-	-	-	286,822,488	-	-	-	-	286,822,488	118,940,501	405,762,989
Other comprehensive income for the year - restated	-	-	-	-	(4,459,116)	(11,083,399)	-	-	(11,083,399)	(15,542,515)	(9,654,327)	(25,196,842)
Total comprehensive income for the year - restated	-	-	-	-	282,363,372	(11,083,399)	-	-	(11,083,399)	271,279,973	109,286,174	380,566,147
Dividend paid	36	-	-	-	(236,249,856)	-	-	-	-	(236,249,856)	-	(236,249,856)
Unappropriated retained earnings transferred to general reserve	36	-	-	4,400,000	(4,400,000)	-	-	-	-	-	-	-
Decrease in non-controlling interests of the subsidiaries from dividend payments of subsidiaries		-	-	-	-	-	-	-	-	-	(100,456,841)	(100,456,841)
Balance as at 31 December 2020 - restated	<u>524,999,679</u>	<u>680,400,000</u>	<u>52,500,000</u>	<u>1,255,000,000</u>	<u>1,951,548,458</u>	<u>(141,508,445)</u>	<u>75,948,676</u>	<u>556,451</u>	<u>(65,003,318)</u>	<u>4,399,444,819</u>	<u>1,625,058,375</u>	<u>6,024,503,194</u>

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

Lanna Resources Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the year ended 31 December 2021

(Unit: Baht)

Consolidated financial statements													
Equity attributable to owners of the Company													
	Note	Retained earnings				Other component of equity			Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity		
		Issued and paid up share capital	Share premium	Statutory reserve	General reserve	Unappropriated	Other comprehensive income	Exchange differences on translation of financial statements in foreign currency				Surplus on change in the percentage of shareholding in subsidiary	Capital reserve for share-based payment transactions
Balance as at 31 December 2020 - as previously reported		524,999,679	680,400,000	52,500,000	1,255,000,000	1,957,349,717	(141,508,445)	75,948,676	556,451	(65,003,318)	4,405,246,078	1,625,058,375	6,030,304,453
Effect from business combination	12	-	-	-	-	(5,801,259)	-	-	-	-	(5,801,259)	-	(5,801,259)
Balance as at 31 December 2020 - as restated		524,999,679	680,400,000	52,500,000	1,255,000,000	1,951,548,458	(141,508,445)	75,948,676	556,451	(65,003,318)	4,399,444,819	1,625,058,375	6,024,503,194
Profit for the year		-	-	-	-	1,575,244,559	-	-	-	-	1,575,244,559	1,141,684,532	2,716,929,091
Other comprehensive income for the year		-	-	-	-	4,750,878	180,156,700	-	-	180,156,700	184,907,578	109,574,319	294,481,897
Total comprehensive income for the year		-	-	-	-	1,579,995,437	180,156,700	-	-	180,156,700	1,760,152,137	1,251,258,851	3,011,410,988
Dividend paid	36	-	-	-	-	(472,499,711)	-	-	-	-	(472,499,711)	-	(472,499,711)
Unappropriated retained earnings transferred to general reserve	36	-	-	-	55,600,000	(55,600,000)	-	-	-	-	-	-	-
Increase in non-controlling interests of the subsidiaries from calling for a payment of shares of subsidiaries		-	-	-	-	-	-	-	-	-	-	218	218
Decrease in non-controlling interests of the subsidiaries from dividend payments of subsidiaries		-	-	-	-	-	-	-	-	-	-	(982,142,844)	(982,142,844)
Balance as at 31 December 2021		524,999,679	680,400,000	52,500,000	1,310,600,000	3,003,444,184	38,648,255	75,948,676	556,451	115,153,382	5,687,097,245	1,894,174,600	7,581,271,845

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

Lanna Resources Public Company Limited and its subsidiaries
Statements of changes in shareholders' equity (continued)
For the year ended 31 December 2021

(Unit: Baht)

Separate financial statements

	Note	Retained earnings				Total shareholders' equity	
		Issued and paid up share capital	Share premium	Appropriated			
				Statutory reserve	General reserve		Unappropriated
Balance as at 1 January 2020		524,999,679	680,400,000	52,500,000	1,250,600,000	161,939,081	2,670,438,760
Profit for the year		-	-	-	-	291,883,318	291,883,318
Other comprehensive income for the year		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	291,883,318	291,883,318
Dividend paid	36	-	-	-	-	(236,249,856)	(236,249,856)
Unappropriated retained earnings transferred to general reserve	36	-	-	-	4,400,000	(4,400,000)	-
Balance as at 31 December 2020		<u>524,999,679</u>	<u>680,400,000</u>	<u>52,500,000</u>	<u>1,255,000,000</u>	<u>213,172,543</u>	<u>2,726,072,222</u>
Balance as at 1 January 2021		524,999,679	680,400,000	52,500,000	1,255,000,000	213,172,543	2,726,072,222
Profit for the year		-	-	-	-	1,172,914,613	1,172,914,613
Other comprehensive income for the year		-	-	-	-	3,766,708	3,766,708
Total comprehensive income for the year		-	-	-	-	1,176,681,321	1,176,681,321
Dividend paid	36	-	-	-	-	(472,499,711)	(472,499,711)
Unappropriated retained earnings transferred to general reserve	36	-	-	-	55,600,000	(55,600,000)	-
Balance as at 31 December 2021		<u>524,999,679</u>	<u>680,400,000</u>	<u>52,500,000</u>	<u>1,310,600,000</u>	<u>861,754,153</u>	<u>3,430,253,832</u>

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

Lanna Resources Public Company Limited and its subsidiaries

Statements of cash flows

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
		(Restated)		
Cash flows from operating activities				
Profit before tax	4,294,312,878	582,472,166	1,476,685,717	336,487,048
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	852,754,690	812,755,711	54,652,856	55,015,416
Reduction of inventories to net realisable value	16,311,589	-	15,525,688	-
Gain on debt forgiveness	(21,701,399)	-	-	-
Allowance for expected credit losses	180,688	-	-	-
Bad debt	-	-	200,804	-
Gain on disposals and unrealised gain on change in value of debt instrument investments	(4,042)	(1,403,251)	-	(1,394,207)
Share of profit from investment in associated companies	(101,570,096)	(8,045,375)	-	-
Allowance for impairment loss of goodwill	48,768,932	6,194,051	-	-
Allowance for diminution in value added tax refundable	12,195,809	10,961,349	-	-
Allowance for impairment of the investment in subsidiaries	-	-	152,798,969	8,196,840
Write-off of value added tax refundable and prepaid income tax	47,095,657	18,500,518	-	-
Loss (gain) on disposal and write-off of equipment, computer software and investment properties	361,561	(6,024,160)	(253,824)	(5,912,280)
Gain on write-off of right-of-use assets from contract cancellation	(537,423)	(95,008)	-	-
Allowance for impairment loss on assets	31,254,639	-	5,314,448	-
Reversal of dividend payable	(127,747)	(29,586)	(127,747)	(29,586)
Dividend income	-	-	(1,506,263,001)	(127,038,572)
Provision for long-term employee benefits	3,221,654	29,022,806	3,491,797	3,149,650
Provision for mine reclamation and decommissioning costs	43,843,482	27,472,683	-	-
Unrealised loss on exchange	3,051,136	6,911,412	222,912	840,832
Finance income	(14,286,282)	(13,871,182)	(4,367,878)	(3,774,314)
Finance cost	53,049,487	53,734,377	2,363,383	2,153,409
Profit from operating activities before changes in operating assets and liabilities	5,268,175,213	1,518,556,511	200,244,124	267,694,236

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

Lanna Resources Public Company Limited and its subsidiaries

Statements of cash flows (continued)

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
		(Restated)		
Operating assets (increase) decrease				
Trade and other receivables	(730,227,098)	(229,701,756)	(136,972,996)	(64,170,335)
Inventories	(239,515,747)	427,296,294	(161,311,381)	31,303,729
Value added tax refundable	(163,760,805)	92,878,350	(8,824,584)	236,371
Advance payments for goods	(59,074,833)	490,835,231	85,422,503	162,806,067
Other current financial assets	(8,367)	9,617	6,163	31,872
Other current assets	(43,922,503)	64,935,881	180,390	(755,630)
Operating liabilities increase (decrease)				
Trade and other payables	43,852,319	(28,927,472)	22,497,649	9,718
Accrued expenses	98,517,123	12,491,463	31,236,033	(2,513,398)
Other current financial liabilities	(14,422,530)	16,763,267	73,061	(1,765)
Other current liabilities	188,236,180	23,231,821	(10,962,174)	(1,435,325)
Cash paid for long-term employee benefits	(85,400,853)	(12,918,897)	-	-
Cash paid for mine reclamation	(28,587,683)	(19,098,188)	-	-
Cash from operating activities	4,233,860,416	2,356,352,122	21,588,788	393,205,540
Interest income	14,082,421	13,902,406	4,169,119	3,751,137
Cash paid for interest expenses	(44,970,836)	(48,222,141)	-	-
Refund of income tax	151,923,308	88,829,077	-	-
Cash paid for income tax	(731,086,001)	(193,119,234)	(334,473,684)	(36,827,812)
Net cash from (used in) operating activities	3,623,809,308	2,217,742,230	(308,715,777)	360,128,865
Cash flows from investing activities				
Decrease in debt instruments investments	-	61,907,235	-	60,694,186
Increase in restricted bank deposits	(175,806,865)	(36,699,178)	-	-
Dividend received from subsidiaries and associated company	7,750,600	6,866,722	1,506,263,001	127,038,572
Cash paid for investment in subsidiary	-	(74,711,730)	(144,999,783)	(144,999,783)
Cash received from the partial return on investment from subsidiary	-	-	53,124,143	-
Proceeds from disposals of equipment, computer software and investment properties	1,779,461	11,238,728	669,954	10,298,172
Acquisitions of plant and equipment	(135,742,968)	(261,396,018)	(19,643,533)	(10,386,719)
Acquisitions of computer software	(1,792,935)	(826,799)	(165,280)	(347,459)
Acquisitions of biological asset	(5,118,771)	(4,501,242)	-	-
Decrease (increase) in other non-current financial assets	(269,942)	(81,319)	(234,900)	45,600
Increase in other non-current assets	(631,419,079)	(388,125,030)	-	-
Net cash from (used in) investing activities	(940,620,499)	(686,328,631)	1,395,013,602	42,342,569

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

Lanna Resources Public Company Limited and its subsidiaries

Statements of cash flows (continued)

For the year ended 31 December 2021

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	2021	2020	2021	2020
		(Restated)		
Cash flows from financing activities				
Decrease in short-term loans from financial institutions - net	(213,692,335)	(629,325,768)	-	-
Cash paid for lease liabilities	(33,657,403)	(33,780,568)	(13,607,071)	(12,976,083)
Cash received from long-term loan from financial institution	499,365,000	-	-	-
Repayment of long-term loan from financial institution	(270,847,214)	(166,527,735)	-	-
Dividend paid	(1,454,642,555)	(336,706,697)	(472,499,711)	(236,249,856)
Increase (decrease) in non-controlling interests of the subsidiaries	108,463,276	(7,303,908)	-	-
Net cash used in financing activities	(1,365,011,231)	(1,173,644,676)	(486,106,782)	(249,225,939)
Increase (decrease) in translation adjustments	16,508,129	(2,600,674)	-	-
Net increase in cash and cash equivalents	1,334,685,707	355,168,249	600,191,043	153,245,495
Cash and cash equivalents at beginning of year	832,696,118	477,624,516	277,703,813	124,554,965
Effect of change in foreign exchange rate on cash at bank balance	(3,664,187)	(96,647)	(3,664,187)	(96,647)
Cash and cash equivalents at end of year (Note 7)	2,163,717,638	832,696,118	874,230,669	277,703,813

Supplemental cash flows information:

Non-cash transaction from operating activities

Transferred provision for long-term employee benefits to accrued expenses

2,258,753 6,910,443 - -

Non-cash transactions from investing activities

Additions to right-of-use assets and lease liabilities

39,627,701 105,510,062 20,532,539 4,544,683

Transfer advance payment for share subscription to long-term loans to related party

102,332,079 - 102,332,079 -

Transfer advance payment for share subscription to investment in associated company

58,437,537 - 58,437,537 -

Payables from purchases of plant and equipment and intangible assets

12,596,575 7,887,817 1,727,576 3,944,104

Transfer equipment to intangible assets

- 111,200 - 111,200

Transfer right-of-use assets to equipment

- 571,954 - -

Transfer advance payment for share subscription to advance payment for goods

- 80,384,808 - 80,384,808

Transfer equipment to other non-current assets

- 50,671,398 - -

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

Lanna Resources 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

Lanna Resources Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholder is Siam City Cement Public Company Limited, which was incorporated in Thailand. The Company is principally engaged in the manufacture and distribution of lignite. The registered office of the Company is at 888/99 Mahathun Plaza Building 9th floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok.

1.2 Coronavirus disease 2019 Pandemic

The current 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

- a) The consolidated financial statements include the financial statements of Lanna Resources Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) (collectively as “the Group”):

Company's name	Nature of business	Relationship	Country of incorporation	Shareholding percentage	
				<u>2021</u> Percent	<u>2020</u> Percent
<u>Held by the Company</u>					
Local subsidiaries					
Lanna Power Generation Company Limited	Investment business and power generation and distribution services	Direct holding and common directors	Thailand	100.00	100.00
Thai Agro Energy Public Company Limited	Ethanol production and distribution	Direct holding and common directors	Thailand	51.00	51.00
Overseas subsidiaries					
PT. Lanna Power Indonesia	Coal distribution	Direct holding and common directors	Indonesia	99.95	99.95
PT. Singlurus Pratama	Coal production and distribution	Direct holding and common directors	Indonesia	65.00	65.00
PT. Lanna Harita Indonesia	Coal production and distribution	Direct holding and common directors	Indonesia	55.00	55.00
<u>Held by subsidiary</u>					
SRT Power Pellet Company Limited	Wood pellet production and distribution	Direct holding and common directors	Thailand	99.99	99.99
<u>Held by associated company</u>					
PT. Lanna Power Indonesia	Coal distribution	Direct holding	Indonesia	0.05	0.05

- b) 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.
- c) 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.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

- e) 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 shareholders’ equity.
- f) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- g) 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 income statement and within equity in the consolidated statement of financial position.
- h) The excess of the cost of investment in a subsidiary company over the Company’s interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary acquired as at the investment date has been shown as “Goodwill” and separately presented as non-current asset in the consolidated statement of financial position and is measured at cost less any accumulated impairment losses (if any).

2.3 The separate financial statements present investments in subsidiaries and associated company under the cost method.

3. New financial reporting standards

(a) 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.

(b) 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 believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Significant accounting policies

4.1 Revenue and expense recognition

Sales of goods

Revenue from sale of coal and ethanol 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 discounts to customers.

Income from coal sales are recorded according to the weight as recorded at the Company's site or the customer's site. Adjustments of the sales price due to quality and weight considerations are recognised in the month in which notification is received from customers.

Commission and marketing service income

Commission and marketing service income are recognised on an accrual basis when overseas subsidiaries sell coal to the buyer who the Company provides to subsidiaries.

Service income

Service income is recognised on an accrual basis when overseas subsidiary sells coal which is produced from its concession area to the buyer.

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).

Dividends

Dividends are recognised when the right to receive the dividends is established.

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Inventories

Finished goods and work in process are valued at the lower of cost (under the weighted average method) and net realisable value. Such cost includes cost of material, labour and overheads.

Raw materials, supplies and spare parts are value at the lower of cost (under the weighted average method) and net realisable value and are charged to production costs whenever consumed.

Allowance for diminution in inventory value is provided for the excess of cost over the net realisable value of inventories and for slow moving or deteriorated inventories.

Net realisable value is selling price in normal course of business less other costs incurred to sell the goods.

4.4 Investments in subsidiaries and associates

Investment in associated company is accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries and associated companies are accounted for in the separate financial statements using the cost method.

4.5 Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 10 - 20 years. Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in the income statement in the period when the asset is derecognised.

4.6 Agriculture

The subsidiary's biological assets consist of Mangium and Black Wattle which were measured at its fair value less costs to sell. The fair value of Mangium and Black Wattle is determined based on discounted cash flows/ reference to price of Mangium and Black Wattle at the point of harvest. Gains or losses on changes in fair value of biological assets is recognised in the income statement.

In case the fair value cannot be measured reliably, this biological assets shall be measured at their cost less any accumulated depreciation and any accumulated impairment losses. Once the fair value of such a biological assets become reliably measurable, the subsidiary shall measure them at their fair value less costs to sell.

4.7 Property, plant and equipment and depreciation

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

The cost of property, plant and equipment also includes the initial estimate of the cost of dismantling and removing an item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Land and building improvement	5 - 10 years
Building and amenities	5 - 30 years
Machinery and equipment	4 - 30 years
Furniture and office equipment	3 - 15 years
Vehicles	5 - 10 years

Depreciation is included in determining income.

No depreciation is provided on assets under construction and installation, land improvement of a local subsidiary and land, except for mining land which is depleted in accordance with the difference between its purchase cost and fair value and on the basis of units produced in proportion to the total coal reserves.

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 the income statement when the asset is derecognised.

4.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.9 Government grants related to assets

Government grants are recognised when there is reasonable assurance that the grants will be received and all attached conditions will be complied with. Government grants related to assets are presented as a deducting to the value of the related assets and are recognised in the income statement over the useful life of the assets as a reduced depreciation expense.

4.10 Intangible assets

Intangible assets are initially recognised at cost. Following the initial recognition, the intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to the income statement.

Intangible asset with finite useful lives, which is computer software, has useful lives of 3 - 10 years.

4.11 Other non-current assets

Assets under exploration for and evaluation of mineral resources

Exploration and evaluation expenditures of the subsidiaries involve expenditures relating to the search for mineral resources after the subsidiaries have obtained legal rights to explore in a specific area, as well as the determination of the technical feasibility and commercial viability of extracting the mineral resource such as license costs, expenditures from topographical, geological, geochemical and geophysical studies, exploratory drilling expenditure and sampling expenditure.

Exploration and evaluation expenditures are recorded as assets except for administration expenditures that are not directly attributable to the specific area are charged to the income statement. Following the initial recognition, exploration and evaluation assets are stated at cost less allowance for impairment (if any). In case when the future benefit of these assets is in doubt, they are written off to period expenses immediately.

Exploration and evaluation assets are classified as part of deferred exploration and development costs when proven reserves of the specific area are completely determined.

Deferred exploration and development costs

Development expenditures and incorporated costs before the production stage, which are net of proceeds from the sale of coal extracted during the development phase, are capitalised as deferred exploration and development costs. When the mine construction project moves into the production stage, deferred exploration and development costs are amortised as expenses in accordance with the proportion of units produced to total coal reserves.

Deferred stripping costs

Stripping costs/overburden removal expenses during the development phase of the mine are capitalised as part of the deferred stripping costs.

Stripping costs during the production phase are capitalised as part of the deferred stripping costs if, and only if, all of the following are met:

- a) It is probable that the future economic benefit (improved access to the ore body) associated with the stripping activity will flow to the subsidiaries.
- b) The subsidiaries can identify the component of the ore body for which access has been improved.
- c) The costs relating to the stripping activity associated with that component can be measured reliably.

The deferred stripping costs shall be initially recognised at cost and subsequently stated at cost less accumulated amortisation, which is calculated using the proportion of unit produced to total reserves, and allowance for impairment (if any). In case when the future benefit of these assets is in doubt, they are written off to period expenses immediately.

4.12 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in the income statement.

Goodwill is carried at cost less any accumulated impairment losses (if any). Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash-generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the income statement. Impairment losses relating to goodwill cannot be reversed in future periods.

4.13 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, building and building improvement	2 - 7 years
Machinery and equipment	3 - 5 years
Furniture, fixtures and office equipment	2 - 5 years
Motor vehicles	2 - 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.

4.14 Related party transaction

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

4.15 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 Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.16 Impairment of non-financial assets

At the end of each reporting period, the Group perform impairment reviews in respect of the property, plant and equipment, right-of-use assets, investment properties, and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carry out annual impairment reviews in respect of goodwill. 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 Group 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 the income statement.

In the assessment of asset impairment (except for goodwill) if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimate the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement.

4.17 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 their 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 fund and the Group's contributions are recognised as expenses when incurred.

Defined benefit plans

The Group has obligations in respect of the severance payments they 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 professionally qualified independent actuaries 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 recognised in the income statement on the earlier of the date of the plan amendment or curtailment and the date that the Group recognise restructuring-related costs.

4.18 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.

4.19 Provision for mine reclamation and decommissioning costs

The subsidiaries recognise a provision for mine reclamation and decommissioning costs where an obligation exists. The estimated amount of the eventual costs relating to the site restoration and reclamation is discounted to its present value. Such costs are included in the income statement based on the unit-of-production method on the total estimated reclamation and decommissioning costs over the total proven reserves.

4.20 Income tax

Income tax expense represents the sum of corporate 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 it recognises 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 reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.21 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 the income statement when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value including interest income recognised in the income statement.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in the income statement.

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 the income statement 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 the income statement.

Regular way purchases and sales of financial assets

Regular way purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace are recognised on the trade date, i.e., the date on which the Group commits to purchase or sell the asset.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the 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 the income statement.

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. 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.

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due. However, in certain cases, the Group may also consider a financial asset as credit impaired or 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.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.22 Derivatives

The Group uses derivatives, such as forward currency contracts, to hedge its foreign currency risks.

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 the income statement. 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 assets or non-current 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 assets or current liabilities.

4.23 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 measure 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 categorise 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 determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Coal reserve estimates

The subsidiaries determine coal reserve based on best estimate of product that can be economically extracted from the relevant mining area. Such determination is made based on various assumptions including a range of geological, technical and economic factors, quantities, production techniques, stripping ratios, production costs, transport costs, coal prices and exchange rates.

Leases

Determining the lease term with extension and termination option

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

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.

Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Allowance for diminution in inventory value

In determining an allowance for diminution in inventory value, the management needs to make judgement in estimating loss from slow moving and deteriorated inventories including the effect from declining in net realisable value of inventories.

Allowance for impairment of investments

The Company treats investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

Property, plant and equipment and depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review 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.

Goodwill

The initial recognition and measurement of goodwill, 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.

Tax refundable

The estimated claim for value added tax refund is determined in a net basis between value added tax input and output. The subsidiaries recognise overpayment of value added tax because they generated revenue mostly from export sales which are subject to value added tax at a 0% rate.

The estimated claim for income tax refund is measured at the amount expected to be recovered from tax authority which is the excess of prepaid corporate income tax over the corporate income tax expense during the respective fiscal year. The corporate income tax expense is determined based on the estimated taxable income computed using prevailing tax rates.

The management needs to make judgement which the recoverability of the estimated claims for taxes refund is dependent on the examination by tax authority which gives rise to the complexity and uncertainty exist with respect the interpretation of tax regulations.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Provision for mine reclamation and decommissioning costs

The majority of the decommissioning and reclamation costs is incurred at the end of a mine's life. In determining a provision for such costs, the management needs to make judgement regarding the expected future costs to be incurred, the timing of these expected future costs, largely dependent on the life of the mine, and the estimated future level of inflation.

6. Related party transactions

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Transactions with subsidiaries</u>				
(eliminated from the consolidated financial statements)				
Dividend income	-	-	1,498,512	120,172
Commission and marketing service income	-	-	204,489	184,638
Service income	-	-	52,194	50,636
Purchase of coal	-	-	442,418	401,256
<u>Transactions with major shareholder</u>				
Sales of coal	860,860	1,107,384	860,860	1,107,384
<u>Transactions with associated companies</u>				
Dividend income	-	-	7,751	6,867
Purchase of coal	341,421	-	341,421	-
Freight charge	269,901	243,552	269,901	243,552
<u>Transactions with related person and company</u>				
Sales of coal	554	326	554	326
Interest expense	25	-	-	-

Transfer pricing policy

Sales of coal	Market price at which equivalent quality coal is sold to the same industry
Purchase of coal	Market price for equivalent quality coal
Commission and marketing service income	At the price agreed between the parties which is general price for the same business
Service income	Rate comparable paid to third parties
Dividend income	At the declared rate
Freight charge	Price comparable to freight charges paid to third parties
Interest expense	Interest rate of 2 percent per annum

As at 31 December 2021 and 2020, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Trade and other receivables - related parties</u>				
(Note 8)				
Major shareholder	209,565	98,390	209,565	98,390
Subsidiaries	-	-	28,190	51,115
Total trade and other receivables - related parties	<u>209,565</u>	<u>98,390</u>	<u>237,755</u>	<u>149,505</u>
<u>Advance payments for goods - related parties</u>				
(Note 10)				
Subsidiary	-	-	12,949	56,692
Associated company	29,488	-	29,488	-
Total advance payment for goods - related parties	<u>29,488</u>	<u>-</u>	<u>42,437</u>	<u>56,692</u>

Long-term loan to related party

On 31 August 2021, the Company entered into Shareholder Loan Agreement to provide a long-term loan to an associated company. The loan bears interest at 6 months SIBOR plus 1% per annum. Such loan is repayable on demand. Movement of long-term loan to related party for the year ended 31 December 2021 was summarised below.

	(Unit: Thousand Baht)		
	Consolidated and separate financial statements		
	Balance as at 31 December 2020	Increase during the year	Balance as at 31 December 2021
<u>Long-term loan to related company</u>			
Associated company	-	105,811	105,811

Directors and management's benefits

During the years ended 31 December 2021 and 2020, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Short-term employee benefits	212,010	149,872	55,566	41,489
Post-employment benefits	60,922	15,948	1,756	1,000
Total	<u>272,932</u>	<u>165,820</u>	<u>57,322</u>	<u>42,489</u>

7. Cash and cash equivalents/Restricted bank deposits

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash	165	157	40	40
Bank deposits	<u>2,506,778</u>	<u>983,962</u>	<u>874,191</u>	<u>277,664</u>
Total	<u>2,506,943</u>	<u>984,119</u>	<u>874,231</u>	<u>277,704</u>
Less: Restricted bank deposits	<u>(343,225)</u>	<u>(151,423)</u>	-	-
Total	<u><u>2,163,718</u></u>	<u><u>832,696</u></u>	<u><u>874,231</u></u>	<u><u>277,704</u></u>

As at 31 December 2021, bank deposits in savings accounts and fixed deposits carried interests between 0.01 and 5.50 percent per annum (2020: between 0.01 and 5.50 percent per annum).

As at 31 December 2021, the overseas subsidiaries have restricted bank deposits of USD 10.3 million or approximately Baht 343.2 million (2020: USD 4.7 million or approximately Baht 142.0 million) to secure mine reclamation of the overseas subsidiaries to government and for coal supply of the overseas subsidiaries.

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Trade receivables - related parties</u>				
Age on the basis of due dates				
Not yet due	209,565	98,390	223,300	118,026
Past due				
Up to 3 months	-	-	6,466	14,743
Total trade receivables - related parties	<u>209,565</u>	<u>98,390</u>	<u>229,766</u>	<u>132,769</u>
<u>Trade receivables - unrelated parties</u>				
Age on the basis of due dates				
Not yet due	1,158,600	791,288	83,913	35,204
Past due				
Up to 3 months	242,576	8,137	-	-
Total	<u>1,401,176</u>	<u>799,425</u>	<u>83,913</u>	<u>35,204</u>
Less: Allowance for expected credit losses	<u>(34)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total trade receivables - unrelated parties, net	<u>1,401,142</u>	<u>799,425</u>	<u>83,913</u>	<u>35,204</u>
Total trade receivables - net	<u>1,610,707</u>	<u>897,815</u>	<u>313,679</u>	<u>167,973</u>
<u>Other receivables</u>				
Other receivables - related parties	-	-	7,989	16,736
Other receivables - unrelated parties	54,543	37,242	261	379
Interest receivable - unrelated parties	978	774	970	771
Total	<u>55,521</u>	<u>38,016</u>	<u>9,220</u>	<u>17,886</u>
Less: Allowance for expected credit losses	<u>(147)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other receivables - net	<u>55,374</u>	<u>38,016</u>	<u>9,220</u>	<u>17,886</u>
Total trade and other receivables - net	<u>1,666,081</u>	<u>935,831</u>	<u>322,899</u>	<u>185,859</u>

The overseas subsidiary has pledged its accounts receivable to secure credit facilities from the financial institutions. As at 31 December 2021, the balance of accounts receivable totaling Rupiah 90,000 million or approximately Baht 201.7 million (2020: Rupiah 90,000 million or approximately Baht 183.6 million) were pledged to secure such credit facilities.

9. Inventories

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2021	2020	2021	2020	2021	2020
Coal and work in process	422,241	170,651	(15,526)	-	406,715	170,651
Finished goods	20,101	12,262	(720)	-	19,381	12,262
Work in process	16,654	14,712	-	-	16,654	14,712
Raw materials	50,527	76,928	(19)	-	50,508	76,928
Supplies	21,150	23,825	(47)	-	21,103	23,825
Spare parts	11,164	3,943	-	-	11,164	3,943
Total	541,837	302,321	(16,312)	-	525,525	302,321

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2021	2020	2021	2020	2021	2020
Coal and work in process	270,282	108,970	(15,526)	-	254,756	108,970
Total	270,282	108,970	(15,526)	-	254,756	108,970

During the current year, the Group reduced cost of inventories by Baht 16.3 million (the Company only: Baht 15.5 million), to reflect the net realisable value. This was included in cost of sales.

An overseas subsidiary has pledged its finished goods to secure credit facilities from the financial institutions. As at 31 December 2021, the balance of finished goods totaling Rupiah 10,000 million or approximately Baht 22.4 million (2020: Rupiah 10,000 million or approximately Baht 20.4 million) were pledged to secure such credit facilities.

10. Advance payments for goods

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Advance payments for goods - related parties	29,488	-	42,437	56,692
Advance payments for goods - unrelated parties	293,634	264,047	-	71,167
Total	323,122	264,047	42,237	127,859
Less: Allowance for impairment	(6,664)	(6,664)	-	-
Total advance payments for goods	<u>316,458</u>	<u>257,383</u>	<u>42,437</u>	<u>127,859</u>

11. Other current financial assets

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Debt instruments at amortised cost</u>				
Fixed deposits	550,000	550,000	550,000	550,000
Others	30	22	7	13
<u>Debt instruments at FVTPL</u>				
Investments in General Fixed Income funds	1,069	1,065	-	-
Total other current financial assets	<u>551,099</u>	<u>551,087</u>	<u>550,007</u>	<u>550,013</u>

12. Investments in subsidiaries

12.1 Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Paid up capital		Shareholding percentage		Cost		(Unit: Thousand Baht) Dividend received for the years ended 31 December	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
			(%)	(%)				
Local subsidiaries								
Lanna Power Generation Company Limited	Baht 300 million	Baht 155 million	100.00	100.00	300,000	155,000	-	-
Thai Agro Energy Public Company Limited	Baht 1,000 million	Baht 1,000 million	51.00	51.00	510,000	510,000	17,850	104,550
Overseas subsidiaries								
PT. Lanna Power Indonesia (Incorporated in Indonesia)	USD 2.1 million	USD 2.1 million	99.95	99.95	70,889	70,889	8,344	15,622
PT. Singlurus Pratama (Incorporated in Indonesia)	Rp 10,500 million	Rp 10,500 million	65.00	65.00	22,421	22,421	856,694	-
PT. Lanna Harita Indonesia (Incorporated in Indonesia)	USD 8 million	USD 8 million	55.00	55.00	155,023	155,023	615,624	-
Total investment in subsidiaries					1,058,333	913,333	1,498,512	120,172
Less: Partial return on investment from subsidiary					(53,125)	-		
Less: Allowance for impairment of the investment					(160,996)	(8,197)		
Total investments in subsidiaries - net					844,212	905,136		

Overseas subsidiaries

The Company has 3 overseas subsidiaries in which the Company has shareholding percentage between 55.00% and 99.95% and, as at 31 December 2021, such subsidiaries had unappropriated retained earnings of the Company's portion totaling USD 48.2 million or approximately Baht 1,586.6 million (2020: USD 37.5 million or approximately Baht 1,254.7 million). The Group may have obligations regarding withholding tax deducted at source in Indonesia when the subsidiaries pay dividends from such amount in the future.

During 2018, PT. Singlurus Pratama ("SGP") and PT. Lanna Harita Indonesia ("LHI") sign amendment to each of their coal mining concession or the Coal Contract of Work ("CCOW") with the Ministry of Energy and Mineral Resources in respect of divestment obligation to reduce the proportion of foreign or non-Indonesian shareholding to not more than 49 percent of the paid up capital. The Company has to completely reduce such divestment within October 2019. After the divestment, the Company will have the percentage of shareholding in SGP and LHI at 49 percent and 41.4615 percent, respectively. In 2019, the subsidiaries evaluated their shares and proposed to Indonesian government sectors which was in accordance with the regulation about the divestment prescribed by Indonesia government sectors. Currently, Indonesian government sectors have been considering the purchase of such shares.

PT. Lanna Power Indonesia

On 10 February 2021, the Board of Directors Meeting of the subsidiary passed a resolution on approving the dissolution and on 25 March 2021, the subsidiary submitted the request for liquidation to Indonesia government which has currently been considering the request. During the current year, the subsidiary partially returned the investment of Baht 53.1 million. The Company then recorded the reversal on an allowance for impairment loss of investment in subsidiary totaling of Baht 6.7 million in the income statement of 2021.

Local subsidiary

Lanna Power Generation Company Limited

On 3 February 2020, the Board of Directors Meeting passed a resolution on approving Lanna Power Generation Company Limited to increase its registered capital from Baht 10 million (2 million shares of Baht 5.0 each) to Baht 300 million (60 million shares of Baht 5.0 each), by issuing ordinary shares of Baht 290 million (58 million shares of Baht 5.0 each). On 21 February 2020, the Company exercised its right and made the subscription payment for the newly issued share at 50 percent totaling of Baht 145 million (58 million shares of Baht 2.5 each). The subsidiary registered the increase in share capital with the Ministry of Commerce on 24 February 2020.

On 6 August 2021, the Board of Directors Meeting of Lanna Power Generation Company Limited, a wholly owned subsidiary, called for a payment of the remaining at 50 percent of ordinary shares, totaling of Baht 145 million (58 million shares of Baht 2.5 each). The Company already made the subscription payment.

Investment in subsidiary from business combination

SRT Power Pellet Company Limited

On 4 March 2020, Lanna Power Generation Company Limited (“Subsidiary”) entered into share purchase agreement to make an investment in 99.99 percent of shares in SRT Power Pellet Company Limited. The subsidiary acquired 0.78 million ordinary shares at a value of Baht 90 per share and 0.12 million preferred shares at a value of Baht 90 per share from the existing shareholder for a total consideration of Baht 81 million which was totally paid in cash.

The financial statements of SRT Power Pellet Company Limited have been included in the consolidated financial statements since the Group gained controlling authority on 4 March 2020 (“acquisition date”). The details of the acquisition are as follows:

	(Unit: Thousand Baht)
Acquisition cost of investment in subsidiary	81,000
Less: Fair value of net assets (as described in below paragraph)	<u>(26,037)</u>
Goodwill	<u>54,963</u>

Acquisition cost of investment in subsidiary	81,000
Less: Cash and cash equivalents of subsidiary	<u>(6,288)</u>
Net cash paid for acquisition of investment in subsidiary	<u>74,712</u>

The consolidated income statement for the year ended 31 December 2020 (restated) included revenue and loss of SRT Power Pellet Company Limited as from the acquisition date as follows:

	(Unit: Million Baht)
Revenue	16.7
Loss	23.7

If the business combination had taken place at the beginning of the year 2020, revenue and loss of SRT Power Pellet Company Limited would have been included in the consolidated income statement for the year ended 31 December 2020 (restated) as follows:

	(Unit: Million Baht)
Revenue	16.7
Loss	19.7

The Group assessed the fair values of identifiable assets acquired and liabilities assumed at the acquisition dates of SRT Power Pellet Company Limited. The assessments were completed in the current year and within the measurement period of 12 months from the acquisition dates pursuant to the year allowed by Thai Financial Reporting Standard 3 Business Combinations. During the measurement period, the Group obtained further information on the fair values of part of the assets and liabilities and had retrospectively adjusted the provisional amount recognised at the acquisition dates. The adjustments caused property, plant and equipment to decrease by approximately Baht 13.2 million, investment properties to increase by approximately Baht 5.5 million, and deferred tax assets to increase by approximately Baht 1.5 million.

Fair values of the identifiable assets acquired and liabilities assumed from SRT Power Pellet Company Limited as at the acquisition dates are summarised below.

SRT Power Pellet Company Limited

	(Unit: Thousand Baht)
Cash and cash equivalents	6,288
Inventories	268
Value added tax refundable	9,362
Other current assets	666
Restricted bank deposits	9,392
Investment properties	33,574
Plant and equipment	64,745
Right-of-use assets	4,485
Deferred tax assets	9,896
Other non-current financial assets	1,703
Short-term loans	(17,429)
Trade and other payables	(4,765)
Long-term loans from financial institutions	(79,148)
Other accrued expenses	(8,455)
Lease liabilities	(4,504)
Other current liabilities	(41)
Fair value of net assets	<u>26,037</u>
Goodwill	<u>54,963</u>
Cost of acquisitions of investments in subsidiaries	<u>81,000</u>

The difference of Baht 55 million between the consideration paid and the fair value of identifiable net assets acquired was included in a part of goodwill in the consolidated statement of financial position as at 31 December 2021.

Goodwill comprises the value of the manufacture and distribution of wood pellet.

Movements in the goodwill account from the adjustments of the provisional amounts recognised as at acquisition date for business combination are summarised below.

	(Unit: Thousand Baht)
Book value as at 31 December 2020 - as previously reported	234,769
Add: Increase from fair value adjustment	6,194
Less: Allowance for impairment loss of goodwill	<u>(6,194)</u>
Book value as at 31 December 2020 - as restated	<u>234,769</u>

As a result of the adjustments of the provisional amounts recognised as at the acquisition date for business combinations in 2020, the Group restated the prior period's financial statements, presented as comparative information, whereby the amounts of adjustments affecting the consolidated statements of financial position and income are summarised below.

	(Unit: Thousand Baht)
	As at
	<u>31 December 2020</u>
Consolidated statement of financial position	
Decrease in property, plant and equipment	(12,306)
Increase in investment properties	5,055
Increase in deferred tax assets	1,450
Decrease in unappropriated retained earnings	(5,801)
	(Unit: Thousand Baht)
	<u>2020</u>
Consolidated income statement	
Decrease in cost of sales	(926)
Increase in administrative expenses	6,629
Increase in income tax expenses	98
Profit attributable to	
Decrease in profit attributable to equity holders of the Company	(5,801)
Earnings per share (Baht)	
Decrease in basic earnings per share	(0.01)

The adjustments have no effect to the consolidated statement of financial position as at 1 January 2020, presented as comparative information.

During the year 2021, SRT Power Pellet Company Limited (“SRT”) ceased its operations due to a shortage of raw materials. On 20 December 2021, the Board of Directors Meeting of the Company passed a resolution approving the restructuring of SRT by transferring the business to Lanna Power Generation Company Limited (“LPG”) and approving the dissolution and liquidation of SRT after the transfer of SRT business to LPG has been completed in 2022. However, the Group’s management considers that there is uncertainty of the nature of business operations after the business transfer. Therefore, there is a decrease in recoverable amounts from the investment in LPG. In this regard, the management considers recognising an impairment loss on investment amounting to Baht 159.5 million in the separate financial statements.

In addition, there is uncertainty of recoverable amounts of goodwill from the acquisition of the wood pallet business. Therefore, the Group recognised an impairment loss in goodwill amounting to Baht 48.8 million in the consolidated financial statements.

12.2 Details of investments in subsidiaries that have material non-controlling interests.

(Unit: Million Baht)

Company's name	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		Other comprehensive income allocated to non-controlling interests during the year		Translation adjustment allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	(%)	(%)										
Thai Agro Energy Public Co., Ltd.	49.00	49.00	835	881	(29)	35	-	(1)	-	-	(17)	(100)
PT. Singlurus Pratama	35.00	35.00	560	371	588	57	(1)	(1)	63	(4)	(461)	-
PT. Lanna Harita Indonesia	45.00	45.00	508	381	583	27	2	-	46	(3)	(504)	-

12.3 Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling

Summarised information about financial position

(Unit: Million Baht)

	Thai Agro Energy		PT. Singlurus		PT. Lanna Harita	
	Public Co., Ltd.		Pratama		Indonesia	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current assets	637	527	1,490	900	1,940	1,032
Non-current assets	2,762	2,831	1,580	1,275	443	320
Current liabilities	(1,093)	(1,209)	(970)	(602)	(1,076)	(313)
Non-current liabilities	(600)	(350)	(294)	(308)	(169)	(195)

Summarised information about comprehensive income

(Unit: Million Baht)

For the year ended 31 December

	Thai Agro Energy		PT. Singlurus		PT. Lanna Harita	
	Public Co., Ltd.		Pratama		Indonesia	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenue	2,208	2,409	6,896	3,734	5,602	2,463
Profit (loss)	(58)	70	1,682	162	1,308	60
Other comprehensive income	-	(2)	(2)	(4)	4	-
Total comprehensive income	(58)	68	1,680	158	1,312	60

Summarised information about cash flow

(Unit: Million Baht)

For the year ended 31 December

	Thai Agro Energy		PT. Singlurus		PT. Lanna Harita	
	Public Co., Ltd.		Pratama		Indonesia	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash flow from (used in) operating activities	(63)	991	2,326	416	1,566	416
Cash flow used in investing activities	(88)	(159)	(591)	(402)	(82)	(66)
Cash flow from (used in) financing activities	161	(831)	(1,407)	5	(1,147)	(167)
Net increase in cash and cash equivalents	10	1	328	19	337	183

13. Investment in associated companies

13.1 Detail of associated companies

		(Unit: Thousand Baht)							
						Consolidated financial statements		Separate financial statements	
Company's name	Nature of Business	Paid up capital		Shareholding percentage		Carrying amounts based on equity method		Cost	
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
				(%)	(%)				
United Bulk Shipping Pte. Ltd. (Incorporated in Singapore)	Shipping business and coal distribution	SGD 0.1 million	SGD 0.1 million	49	49	21,018	20,786	891	891
PT. Pesona Khatulistiwa Nusantara (Incorporated in Indonesia)	Manufacture and distribution of coal	Rp 580,891 million	-	10	-	152,025	-	58,437	-
Total						<u>173,043</u>	<u>20,786</u>	<u>59,328</u>	<u>891</u>

13.2 Share of comprehensive income and dividend received

During the years, the Company recognised its share of profit from investment in associated companies in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements				Separate financial statements	
	Share of profit from investment in associate for the years ended 31 December		Share of other comprehensive income from investment in associate for the years ended 31 December		Dividend received for the years ended 31 December	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
United Bulk Shipping Pte. Ltd.	7,983	8,045	-	-	7,751	6,867
PT. Pesona Khatulistiwa Nusantara	93,588	-	-	-	-	-

Share of profit from the associated companies for the years ended 31 December 2021 and 2020 had been calculated from the financial statements prepared by the management of the associated companies and not being audited by their auditors.

The Company's management believes that the management accounts of the associated companies would not be significantly different from the account audited by its auditor.

13.3 Summarised financial information about material associate

Summarised information about financial position

(Unit: Million Baht)

	United Bulk Shipping Pte. Ltd.		PT. Pesona Khatulistiwa Nusantara	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current assets	72	45	1,304	-
Current liabilities	(4)	(4)	(2,224)	-
Net assets	68	41	(920)	-
Carrying amounts of associates based on equity method	33	20	(92)	-

Summarised information about comprehensive income

(Unit: Million Baht)

For the years ended 31 December

	United Bulk Shipping Pte. Ltd.		PT. Pesona Khatulistiwa Nusantara	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenue	270	241	2,073	-
Profit	16	16	936	-
Other comprehensive income	-	-	-	-
Total comprehensive income	16	16	936	-

14. Advance payment for share subscription

On 8 March 2018, the Company entered into Conditional Share Subscription Agreement for subscription of new issued 269,674,581 ordinary shares of PT. Pesona Khatulistiwa Nusantara ("PKN") which incorporated in mining business in Indonesia amounting to USD 8.8 million with proportion of 40 percent of total registered shares after the increase in share capital of PKN. In 2018, the Company has paid an advance for the share subscription of USD 7.5 million or approximately Baht 241.15 million. However, the completion of the transaction is subject to certain conditions precedent under the agreement which must be satisfied in full.

On 21 December 2020, the Company's Board of Directors meeting passed a resolution to approve the decrease in the investment proportion in PKN from 40 percent to 10 percent. In 2020, the Company entered into the coal purchases agreement with PKN by transferring the advance payment for share subscription to the advance payment for goods amounting to USD 2.5 million or approximately Baht 80.38 million, resulted in the balance of advance payment for share subscription was USD 5.0 million or approximately Baht 160.77 million.

On 31 August 2021, the Company entered into Share Subscription Agreement, Shareholder Agreement and Shareholder Loan Agreement by transferring the advance payment for share subscription of USD 5.0 million, or approximately Baht 160.77 million, to long-term loan to PKN and investment in newly issued ordinary shares of PKN as follows:

- Long-term loan amounting to USD 3,182,569, or approximately Baht 102.33 million. Such long-term loan can be converted into ordinary shares when PKN needs to increase its share capital.
- The purchase of 61,554,652 newly issued ordinary shares amounting to USD 1,817,431, or approximately Baht 58.44 million, accounting for 10 percent of total number of registered and paid-up shares. The Company recorded such investment as investment in associated company because the Company has significant influence in PKN.

15. Investment properties

The net book value of investment properties as at 31 December 2021 and 2020 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		(Restated)		
Cost	72,781	67,708	29,451	29,864
Adjustment from business combination (Note 12)	-	5,055	-	-
Less: Accumulated depreciation	(14,839)	(11,618)	-	-
Less: Allowance for impairment	(409)	-	-	-
Net book value - as restated	<u>57,533</u>	<u>61,145</u>	<u>29,451</u>	<u>29,864</u>

A reconciliation of the net book value of investment properties for the years 2021 and 2020 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		(Restated)		
Net book value as at 31 December 2020				
- as restated	61,145	32,423	29,864	32,423
Increase from business combination - as restated	-	33,143	-	-
Disposals - net book value	(413)	(2,559)	(413)	(2,559)
Depreciation charged	(2,790)	(1,862)	-	-
Allowance for impairment	(409)	-	-	-
Net book value as at 31 December 2021	<u>57,533</u>	<u>61,145</u>	<u>29,451</u>	<u>29,864</u>

As at 31 December 2021, the Company had investment properties, which mainly are plots of land of Paka mine, with an aggregate net book value of approximately Baht 29.4 million (2020: Baht 29.9 million) and land and building of the local subsidiary with an aggregate net book value of approximately Baht 28.1 million (2020: 26.2 million). The Group is considering making use and/or selling such assets to other parties.

The additional information of the investment properties as at 31 December 2021 and 2020 stated below:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
The fair value of land awaiting sales	45.0	48.0	45.0	48.0
The fair value of land and building	31.0	31.6	-	-

The fair value of the investment properties determined based on the price appraised by the Department of Land and the valuation performed by an accredited independent valuer. The fair value of land and building has been determined using the cost approach.

16. Biological assets

	(Unit: Thousand Baht)
	Consolidated financial statements
Balance as at 1 January 2021	<u>6,459</u>
Increase due to cost of planting	<u>5,118</u>
Balance as at 31 December 2021	<u><u>11,577</u></u>

17. Property, plant and equipment

Consolidated financial statements

(Unit: Thousand Baht)

	Land	Ore	Land and building improvement	Building and amenities	Machinery and equipment	Furniture and office equipment	Vehicles	Assets under construction and installation	Total
Cost									
31 December 2019	435,256	65,045	190,306	1,303,152	3,305,452	97,018	55,610	929,410	6,381,249
Adjustments due to first time adoption of TFRS16	-	-	-	-	-	(272)	(19,819)	-	(20,091)
Increase from business combination	-	-	12,739	1,449	62,342	67	-	1,376	77,973
Additions	-	-	7,099	4,084	31,487	7,079	345	197,262	247,356
Disposals/write-off	-	-	-	(126)	(8,373)	(4,657)	(2,011)	-	(15,167)
Transfer in (transfer out)	-	-	1,753	3,699	521,670	229	572	(578,594)	(50,671)
Translation adjustment	(61)	-	(61)	(2,692)	(1,732)	(162)	(52)	(1,948)	(6,708)
31 December 2020	435,195	65,045	211,836	1,309,566	3,910,846	99,302	34,645	547,506	6,613,941
Adjustment from business combination (Note 12)	-	-	(753)	-	(12,494)	19	-	-	(13,228)
31 December 2020 - as stated	435,195	65,045	211,083	1,309,566	3,898,352	99,321	34,645	547,506	6,600,713
Additions	-	-	2,304	2,773	17,492	7,968	1,355	108,570	140,462
Disposals/write-off	-	(1,149)	-	-	(4,156)	(3,354)	(3,836)	(52)	(12,547)
Transfer in (transfer out)	-	-	8,363	18,691	41,735	381	-	(69,170)	-
Translation adjustment	1,780	-	1,784	78,035	105,830	4,571	1,491	3,378	196,869
31 December 2021	436,975	63,896	223,534	1,409,065	4,059,253	108,887	33,655	590,232	6,925,497

(Unit: Thousand Baht)

	Land	Ore	Land and building improvement	Building and amenities	Machinery and equipment	Furniture and office equipment	Vehicles	Assets under construction and installation	Total
Accumulated depreciation									
31 December 2019	-	65,045	54,459	461,601	1,479,845	82,197	32,080	-	2,175,227
Adjustments due to first time adoption of TFRS16	-	-	-	-	-	(127)	(7,023)	-	(7,150)
Depreciation for the year	-	-	8,155	95,757	195,723	6,640	2,045	-	308,320
Accumulated depreciation of the disposal/written-off	-	-	-	(54)	(6,562)	(4,456)	(1,439)	-	(12,511)
Translation adjustment	-	-	(62)	(1,255)	(1,160)	(140)	(34)	-	(2,651)
31 December 2020	-	65,045	62,552	556,049	1,667,846	84,114	25,629	-	2,461,235
Adjustment from business combination (Note 12)	-	-	(60)	-	(866)	4	-	-	(922)
31 December 2020 - as restated	-	65,045	62,492	556,049	1,666,980	84,118	25,629	-	2,460,313
Depreciation for the year	-	-	8,364	103,513	200,902	7,191	2,241	-	322,211
Accumulated depreciation of the disposal/written-off	-	(1,149)	-	-	(4,156)	(2,866)	(2,648)	-	(10,819)
Translation adjustment	-	-	1,784	43,846	38,811	3,873	1,091	-	89,405
31 December 2021	-	63,896	72,640	703,408	1,902,537	92,316	26,313	-	2,861,110
Allowance for impairment loss:									
31 December 2019	-	-	-	-	-	-	-	-	-
31 December 2020	-	-	-	-	-	-	-	-	-
Increase during the year	-	-	11,033	5,240	14,488	-	-	-	30,761
31 December 2021	-	-	11,033	5,240	14,488	-	-	-	30,761
Net book value									
31 December 2020 - restated	435,195	-	148,591	753,517	2,231,372	15,203	9,016	547,506	4,140,400
31 December 2021	436,975	-	139,861	700,417	2,142,228	16,571	7,342	590,232	4,033,626
Depreciation for the year									
2020 (Baht 231 million included in manufacturing cost, and the balance in selling, distribution and administrative expenses)									308,320
2021 (Baht 226 million included in manufacturing cost, and the balance in selling, distribution and administrative expenses)									322,211

Separate financial statements

(Unit: Thousand Baht)

	Land	Ore	Land improvement	Building and amenities	Machinery and equipment	Furniture and office equipment	Vehicles	Assets under construction and installation	Total
Cost									
1 January 2020	180,000	65,045	106,739	45,984	124,770	27,500	6,381	1,593	558,012
Additions	-	-	-	-	3,091	2,052	-	6,254	11,397
Transfer in (transfer out)	-	-	4,564	-	-	-	-	(4,675)	(111)
Disposal/write-off	-	-	-	-	(8,146)	(308)	(1,439)	-	(9,893)
31 December 2020	180,000	65,045	111,303	45,984	119,715	29,244	4,942	3,172	559,405
Additions	-	-	2,233	1,676	6,206	1,763	-	5,559	17,437
Transfer in (transfer out)	-	-	72	-	-	-	-	(72)	-
Disposal/write-off	-	(1,149)	-	-	-	(1,829)	-	-	(2,978)
31 December 2021	180,000	63,896	113,608	47,660	125,921	29,178	4,942	8,659	573,864
Accumulated depreciation									
1 January 2020	-	65,045	38,553	11,523	79,630	23,403	2,992	-	221,146
Depreciation for the year	-	-	7,131	2,328	5,493	2,181	357	-	17,490
Accumulated depreciation of the disposal/written-off	-	-	-	-	(6,335)	(292)	(1,439)	-	(8,066)
31 December 2020	-	65,045	45,684	13,851	78,788	25,292	1,910	-	230,570
Depreciation for the year	-	-	6,637	2,343	5,692	2,110	357	-	17,139
Accumulated depreciation of the disposal/written-off	-	(1,149)	-	-	-	(1,826)	-	-	(2,975)
31 December 2021	-	63,896	52,321	16,194	84,480	25,576	2,267	-	244,734

(Unit: Thousand Baht)

	Land	Ore	Land improvement	Building and amenities	Machinery and equipment	Furniture and office equipment	Vehicles	Assets under construction and installation	Total
Allowance for impairment loss:									
1 January 2020	-	-	-	-	-	-	-	-	-
31 December 2020	-	-	-	-	-	-	-	-	-
Increase during the year	-	-	-	1,126	4,188	-	-	-	5,314
31 December 2021	-	-	-	1,126	4,188	-	-	-	5,314
Net book value									
31 December 2020	180,000	-	65,619	32,133	40,927	3,952	3,032	3,172	328,835
31 December 2021	180,000	-	61,287	30,340	37,253	3,602	2,675	8,659	323,816
Depreciation for the year									
2020 (included in selling, distribution and administrative expenses)									17,490
2021 (included in selling, distribution and administrative expenses)									17,139

As at 31 December 2021, a local subsidiary had an outstanding balance of the construction of Wastewater Evaporation Plant amounting to Baht 387.1 million (2020: Baht 381.8 million). The construction has been financed with a loan from a financial institution. Borrowing costs amounting to Baht 4.2 million were capitalised during the year (2020: Baht 7.3 million). The weighted average rate of 2.1 to 2.3 percent per annum has been used to determine the amount of borrowing costs eligible for capitalisation (2020: 2.3 to 3.1 percent per annum).

The local subsidiaries have mortgaged part of their land and construction thereon and machinery with net book value as at 31 December 2021 amounting to approximately Baht 1,314 million (2020: Baht 1,469 million) as collateral for short-term and long-term loans and credit facilities granted by a commercial bank as discussed in Note 22 and 25.

The overseas subsidiary has mortgaged part of its land, machinery, and equipment with net book value as at 31 December 2021 amounting to approximately USD 20.1 million or equivalent to Baht 670.9 million (31 December 2020: USD 22.7 million or equivalent to Baht 681.7 million) as collateral for short-term and long-term loans and credit facilities granted by a commercial bank as discussed in Note 22 and 25.

As at 31 December 2021, the Company and subsidiaries had certain plant and equipment which have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 648 million (2020: Baht 599 million) (the Company only: Baht 101 million (2020: Baht 100 million)).

18. Leases

The Group has lease contracts for various items of assets used in its operations. Leases generally have lease terms between 2 - 7 years.

18.1 Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2021 and 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements				
	Land, buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Total
1 January 2020	50,878	792	145	33,463	85,278
Increase from business combination	3,964	521	-	-	4,485
Additions	5,502	-	200	14,529	20,231
Write-off	-	-	-	(911)	(911)
Transfer out	-	-	-	(572)	(572)
Adjustment from reassessment	9,141	-	-	-	9,141
Depreciation for the year	(13,411)	(421)	(81)	(18,396)	(32,309)
Translation adjustment	(24)	-	-	(37)	(61)
31 December 2020	56,050	892	264	28,076	85,282
Additions	7,881	-	-	31,747	39,628
Write-off - net book value at write-off date	(3,627)	(224)	-	(274)	(4,125)
Depreciation for the year	(14,189)	(223)	(94)	(17,918)	(32,424)
Translation adjustment	975	-	-	549	1,524
31 December 2021	47,090	445	170	42,180	89,885

(Unit: Thousand Baht)

	Separate financial statements		
	Buildings	Motor vehicles	Total
1 January 2020	33,089	10,050	43,139
Additions	-	4,544	4,544
Depreciation for the year	(5,515)	(6,064)	(11,579)
31 December 2020	27,574	8,530	36,104
Additions	953	19,580	20,533
Depreciation for the year	(6,175)	(5,829)	(12,004)
31 December 2021	22,352	22,281	44,633

18.2 Lease liabilities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Lease payments	102,005	93,630	52,358	41,985
Less: Deferred interest expenses	(9,046)	(8,495)	(6,209)	(5,125)
Total	92,959	85,135	46,149	36,860
Less: Portion due within one year	(30,423)	(24,270)	(11,255)	(8,749)
Lease liabilities - net of current portion	<u>62,536</u>	<u>60,865</u>	<u>34,894</u>	<u>28,111</u>

Movements of lease liabilities for the year ended 31 December 2021 and 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Balance at beginning of year	85,135	83,825	36,860	43,139
Increase from business combination	-	4,504	-	-
Additions during the year	39,628	18,934	20,533	4,544
Accretion of interest	4,646	4,807	2,363	2,153
Adjustment from reassessment	-	9,141	-	-
Payment during the year	(33,657)	(33,781)	(13,607)	(12,976)
Decrease from contract cancellation	(4,662)	(1,006)	-	-
Translation adjustment	1,869	(1,289)	-	-
Balance at end of year	<u>92,959</u>	<u>85,135</u>	<u>46,149</u>	<u>36,860</u>

A maturity analysis of lease payments is disclosed in Note 42.2 under the liquidity risk.

18.3 Expenses relating to leases that are recognised in income statement

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Depreciation expenses of right-of-use assets	32,424	32,309	12,004	11,579
Interest expenses on lease liabilities	4,646	4,807	2,363	2,153
Expenses relating to short-term leases	1,852	2,011	587	160
Expenses relating to leases of low-value assets	176	219	117	77
Expenses relating to variable lease payments that do not depend on an index or a rate	11	65	-	-

18.4 Others

The Group had total cash outflows for leases for the year ended 31 December 2021 of Baht 34.8 million (2020: Baht 36.1 million) (the Company only: Baht 14.3 million 2020: Baht 13.2 million), including the cash outflow related to short-term lease, leases of low-value assets and variable lease payments that do not depend on an index or a rate.

19. Goodwill

Movements in the goodwill account during the year ended 31 December 2021 are summarised below.

	(Unit: Thousand Baht)
Book value as at 31 December 2020	234,769
Less: Allowance for impairment loss	<u>(48,769)</u>
Book value as at 31 December 2021	<u>186,000</u>

The Company has determined recoverable amounts of its cash-generating units (CGUs) based on value in use using cash flow projections from financial budgets approved by the management.

Key assumptions used in value in use calculations summarise as follows:

	(Unit: Percent per annum)
Terminal growth rate	1
Discount rate	14

The management has considered the growth rate from policy, business plan, expected overall market growth rate, and discount rate which are the rates before income tax which relate to the specific risk in that operating segment.

20. Intangible assets

Details of intangible assets are as follows:

Consolidated financial statements

	(Unit: Thousand Baht)		
	Computer software	Deferred transferred service fees according to contract	Total
Cost			
31 December 2019	20,635	191,939	212,574
Additions	833	-	833
Transfer in during the year	111	-	111
Translation adjustment	(12)	-	(12)
31 December 2020	21,567	191,939	213,506
Additions	1,783	-	1,783
Disposal	(37)	-	(37)
Translation adjustment	344	-	344
31 December 2021	23,657	191,939	215,596
Accumulated amortisation			
31 December 2019	16,987	38,597	55,584
Amortisation for the year	1,830	25,012	26,842
Translation adjustment	(12)	-	(12)
31 December 2020	18,805	63,609	82,414
Amortisation for the year	1,363	24,854	26,217
Disposal	(37)	-	(37)
Translation adjustment	344	-	344
31 December 2021	20,475	88,463	108,938
Allowance for impairment loss			
31 December 2019	-	-	-
31 December 2020	-	-	-
Increase during the year	85	-	85
31 December 2021	85	-	85
Net book value			
31 December 2020	2,762	128,330	131,092
31 December 2021	3,097	103,476	106,573

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(Unit: Thousand Baht)

	Computer software	Deferred transferred service fees according to contract	Total
Cost			
1 January 2020	8,220	191,939	200,159
Additions	354	-	354
Transfer in during the year	111	-	111
31 December 2020	8,685	191,939	200,624
Additions	155	-	155
Disposal	(37)	-	(37)
31 December 2021	8,803	191,939	200,742
Accumulated amortisation			
1 January 2020	6,587	38,597	45,184
Amortisation for the year	935	25,012	25,947
31 December 2020	7,522	63,609	71,131
Amortisation for the year	656	24,854	25,510
Disposal	(37)	-	(37)
31 December 2021	8,141	88,463	96,604
Net book value			
31 December 2020	1,163	128,330	129,493
31 December 2021	662	103,476	104,138

Agreement of transferring service fees provided by PT. Indocoal Pratama Jaya

On 9 February 2018, the Company and PT. Indocoal Pratama Jaya (“IPJ”) entered into agreement of transferring service fees for service provided to the concession area of PT. Singlurus Pratama (“SGP”) for 25 million tons of coal, in accordance with the Service Agreement, which stipulates that IPJ is to receive a fee of USD 0.75 per ton of coal produced and distributed from SGP. The Company had negotiated the price of transferring of such right at USD 6 million, or equivalent to Baht 191.9 million. Such right to the fees will be amortised according to the quantity of coal produced and sold from SGP.

21. Other non-current assets

Other non-current assets have been shown net of related accumulated amortisation as at 31 December 2021 and 2020 are as follows:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2021</u>	<u>2020</u>
Deferred expenses - Indonesia coal mine project	216,727	188,161
Deferred stripping costs	474,976	285,391
Others	-	1,257
Total other non-current assets	<u>691,703</u>	<u>474,809</u>
Amortisation expenses for the year	<u>467,857</u>	<u>443,405</u>

Deferred expenses - Indonesia coal mine project

A reconciliation of the net book value of deferred expenses - Indonesia coal mine project for the years 2021 and 2020 is presented below.

	(Unit: Thousand Baht)		
	Consolidated financial statements		
	Exploration and evaluation assets	Deferred exploration and development costs	Total
As at 31 December 2019	2,896	152,976	155,872
Increase during the year	-	2,348	2,348
Transfer in	-	51,132	51,132
Amortisation for the year	-	(20,586)	(20,586)
Translation adjustment	(11)	(594)	(605)
As at 31 December 2020	<u>2,885</u>	<u>185,276</u>	<u>188,161</u>
Increase during the year	-	31,211	31,211
Amortisation for the year	-	(23,836)	(23,836)
Translation adjustment	325	20,866	21,191
As at 31 December 2021	<u>3,210</u>	<u>213,517</u>	<u>216,727</u>

Deferred stripping costs

A reconciliation of the net book value of deferred stripping costs for the years 2021 and 2020 is presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	<u>2021</u>	<u>2020</u>
Net book value at beginning of year	285,391	323,689
Increase during the year	601,465	385,777
Amortisation for the year	(444,021)	(422,819)
Translation adjustment	32,141	(1,256)
Net book value at end of year	<u>474,976</u>	<u>285,391</u>

22. Short-term loans from financial institutions

	Interest rate		(Unit: Thousand Baht)	
	(percent per annum)		Consolidated financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Promissory notes	2.67 - 2.88	2.67 - 2.75	763,613	588,405
Trust receipts	-	2.24 - 2.68	-	326,925
Bill of purchasing line	-	1.78	-	61,976
Total			<u>763,613</u>	<u>977,306</u>

Movements in short-term loans from financial institutions during the year ended 31 December 2021 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
	<u> </u>
Balance as at 31 December 2020	977,306
Add: Increase during the year	3,869,016
Less: Repayment during the year	<u>(4,082,709)</u>
Balance as at 31 December 2021	<u>763,613</u>

Credit facilities are secured by the mortgage of part of the subsidiary's land and construction thereon and machinery as discussed in Note 17.

As at 31 December 2021, the short-term credit facilities of the subsidiaries which have not yet been drawn down amounted to USD 28.0 million or equivalent to Baht 935.8 million and Baht 996.4 million totaling of Baht 1,932.2 million (2020: USD 25.9 million or equivalent to Baht 779.1 million and Baht 1,144.7 million totaling of Baht 1,923.8 million).

23. Short-term loans

As at 31 December 2020, the local subsidiary had short-term loans from individuals and unrelated company in form of promissory note of Baht 17.4 million and accrued interest expenses of Baht 4.0 million. The carrying interest of loan from individuals is at 2.0 percent per annum and no interest for loan from unrelated company. The loans are unsecured and are due for repayment at call.

On 30 July 2021, the local subsidiary entered into an agreement with individuals and an unrelated company whereby the individuals and unrelated company are to forgive short-term loans together with accrued interest totaling Baht 21.7 million. The subsidiary therefore reversed the short-term loans from the individuals and unrelated company and recognised profit from debt forgiveness in the income statement for the year ended 31 December 2021.

24. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Trade payables - unrelated parties	424,254	418,983	46,796	27,948
Other payables - unrelated parties	105,452	62,061	6,778	5,245
Derivative liabilities	106	100	106	100
Total trade and other payables	<u>529,812</u>	<u>481,144</u>	<u>53,680</u>	<u>33,293</u>

25. Long-term loans from financial institution

				(Unit: Thousand Baht)	
				Consolidated	
				financial statements	
				As at 31 December	
No.	Credit facilities (Million Baht)	Interest rate (percent per annum)	Repayment schedule	2021	2020
1	418.0	3M THBFIX + 1.95	The loan is repayable within 6 years and is repayable the first installment in the last day of the eighteenth month since the subsidiary withdrew the loan (8 June 2018). The principal is payable in 10 semi-annually installments of Baht 42 million during the first to ninth installment, remaining balance is repayable in the tenth installment and interest is repayable every 3 months.	196,591	280,503
2	300.0	3M THBFIX + 1.95	The loan is repayable within 5 years and is repayable the first installment in the last day of the sixth month since the Company withdrew the loan (15 November 2018). The principal is repayable in 10 semi-annually installments of Baht 30 million each and interest is repayable every 3 months.	119,856	179,779
3	214.1	5.50	The loan is repayable within 5 years 7 months and is repayable the principal in 60 monthly installments with the first installment on 23 April 2020 and the interest is repayable on monthly basis with the first payment on 23 September 2019.	94,833	127,049
4	80.0	MLR-1.25	The loan is repayable within 5 years 7 months and is repayable the first installment on the last day of January 2021. The principal is payable in 57 monthly installments of Baht 1.39 million and the interest is monthly payable with the first payment in the last day of the month of first withdrawal date (4 March 2020).	-	79,281
5	500.0	3M BAYBIBOR reference rate + 2.22	The loan is repayable within 5 years and is repayable the first installment in the last day of the sixth month since the first withdrawal date (16 August 2021). The principal is repayable in 10 semi-annually installments of Baht 50 million each and interest is repayable every 3 months.	499,413	-
Total				910,693	666,612
Less: Current portion				(291,605)	(190,134)
Long-term loans, net of current portion				619,088	476,478

Movements in the long-term loans from financial institution during the year ended 31 December 2021 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Balance as at 31 December 2020	666,612
Increase from business combination	499,365
Amortisation of transaction costs during the year	1,256
Repayment during the year	(270,847)
Translation adjustment	14,307
Balance as at 31 December 2021	<u>910,693</u>

The credit facilities of subsidiaries are secured by the pledge of the mortgage of part of the land and construction thereon, machinery.

During the current year, a local subsidiary settled long-term loan from the financial institutions and redeemed the assets that had been mortgaged and pledged to secure such long-term loan from financial institution.

The loan agreements contain several covenants which, among other things, require the subsidiaries to maintain certain financial ratios according to the agreements such as debt to equity and debt service coverage ratios at the rate prescribed in the agreements. As at 31 December 2021, the overseas subsidiary could maintain certain financial ratios as specified in the long-term loan agreements. However, a local subsidiary could not maintain certain financial ratios as specified in the loan agreement. A local subsidiary had negotiated with the bank, and obtained a waiver letter for the condition to maintain certain financial ratios for the period ended 31 December 2021 from a bank on 27 October 2021.

As at 31 December 2021, the long-term credit facilities of the subsidiaries which have not yet been drawn down amounted to USD 2.0 million or equivalent to Baht 66.8 million and Baht 11.2 million totalling of Baht 78.0 million (2020: Baht 11.2 million).

26. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire from the Group, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Provision for long-term employee benefits at beginning of year	268,141	252,810	48,802	45,653
Included in income statement:				
Current service cost	16,450	23,153	2,854	2,502
Interest cost	13,385	13,449	638	647
Past service costs	(26,613)	(7,579)	-	-
Included in statement of comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	(4,555)	(16)	(4,555)	-
Financial assumptions changes	(3,769)	5,632	3,562	-
Experience adjustments	622	3,604	(3,715)	-
Benefits paid during the year	(80,750)	(19,772)	-	-
Translation adjustment	20,779	(3,140)	-	-
Provision for long-term employee benefits at end of year	203,690	268,141	47,586	48,802

The Group expects to pay Baht 52.2 million of long-term employee benefits during the next year (2020: Baht 51.4 million).

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit is 2 - 15 years (the Company only: 10 years) (2020: 2 - 14 years, the Company only: 12 years).

Significant actuarial assumptions are summarised below:

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	1.64 - 7.55	1.64 - 7.34	1.36	1.52
Salary increase rate	5.00 - 8.00	5.00 - 8.00	5.73	6.34

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2021 and 2020 are summarised below:

(Unit: Thousand Baht)

	As at 31 December 2021					
	Consolidated financial statements				Separate	
	The group in Thailand		The group in overseas		financial statements	
	Increase 0.5% - 1.0%	Decrease 0.5% - 1.0%	Increase 1.0%	Decrease 1.0%	Increase 0.5%	Decrease 0.5%
Discount rate	(1,783)	1,889	(7,019)	7,794	(1,408)	1,483
Salary increase rate	2,499	(2,320)	7,851	(7,189)	1,637	(1,568)

(Unit: Thousand Baht)

	As at 31 December 2020					
	Consolidated financial statements				Separate	
	The group in Thailand		The group in overseas		financial statements	
	Increase 0.5% - 1.0%	Decrease 0.5% - 1.0%	Increase 1.0%	Decrease 1.0%	Increase 0.5%	Decrease 0.5%
Discount rate	(2,295)	2,452	(10,955)	12,175	(1,923)	2,049
Salary increase rate	2,978	(2,764)	12,052	(11,040)	2,204	(2,085)

27. Provision for mine reclamation and decommissioning costs

(Unit: Thousand Baht)

	Consolidated financial statements		
	Provision for		Total
	Provision for mine reclamation	decommissioning costs	
As at 31 December 2019	66,967	20,235	87,202
Increase during the year	29,865	-	29,865
Decrease from actual paid	(19,098)	-	(19,098)
Translation adjustment	(868)	(370)	(1,238)
As at 31 December 2020	76,866	19,865	96,731
Increase during the year	47,238	-	47,238
Decrease from actual paid	(28,588)	-	(28,588)
Translation adjustment	7,626	1,983	9,609
As at 31 December 2021	103,142	21,848	124,990

28. 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. At present, the statutory reserve has fully been set aside.

29. Provident fund

The Group and their employees jointly established a provident fund, in accordance with the Provident Fund Act B.E. 2530. The fund is contributed by employees at a rate of 5% of their basic salaries and the Group also contribute a certain amount. The fund, which is managed by the Bank of Ayudhaya Public Co., Ltd., will be paid to employee upon termination in accordance with the fund rules of the Group. The contributions of the Group for the year 2021 amounting to Baht 9.2 million (the Company only: Baht 5.7 million) (2020: Baht 9.0 million (the Company only: Baht 5.2 million)) were recognised as expenses.

30. Finance income

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Interest income at amortised cost	14,286	12,540	4,368	2,443
Interest received from debt instruments measured at FVTPL	-	1,331	-	1,331
Total	14,286	13,871	4,368	3,774

31. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Interest expenses on borrowings	45,304	51,096	-	-
Interest expenses on mine reclamation	3,368	2,497	-	-
Interest expenses on lease liabilities	4,646	4,807	2,363	2,153
Total	53,318	58,400	2,363	2,153

32. Expenses by nature

Significant expenses classified by nature are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		(Restated)		
Purchase of finished goods	1,174,185	696,973	1,575,441	1,098,229
Raw materials and consumables used	1,851,667	1,781,576	-	-
Changes in inventories of finished goods and work in process decrease (increase)	(261,371)	189,419	(161,312)	31,304
Royalty fee	1,617,123	703,730	-	-
Freight and transportation of goods expenses	1,123,161	774,793	73,462	95,817
Coal winning and conveyance expenses	3,252,935	2,089,279	-	-
Depreciation and amortisation expenses	852,755	812,756	54,653	55,015
Reduction of inventories to net realisable value	16,312	-	15,526	-
Allowance for impairment of the investment in subsidiaries	-	-	152,799	-
Allowance for impairment loss of goodwill	48,769	6,194	-	-
Allowance for impairment loss on assets	31,255	-	5,314	-
Salaries, wages and other employee benefits	389,032	244,718	69,801	50,635
Management benefit expenses	272,932	165,820	57,322	42,489
Electricity and fuel expenses	98,535	131,279	6,931	6,638
Repair and maintenance expenses	64,500	66,725	6,994	5,404
Loss on exchange	-	3,732	-	-

33. Income tax

Income tax expenses for the years ended 31 December 2021 and 2020 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		(Restated)		
Current income tax:				
Current income tax charge	1,210,648	135,630	-	43,253
Adjustment in respect of income tax of previous year	3,236	27,810	-	182
Withholding tax deducted at source recognised as expenses during the year	49,984	3,124	337,905	3,124
Deferred tax:				
Relating to origination and reversal of temporary differences	313,516	10,145	(34,134)	(1,955)
Income tax expenses reported in income statements	<u>1,577,384</u>	<u>179,709</u>	<u>303,771</u>	<u>44,604</u>

The amount of income tax related to each component of other comprehensive income for the years ended 31 December 2021 and 2020 are as follow:

	(Unit: Thousand Baht)			
	For the years ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Deferred tax relating to actuarial gain (loss)	<u>1,840</u>	<u>(2,410)</u>	<u>942</u>	<u>-</u>

The reconciliation between accounting profit and income tax expenses is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u> (Restated)	<u>2021</u>	<u>2020</u>
Accounting profit before tax	4,294,313	582,472	1,476,686	336,487
Applicable tax rate	10% - 30%	10% - 30%	20%	20%
Accounting profit before tax multiplied by income tax rate	1,265,524	143,330	295,337	67,297
Adjustment in respect of income tax of previous year	3,236	27,810	-	182
Withholding tax deducted at source recognised as expenses during the year	49,984	3,124	337,905	3,124
Effects of:				
Promotional privileges (Note 34)	-	(18,043)	-	-
Non-deductible expenses	21,930	12,857	3,519	3,105
Income not subject to tax	(26,864)	(16,392)	(301,253)	(25,408)
Additional expense deductions allowed	(3,213)	(3,799)	(3,094)	(3,071)
Taxable withholding tax deducted at source expenses	(59,226)	(625)	(59,226)	(625)
Previously unrecognised temporary differences	(952)	-	-	-
Others	346	856	-	-
Total	(67,979)	(25,146)	(360,054)	(25,999)
Investments in subsidiaries	282,770	24,193	-	-
Deductible temporary differences and unrecognised tax loss as deferred tax assets	43,858	3,249	30,583	-
Translation adjustment	(9)	149	-	-
Income tax expenses reported in income statements	<u>1,577,384</u>	<u>176,709</u>	<u>303,771</u>	<u>44,604</u>

A reconciliation of the book value of deferred tax assets and deferred tax liabilities for the years ended 31 December 2021 and 2020 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements				
	As at 31 December 2020	Recognise to income statement	Recognise to statement of comprehensive income	Translation adjustment	As at 31 December 2021	As at 1 January 2021	Recognise to income statement	Recognise to statement of comprehensive income	As at 31 December 2021
	(Restated)								
Deferred tax assets									
Provision for long-term employee benefits	75,165	(23,164)	(1,840)	5,551	55,712	9,761	699	(942)	9,518
Reduction of inventories to net realisable value	-	3,224	-	-	3,224	-	3,105	-	3,105
Allowance for impairment loss of investment in subsidiary	-	-	-	-	-	1,639	30,560	-	32,199
Accumulated depreciation - ore, plant and equipment	18,887	(1,219)	-	577	18,245	13,009	(230)	-	12,779
Inventories	(2,522)	18,107	-	51	15,636	-	-	-	-
Government grants	5,111	(1,061)	-	-	4,050	-	-	-	-
Lease liabilities	(34,218)	12,566	-	(4,039)	(25,691)	-	-	-	-
Property, plant and equipment and investment properties	-	3,397	-	-	3,397	-	-	-	-
Unrecognised tax loss	16,449	5,235	-	-	21,684	-	-	-	-
Provision for domestic market sales obligation penalty	-	15,836	-	472	16,308	-	-	-	-
Decrease in assets from fair value adjustment from the acquisition	1,450	(177)	-	-	1,273	-	-	-	-
Total	80,322	32,744	(1,840)	2,612	113,838	24,409	34,134	(942)	57,601

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements				
	As at 31 December 2020	Recognise to income statement	Recognise to statement of comprehensive income	Translation adjustment	As at 31 December 2021	As at 1 January 2021	Recognise to income statement	Recognise to statement of comprehensive income	As at 31 December 2021
	(Restated)								
Deferred tax liabilities									
Accumulated amortisation - deferred exploration and development costs and deferred stripping costs	111,814	54,178	-	13,234	179,226	-	-	-	-
Investments in subsidiaries	96,323	2,023	-	-	98,346	-	-	-	-
Accumulated depreciation - machinery	3,421	(272)	-	-	3,149	-	-	-	-
Accumulated depreciation - right-of-use assets	2,017	2,410	-	(11)	4,416	-	-	-	-
Total	213,575	58,339	-	13,223	285,137	-	-	-	-
Deferred tax assets (liabilities) - net	<u>(133,253)</u>				<u>(171,299)</u>	<u>24,409</u>			<u>57,601</u>
Deferred tax assets					55,034				57,601
Deferred tax liabilities					<u>(226,333)</u>				-
Deferred tax assets (liabilities) - net					<u>(171,299)</u>				<u>57,601</u>

(Unit: Thousand Baht)

	Consolidated financial statements						Separate financial statements				
	As at 31 December 2019	Increase from business combination	Adjustment from business combination	Recognise to income statement	Recognise to statement of comprehensive income	Translation adjustment	As at 31 December 2020	As at 1 January 2020	Recognise to income statement	Recognise to statement of comprehensive income	As at 31 December 2020
							(Restated)				
Deferred tax assets											
Provision for long-term employee benefits	70,627	-	-	2,518	2,410	(390)	75,165	9,131	630	-	9,761
Allowance for impairment loss of investment in subsidiary	-	-	-	-	-	-	-	-	1,639	-	1,639
Accumulated depreciation - ore, plant and equipment	19,530	-	-	(601)	-	(42)	18,887	13,009	-	-	13,009
Inventories	9,705	-	-	(13,599)	-	1,372	(2,522)	-	-	-	-
Government grants	5,256	-	-	(145)	-	-	5,111	-	-	-	-
Lease liabilities	(45,120)	-	-	12,122	-	(1,220)	(34,218)	-	-	-	-
Unrecognised tax loss	-	8,348	-	8,101	-	-	16,449	-	-	-	-
Decrease in assets from fair value adjustment from the acquisition	-	-	1,548	(98)	-	-	1,450	-	-	-	-
Others	1,520	-	-	(1,520)	-	-	-	314	(314)	-	-
Total	61,518	8,348	1,548	6,778	2,410	(280)	80,322	22,454	1,955	-	24,409

(Unit: Thousand Baht)

	Consolidated financial statements						Separate financial statements				
	As at 31 December 2019	Increase from business combination	Adjustment from business combination	Recognise to income statement	Recognise to statement of comprehensive income	Translation adjustment	As at 31 December 2020	As at 1 January 2020	Recognise to income statement	Recognise to statement of comprehensive income	As at 31 December 2020
							(Restated)				
Deferred tax liabilities											
Accumulated amortisation - deferred exploration and development costs and deferred stripping costs	118,038	-	-	(3,893)	-	(2,331)	111,814	-	-	-	-
Investments in subsidiaries	74,248	-	-	22,075	-	-	96,323	-	-	-	-
Accumulated depreciation - machinery	3,421	-	-	-	-	-	3,421	-	-	-	-
Accumulated depreciation - right- of-use assets	1,155	-	-	845	-	17	2,017	-	-	-	-
Total	196,862	-	-	19,027	-	(2,314)	213,575	-	-	-	-
Deferred tax assets (liabilities) - net	(135,344)						(133,253)	22,454			24,409
Deferred tax assets							54,398				24,409
Deferred tax liabilities							(187,651)				-
Deferred tax assets (liabilities) - net							(133,253)				24,409

As at 31 December 2021, the Group have deductible temporary differences and unused tax losses totaling Baht 298.6 million (the Company only: Baht 152.9 million) (2020: Baht 66.0 million), on which deferred tax assets have not been recognised as the Group believe future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The unused tax losses amounting to Baht 268.2 million will expire by year 2026.

34. Promotional privileges

Thai Agro Energy Public Company Limited, a subsidiary, has been granted the promotional privileges under the Investment Promotion Act B.E. 2520 as approved by the Board of Investment as follows:

Certificate No.	2078(9)/2551	62-0394-1-04-1-0
Date	19 November 2008	22 April 2019
1. Promotional privileges for	Manufacture of ethanol (99.5%)	Manufacture of alcohol
2. Significant privileges		
2.1 Exemption from corporate income tax on income derived from the promoted operations (commencing from the date of earning operating income) and exemption from income tax on dividend paid from the income of the promoted operations throughout the period in which the corporate income tax is exempted.	8 years (expired on 1 April 2020)	3 years or not exceed 50 percent of the investment (will expire on 22 April 2022)
2.2 Allowance to carry-forward the annual loss from promoted operations incurred during the corporate income tax exemption period to offset with net income incurred thereafter (after exemption period in 2.1).	5 years	5 years
2.3 Exemption from import duty on raw and essential materials or products used for manufacture for export commencing from the first import date.	1 year	-
3. Date of first earning operating income	2 April 2012	23 April 2019

As a promoted company, the subsidiary has to comply with certain conditions and restrictions provided for in the promotional certificate.

The subsidiary's operating revenues for the years ended 31 December 2021 and 2020 were domestic sales, which were divided between promoted and non-promoted operations, are summarised below:

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Revenues from sales		
Promoted operations	606,998	1,321,471
Non-promoted operations	1,600,299	1,084,520
Total	<u>2,207,297</u>	<u>2,405,991</u>

35. Earnings per share

Basic 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.

36. Dividend paid

Dividends paid by the Group for the years ended 31 December 2021 and 2020 are as follows:

The Company

<u>Dividends</u>	<u>Approved by</u>	<u>Total Dividends</u> (Thousand Baht)	<u>Dividend per share</u> (Baht)	<u>Paid on</u>
<u>2021</u>				
Final dividends for 2020	Annual General Meeting of the shareholders on 19 April 2021	157,500	0.30	18 May 2021
Interim dividends	Board of Directors' meeting on 18 October 2021	315,000	0.60	16 November 2021
Total		<u>472,500</u>	<u>0.90</u>	
<u>2020</u>				
Interim dividends	Board of Directors' meeting on 8 April 2020	157,500	0.30	7 May 2020
Interim dividends	Board of Directors' meeting on 19 October 2020	78,750	0.15	18 November 2020
Total		<u>236,250</u>	<u>0.45</u>	

In addition, the Annual General Meeting of the shareholders approved to set aside a general reserve of Baht 55.6 million (2020: Baht 4.4 million).

Local subsidiary

Thai Agro Energy Public Company Limited

Dividends	Approved by	Total Dividends (Thousand Baht)	Dividend per share (Baht)	Paid on
<u>2021</u>				
The dividend in respect of operation income from BOI promoted operation for the period from July to December 2020	Annual General Meeting of the shareholders on 22 April 2021	25,000	0.025	21 May 2021
The interim dividend in respect of operation income from BOI promoted operation for the period from January to June 2021	Board of Directors' meeting on 19 August 2021	9,999	0.010	17 September 2021
Total		34,999	0.035	
<u>2020</u>				
The interim dividend in respect of operation income from BOI promoted operation for the period from July to December 2019	Board of Directors' meeting on 9 April 2020	150,000	0.150	8 May 2020
The interim dividend in respect of operation income from BOI promoted operation for the period from January to June 2020	Board of Directors' meeting on 20 August 2020	55,000	0.055	18 September 2020
Total		205,000	0.205	

During the year 2021, the Company received dividend income at 51 percent for a total of Baht 17.9 million (2020: Baht 104.6 million).

Overseas subsidiaries

PT. Lanna Harita Indonesia

Dividends	Approved by	Total Dividends (Thousand US Dollar)	Dividend per share (US Dollar)	Paid on
<u>2021</u>				
The first interim dividends for 2020	Board of Directors' meeting on 22 January 2021	2,000	250.0	1 February 2021
Final dividends for 2020	Annual General Meeting of the shareholders on 22 June 2021	4,500	562.5	28 June 2021
The first interim dividends for 2021	Board of Directors' meeting on 13 September 2021	7,520	940.0	27 September 2021
The second interim dividends for 2021	Board of Directors' meeting on 8 December 2021	20,000	2,500.0	8 December 2021
Total		34,020	4,252.5	

During the year 2021, the Company recorded dividend income at 55 percent for a total of USD 18.7 million or equivalent to Baht 615.6 million. The Company had been withheld the withholding tax deducted at source of Baht 123.1 million.

PT. Lanna Power Indonesia

Dividends	Approved by	Total dividends (Thousand US Dollar)	Dividend per share (US Dollar)	Paid on
<u>2021</u>				
Dividends for 2020	Annual General Meeting of shareholders on 18 February 2021	273	13	18 March 2021
Total		273	13	
<u>2020</u>				
Dividend for 2019	Annual General Meeting of shareholders on 15 July 2020	504	24	16 September 2020
Total		504	24	

During the year 2021, the Company recorded dividend income at 99.95 percent for a total of USD 0.3 million or equivalent to Baht 8.3 million. The Company had been withheld the withholding tax deducted at source of Baht 1.7 million. (2020: USD 0.5 million or equivalent to Baht 15.6 million. The Company had been withheld the withholding tax deducted at source of Baht 3.1 million).

PT. Singlurus Pratama

Dividends	Approved by	Total dividends (Thousand US Dollar)	Dividend per share (US Dollar)	Paid on
<u>2021</u>				
Final dividends for 2020	Annual General Meeting of the shareholders on 23 June 2021	10,000	952	28 June 2021
The first interim dividends for 2021	Board of Directors' meeting on 20 September 2021	10,000	952	27 September 2021
The second interim dividends for 2021	Board of Directors' meeting on 8 December 2021	20,000	1,905	8 December 2021
Total		40,000	3,809	

During the year 2021, the Company recorded dividend income at 65 percent for a total of USD 26.0 million or equivalent to Baht 856.7 million. The Company had been withheld the withholding tax deducted at source of Baht 171.3 million.

37. 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 are organised into business units based on its products, in which the Group recognised revenue at the point in time, and have five reportable segments as follows:

1. Domestic coal segment, which purchases and sells of coal
2. Overseas coal segment, which produces and sells of coal
3. Ethanol segment, which produces and sells of ethanol
4. Wood pellet segment, which produces and sells of wood pellet
5. Soil conditioner segment

During the current year, the Group has added a reportable segment, which is Wood pellet. In addition, the operation of the soil conditioner segment for the current year is insignificant.

No operating segments have been aggregated to form 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.

The following tables present revenue, profit and total assets information regarding the Company's and its subsidiaries' operating segments for the years ended 31 December 2021 and 2020, respectively.

(Unit: Million Baht)

	For the years ended 31 December															
	Domestic		Overseas		Ethanol business				Wood Pellet		Total segments		Adjustments and		Consolidated	
	coal business		coal business		Ethanol business		business				eliminations					
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>		
								(Restated)		(Restated)				(Restated)		
Revenue from external customers	1,568	1,366	11,959	5,739	2,207	2,406	-	1	15,734	9,512	-	-	15,734	9,512		
Inter-segment revenue	282	260	442	401	-	-	2	18	726	679	(726)	(679)	-	-		
Finance income	4	4	10	10	-	-	1	-	15	14	(1)	-	14	14		
Finance cost	2	2	11	13	37	40	4	3	54	58	(1)	-	53	58		
Depreciation and amortisation	55	55	615	572	171	176	13	11	854	814	(1)	(1)	853	813		
Share of profit from investment in associated companies accounted for by the equity method	102	8	-	-	-	-	-	-	102	8	-	-	102	8		
Income tax expenses	304	45	1,256	109	(15)	6	7	(7)	1,552	153	25	24	1,577	177		
Segment profit (loss)	420	497	7,763	2,436	65	199	(2)	(9)	8,246	3,123	(303)	(251)	7,943	2,872		
Segment total assets	3,815	3,059	5,471	3,605	3,398	3,358	329	279	13,013	10,301	(981)	(1,050)	12,032	9,251		
Investment in associated companies accounted for by equity method	173	21	-	-	-	-	-	-	173	21	-	-	173	21		
Additions to non-current assets other than financial instruments and deferred tax assets	(183)	(84)	236	(90)	(85)	(5)	(88)	155	(120)	(24)	2	8	(118)	(16)		

Geographic information

Revenue from external customers is based on locations of the customers.

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
		(Restated)
Revenue from external customers		
Thailand	4,001,215	4,055,903
India	6,722,724	3,630,632
Singapore	1,611,022	854,695
Indonesia	1,707,789	298,517
China	604,005	270,099
Dubai	512,754	328,708
Others	574,961	73,312
Total	<u>15,734,470</u>	<u>9,511,866</u>
Non-current assets (other than financial instruments and deferred tax assets)		
Thailand	3,501,392	3,855,077
Indonesia	1,675,505	1,439,528
Total	<u>5,176,897</u>	<u>5,294,605</u>

Major customers

During the year 2021, the Group has revenue from 5 major customers in amount of Baht 6,078 million and Baht 2,029 million, arising from sales by the coal business and ethanol business, respectively (2020: revenue from 5 major customers in amount of Baht 3,027 million and Baht 1,150 million, arising from sales by the coal business and ethanol business, respectively).

38. Significant contracts and agreements

38.1 In 1998, PT. Lanna Harita Indonesia had been granted the right under a Coal Contract of Work (“CCOW”) from the Indonesian government to explore for and exploit coal for a period of thirty years in a total survey area of 30,018 hectares in Tanah Merah in Samarinda and Kutai, East Kalimantan, Indonesia. The subsidiary has a continuing obligation to pay a fee and compensation under the contract. Subsequently on 17 January 2018, the subsidiary amended certain condition in the contract with the Indonesian government.

38.2 In 1997, PT. Singlurus Pratama was granted the right under a Coal Contract of Work (“CCOW”) from the Indonesian government to explore for and exploit coal for a period of thirty years beginning at the commencement of the first mining operation in a total survey area of 24,760 hectares in Kutai, East Kalimantan, Indonesia. The subsidiary has a continuing obligation to pay a fee and compensation under the contract. In February 2009, the subsidiary received the consent from Indonesian government to start the production activities. Subsequently on 17 January 2018, the subsidiary amended certain conditions in the contract with the Indonesian government.

38.3 On 20 May 2009, PT. Singlurus Pratama entered into the marketing and technical service agreements with the Company and entered into assistance service agreement with a company in Indonesia. The service fees are charged on the basis and at the rates as stipulated in the agreements.

Subsequently on 29 October 2016, PT. Singlurus Pratama has made the agreement to amend the service fees to the new rates as stipulated in the agreements. This agreement shall be effective retroactively as of 1 August 2016.

39. Commitments and contingent liabilities

39.1 Capital commitments

As at 31 December 2021, the Group had capital commitments of Baht 24.4 million, relating to acquisition and installation of machine and coal sieving screen, the assessment of environmental impact on the construction of the Company's jetty, the construction of the subsidiary's Vinasse Evaporation Plant and other construction projects. (31 December 2020: Baht 18.2 million, relating to the assessment of environmental impact on the construction of the Company's jetty, the construction of the subsidiaries' construction of Vinasse Evaporation Plant and other construction projects.)

39.2 Long-term service and purchase commitments

- a) The Group had commitments under several service agreements in respect of the security service, car maintenance service and other services. The terms of the agreements are generally between 1 and 5 years. As at 31 December 2021 and 2020, future minimum payments under these agreements are as follows:

(Unit: Million Baht)

Payable	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
In up to 1 year	2.2	2.7	0.4	0.3
In over 1 year and up to 5 years	0.8	-	0.8	-

- b) The Group had commitments under service agreements regarding the legal consulting, the consulting for finance and management and other consulting of Baht 23.1 million (the Company only: Baht 21.6 million) (2020: Baht 20.1 million (the Company only: Baht 20.1 million)).
- c) The Company had commitments under the coal purchase agreement and coal shipping agreement with an overseas company which the coal price and freight rate, coal quality and quantity to purchase are stipulated in the agreement.
- d) The local subsidiary entered into a power supply agreement with the Provincial Electricity Authority for a period of one year, and being automatically renewed for every one-year period. The subsidiary shall pay power supply at the rate as stipulated in the agreement.

39.3 Coal supply agreement commitments

PT. Lanna Harita Indonesia and PT. Singlurus Pratama have coal supply commitments to domestic customers in accordance with the Domestic Market Obligation regulation required by the Indonesian government.

39.4 Guarantees

As at 31 December 2021, the Group had bank guarantees of approximately Baht 6 million and Rupiah 19,990 million (the Company only: Baht 0.9 million) (2020: Baht 6 million and Rupiah 19,900 million (the Company only: Baht 0.9 million)) issued by banks on behalf of the Group in respect of mine reclamation of the overseas subsidiaries to the government and guarantee contractual performance for using of electric to the Provincial Electricity Authority.

40. Litigation

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

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

On 13 August 2019, the subsidiary received partial of Baht 0.2 million. In addition, on 21 January 2022, the court ordered the debtor, a government agency, to submit the funds as they had been withheld to the subsidiary. Currently, the subsidiary is awaiting the remittance of the funds in accordance with the enforcement procedure. However, the subsidiary has previously recorded allowance for impairment in advance paid to that company for a whole amount.

41. Fair value hierarchy

As at 31 December 2021 and 2020, the Group had the assets and liabilities that were measured at fair value or for which fair value was disclosed using different levels of inputs as follows:

	(Unit: Thousand Baht)			
	As at 31 December 2021			
	Consolidated		Separate	
	financial Statements		financial Statements	
	Level 2	Total	Level 2	Total
Asset measured at fair value				
<u>Financial assets measured at FVTPL</u>				
Investment in General Fixed Income				
Funds - open fund	1,069	1,069	-	-
Liability measured at fair value				
<u>Derivatives</u>				
Foreign currency forward contracts	106	106	106	106
Assets for which fair value are disclosed				
<u>Financial assets measured at amortised cost</u>				
Investment properties	57,533	57,533	29,451	29,451
(Unit: Thousand Baht)				
As at 31 December 2020				
Consolidated		Separate		
financial Statements		financial Statements		
Level 2	Total	Level 2	Total	
Asset measured at fair value				
<u>Financial assets measured at FVTPL</u>				
Investment in General Fixed Income				
Funds - open fund	1,065	1,065	-	-
Liability measured at fair value				
<u>Derivatives</u>				
Foreign currency forward contracts	100	100	100	100
Assets for which fair value are disclosed				
<u>Financial assets measured at amortised cost</u>				
Investment properties - as restated	61,145	61,145	29,864	29,864

42. Financial instruments

42.1 Derivatives

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Derivative liabilities				
Derivatives liabilities not designated as hedging instruments				
Foreign exchange forward contracts	106	100	106	100
Total derivative liabilities	<u>106</u>	<u>100</u>	<u>106</u>	<u>100</u>

Derivatives not designated as hedging instruments

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 3 to 6 months.

42.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade and other accounts receivable, investments, and short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade and other accounts receivable, deposits with banks and financial institutions and other financial instruments. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Group's maximum exposure relating to derivatives is noted in the liquidity risk topic.

Trade and other accounts receivables

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Credit term provided to customers normally is between 7 days and 60 days.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by customer type and rating. 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 cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty in accordance with the Group's policy. Counterparty credit limits are reviewed by the Group's management or Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's management or Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments and derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There are two significant types of market risk comprising currency risk and interest rate risk.

Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its importing and service rendering transactions 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 one year.

As at 31 December 2021 and 2020, the Company had balances of financial assets and liabilities denominated in foreign currencies as follows:

As at 31 December 2021				
Foreign currency	Financial assets	Financial liabilities	Exchange rate	
	(Million)	(Million)	as at 31 December 2021	
			<u>Buying rate</u>	<u>Selling rate</u>
US dollar	21.1	-	33.2469	33.5929

As at 31 December 2020				
Foreign currency	Financial assets	Financial liabilities	Exchange rate	
	(Million)	(Million)	as at 31 December 2020	
			<u>Buying rate</u>	<u>Selling rate</u>
US dollar	2.8	-	29.8674	30.2068

As at 31 December 2021 and 2020, foreign exchange contracts outstanding are summarised below:

As at 31 December 2021			
Foreign currency	Bought amount	Contractual exchange	
		rate for amount bought	Contractual maturity date
	(Million)		
US dollar	0.6	33.60	March - June 2022

As at 31 December 2020			
Foreign currency	Bought amount	Contractual exchange	
		rate for amount bought	Contractual maturity date
	(Million)		
US dollar	0.7	29.80 - 30.49	February - June 2021

Foreign currency sensitivity

The following tables demonstrate the sensitivity of the Group's profit before tax to a reasonably possible change in US dollar exchange rates, with all other variables held constant. The impact on the Group's profit before tax 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.

Currency	2021		2020	
	Increase (decrease)	Effect on profit before tax	Increase (decrease)	Effect on profit before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
US dollar	5	35,024	5	4,223
US dollar	(5)	(35,024)	(5)	(4,223)

Interest rate risk

The Group's exposure to interest rate risk relates primarily to bank deposits, short-term loans, lease liabilities, and long-term borrowings. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

The Group manages its interest rate risk by providing loans with both fixed and variable interest rates, which must be approved by the Group's management or the Board of Directors. The Group has an interest rate risk management policy by closely monitoring and controlling interest rate risk. Also, monitoring the economic situation, money market and capital market conditions and direction of interest rates that may cause interest rate risk factors. If there is a fluctuation in market interest rates or future direction that will affect the operating results and cash flows, the Group will consider using an interest rate swap contract in order to exchange difference interest amounts between fixed interest rates and variable rates by referencing principal value of the contract at specified intervals.

As at 31 December 2021 and 2020, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements

As at 31 December 2021

	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Interest rate (% per annum)
	Within 1 year	1 - 5 years				
Financial assets						
Cash and cash equivalents	267	-	884	1,013	2,164	0.01 - 5.50
Trade and other receivables	-	-	-	1,666	1,666	-
Other current financial assets	550	-	-	1	551	0.45 - 0.55
Restricted bank deposits	343	-	-	-	343	0.20 - 5.50
Long-term loans to related parties	-	-	105,811	-	105,811	6MSIBOR+1.00
Other non-current financial assets	-	-	-	8	8	-
	<u>1,160</u>	<u>-</u>	<u>106,695</u>	<u>2,688</u>	<u>110,543</u>	
Financial liabilities						
Short-term loans from financial institutions	764	-	-	-	764	2.67 - 2.88
Trade and other payables	-	-	-	530	530	-
Lease liabilities	30	63	-	-	93	0.27 - 22.37
Other current financial liabilities	-	-	-	4	4	-
						3MTHBFIX+1.95, 5.50, 3MBAYBIBOR+
Long-term loans	48	47	816	-	911	2.22
	<u>842</u>	<u>110</u>	<u>816</u>	<u>534</u>	<u>2,302</u>	

(Unit: Million Baht)

Consolidated financial statements

As at 31 December 2020

	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Interest rate (% per annum)
	Within 1 year	1 - 5 years				
Financial assets						
Cash and cash equivalents	333	-	316	184	833	0.01 - 5.50
Trade and other receivables	-	-	-	936	936	-
Other current financial assets	550	-	-	1	551	0.50 - 0.63
Restricted bank deposits	151	-	-	-	151	0.20 - 5.50
Other non-current financial assets	-	-	-	8	8	-
	<u>1,034</u>	<u>-</u>	<u>316</u>	<u>1,129</u>	<u>2,479</u>	
Financial liabilities						
Short-term loans from financial institutions	977	-	-	-	977	1.78 - 2.75
Short-term loans	17	-	-	-	17	2.00
Trade and other payables	-	-	-	481	481	-
Lease liabilities	24	61	-	-	85	0.27 - 22.37
Other current financial liabilities	-	-	-	19	19	-
						3MTHBFIX+1.95, MLR-1.25, 5.50
Long-term loans	30	97	540	-	667	
	<u>1,048</u>	<u>158</u>	<u>540</u>	<u>500</u>	<u>2,246</u>	

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2021						
Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate	(% per annum)
Within 1 year	1 - 5 years					
Financial assets						
Cash and cash equivalents	50	-	747	77	874	0.01 - 0.40
Trade and other receivables	-	-	-	323	323	-
Other current financial assets	550	-	-	-	550	0.45 - 0.55
Long-term loans to related party	-	-	105,811	-	105,811	6MSIBOR+1.00
Other non-current financial assets	-	-	-	4	4	-
	<u>600</u>	<u>-</u>	<u>106,558</u>	<u>404</u>	<u>107,562</u>	
Financial liabilities						
Trade and other payables	-	-	-	54	54	-
Lease liabilities	11	35	-	-	46	1.66 - 22.37
Other current financial liabilities	-	-	-	1	1	-
	<u>11</u>	<u>35</u>	<u>-</u>	<u>55</u>	<u>101</u>	

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2020						
Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate	(% per annum)
Within 1 year	1 - 5 years					
Financial assets						
Cash and cash equivalents	-	-	96	182	278	0.01 - 0.38
Trade and other receivables	-	-	-	186	186	-
Other current financial assets	550	-	-	-	550	0.50 - 0.63
Other non-current financial assets	-	-	-	4	4	-
	<u>550</u>	<u>-</u>	<u>96</u>	<u>372</u>	<u>1,018</u>	
Financial liabilities						
Trade and other payables	-	-	-	33	33	-
Lease liabilities	9	28	-	-	37	5.12 - 5.28
Other current financial liabilities	-	-	-	1	1	-
	<u>9</u>	<u>28</u>	<u>-</u>	<u>34</u>	<u>71</u>	

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates on that portion of floating rate loans to and loans from affected as at 31 December 2021 and 2020, with all other variables held constant.

Currency	2021		2020	
	Increase (decrease)	Effect on profit before tax	Increase (decrease)	Effect on profit before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
Baht	0.5	(4,079)	0.5	(2,697)
Baht	(0.5)	4,079	(0.5)	2,697

Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of bank overdrafts, loans from financial institutions and lease contracts. The Group has liquidity risk management policy, which must be approved by the Group's management or the Board of Directors, to ensure that the Group maintains sufficient future cash flows for its business activities. By using cash flow projections, these reports will be used to monitor and control liquidity risks. The Group also determined the liquidity ratio at appropriate level. In addition, there is supervision and monitoring of the net cash flow in each interval to ensure that the Group can manage liquidity risk effectively.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments 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	Total
Non-derivatives			
Short-term loans from financial institutions	763,613	-	763,613
Trade and other payables	529,812	-	529,812
Lease liabilities	34,163	67,842	102,005
Long-term loans	291,898	619,742	911,640
Other current financial liabilities	4,472	-	4,472
Total non-derivatives	1,623,958	687,584	2,311,542
Derivatives			
Derivative liabilities: net settled	106	-	106
Total	106	-	106

(Unit: Thousand Baht)

Separate financial statements

As at 31 December 2021

	Less than 1 year	1 to 5 years	Total
Non-derivatives			
Trade and other payables	53,680	-	53,680
Lease liabilities	13,646	38,712	52,358
Other current financial liabilities	939	-	939
Total non-derivatives	68,265	38,712	106,977
Derivatives			
Derivative liabilities: net settled	106	-	106
Total derivatives	106	-	106

(Unit: Thousand Baht)

Consolidated financial statements

As at 31 December 2020

	Less than 1 year	1 to 5 years	Total
Non-derivatives			
Short-term loans from financial institutions	977,306	-	977,306
Short-term loans	17,429	-	17,429
Trade and other payables	481,144	-	481,144
Lease liabilities	26,751	66,879	93,630
Long-term loans	190,300	476,838	667,138
Other current financial liabilities	19,022	-	19,022
Total non-derivatives	1,711,952	543,717	2,255,669
Derivatives			
Derivative liabilities: net settled	100	-	100
Total	100	-	100

(Unit: Thousand Baht)

Separate financial statements

As at 31 December 2020

	Less than 1 year	1 to 5 years	Total
Non-derivatives			
Trade and other payables	33,293	-	33,293
Lease liabilities	10,605	31,380	41,985
Other current financial liabilities	994	-	994
Total non-derivatives	44,892	31,380	76,272
Derivatives			
Derivative liabilities: net settled	100	-	100
Total derivatives	100	-	100

42.3 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturities, including cash and cash equivalents, trade and other accounts receivable, accounts payable and short-term loans from financial institutions, the carrying amounts in the statement of financial position approximate their fair value.
- b) The fair value of debt securities is generally derived from quoted market prices or by using the yield curve announced by the Thai Bond Market Association or by other relevant bodies.
- c) The fair value of fixed rate long-term loans is estimated by discounting expected future cash flow by the current market interest rate of loans with similar terms and conditions.
- d) The carrying amounts of long-term loans carrying interest at rates approximating the market rate, in the statement of financial position approximates their fair value.
- e) The fair value of derivatives has been determined using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies, interest rate yield curves and commodity price yield curves. The Group considers counterparty credit risk when determining the fair value of derivatives

During the current year, there were no transfers within the fair value hierarchy.

43. 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 maximise shareholder value. As at 31 December 2021, the Group's debt-to-equity ratio was 0.59:1 (2020: 0.54:1) and the Company's debt-to-equity ratio was 0.06:1 (2020: 0.05:1).

44. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 23 February 2022.

PART 4 : CERTIFICATION OF THE ACCURACY OF INFORMATION

The Company has thoroughly examined the information contained in this Annual Report. The Company hereby certify that such information is correct and complete, and that the same is not false, misleading or missing any material statement that ought to be declared. Additionally, the Company hereby certify that:



(1) The financial statements and financial information referred to in this Annual Report have shown the financial status, the operational performance and the cash flow of the Company and the subsidiaries correctly and completely in all material respects;

(2) The Company responsible for providing good information disclosure system to ensure that the Company has accurately and completely disclosed material information, both of the Company and the subsidiaries, including supervising to ensure compliance with such system;

(3) The Company responsible for providing good internal control system and supervising to ensure compliance with such system. The Company also reported the information on evaluation of the internal control system on February 23, 2022 to the auditor and the Audit Committee of the Company, including substantial faults and changes in the internal control system as well as improper act which may affect the preparation of the financial reports of the Company and the subsidiaries.

In this respect, as evidence that all documents are the same documents the Company has certified, the Company has authorized Mrs. Petcharat Chayanon, Chief Officer-Accounting and Finance, to sign an initial of signature on every page of the documents. If any document does not bear an initial of signature of Mrs. Petcharat Chayanon, Chief Officer-Accounting and Finance, the Company shall not regard that such information has been certified by the Company.

Name	Position	Signature
(1) Mr. Srihasak Arirachakaran	Director	
(2) Mr. Anun Louharanoo	Director	

Name	Position	Signature
Attorney-In-Fact: Mr. Saharat Vatanatumrak	Chief Officer-Operation and Company Secretary	
Attorney-In-Fact: Mrs. Petcharat Chayanon	Chief Officer-Accounting and Finance	

ATTACHMENT 1 DETAILS OF DIRECTORS, EXECUTIVES, CONTROLLING PERSONS, THE PERSON TAKING THE HIGHEST RESPONSIBILITY IN ACCOUNTING AND FINANCE, PERSON SUPERVISING ACCOUNTING AND COMPANY SECRETARY



Mr. Vanchai Tosomboon

Positions: Chairman of the Board, Authorized Director and Nomination and Remuneration Committee Member

Age: 72 years

Nationality: Thai

Education

- Master in Business Management, Asian Institute of Management
- Bachelor of Law, Thammasat University
- Certificate: Thai Institute of Directors Association
Director Certification Program (DCP) Class 7/2001
Director Accreditation Program (DAP) Class 7/2004
Advanced Audit Committee Program (AAP) Class 19/2015
Corporate Governance for Capital Market Intermediaries (CGI) Class 10/2015
Board Nomination and Compensation Program (BNCP) Class 9/2020
- Certificate: Managing Corporate Resources
Institute of Management Development (IMD), Switzerland, 2000
- Certificate: Breakthrough Program for Senior Executives
Institute of Management Development (IMD), Switzerland, 2002
- Certificate: Senior Management Program
Institute of Management Development (IMD), Switzerland, 2006

Date of Appointment: April 21, 1999

Period of Directorship: Holding Director Position since 1999 until present for a total of 22 years and 8 months.

Shareholding in the Company as at December 31, 2021: 560,000 shares or 0.107 percent of all shares with voting rights

Direct and indirect interest in any of business with Company and its subsidiaries: None

Family Relationship with Executives: None

Number of Director Positions in other Business

- Listed Company – 1 Company
- Non-Listed Company – 2 Companies

Past 5-Year Work Experience:

2015-Present: Director, Chip Mong Insee Cement Corporation (Cambodia)
2014-Present: Independent Director and Audit Committee Member, Krungsri Securities Public Co., Ltd
2014-Present: Director of Nomination and Compensation Committee, Siam City Cement Public Co., Ltd.
2004-Present: Director, Siam City Cement Public Co., Ltd.
2012-Mar. 2021: Consultant, Siam City Cement Public Co., Ltd.
2014-2020: Director of Governance, Risk and Compliance Committee, Siam City Cement Public Co., Ltd.
2017-2019: Director, Siam City Cement (Vietnam) Limited (Registered in Vietnam)
2016-2019: Director, Siam City Cement (Lanka) Limited (Registered in Sri Lanka)
2004-2011: Director and Executive Vice President (Saraburi Operation), Siam City Cement Public Co., Ltd.
2002-2016: Director, Conwood Co., Ltd.
2004-2005: Chairman of the Board, Karat Faucet Co., Ltd.
1999-2005: Managing Director and Chairman of Executive Board, Royal Porcelain Public Co., Ltd.
1999-2004: Managing Director, Diamond Roofing Tiles Public Co., Ltd.



Mr. Kraisi Sirirungsi

Positions: Vice Chairman, Authorized Director,
Nomination and Remuneration Committee Chairman, and
Management Advisor

Age: 71 years

Nationality: Thai

Education

- Bachelor of Engineering, Mining Engineering, Chulalongkorn University
- Certificate: Thai Institute of Directors Association
Director Accreditation Program (DAP) Class 39/2005
- The National Defence Course for the Joint State-Private Sectors Class 4212
Thailand National Defence College Year 1999

Date of Appointment: October 2, 1985

Period of Directorship: Holding Director Position since 1985 until present for a total of 36 years and 3 months.

Shareholding in the Company as at December 31, 2021: 9,697,781 shares or 1.847 percent of all shares with voting rights

Direct and indirect interest in any of business with Company and its subsidiaries: None

Family Relationship with Executives: None

Number of Director Positions in other Business

- Listed Company – 1 Company
- Non-Listed Company – 6 Companies

Past 5-Year Work Experience:

2020-Present: Chairman and Authorized Director, SRT Power Pellet Co., Ltd. (Subsidiary)
2016-Present: Chairman and Authorized Director, Lanna Power Generation Co., Ltd. (Subsidiary)
2008-Present: Commissioner, PT. Singlurus Pratama, (Subsidiary)
2006-Present: President Commissioner, PT. Lanna Power Indonesia, (Subsidiary)
2003-Present: Director and Vice Chairman, Thai Agro Energy Public Co., Ltd., (Subsidiary)
1998-Present: Commissioner, PT. Lanna Harita Indonesia, (Subsidiary)
1996-Present: Director, United Bulk Shipping Pte.Ltd. (Associated Company)
2001-2015: Chief Executive Officer, Lanna Resources Public Co., Ltd.
1998-2003: President, PT. Lanna Harita Indonesia (Subsidiary)



Mr. Paul Heinz Hugentobler

Position: Director
Age: 72 years
Nationality: Swiss

Education

- Master Degree: Graduate School of Economics and Business of St. Gallen, Switzerland
- B.Sc. in Civil Engineering, Swiss Federal Institute of Technology, Zurich, Switzerland
- Certificate: International Senior Management Program, Harvard Business School
- Certificate: Leading from the Chair, INSEAD, Fontainebleau, France, 2015

Date of Appointment: April 26, 2000

Period of Directorship: Holding Director Position since 2000 until present for a total of 21 years and 8 months.

Shareholding in the Company as at December 31, 2021: None

Direct and indirect interest in any of business with Company and its subsidiaries: None

Family Relationship with Executives: None

Number of Director Positions in other Business

- Listed Company – 1 Company
- Non-Listed Company – 1 Company

Past 5-Year Work Experience:

2017-Present: Chairman, Siam City Cement Public Co., Ltd.
2014-Present: Nomination and Remuneration Committee Chairman, Siam City Cement Public Co., Ltd.
2007-Present: Commissioner, PT. Lanna Power Indonesia (Subsidiary company)
2017-2019: Chairman, Siam City Concrete Co., Ltd.
2017-2019: Chairman, Siam City Cement (Vietnam) Limited
2017-2019: Chairman, Siam City Cement Trading Co., Ltd.
2016-2019: Chairman, Siam City Cement (Bangladesh) Limited
2016-2019: Chairman, Siam City Cement (Lanka) Limited
2015-2019: Director, Chip Mong Insee Cement Corporation Limited
2014-2017: Director of Governance Risk and Compliance Committee, Siam City Cement Public Co., Ltd.
2001-2017: Vice Chairman, Siam City Cement Public Co., Ltd.
2014-2016: Director, Insee Digital Co., Ltd.
2012-2016: Director, Conwood Co., Ltd.
2011-2012: Chairman, Conwood Co., Ltd.
2011-2016: Director, Siam City Concrete Co., Ltd.



Mr. Siva Mahasandana

Position: Director
Age: 59 years
Nationality: Thai

Education

- MBA Finance and Investment, The George Washington University, USA
- Bachelor of Mechanical Engineering, Chulalongkorn University
- Advance Management Program, Harvard Business School, USA
- Certificate: Thai Institute of Directors Association
Director Certification Program (DCP), Class 206/2015
Corporate Governance for Executive (CGE), 2015
Role of the Chairman Program (RCP), 2018
- Certificate: Senior Management Program
Institute of Management Development (IMD), Switzerland, 2005
- Certificate: Senior Leadership Program
Institute of Management Development (IMD), Switzerland, 2007
- Top Executive Program: Thailand Energy Academy , Class TEA7, 2015

Date of Appointment: April 25, 2016

Period of Directorship: Holding Director Position since 2016 until present for a total of 5 years and 8 months

Shareholding in the Company as at December 31, 2021: None

Direct and indirect interest in any of business with Company and its subsidiaries: None

Family Relationship with Executives: None

Number of Director Positions in other Business

- Listed Company – 1 Company
- Non-Listed Company – 5 Companies

Past 5-Year Work Experience:

2019-Present: Chairman and Chief Executive Officer, Siam City Power Co., Ltd.
2017-Present: Director, Siam City Concrete Co., Ltd.
2016-Present: Director, Insee Digital Co., Ltd.
2017-Present: Director, Siam City Cement (Vietnam) Limited (Registered in Vietnam)
2017-Present: Director, Siam City Cement Trading Co., Ltd.
2019-Present: Member of the Executive Committee, Siam City Cement Public Co., Ltd.
2016-Present: Director and Chief Executive Officer, Siam City Cement Public Co., Ltd.
2019-Nov. 2021: Chief Executive Officer, Globe Cement Co., Ltd.
2016-Nov. 2021: Chairman, Globe Cement Co., Ltd.
2016-2020: Chairman, Insee Superblock Co., Ltd.
2016-2019: Chairman, Insee Ecocycle Co., Ltd.
2015-2020: Chairman, PT Conwood Indonesia Co., Ltd. (Registered in Indonesia)
2015-2020: President, Conwood Co., Ltd.
2016-2019: Director, Siam City Cement (Lanka) Limited(Registered in Sri Lanka)
2016-2019: Chairman, Siam City Cement (Bangladesh) Limited(Registered in Bangladesh)
2015-2017: Chairman, Insee Digital Co., Ltd.
2015-2016: Chairman, Siam City Concrete Co., Ltd.
2015-2016: Deputy Chief Executive Officer and Senior Vice President (Marketing and Sales), Siam City Cement Public Co., Ltd.
2012-2015: Senior Vice President (Saraburi Operation), Siam City Cement Public Co., Ltd.



Mr. Mark Anatol Schmidt

Position: Director
Age: 51 years
Nationality: Swiss

Education

- MBA, Finance, Fribourg University, Switzerland
- Swiss Certified Accountant, Expert Suisse, Zurich, Switzerland
- Advanced Management Program, Harvard Business School, Cambridge, USA
- Certificate: Thai Institute of Directors Association
Director Accreditation Program (DAP), Class 166/2019
- The Stock Exchange of Thailand
E-Learning CFO's Orientation Program, 2019
E-Learning CFO's Refresh Course, 2021
- Certificate: Managing Safely, IOSH, 2016
- Certificate: Holcim Future Leadership Course
Institute of Management Development (IMD), Lausanne, Switzerland, 2015
- Certificate: Learn Management, LEAN Institute, Brazil, 2014
- Certified Public Accountant Examination, State Accountancy Board, Wilmington, USA, 2014

Date of Appointment: March 2, 2021

Period of Directorship: Holding Director Position since 2021 until present for a total of 10 months

Shareholding in the Company as at December 31, 2021: None

Direct and indirect interest in any of business with Company and its subsidiaries: None

Family Relationship with Executives: None

Number of Director Positions in other Business

- Listed Company – 1 Company
- Non-Listed Company – 5 Companies

Past 5-Year Work Experience:

2019-Present: Member of Group Executive Committee – Group Chief Financial Officer (Group CFO),
Siam City Cement Public Co., Ltd.

2019-Present: Chairman, Insee Digital Co., Ltd.

2019-Present: Commissioner, PT Conwood Indonesia Co., Ltd. (Registered in Indonesia)

2019-Present: Director, Conwood Co., Ltd.

2019-Present: Director, Siam City Cement (Vietnam) Limited (Registered in Vietnam)

2019-Present: Director, Siam City Cement (Bangladesh) Limited (Registered in Bangladesh)

2019-Feb. 2021: Director, Siam City Cement (Lanka) Limited (Registered in Sri Lanka)

2015-2019: Chief Financial Officer, Holcim Indonesia (Registered in Indonesia)

2014-2015: Chief Financial Officer, Holcim Brazil (Registered in Brazil)

2010-2014: Head Corporate Holding, Holcim Group Services Limited (Switzerland) (Registered in Switzerland)



Mr. Visit Tantisunthorn

Position: Director

Age: 62 years

Nationality: Thai

Education

- MBA, University of Wisconsin-Madison
- B.A. (Statistics), Commerce and Accountancy, Chulalongkorn University
- Certificate: Thai Institute of Directors Association
Director Certification Program (DCP), Class 17/2001
- The National Defence Course for the Joint State-Private Sectors, Thailand National Defence College, 2004
- Capital Market Academy Course (CMA), Class 3
- King Prajadhipok's Institute Course, Class 5

Date of Appointment: December 19, 2000

Period of Directorship: Holding Director Position since 2000 until present for a total of 21 years

Shareholding in the Company as at December 31, 2021: 6,430,500 shares or 1.225 percent of all shares with voting rights

Direct and indirect interest in any of business with Company and its subsidiaries: None

Family Relationship with Executives: None

Number of Director Positions in other Business

- Listed Company – None
- Non-Listed Company – 1 Company

Past 5-Year Work Experience:

2014-Present: Director, True Visions Group Co., Ltd.

2015-2020: Independent Director and Audit Committee Chairman, Nok Airlines Public Co., Ltd.

2015-2018: Chairman, Thailand Management Association

2006-2009: Director, IRPC Public Co., Ltd.

2005-2009: Chairman, Royal Porcelain Public Co., Ltd.

2001-2009: Secretary General, Government Pension Fund

2001-2009: Director, Tippaya Insurance Public Co., Ltd.

1998-2001: Last Position: Deputy Chairman, Grammy Entertainment Public Co., Ltd.

1992-1998: Senior Vice President and Regional Director- Investment, American International Assurance Co., Ltd.

1984-1992: Director, Loan Department, Tisco Finance Public Co., Ltd.



Mr. Adul Tantharatana

Positions: Audit Committee Chairman and Independent Director

Age: 81 years

Nationality: Thai

Education

- Bachelor of Engineering (Mechanical), Chulalongkorn University
- Certificates: Thai Institute of Directors Association
Director Accreditation Program (DAP), Class 3/2003
Director Certification Program (DCP), Class 38/2003
Finance for Non-Finance Director (FN), Class 7/2003
Audit Committee Program (ACP), Class 4/2005
DCP Refresher Course (RE DCP), Class 1/2008
Monitoring the System of Internal Control and Risk Management (MIR), Class 14/2013

Date of Appointment as Independent Director: June 21, 1993

Date of Appointment as Audit Committee Chairman: July 14, 2021

Period of Directorship: Holding Independent Director Position since 1993 until present for a total of 28 years and 6 months

Shareholding in the Company as at December 31, 2021: None

Direct and indirect interest in any of business with Company and its subsidiaries: None

Family Relationship with Executives: None

Number of Director Positions in other Business

- Listed Company – None
- Non-Listed Company – None

Past 5-Year Work Experience:

1993-2021: Independent Director and Audit Committee Member, Lanna Resources Public Co., Ltd.

2002-2005: Director, Siam Gypsum Industry Co., Ltd.

1997-2004: Director, Lafarge Prestia Co., Ltd.

1989-1999: Director, Sakdi Chaiyasit Co., Ltd.

1988-1996: President, Siam Industrial Corporation Ltd.



Mrs. Duangkamol Suchato

Positions: Independent Director and Audit Committee Member

Age: 75 years

Nationality: Thai

Education

- B.A. (Accounting), Thammasat University
- Certificate: Thai Institute of Directors Association
Director Accreditation Program (DAP), Class 64/2007
Director Certification Program (DCP), Class 91/2007
Audit Committee Program (ACP), Class 17/2007

Date of Appointment: May 1, 2007

Period of Directorship: Holding Director Position since 2007 until present for a total of 14 years and 8 months.

Shareholding in the Company as at December 31, 2021: 180,000 shares or 0.034 percent of all shares with voting rights

Direct and indirect interest in any of business with Company and its subsidiaries: None

Family Relationship with Executives: None

Number of Director Positions in other Business

- Listed Company – None
- Non-Listed Company – None

Past 5-Year Work Experience:

2007-2011: Independent Director, Royal Porcelain Public Co., Ltd.

2007-2009: Audit Committee Member, Royal Porcelain Public Co., Ltd.

1999-2002: Independent Director and Audit Committee Member, Kohler (Thailand) Public Co., Ltd.

1970-2002: Last Position: Director, Executive Director and Deputy Managing Director, Central Administration Siam City Cement Public Co., Ltd.



Mr. Ralph Robert Tye

Positions: Independent Director and Audit Committee Member

Age: 63 years

Nationality: Thai

Education

- Master of Commerce in Accounting, University of Auckland, New Zealand
- Master of Business Administration in Finance, Thammasat University
- Bachelor of Commerce in Accounting, University of Auckland New Zealand

Professional Qualifications

- Chartered Accountant Australia and New Zealand and Cost and Management Accountant of the Institute of Chartered Accountants of New Zealand
- Member of Thailand Federation of Accounting Professions under the Royal Patronage of His Majesty the King
- Fellow Member of Thai Institute of Directors Association
- Certificates: Thai Institute of Directors Association
Directors Certification Program (DCP), Class 266/2018
Diploma Examination, Class 67/2018
Advanced Audit Committee Program (AACP), Class 32/2019
Strategic Board Master Class (SMB), Class 6/2019
Boards that Make a Difference (BMD), Class 9/2019
National Director conference (1-10), 2021
- Audit Committee Meeting of Listed Companies, the Securities and Exchange Commission (SEC), 2021

Date of Appointment: June 22, 2021

Period of Directorship: Holding Independent Director Position and Audit Committee Member since 2021 until present for a total of 6 months.

Shareholding in the Company as at December 31, 2021: None

Direct and indirect interest in any of business with Company and its subsidiaries: None

Family Relationship with Executives: None

Number of Director Positions in other Business

- Listed Company – None
- Non-Listed Company – None

Past 5-Year Work Experience:

1981-2018: Senior Audit Partner, EY Office Limited

2000-2017: Assurance Market Leader and Japanese Business Service Leader, EY Office Limited

2000-2006: Country Independence Leader, EY Office Limited

2019-2020: Director and Audit Committee Member, Bangkok Ranch Public Co., Ltd.

2008-2011: Guest Speaker, Master of Accountancy Program, Chulalongkorn University

2009-2010: Guest Speaker, Master of Accountancy Program, Chiang Mai University

2000-2002: Audit Committee Member, Royal Bangkok Sports Club



Mr. Tanon Tantisunthorn

Position: Independent Director

Age: 49 years

Nationality: Thai

Education

- Master of Science (Management), New York University
- MBA Finance, American University
- Bachelor of Engineering (Environmental), Chulalongkorn University
- Certificate: Thai Institute of Directors Association
Director Certification Program (DCP), Class 56/2005
- Training Course on Administrative Justice for Executives, Class 3, Administrative Court, 2012
- Leadership Program, Class 21, The Capital Market Academy, 2015
- Rule of Law for Democracy, Class 8, College of the Constitutional Court, 2020

Date of Appointment: April 22, 2003

Period of Directorship: Holding Director Position since 2003 until present for a total of 18 years and 8 months.

Shareholding in the Company as at December 31, 2021: None

Direct and indirect interest in any of business with Company and its subsidiaries: None

Family Relationship with Executives: None

Number of Director Positions in other Business

- Listed Company – None
- Non-Listed Company – None

Past 5-Year Work Experience:

2016-Present: Executive Vice President, Gulf Energy Development Public Co., Ltd.

2003-2021: Director, Lanna Resources Public Co., Ltd.

2016-2019: First Senior Vice President, Gulf Energy Development Public Co., Ltd

2007-2018: Executive Vice President, Office of Chief Executive Officer, Gulf JP Co., Ltd.

2006-2007: Assistant secretary to Finance Minister, Ministry of Finance

2005-2006: Business Development Manager, Gulf Electric Public Co., Ltd.

2001-2005: Member of the House of Representative, Tak Province

1997-2000: Director, Fiscal Policy Office, Ministry of Finance



Mr. Anun Louharano

Positions: Director, Authorized Director, Risk Management Committee Chairman, Nomination and Remuneration Committee Member, and Financial Advisor
Age: 68 years
Nationality: Thai

Education

- B.A. (Accounting), Thammasat University
- B.A. (Law), Thammasat University
- Certificate: Thai Institute of Directors Association
Director Accreditation Program (DAP), Class 1/2003
Director Certification Program (DCP), Class 29/2003
Audit Committee Program (ACP), Class 2/2004
DCP Refresh Course (RE DCP), 2/2006
Improving the Quality of Financial Reporting (QFR), Class 2/2006
Monitoring the Internal Audit Function (MIA), Class 1/2007
Monitoring the System of Internal Control and Risk Management (MIR), Class 1/2007
Corporate Governance Workshop Board Performance Evaluation, 2007
Role of Compensation Committee Program (RCC), Class 7/2008
R-ACF Audit Committee Forum (R-ACF 1/2016)
Board Nomination and Compensation Program (BNCP), Class 10/2020
- The Stock Exchange of Thailand:
CG Forum 4/2014: Performance Assessment of the Board of Directors and Remuneration of Directors Forum
CG Forum 1/2015: CG in Substance, Corporate Culture and Corporate Governance
CG Forum 3/2015: Risk Oversight: High Priority Roles of the Board
Responsibilities of Directors and the Management in Internal Control, 2015
M&A and Directors' Duties, 2015
CFO in the New Financial World by the Securities and Exchange Commission, 2015

Date of Appointment: October 2, 1985

Period of Directorship: Holding Director Position since 1985 until present for a total of 36 years and 3 months.

Shareholding in the Company as at December 31, 2021: 1,380,587 shares or 0.263 percent of all shares with voting rights

Direct and indirect interest in any of business with Company and its subsidiaries: None

Family Relationship with Executives: None

Number of Director Positions in other Business

- Listed Company – 2 Companies
- Non-Listed Company – 5 Companies

Past 5-Year Work Experience:

2020-Present: Director and Authorized Director, SRT Power Pellet Co., Ltd. (Subsidiary)
2016-Present: Director and Authorized Director, Lanna Power Generation Co., Ltd. (Subsidiary)
2008-Present: Director, PT. Singlurus Pratama (Subsidiary)
2006-Present: Commissioner, PT. Power Indonesia (Subsidiary)
2005-Present: Independent Director, Audit Committee Member and Nomination and Remuneration Committee Member, Diamond Building Products Public Co., Ltd.
2003-Present: Director, Nomination and Remuneration Committee Member and Authorized Director, Thai Agro Energy Public Co., Ltd. (Subsidiary)
1998-Present: Director, PT. Lanna Harita Indonesia (Subsidiary)
Jan. 1-Dec. 31 2019: Acting Chief Executive Officer, Thai Agro Energy Public Co., Ltd. (Subsidiary)
2012-2018: Independent Director and Audit Committee Chairman, TCM Corporation Public Co., Ltd.
2001-2015: Chief Financial Officer and Company Secretary, Lanna Resources Public Co., Ltd.



Mr. Srihasak Arirachakaran

Positions: Chief Executive Officer, Director, Authorized Director, Corporate Governance Committee Chairman, Risk Management Committee Deputy Chairman, and Nomination and Remuneration Committee Member

Age: 62 years

Nationality: Thai

Education

- Ph.D., Petroleum Engineering, University of Tulsa, Oklahoma, U.S.A
- M.Sc., Petroleum Engineering, University of Tulsa, Oklahoma, U.S.A
- B.Sc., Petroleum Engineering (with honor) University of Tulsa, Oklahoma, U.S.A
- Certificate: Thai Institute of Directors Association
 - Director Accreditation Program (DAP), Class 107/2014
 - Director Certification Program (DCP), Class 198/2014
 - How to Develop a Risk Management Plan (HRP), Class 6/2014
 - Anti-Corruption Seminar Class 1/2015 “400 Companies Fighting Systemic Corruption”
 - The Power of Culture: From Performance Culture to Winning Culture, 2016
 - Board that Make a Difference (BMD), Class 5/2017
 - Strategic Board Master Class (SBM), Class 4/2018
 - Corporate Governance for Executive (CGE), Class 15/2019
 - Chairman Forum 2019: “Successful Corporate Culture Change from Policy to Practices”
 - Director Briefing: Boardroom Transformation, 2019
 - IOD National Director Conference 2019: Board of the Future
 - Risk Management for Corporate Leaders (RCL), 20/2020
 - Chairman Forum: Chairing a Virtual Board Meeting, 2021
 - Director Briefing 1/2021: Governing in Tomorrow’s World, 2021
 - Director Forum: 1/2021: GRC Through the Perfect Storm, 2021
 - Director Refreshment Training Program, 2021
 - Director’s Briefing 5/2021: Roadmap and Action Plan for a Pandemic World, 2021
 - IOD National Director Conference 2021: Leadership Behind Closed Door, 2021
 - Successful Formulation & Execution of Strategy, 2021
- Capital Market Academy:
 - Leadership Program Class 26, 2018
 - Thailand Import Export Data and Economic Outlooks, 2019
- Thai Listed Company Association:
 - CEO and IR Talk, Thai Listed Company Association, 2018
 - TIIP Open House “U.S.-China Trade War: Impact on Thailand”, 2019

- The Stock Exchange of Thailand:
 - CEO Club 2019 “Business Agility and Intrapreneurship”, 2019
 - CEO Club 2019 “Global Risks-What are the Implications for your Business”, 2019
 - 2021 Content & Communication Trend, 2021
 - CEO Club 1/2021 “International Trade Disputes Risks”, 2021
 - CEO Club 2/2021 “Biotechnology Expanding Business in the New S-Curve”, 2021
- Other courses:
 - Operating Transparency Business in Asia, CAC, 2016
 - Hongsa Coal-Fired Power Plant Project, Lao Industrial Energy Institute, 2016
 - Exponential Manufacturing Singularity University Thailand Summit 2019, The Federation of Thai Industries, 2019
 - Solar Power Generation System: Solar Rooftop and Solar Floating, Institute of Electrical and Electronics Engineers (IEEE), 2019
 - CEO Insight “A Proven Process for Getting Real Team and Organization Results”, PacRim Group, 2019
 - Translating Strategy into Execution, PacRim Group, 2019
 - The 4 Essential Roles of Leadership, PacRim Leadership Center Co., Ltd., 2020
 - Anti-Corruption, CAC Change Agent Program, CAC, 2021
 - ASEW Webinar Series #8 Renewable Energy for Thailand Data Centers, Electric Vehicle Association of Thailand, 2021
 - BCG Energy, Materials and Chemicals: Challenges & Solution, National Science and Technology Development Agency (NSTDA), 2021
 - Empowering Thai Companies to Win in the Vietnam Market Through M&A, Bangkok Bank Public Co., Ltd., Vietnam Branch, 2021
 - Exclusive Virtual Sharing: Create a Workforce of Self-leaders to Power your Organization, Special Education Advisory Committee (SEAC), 2021
 - Lessons Learned: Application and Practices of Rendanheyi Model in Large and Complex Organizations, Special Education Advisory Committee (SEAC), 2021
 - Management Model Design: How to Improve Your Organization’s Performance From The Core, Special Education Advisory Committee (SEAC), 2021
 - Rebuilding and Rethinking for 2021, Special Education Advisory Committee (SEAC), 2021
 - Executive Briefing LIVE-Online: Executing Your Business Plans amidst Uncertainty, PacRim Group, 2021
 - Exponential Path to Net Zero: Bangchak 100x - 100 Ideas for Sustainable World, Bangchak Corporation Public Co., Ltd., 2021
 - Go Green: Megatrend for a Green World, Krungthep Turakij Media Co., Ltd., 2021
 - The Role of Political Parties in Thailand and their Place in Thai Democracy, Institute for Southeast Asian Studies. (ISEAS), 2021
 - TLCA HU Transformation LAB, PacRim Group, 2021
 - Trade and Development Regional Forum 2021, International Institute for Trade and Development, 2021
 - Webinar series: Challenges in Increasing Share of Renewable Energy in Thailand, Chulalongkorn University, 2021
 - Adaptation of the Thai Industrial Sector in the Era of Energy Transition to Sustainability, Federation of Thai Industries, 2021
 - Ways to Survive Thailand from COVID-19 Crisis, Office of the Election Commission of Thailand (ECT), 2021
 - Thai Power Industry’s Transition towards the Net Zero Goal, Thansettakij Multimedia Co., Ltd., 2021

Date of Appointment: January 1, 2016

Period of Directorship: Holding Director Position since 2016 until present for a total of 6 years.

Shareholding in the Company as at December 31, 2021: 508,010 shares or 0.097 percent of all shares with voting rights

Direct and indirect interest in any of business with Company and its subsidiaries: None

Family Relationship with Executives: None

Number of Director Positions in other Business

- Listed Company – 1 Company
- Non-Listed Company – 6 Companies

Past 5-Year Work Experience:

2020-Present: Director and Authorized Director, SRT Power Pellet Co., Ltd. (Subsidiary)

2016-Present: Director and Acting Managing Director and Authorized Director,
Lanna Power Generation Co., Ltd. (Subsidiary)

2008-Present: President Director, PT. Singlurus Pratama (Subsidiary)

2006-Present: President Director, PT. Lanna Power Indonesia (Subsidiary)

2002-Present: President Director, PT. Lanna Harita Indonesia (Subsidiary)

2015-Present: Director, United Bulk Shipping Pte Ltd. (Associated Company)

2003-Present: Director and Authorized Director, Thai Agro Energy Public Co., Ltd. (Subsidiary)

2008-2015: Director, PT. Singlurus Pratama (Subsidiary)

2006-2015: Director, PT. Lanna Power Indonesia (Subsidiary)

2002-2015: Director, PT. Lanna Harita Indonesia (Subsidiary)

2001-2015: Business Development and Marketing Director, Lanna Resources Public Co., Ltd.



Mr. Saharat Vatanatumrak

Positions: Chief Officer – Corporate, Company Secretary, Risk Management Committee Member, Corporate Governance Committee Member and Secretary, and Nomination and Remuneration Committee Secretary,
Age: 57 years
Nationality: Thai

Education

- Bachelor of Engineering (Electrical Engineering), University of California, Los Angeles (UCLA), USA
- Certificate: Thai Institute of Directors Association
How to Develop a Risk Management Plan (HRP), Class 6/2014
CG Report Assessment Criteria, 2015
CG Report, 2015
Ethical Leadership Program (ELP), Class 5/2016
Enhancing Good Corporate Governance based on CGR Scoreboard, 2016
Seminar on Director Compensation Survey Report, 2016
CGR Workshop 1/2017 “Enhancing Good Corporate Governance based on CGR Scorecard”
Open House for Company Secretary, 2017
Effective Minutes Talking-EMT Class 40/2018
Role of Company Secretary in Shaping Corporate Culture, 2019
Company Secretary Forum, 2021
- The Stock Exchange of Thailand:
CSR Engagement, 2014
CG Forum 1/2016 “Ethics: Conscience on Good Governance Principle”
- Courses related to the duties of Company Secretary
Corporate Secretary Development Program, Chulalongkorn University, 2004
Company Secretary Program (CSP), Class 67/2015, Thai Institute of Director Association, 2015
Board Reporting Program (BRP) Class 20/2016, Thai Institute of Director Association, 2016
Effective Minutes Taking (EMT) Class 40/2018, Thai Institute of Director Association, 2018
- CEO and IR Talk, Thai Listed Company Association, 2018
- Other courses:
Biomass and Waste Conversion Technologies, King Mongkut’s University of Technology North Bangkok, 2008
Thai Intelligent Investors Program Class 18, Thai Investors Association, 2018
The 4 Essential Roles of Leadership, PacRim Leadership Center Co., Ltd., 2020
Anti-Corruption, CAC Change Agent Program, CAC, 2021

Shareholding in the Company as at December 31, 2021: 186,986 shares or 0.036 percent of all shares with voting rights

Direct and indirect interest in any of business with Company and its subsidiaries: None

Family Relationship with Executives: None

Number of Director Positions in other Business

- Listed Company – None
- Non-Listed Company – 5 Companies

Past 5-Year Work Experience:

2020-Present: Director and Authorized Director, SRT Power Pellet Co., Ltd. (Subsidiary)
2016-Present: Director and Authorized Director, Lanna Power Generation Co., Ltd. (Subsidiary)
2015-Present: Director, PT. Lanna Power Indonesia (Subsidiary)
2008-Present: Commissioner, PT. Singlurus Pratama (Subsidiary)
2004-Present: Commissioner, PT. Lanna Harita Indonesia (Subsidiary)
2010-2015: Commissioner, PT. Lanna Power Indonesia (Subsidiary)
2008-2015: Senior Manager, Business Development, Lanna Resources Public Co., Ltd.



Mr. Sudusit Ounsangchan

Positions: Chief Officer - Coal Business Development, Risk Management Committee Member, and Corporate Governance Committee Member
Age: 57 years
Nationality: Thai

Education

- Bachelor of Engineering (Mining Engineering), Chulalongkorn University
- Certificate: Thai Institute of Directors Association
 - Anti-Corruption in Practice, 2015
 - How to Develop a Risk Management Plan (HRP), Class 10/2016
 - Director Accreditation Program (DAP), Class 128/2016
 - Ethical Leadership Program (ELP), Class 24/2021
- The Stock Exchange of Thailand:
 - CSR Engagement, 2014
 - CG Forum 1/2016 “Ethics: Good Governance on Consciousness”, 2016
- Other courses:
 - Creative Thinking and Analysis, The National Institute of Development Administration (NIDA), 2013
 - A Leader with Positive Attitude, People Synergy Co., Ltd., 2015
 - New Power Development Plan (2015-2036) Future of Thailand’s Industry, The Institute of Industrial Energy, 2015
 - Public Hearing Seminar on Coal Fuel Act Draft, Department of Mineral Fuels, 2016
 - Industrial Environmental Management, Technology Promotion Association (Thailand-Japan), 2017
 - Executive Energy Program, Class 3/2017, Federation of Thai Industries, 2017
 - The 4 Essential Roles of Leadership, PacRim Leadership Center Co., Ltd., 2020
 - Anti-Corruption, CAC Change Agent Program, CAC, 2021

Shareholding in the Company as at December 31, 2021: 901 shares or 0.00 percent of all shares with voting rights

Direct and indirect interest in any of business with Company and its subsidiaries: None

Family Relationship with Executives: None

Number of Director Positions in other Business

- Listed Company – 1 Company
- Non-Listed Company – 2 Companies

Past 5-Year Work Experience:

2019-Present: Chairman, ASN Broker Public Co., Ltd.
2017-Present: Director, PT. Singlurus Pratama Co., Ltd. (Subsidiary)
2016-Present: Independent Director and Audit Committee Member, ASN Broker Public Co., Ltd.
2016-Present: Director and Authorized Director, Lanna Power Generation Co., Ltd. (Subsidiary)
2019-2021: Vice Chairman, ASN Broker Public Co., Ltd.
2010-2015: Senior Manager, Core Business Development, Lanna Resources Public Co., Ltd.
2003-2008: Manager, Core Business Development, Lanna Resources Public Co., Ltd.
1997-2002: Manager, Planning, Lanna Resources Public Co., Ltd.
1987-1996: Mining Engineer, Sahakol Engineering Co., Ltd.



Mrs. Petcharat Chayanon

Positions: Chief Officer - Finance and Accounting,
Risk Management Committee Member, and
Corporate Governance Committee Member

Age: 54 years

Nationality: Thai

Education:

- B.A. (Accounting), Thammasat University
- Certificate: Thai Institute of Directors Association
How to Develop a Risk Management Plan (HRP), 10/2016
Anti-Corruption in Practice, 2016
TLCA CFO Professional Development Program (TLCA CFO CPD), 2019
Ethical Leadership Program (ELP) Class 24/2021
- Federation of Accounting Professions Courses:
Financial Reporting Standards: TFRS, 2013
Draft of International Financial Reporting Standards: Financial Instruments, Accounting for Hedging and Rental Contracts, 2013
International Tax Transactions, 2019
CFO Current Issues, 2016
Accounting Executive on Value Added and Sustainability of the Business According to Thailand 4.0 Model, 2018
TFRS Sharing in Practices, 2019
Future of Finance-Digital Disruption, 2019
- The Stock Exchange of Thailand:
Accounting Standards for Financial Instruments..Coming Soon, 2013
Strategic CFO in Capital Markets, 2015
- Thai Listed Companies Association:
CEO in IR Role and His Key Challenges and Breakout session: Group therapy “What has been your Challenges in 2014 and dealing with it”, 2015
Strategic Financial Leadership Program (SFLP), 2018
- Other courses:
The Impact of TFRS9 Reporting on the Organization’s Risk Management, Kasikornbank Public Co., Ltd., 2018
Intensive Taxes Inspecting, Dharmniti Seminar and Training Co., Ltd., 2018
Transfer Pricing Disclosure Form, Revenue Department, 2020
The 4 Essential Roles of Leadership, PacRim Leadership Center Co., Ltd., 2020
Tax Risk Management, Proactive Learning Center, 2020
Anti-Corruption, CAC Change Agent Program, CAC, 2021
Key Important Issues on Corporate Income, Accounting Coach (Thailand) Co., Ltd., 2021
Income Tax Changes and Tax Audit Direction of the Revenue Department, Accounting Coach (Thailand) Co., Ltd., 2021

Shareholding in the Company as at December 31, 2021: 147,659 shares or 0.028 percent of all shares with voting rights

Direct and indirect interest in any of business with Company and its subsidiaries: None

Family Relationship with Executives: None

Number of Director Positions in other Business

- Listed Company – None
- Non-Listed Company – 2 Companies

Past 5-Year Work Experience:

2010-Present: Director, PT. Lanna Power Indonesia (Subsidiary)
2009-Present: Commissioner, PT. Singlurus Pratama (Subsidiary)
2005-2015: Senior Manager - Accounting and Administration, Lanna Resources Public Co., Ltd.



Mr. Vacharachai Nachailert

Positions: Chief Officer - Domestic Marketing,
Risk Management Committee Member, and
Corporate Governance Committee Member

Age: 59 years

Nationality: Thai

Education

- B.A (Political Science), Ramkhamhaeng University
- Certificate: Thai Institute of Directors Association
How to Develop a Risk Management Plan (HRP), Class 9/2016
Anti-Corruption: The Practical Guide (ACPG), Class 42/2017
- Other courses:
Boost Up Inspiration to Success, 2014
A Leader with Positive Attitude, 2015
Modern Supervisor Skills, 2016
The 4 Essential Roles of Leadership, PacRim Leadership Center Co., Ltd., 2020
Anti-Corruption, CAC Change Agent Program, CAC, 2021

Shareholding in the Company as at December 31, 2021: 185,303 shares or 0.035 percent of all shares with voting rights

Direct and indirect interest in any of business with Company and its subsidiaries: None

Family Relationship with Executives: None

Number of Director Positions in other Business

- Listed Company – None
- Non-Listed Company – None

Past 5-Year Work Experience:

2008-2015: Senior Manager - Domestic Coal Sales, Lanna Resources Public Co., Ltd.
1996-2007: Manager-Domestic Coal Sales, Lanna Resources Public Co., Ltd.
1992-1996: Section Head-Coal Sales, Lanna Resources Public Co., Ltd.



Mr. Prasert Promdech

Positions: Chief Officer - International Marketing,
Risk Management Committee Member, and
Corporate Governance Committee Member

Age: 53 years

Nationality: Thai

Education

- MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor of Engineering (Mining Engineering), Chulalongkorn University
- Certificate: Thai Institute of Directors Association
How to Develop a Risk Management Plan (HRP), Class 9/2016
- Other courses:
Coal Trading & Risk Management, Coaltrans Conferences Ltd., Singapore, 2014
24th Coaltrans Asia, Coaltrans Conferences Ltd., 2018
China & International Coal Supply Summit, HIS Global Inc., 2018
17th Coaltrans China 2019, Coaltrans Conferences Ltd., 2019
Trade and Development Regional Forum, International Institute for Trade and Development, 2019
Coaltrans Japan 2019, Coaltrans Conferences Ltd., 2019
The 4 Essential Roles of Leadership, PacRim Leadership Center Co., Ltd., 2020
The Future of Financial System, Krungthep Turakij Media Co., Ltd., 2021

Shareholding in the Company as at December 31, 2021: None

Direct and indirect interest in any of business with Company and its subsidiaries: None

Family Relationship with Executives: None

Number of Director Positions in other Business

- Listed Company – None
- Non-Listed Company – 2 Companies

Past 5-Year Work Experience:

2010-Present: Director, PT. Lanna Power Indonesia (Subsidiary)
2008-Present: Commissioner, PT. Singlurus Pratama (Subsidiary)
2006-2015: Senior Manager - International Coal Sales, Lanna Resources Public Co., Ltd.
2000-2004: Chief Coal Transshipment, PT. Lanna Harita Indonesia (Subsidiary)



Mr. Bandhit Ngarmkum

Positions: Chief Officer - Renewable Energy Business Development

Age: 54 years

Nationality: Thai

Education

- Bachelor of Engineering (Electrical Engineering), King Mongkut's Institute of Technology Ladkrabang
- Thai Listed Company Association:
Executive Development Program (EDP), Class 12/2012
- Other courses:
Anti-Corruption, CAC Change Agent Program, CAC, 2021
Creating Agile Enterprise Architecture Intensive, Thai Digital Technology User Group Association, 2021

Shareholding in the Company as at December 31, 2021: None

Direct and indirect interest in any of business with Company and its subsidiaries: None

Family Relationship with Executives: None

Number of Director Positions in other Business

- Listed Company – None
- Non-Listed Company – None

Past 5-Year Work Experience:

2020-Present: Chief Executive Officer, SRT Power Pellet Co., Ltd. (Subsidiary)

2018-2019: Senior Production Manager – Siam City Cement Public Co., Ltd.



Mr. Yongyut Choochua

Position: Deputy Chief Officer - International Marketing

Age: 51 years

Nationality: Thai

Education

- MBA, Logistics Management, Ramkhamhaeng University
- Bachelor of Commercial Navigation, Maritime Navigation, Merchant Marine Training Centre
- Certificate: Thai Institute of Directors Association
Ethical Leadership Program (ELP), Class 23/2021
- Other courses:
Marine and Transportation Insurance, Transportation Institute, Chulalongkorn University, 2004
BIMCO Asia Shipping School, The Baltic International Maritime Council, Singapore, 2006
Transportation Laws and Regulations, Transportation Institute, Chulalongkorn University, 2006
Advanced Bill of Lading, IBC Asia(S) Pte Ltd. (Hong Kong), 2010
Financial Management for Executives, Sasin Graduate Institute of Business Administration, Chulalongkorn University, 2010
Coal Trading & Risk Management, Coaltrans Conferences Ltd., Singapore, 2014
24th Coaltrans Asia, Coaltrans Conferences Ltd., 2018
China & International Coal Supply Summit, HIS Global Inc., 2018
17th Coaltrans China 2019, Coaltrans Conferences Ltd., 2019
Chief Transformation Officer (CTO), for high level executives (CEO or C-Level), MAI and MAI Listed Companies Association, 2019
Emerging Asian Coal Market 2019, Coaltrans Conferences Ltd., 2019
The 4 Essential Roles of Leadership, PacRim Leadership Center Co., Ltd., 2020
Anti-Corruption, CAC Change Agent Program, CAC, 2021

Shareholding in the Company as at December 31, 2021: 147,600 shares or 0.028 percent of all shares with voting rights

Direct and indirect interest in any of business with Company and its subsidiaries: None

Family Relationship with Executives: None

Number of Director Positions in other Business

- Listed Company – None
- Non-Listed Company – 1 Company

Past 5-Year Work Experience:

2017-Present: Director, PT. Lanna Power Indonesia (Subsidiary)
2016-2017: Senior Manager, Shipping and Administration, Lanna Resources Public Co., Ltd.
2012-2013: Deputy General Manager, Thoresen (Bangkok) Co., Ltd.
2010-2012: Operations Senior Manager, Thoresen (Bangkok) Co., Ltd.

ATTACHMENT 2

DETAILS ON THE DIRECTORS OF THE SUBSIDIARY COMPANIES

Positions of the Company's Executives in the Subsidiary, Associated and Related Companies as at December 31, 2021

Executive Name	Lanna Resources Public Co., Ltd.	Subsidiary Company						Associated Company		Other Related Companies
		1	2	3	4	5	6	1	2	
(1) Mr. Vanchai Tosomboon	X	-	-	-	-	-	-	-	-	/
(2) Mr. Kraisi Sirirungsi	/X	/	X	/	/X	X	X	/	-	-
(3) Mr. Paul Heinz Hugentobler	/	-	/	-	-	-	-	-	-	X
(4) Mr. Siva Mahasandana	/	-	-	-	-	-	-	-	-	/
(5) Mr. Mark Anatol Schmidt	/	-	-	-	-	-	-	-	-	-
(6) Mr. Visit Tantisunthorn	/	-	-	-	-	-	-	-	-	-
(7) Mr. Adul Tantharatana	/, XXX	-	-	-	-	-	-	-	-	-
(8) Mrs. Duangkamol Suchato	/, ///	-	-	-	-	-	-	-	-	-
(9) Mr. Ralph Robert Tye	/, ///	-	-	-	-	-	-	-	-	-
(10) Mr. Tanon Tantisunthorn	/	-	-	-	-	-	-	-	-	-
(11) Mr. Anun Louharanoo	/	//	/	//	/	/	-	-	-	-
(12) Mr. Srihasak Arirachakaran	/	XX	XX	XX	/	/	/	/	-	-
(13) Mrs. Petcharat Chayanon	-	-	//	/	-	-	-	-	-	-
(14) Mr. Prasert Promdech	-	-	//	/	-	-	-	-	-	-
(15) Mr. Sudusit Ounsangchan	-	-	-	//	-	/	-	-	-	-
(16) Mr. Vacharachai Nachailert	-	-	-	-	-	-	-	-	-	-
(17) Mr. Saharat Vatanatumrak	-	/	//	/	-	/	/	-	-	-
(18) Mr. Bandhit Ngarmkum	-	-	-	-	-	-	-	-	-	-
(19) Ms. Siriporn Trakoonkitcharoen	-	-	-	-	-	-	-	-	-	-
(20) Mrs. Prapawan Puengpakdee	-	-	-	-	-	-	-	-	-	-
(21) Mr. Nattapon Ngamphol	-	-	-	-	-	-	-	-	/	-
Subsidiary Company	1 = PT. Lanna Harita Indonesia 2 = PT. Lanna Power Indonesia 3 = PT. Singlurus Pratama 4 = Thai Agro Energy Public Co., Ltd. 5 = Lanna Power Generation Co., Ltd. 6 = SRT Power Pellet Co., Ltd.									
Associated Company	1 = United Bulk Shipping Pte. Ltd. 2 = PT. Pesona Khatulistiwa Nusantara									
Related Company	Siam City Cement Public Company Limited, holding 44.99% of paid-up capital in Lanna Resources Public Company Limited									
Remarks:	X = Chairman of the Board or President Commissioner, /X = Vice Chairman, / = Director or Commissioner XX = Executive Chairman or President Director, // = Executive Director XXX = Audit Committee Chairman, /// = Audit Committee Member									

**Information on Directors of the Subsidiary and Associated Companies
as at December 31, 2021**

Executive Name	Subsidiary Company						Associated Company	
	1	2	3	4	5	6	1	2
(1) Mr. Somchit Limwathanagura	-	-	-	/	-	-	-	-
(2) Mr. Padetpai Meekun-iam	-	-	-	/, XXX	-	-	-	-
(3) Mr. Kraisi Sirirungsi	/	X	/	/X	X	X	/	-
(4) Mr. Paul Heinz Hugentobler	-	/	-	-	-	-	-	-
(5) Mr. Somchai Lovisuth	-	-	-	/	-	-	-	-
(6) Mr. Anun Louharanoo	//	/	//	/	/	/	-	-
(7) Mr. Srihasak Arirachakaran	XX	XX	XX	/	/	/	/	-
(8) Mr. Atichart Mongkol	//	-	-	-	-	-	-	-
(9) Mrs. Petcharat Chayanon	-	//	/	-	-	-	-	-
(10) Mr. Saharat Vatanatumrak	/	//	/	-	/	/	-	-
(11) Mr. Panot Charoensuk	-	/	//	-	-	-	-	-
(12) Mr. Thamrong Angsakul	//	-	-	-	-	-	-	-
(13) Mr. Prasert Promdech	-	//	/	-	-	-	-	-
(14) Mr. Sudusit Ounsangchan	-	-	//	-	/	-	-	-
(15) Mr. Yongyut Choochua	-	//	-	-	-	-	-	-
(16) Mr. Supamon Nirathron	-	//	-	-	-	-	-	-
(17) Mr. Nitiphon Saihom	-	-	-	-	/	-	-	-
(18) Mr. Bandhit Ngarmkum	-	-	-	-	-	-	-	-
(19) Ms. Siriporn Trakoonkitcharoen	-	-	-	-	-	-	-	-
(20) Mrs. Prapawan Puengpakdee	-	-	-	-	-	-	-	-
(21) Mr. Nattapon Ngamphol	-	-	-	-	-	-	-	//
(22) Mr. Ludi Prasetyo Hartono	-	-	//	-	-	-	-	-
(23) Mrs. Yocke Kaseger	-	-	X	-	-	-	-	-
(24) Mr. Sonny Susanto	-	-	//	-	-	-	-	-
(25) Mr. Toto Iman Dewanto	-	-	/	-	-	-	-	-
(26) Mr. Hari Harnowo	//	-	-	-	-	-	-	-
(27) Mr. Parasian Simanungkalit, Sh	X	-	-	-	-	-	-	-
(28) Mr. Lee Boon Wah	//	-	-	-	-	-	/	-
(29) Mr. Patrick Ng Bee Soon	-	-	-	-	-	-	X	-
(30) Ms. Ng Bee Bee	/	-	-	-	-	-	/	-
Subsidiary Companies					Associated Company			
1 = PT. Lanna Harita Indonesia 2 = PT. Lanna Power Indonesia 3 = PT. Singlurus Pratama 4 = Thai Agro Energy Public Co., Ltd. 5 = Lanna Power Generation Co., Ltd. 6 = SRT Power Pellet Co., Ltd.					1 = United Bulk Shipping Pte. Ltd. 2 = PT. Pesona Khatulistiwa Nusantara			
Remarks :	X = Chairman of the Board or President Commissioner, /X = Vice Chairman, / = Director or Commissioner XX = Executive Chairman or President Director, // = Executive Director XXX = Audit Committee Chairman, /// = Audit Committee Member							

ATTACHMENT 3

DETAILS OF THE CHIEF OF INTERNAL AUDIT AND CHIEF OF COMPLIANCE

The Audit Committee has approved to appoint Mrs. Wanna Chomkhokkrud as Chief Officer-Internal Audit, having opinion that she possesses the education, work experience and training appropriate and sufficient for such work and duties with effectiveness, having background as follows:

First and Last Name: Mrs. Wanna Chomkhokkrud

Current Position : Chief Officer-Internal Audit Office, Secretary of Audit Committee,
Risk Management Committee Member and Secretary

Age : 56 years

Nationality : Thai

Education : B.A. (Accounting), Ramkhamhaeng University

- Thai Institute of Directors Association Courses
Board Reporting Program (BRP), Class 20/2016
Anti-Corruption in Practice, 2015
How to Develop a Risk management Plan (HRP), Class 6/2014
Tackling Corruption through Public – Private Collaboration, 2014
Effective Minute Taking (EMT) Class 9/2008
Company Secretary Program (CSP), Class 22/2007
Corruption, CAC Change Agent Program organized by the Thailand’s Private Sector Collective Action Coalition Against Corruption (Thai CAC) in 2021
- Stock Exchange of Thailand Courses
Preparation for Internal Audit Office to be listed in the Stock Exchange, 2008
- Thai Institute of Internal Auditors Course: Emerging Identity of Internal Audit, 2014
- Federation of Accounting Professions under the Royal Patronage of His Majesty The King Courses
Federation of Accounting Professions under the Royal Patronage of His Majesty the King: AC Hot Update, New CG for Sustainable Development, 2017
Understanding Important Financial Reporting Standards and the Auditor’s Report, 2019
Corporate Governance Audit, 2019
Risk and Internal Control Club: Practical Issues of the Risk Management and Internal Control System, 2017
Anti-Corruption Working Paper, 2020
Risk Management (Advanced), 2020



Shareholding in Company and Affiliates as at December 31, 2021

- Holding 48,024 shares in Lanna Resources Plc.
or 0.009 percent of all shares with voting right
- Holding 39 shares in Thai Agro Energy Plc. (subsidiary)
or 0.000 percent of all shares with voting right

Family Relationship with Executives: None

Past 5 – Year Work Experience:

2009-2020: Internal Audit Office Manager, Lanna Resources Public Co., Ltd.

2001-2008: Internal Audit Division Supervisor, Lanna Resources Public Co., Ltd.

1992-2000: Accounting Department Manager, Lanna Resources Public Co., Ltd.

- The Audit Committee has duty to consider the independence of the Internal Audit Department as well as to approve for the appointment, removal and transfer of the person in the position of Internal Audit Department Manager responsible for internal audit of the Company.

- Guidelines for the review and evaluation shall be emphasized on creativity and work system improvement. The report that the Internal Audit Department has prepared and agreed by the unit employing such work system shall be considered and approved by the Audit Committee before implementation. Should there be any work system in any unit that needs improvement for better efficiency or more security, it is regarded as the duty of every related unit that to improve or revise the system immediately. The Company regards that such duty is part of the work of such unit which must be accountable and is also part of the annual assessment of the relevant employees.

ATTACHMENT 4

ASSETS USED IN THE BUSINESS OPERATIONS AND ASSETS VALUATION DETAILS

- NONE -

ATTACHMENT 5

CORPORATE GOVERNANCE HANDBOOK (FULL VERSION)

THE COMPANY HAS PREPARED THE CORPORATE GOVERNANCE HANDBOOK (FULL VERSION) AND DISSEMINATED ON THE COMPANY'S WEBSITE (WWW.LANNAR.COM) IN THE PART OF CORPORATE GOVERNANCE UNDER THE TOPIC "CORPORATE GOVERNANCE POLICY"

ATTACHMENT 6 MISCELLANEOUS

REPORT OF THE AUDIT COMMITTEE

(The report can be found on Page 137-139)

AWARDS AND RECOGNITION

PT LANNA HARITA INDONESIA (LHI) – SUBSIDY COMPANY IN INDONESIA



PT Lanna Harita Indonesia (LHI), a subsidy company in Indonesia received the Blue Certificate for Environmental Management for year period 2020-2021 from the Governor of East Kalimantan province with LHI having performed well in its environmental management in accordance with the relevant regulations.



PT Lanna Harita Indonesia (LHI), a subsidy company in Indonesia received the Corporate Social Responsibility award from mayor of Samarinda city with LHI having performed in support Samarinda government's program in Universal Health Coverage for communities.



PT LANNA HARITA INDONESIA (LHI), a subsidy company in Indonesia received the certificate as the compliance tax payer from the tax office of East Kalimantan province for period of year 2021.



PT Lanna Harita Indonesia (LHI), a subsidy company in Indonesia received the Bronze Certificate for coal conservation management from the Minister of Energy and Mineral Resources Republic of Indonesia. LHI having performed well in accordance with the relevant regulations in coal commodity business group of Coal Contract of Work (CCoW) year 2020.

PT SINGLURUS PRATAMA (SGP) – SUBSIDY COMPANY IN INDONESIA



PT Singlurus Pratama (SGP), a subsidy company in Indonesia received the award for COVID-19 prevention and control in the workplace at the Platinum level from The Ministry of Manpower of Indonesia.



PT Singlurus Pratama (SGP), a subsidy company in Indonesia received the award for COVID-19 prevention and control in the workplace at the Platinum level from the Governor of East Kalimantan of Indonesia.



PT Singlurus Pratama (SGP), a subsidy company in Indonesia received the Blue Certificate for Environmental Management Year 2020-2021 from the Governor of East Kalimantan of Indonesia, as the environmental management of coal mines was carried out according to the standard and legal requirements.



PT Singlurus Pratama (SGP), a subsidy company in Indonesia was awarded for having managed their mining operations in compliance with the environmental management standards and relevant laws from the Ministry of Energy and Mineral Resources of Indonesia.

