

# FOR SUSTAINABLE FUTURE



# 2 0 2 2

## ANNUAL REPORT (FORM 56-1 ONE REPORT)



LANNA RESOURCES Public Co., Ltd

## AWARDS AND RECOGNITION

### LANNA RESOURCES PUBLIC COMPANY LIMITED



The Company received two prestigious SET Awards 2022 from the Stock Exchange of Thailand in the category of Business Excellence; the Outstanding Company Performance Awards, and the Outstanding CEO Awards.



The Company was placed in an **“Excellent”** level or 5 stars (★★★★★) for the third consecutive year (2020-2022) with a score of 91%, higher than the previous year with a score of 90% with regard to the assessment of Corporate Governance (“CGR”) Year 2022 by the Thai Institute of Directors Association.



The Company has been assessed for the Annual General Meeting Quality Assessment of the Listed Company (“AGM Checklist”) Year 2022 conducted by the Thai Investors Association, the Company has received an evaluation result in a full score of 100, which was excellent.



The Company received the Sustainability Disclosure Acknowledgement Awards 2022 conducted by the Thaipat Institute, as the Company realizes and gives importance to the dissemination of operating information in addition to financial information, which covers economic, social and environmental or ESG (Environmental, Social, and Governance), which is beneficial to every group of stakeholders and the development of the organization for long-term sustainability.



The Company has declared its intention to be a part of the Private Sector Collective Action Against Corruption (“CAC”), which was initiated by the Thai Institute of Directors Association (“IOD”). The Company has been officially certified as a member of the CAC since 2015 and has been re-certified for the second term, valid until December 31, 2024.



The Company was awarded the CSR-DIW Continuous Award 2022 in Corporate Social Responsibility, from the Department of Industrial Works, Ministry of Industry.



The Company was awarded the Green Industry Accreditation Level 3 (Green System), with its comprehensive environmental management practices that include monitoring, evaluation, and continuous improvement. The certification was granted by the Ministry of Industry, and it is effective from January 13, 2022 to January 12, 2025.

# CONTENTS

	Page
<b>REPORT OF THE BOARD OF DIRECTORS</b>	<b>1</b>
<b>PART 1: COMPANY PROFILE AND PERFORMANCE</b>	<b>2</b>
<b>1. Structure and Operations</b>	<b>2</b>
1.1 Company's Business Operation	2
1.2 Business Activities	8
1.3 Shareholding Structure of the Corporate Group	20
1.4 Dividend Payment Policy	26
<b>2. Risk Management</b>	<b>27</b>
<b>3. Sustainable Business Development Report</b>	<b>33</b>
3.1 Policy and Sustainability Management Goals	33
3.2 Management of Impact to Stakeholders within the Business Value Chain	35
3.3 Sustainability Management in Environmental Dimension	37
3.4 Sustainability Management in Social Dimension	42
3.5 GRI Content Index	49
<b>4. Management Discussion and Analysis (MD&amp;A)</b>	<b>52</b>
<b>5. General and Other Important Information</b>	<b>72</b>
5.1 Reference Information	72
5.2 Litigation	72
5.3 Other Important Information	72
<b>PART 2: CORPORATE GOVERNANCE</b>	<b>73</b>
<b>6. Corporate Governance Policy</b>	<b>73</b>
6.1 Fundamental Policy on Corporate Governance	73
6.2 Business Ethics	99
<b>7. Corporate Governance Structure and Important Information about Board of Directors, Sub-Committees, Executives, Employees and Others</b>	<b>103</b>
7.1 Corporate Governance Structure	103
7.2 Board of Directors Information	103
7.3 Sub-Committees Information	108
7.4 Management Information	115
7.5 Employee Information	122
7.6 Other Important Information	126

## CONTENTS (Continued)

	Page
<b>8. Report of Key Performance on Good Governance</b>	128
8.1 Summary of the Committees Performance during the Past Year	128
8.2 Report of the Sub-Committees for Year 2022	136
<b>9. Internal Control and Related Transactions</b>	146
9.1 Internal Control	146
9.2 Related Party Transactions	147
<b>PART 3: FINANCIAL STATEMENTS</b>	155
<b>PART 4: CERTIFICATION OF THE ACCURACY OF INFORMATION</b>	259
<b>ATTACHMENTS:</b>	
ATTACHMENT 1: Details of Directors, Executives, Controlling Persons, The Person Taking the Highest Responsibility in Accounting and Finance, Person Supervising Accounting and Company Secretary	260
ATTACHMENT 2: Details on the Directors of the Subsidiary Companies	283
ATTACHMENT 3: Details of the Chief of Internal Audit and Chief of Compliance	285
ATTACHMENT 4: Assets used in the Business Operations and Assets Valuation Details	286
ATTACHMENT 5: Corporate Governance Handbook (Full Version)	287
ATTACHMENT 6: Report of the Audit Committee	288

## REPORT OF THE BOARD OF DIRECTORS



Following the COVID-19 pandemic from 2019 until now and its persistent impact, alongside the ongoing conflict between Russia and Ukraine, the energy and logistics sectors have encountered disruptions in their supply and demand chains. These events have also adversely affected the Company's business operations. Nevertheless, driven by a far-reaching vision, effective management and cross-functional administration, together with the cooperation of our employees at all levels, the Company has successfully overcome various challenges during the year 2022. As a result, the Company's operating results achieved a total revenue of Baht 25,269.46 million, an increase from 2021 of 59.38 percent, and a net profit of Baht 2,960.63 million, an increase from 2021 of 87.95 percent, having an EBITDA margin of 35.26 percent, and return on equity of 45.13 percent, which is considered excellent. In addition, the book value as of the end of 2022 was Baht 14.16 per share or an increase of over 30.75 percent.

In addition to the commitment of efficient and effective management, the Company places great emphasis on sustainability issues. As we all know, the world is facing significant environmental challenges. The Company strongly believes that we have a responsibility to act on sustainability issues and is committed to community development and preservation of the environment to ensure the Company's long-term stability and sustainable growth, while maintaining strict compliance with all relevant laws and regulations.

As the Chairman of the Board and representative of the shareholders, I am deeply committed to elevating our Company's operations, with a focus on contributing towards the public welfare, both directly and indirectly, to strengthen their roles as a key driving force for the country. In this regard, we are dedicated to supporting education, particularly by offering academic scholarships to our employee's family members and stakeholders overall, providing scholarships and training programs to enhance the work efficiency and knowledge of our employees, and extending scholarships for research in mining and energy to higher education students to improve efficiency and promote a better understanding of energy-related issues for the broader society.

The Company would like to take this opportunity to extend heartfelt gratitude to the shareholders, Board of Directors, executives, employees, stakeholders, and all other relevant parties for their unwavering support and confidence in the Company's operations. The Company shall conduct the business with utmost efficiency and effectiveness to ensure sustained and stable growth in the long term.

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

////////////////////

(Mr. Vanchai Tosomboon)  
Chairman of the Board

# PART 1: COMPANY PROFILE AND PERFORMANCE

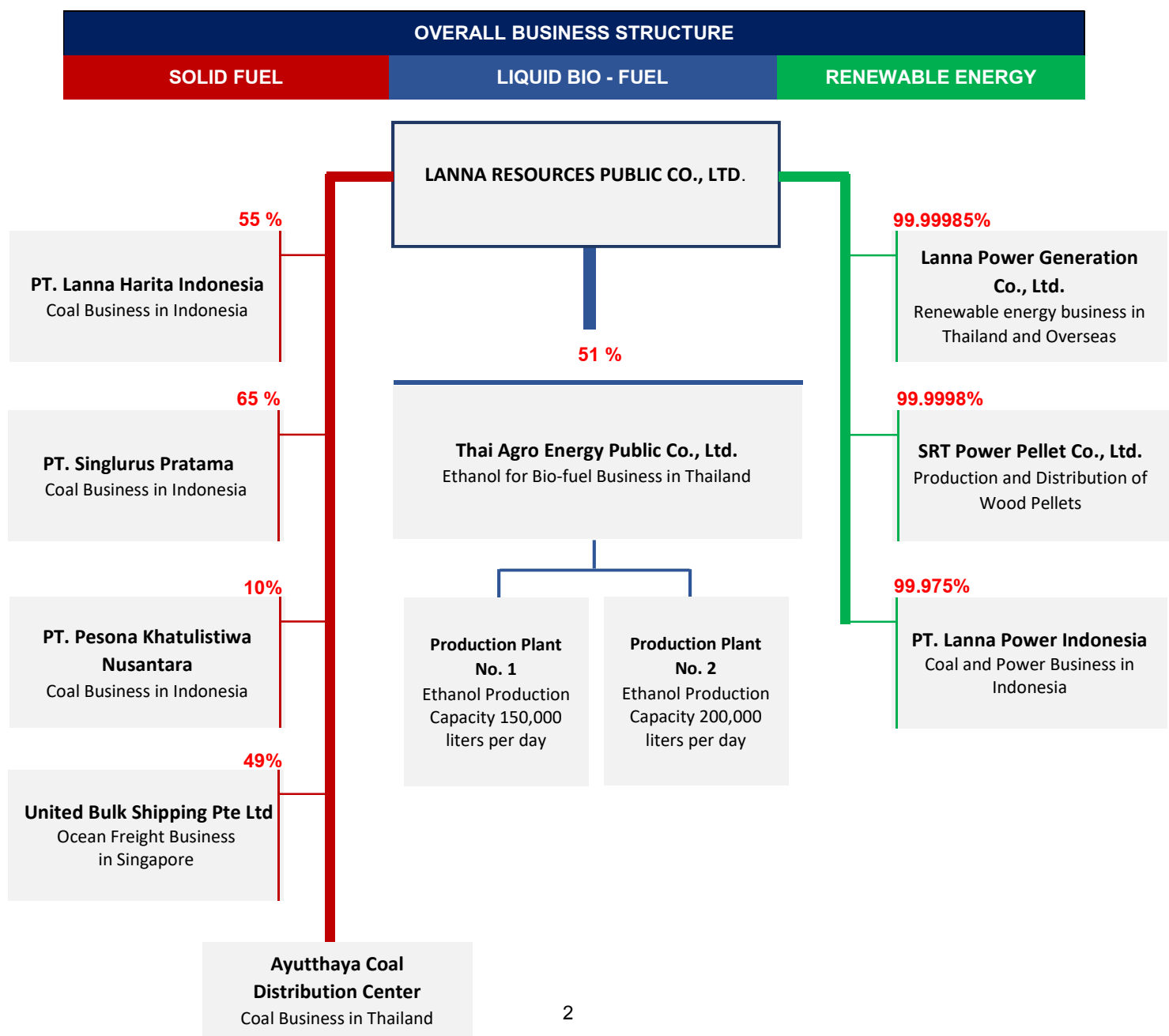
## (1) STRUCTURE AND OPERATIONS

(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	
<p>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.</p> <p>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.</p>	
VISION	CORE VALUE
To be the leading global company in coal and renewable energy businesses.	Production and distribution of coal and renewable energy with focus on quality, attention to community, society and environmental conservation.
MISSION	
<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>	
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.



**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.



**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.



**NEVER GIVE UP**

Never give up to problems or obstacles by finding solutions or turning the situation around by creating opportunity from them.



**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.



**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.



**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.



### **(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 3<sup>rd</sup> 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 total number of shares in PKN, with a total investment of USD 5 million. PKN has been granted the 3<sup>rd</sup> 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, 9<sup>th</sup> 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](http://www.lannar.com)

**Email Address:** [lanna@lannar.com](mailto: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, 2<sup>nd</sup> 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 2022 (Form 56-1 One Report) on the Company website ([www.lannar.com](http://www.lannar.com)).**

## (1.2) BUSINESS ACTIVITIES

### (1.2.1) REVENUE STRUCTURE

Company's Revenue Structure	Year 2020		Year 2021		Year 2022		
	Million Baht	%	Million Baht	%	Million Baht	%	
Revenues from Coal Sales	7,105.88	74.26	13,527.17	85.32	23,164.66	91.67	
Revenues from Ethanol Sales	2,405.99	25.14	2,207.30	13.92	2,003.98	7.93	
Other Revenues	57.27	0.60	119.96	0.76	100.82	0.40	
Total Revenue	9,569.14	100.00	15,854.43	100.00	25,269.46	100.00	
Revenue Structure of Subsidiary and Associated Companies	Direct and Indirect Shareholding %	Year 2020		Year 2021		Year 2022	
		Million Baht	%	Million Baht	%	Million Baht	%
Thai Agro Energy Public Co., Ltd.	51						
Ethanol Sales Revenue		2,405.99	99.89	2,207.30	99.97	2,003.98	99.92
Other Revenues		2.61	0.11	0.63	0.03	1.62	0.08
Total Revenue		2,408.60	100.00	2,207.93	100.00	2,005.60	100.00
PT. Singlurus Pratama	65						
Coal Sales Revenue		3,545.46	98.75	7,049.76	98.80	13,001.77	99.37
Other Revenues		44.96	1.25	85.81	1.20	82.14	0.63
Total Revenue		3,590.42	100.00	7,135.57	100.00	13,083.91	100.00
PT. Lanna Harita Indonesia	55						
Coal Sales Revenue		2,346.92	99.51	5,740.87	99.74	8,511.94	99.76
Other Revenues		11.47	0.49	15.07	0.26	20.13	0.24
Total Revenue		2,358.39	100.00	5,755.94	100.00	8,532.07	100.00
PT. Lanna Power Indonesia	99.975						
Coal Sales Revenue		-	-	-	-	-	-
Other Revenues		1.86	100.00	0.65	100.00	2.62	100.00
Total Revenue		1.86	100.00	0.65	100.00	2.62	100.00
United Bulk Shipping Pte. Ltd.	49						
Ocean Freight Shipping		231.10	99.96	278.80	100.00	332.58	99.99
Other Revenues		0.10	0.04	-	-	0.04	0.01
Total Revenue		231.20	100.00	278.80	100.00	332.62	100.00
Lanna Power Generation Co., Ltd.	99.99985						
Wood Pellet Sales Revenue		2.99	96.14	-	-	-	-
Other Revenues		0.12	3.86	1.57	100.00	0.23	100.00
Total Revenue		3.11	100.00	1.57	100.00	0.23	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	1.39	100.00
Total Revenue		16.78	100.00	23.92	100.00	1.39	100.00
PT. Pesona Khatulistiwa Nusantara	10						
Coal Sales Revenue		-	-	2,044.12	99.16	8,690.95	99.94
Other Revenues		-	-	17.36	0.84	4.85	0.06
Total Revenue		-	-	2,061.48	100.00	8,695.80	100.00

## **(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 2022 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 2022 was mainly by cement industry at approximately 39 percent with the remaining 61 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 21 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 not less than 40 million metric tons, with production capacity in 2022 of approximately 4 million metric tons, and plans to increase coal production and distribution to 4-5 million metric tons in the following years. At present, SGP is in the process of developing a new coal deposit within SGP concession area, namely, Margomulyo Block ("MG"). Coal production and distribution from MG is expected to commence in the 2<sup>nd</sup> quarter 2023 of approximately 0.5 million metric tons, before increasing to 1-1.5 million metric tons in the following years. The coal produced from MG will be transported via the port and jetty of the Argosari Block ("AG"), which is currently in operation. SGP has increased its production capacity by constructing a second coal processing plant and renovating the coal stockyard areas to increase coal stockpile capacity to 200,000 metric tons, as well as renovating the port and jetty, and adding another 1.70-km long conveyor belt extending from the port to the jetty in the sea in order to accommodate the coal production and distribution from the AG and MG coal deposits as mentioned above, with plan to produce and distribute coal of approximately 3 million and 1.5 million metric tons per year, respectively, totaling 4.5 million metric tons per year. The coal produced is of good quality with relatively high calorific value and low Sulphur content, making it easily marketable and profitable.

**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 total number of shares, 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 31 million metric tons with production capacity in 2022 of approximately 5.4 million metric tons per year, and PKN plans to increase production capacity to 6.0 million metric tons in year 2023.

**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”), a 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, with production capacity of 60,000 metric tons per year. 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 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, thereby affecting SRT’s operations and resulting in a net loss. Therefore, the Company has decided to restructure the investment in SRT to enhance flexibility and efficiency. This will involve discontinuing SRT’s operations and transferring its business to LPG to allow for the installation of machines in suitable locations and to conduct feasibility studies on the production of fuel from alternative raw materials, such as cassava, and further distributing to customers. It 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 the 1<sup>st</sup> quarter 2023.

### **(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

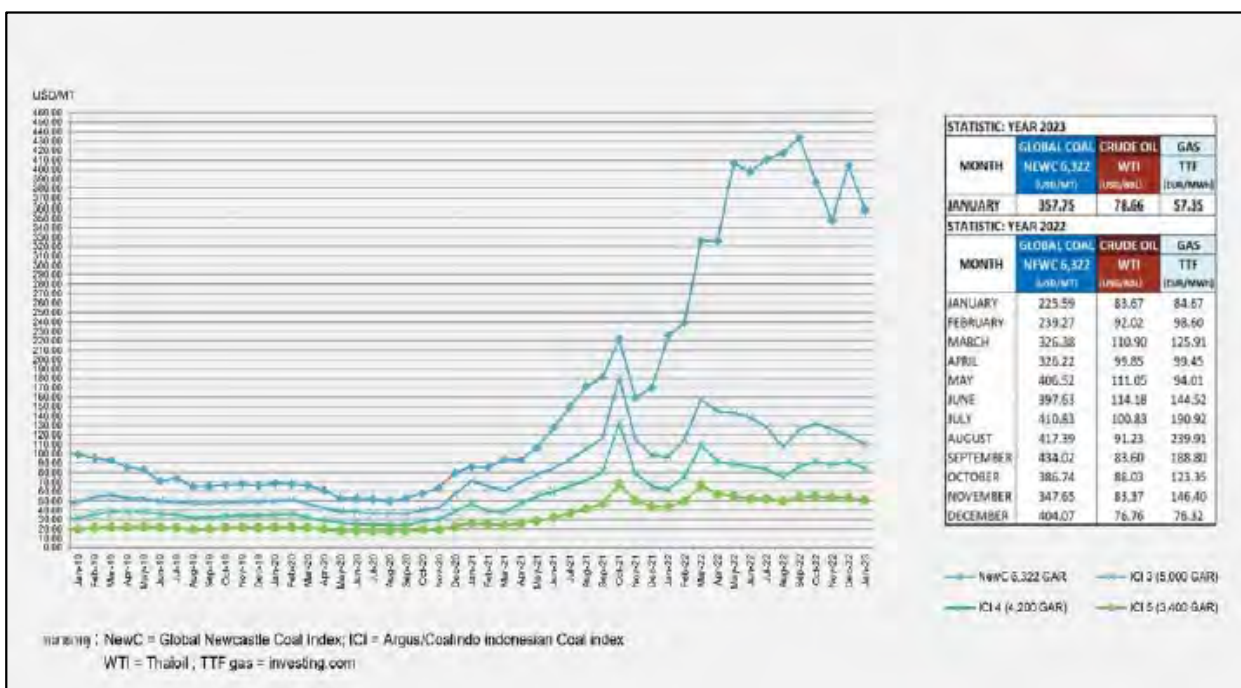
The Company focuses mainly on the service and quality control of the coal products as its marketing strategy rather than relying on pricing strategy. In addition, the Company has continually developed ways to produce high quality coal by bringing in modern technology for continuing improvement of coal 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 high-quality coal mines with several years of mineable reserves, therefore possesses sufficient competitive advantage and business potential.

## Industrial Trend

### COAL PRICE MOVEMENT FROM YEAR 2019-2022



The global economy is undergoing a recovery phase since 2021 as the easing of the coronavirus disease 2019 (COVID-19) has led to higher energy demand, while the supply of fuel and logistics has remained relatively tight. In addition, the growing tensions between Ukraine and Russia during the 1<sup>st</sup> quarter 2022 have emerged as a cause of concern for the market, leading to a sharp rise in commodity prices, including coal prices.

Subsequently, following the stabilization of the market, fluctuations still occurred driven by various factors, such as the stringent COVID-19 measures in China have slowed down the domestic trade and service industry in China. Additionally, the market is anticipating signals from the European Union ("EU") that is awaiting a consensus from member states on the implementation of sanctions on Russian oil. Moreover, concerns regarding the rising inflation from the tighter monetary policies by central banks in several countries, have led to a corresponding economic slowdown. In late May 2022, the EU reached a consensus and formally declared its intention to reduce crude oil imports from Russia by more than 90% by the end of year 2022. In response to the sanctions, Russia announced a suspension of oil deliveries, including natural gas and coal to countries refusing to pay for energy in Russian ruble. In July 2022, the market experienced increasingly anxiety over the global recession due to concerns about the increasing cases of COVID-19 in China and the declaration of new control areas that caused public protests. As a result, market confidence in the Chinese economy has decreased, leading to a reduced projection of oil consumption from China, which is the world's largest importer of oil. Additionally, fluctuations in the currency market have contributed to the decline in crude oil prices to the same level during the pre-tension period between Ukraine and Russia, regarded as a manifestation of the world's economic turbulence in year 2022.

Nevertheless, the dynamics of the natural gas market stand in contrast to the oil market, by the increase in natural gas prices according to the concerns of European countries about the availability of energy during the upcoming winter following the suspension of Russian gas deliveries, therefore, the European countries has expedited the construction of its own stockpiles of natural gas imported from other sources. Consequently, the market has become exceedingly tight, as well as the limitation of pipeline systems and a potential shortage of LNG degasification facilities. Accordingly, there was an increase in the utilization of coal fuel to supplement the electricity generation from existing power plants or reactivate the plants that were previously decommissioned due to policies aimed at reducing or eliminating coal fuel usage. In the beginning of December 2022, the winter was not as severe as anticipated, resulting in a reduction in concerns over energy crisis among many countries, and natural gas stockpiles have been used less than expected with fallen demand. The Dutch TTF, the main benchmark price index for natural gas trading in Europe, that had hit a record high of 345 euros per megawatt-hour in March 2022, has dropped sharply to 73 euros per megawatt-hour in December 2022 or a decline of 50 percent. Additionally, the coal market also declined in January 2023 and continued to decline in the following months.

As for the Asian coal market in 2022, the main importing country like China, decreased its coal imported from Indonesia by 35.76% to 69.69 million metric tons from the previous year of 109.49 million metric tons, with the economy slowing down from the Zero-COVID policy, while India has taken over as the largest importer of coal, with an increase of 55.63% to 110.15 million metric tons from the previous year of 70.78 million metric tons. In this regard, Indonesia's coal exports totaled 306.29 million metric tons, an increase of 4.29% from 2021.

According to the Coal Analysis of U.S. Energy Information Administration ("EIA") for year 2022, the total global coal consumption was 8,025 million metric tons, representing 1.2% higher than the previous year of 7,929 million metric tons, and was marked the highest consumption level ever recorded and is expected to remain above the eight billion metric tons until at least 2025 according to the projected year. China and India are still the world's largest coal consumers, with China ranks first with 4,250 million metric tons in 2022, projected to rise to 4,337 million metric tons in 2025, or an increase of 0.7%. India follows in the second place with 1,103 million metric tons in 2022, projected to rise to 1,220 million metric tons in 2025 or an increase of 3.4%. As for coal production, it is expected to peak in 2023 and decline especially after 2025, due to restrictions on new coal development that will become less available under factors that challenged by the abundance of mineral resources, environmental concerns, social issues, corporate governance, and limited access to large funding sources.

#### (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.

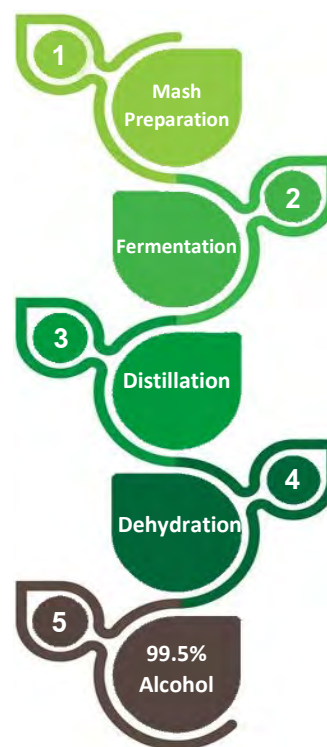
**(3) Distillation:** Fermentation mash from the second stage is fed to the distillation column to separate contaminants and water producing about 96 percent pure alcohol which is the maximum concentration that can be achieved through this normal fermentation process. The remaining 4 percent of water 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”) by Section 7 traders under the Fuel Trade Act B.E. 2543, effective from December 2015 onwards. In addition to the reference ethanol price announced by EPPO, TAE determines the selling price of denatured ethanol based on cost-plus-margin basis and takes into account various factors, including cost of raw materials, market demand and supply, as well as the overall domestic and international markets competition, etc.

##### ETHANOL PRODUCTION PROCESS



## 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 oil merchant shall utilize the denatured ethanol for blending with gasoline in specific proportions to produce gasohol E10, E20, and E85, respectively. 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 product quality control, as well as providing assurance of timely product delivery. These strategies contribute to fostering customer trust, strong relationships with customers, and making it possible to retain majority of the market share.

## Ethanol Industrial Trend

In 2022, the average ethanol consumption demand was at 3.85 million liters per day, which increased from 2021 by approximately 3.77 percent. This was due to the improvement in the situation of coronavirus disease 2019 (“COVID-19”) pandemic, in conjunction with the easing of travel restrictions, and the gradual recovery of economic conditions. As a result, the demand for ethanol, a key component in gasohol fuel, has risen.

## Demand for Ethanol-for-Fuel

Description	(Unit : Million Liters)					
	Year 2017	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022
Ethanol Consumption Volume	1,435.40	1,532.65	1,629.90	1,519.98	1,355.67	1,405.25
Average Daily Ethanol Consumption	4.00	4.20	4.43	4.00	3.71	3.85
Source: Department of Alternative Energy Development and Efficiency, Ministry of Energy						

## Gasohol Industrial Trend

The ethanol-for-fuel will be blended with gasoline in specific proportions to produce gasohol E10, E20, and E85, respectively, therefore, the demand for ethanol as a fuel within the country is primarily influenced by the volume of gasohol consumed domestically. In 2022, the national consumption of gasohol increased by 1.26 million liters per day, or 4.44 percent compared to 2021.

## Competitive Trend

In 2022, there are 26 operating ethanol plants in Thailand, representing a total capacity of 6,570,000 liters per day.

## Market Share of Ethanol Business

Year	Domestic Ethanol Consumption (Million Liters)	Denatured Ethanol Sales Volume of TAE (Million Liters)	Market Share of TAE (%)
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
2022	1,405.25	73.368	5.22
Remarks : (1) TAE's market share in 2022 was 5.22 percent, a decrease of 1.08 percent from 2021.			
(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 more 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 business both in Thailand and overseas, 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., with the objective to find opportunities or channels for investments in the other businesses to supplement revenue 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, 2022 (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	253.87
(2) Indonesia Coal Mine (2 <sup>nd</sup> Coal Concession)	SGP	Coal Mining	18.18
(3) Suphanburi Province, having area of 1,848 rai 0 ngan 59.40 square wah	TAE	Ethanol Production Plant Location	315.70
(B) Buildings and Structures			
(1) Ayutthaya Coal Distribution Center	LANNA	Warehouse and Coal Distribution Center	24.25
(2) Indonesia Coal Mine (1 <sup>st</sup> Coal Concession)	LHI	Coal Mining	5.65
(3) Indonesia Coal Mine (2 <sup>nd</sup> Coal Concession)	SGP	Coal Mining	225.26
(4) Ethanol Production Plant	TAE	Ethanol Production	366.04
(C) Machinery and Equipment			
(1) Ayutthaya Coal Distribution Center	LANNA	Warehouse and Coal Distribution Center	46.88
(2) Indonesia Coal Mine (1 <sup>st</sup> Coal Concession)	LHI	Coal Mining	43.66
(3) Indonesia Coal Mine (2 <sup>nd</sup> Coal Concession)	SGP	Coal Mining	633.38
(4) Ethanol Production Plant	TAE	Ethanol Production	1,337.51
(D) Land, Buildings and Equipment under Procurement/Construction			
(1) Ayutthaya Coal Distribution Center	LANNA	Warehouse and Coal Distribution Center	5.28
(2) Indonesia Coal Mine (2 <sup>nd</sup> Coal Concession)	SGP	Coal Mining	97.06
(3) Ethanol Production Plant	TAE	Ethanol Production	394.74
<b>Remarks :</b> LANNA = LANNA RESOURCES PUBLIC CO., LTD., LHI = PT.LANNA HARITA INDONESIA, TAE = THAI AGRO ENERGY PUBLIC CO., LTD., SGP = PT.SINGLURUS PRATAMA			

LANNA 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 2022 amounting to approximately Baht 1,216 million (2021: Baht 1,314 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 December 31, 2022 amounting to approximately USD 17.90 million or approximately Baht 619.90 million (2021: USD 20.10 million or approximately Baht 670.90 million) as collateral for short-term and long-term loans and credit facilities granted by a commercial bank.

LANNA possesses investment properties, comprising land plots of Pa Kha mine in Lamphun Province, where the concession for the lignite mining has ended, as well as property in Ubon Ratchathani Province, which is owned by the subsidiary with an aggregate net book value of approximately Baht 50.15 million as of December 31, 2022. This property is currently in the process of being liquidated and it is anticipated that the future net value will exceed the present net book value. Therefore did not set aside any provision for any impairment in the account.

### **Coal Mining Concession**

Subsidiaries in Indonesia have conducted the estimation of coal reserves in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (Joint Ore Reserves Committee Code or JORC Code), a globally accepted international standards.

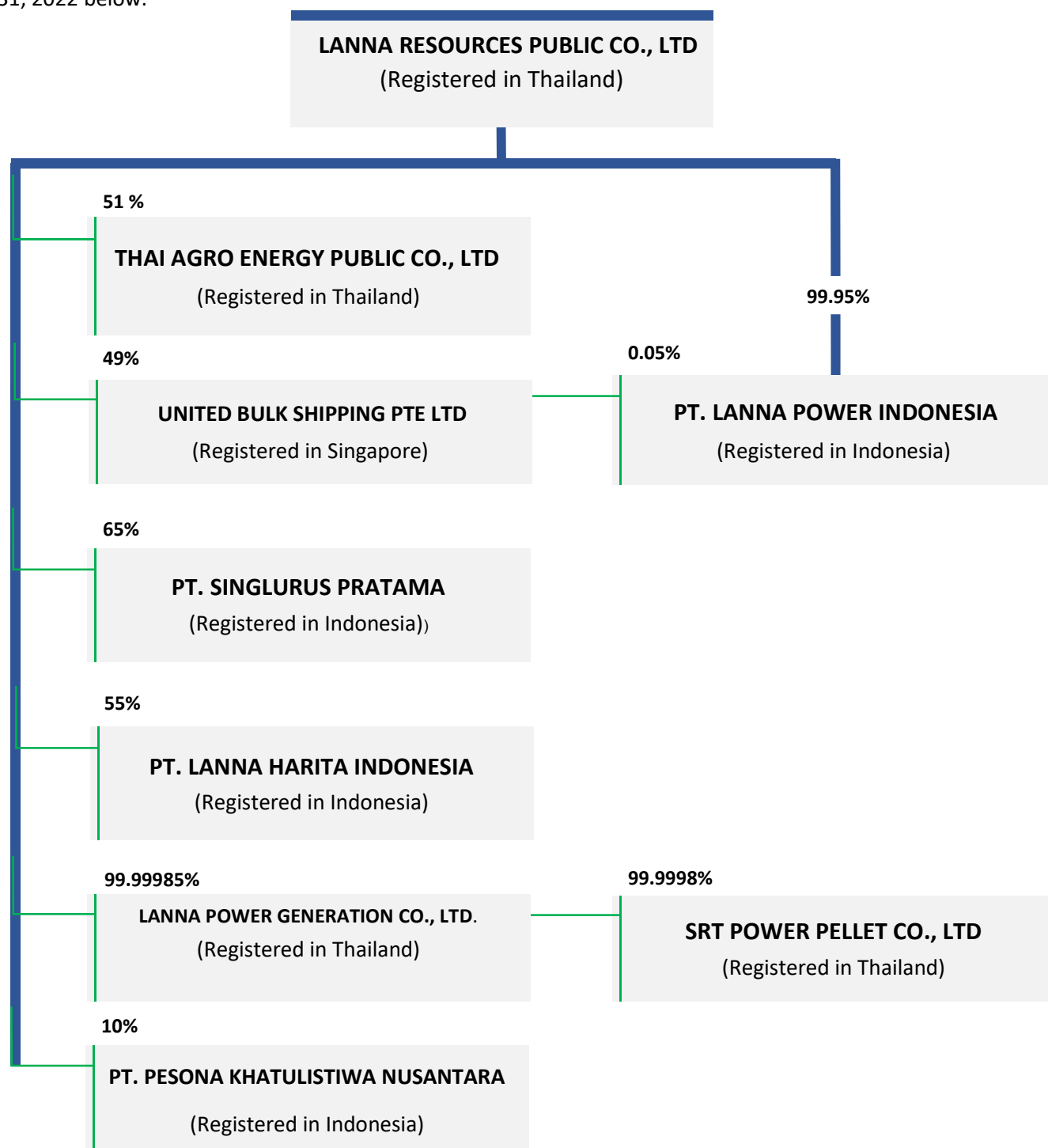
PT. Lanna Harita Indonesia, subsidiary company, had been granted the right under the Coal Contract of Work (“CCoW”) from the Indonesian Government to conduct exploration and extraction of coal within a total survey area of 30,018 hectares or approximately 187,612.5 rai in Tanah Merah concession, located in Samarinda and Kutai, East Kalimantan, Indonesia, with a period of 30 years from 2001 to 2031, and still has proven reserves not less than 20 million metric tons. In this regard, the subsidiary has a continuing obligation to pay a royalty fee to the Indonesian Government at 13.50 percent of the coal selling price.

PT. Singlurus Pratama, subsidiary company, was granted the right under the Coal Contract of Work (“CCoW”) from the Indonesian Government to conduct exploration and extraction of coal within a total survey area of 24,760 hectares or approximately 154,750 rai in Kutai, East Kalimantan, Indonesia, with a period of 30 years from 2009 to 2039, and still has proven reserves not less than 40 million metric tons. In this regard, the subsidiary has a continuing obligation to pay a royalty fee to the Indonesian Government at 13.50 percent of the coal selling 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, 2022 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, 11<sup>th</sup> 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, 9<sup>th</sup> 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, 5<sup>th</sup> 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, 5<sup>th</sup> 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, 29<sup>th</sup> 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, 9<sup>th</sup> 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, 12<sup>th</sup> 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 September 5, 2022, 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	237,088,980	45.16
(2) Thai NVDR Co., Ltd.	39,027,212	7.43
(3) Chulankul Group	30,079,700	5.73
(4) Tantisunthorn Group	28,371,740	5.41
(5) Sirirungsi Group	23,808,281	4.54
(6) Mr. Kongphop Limsong	15,278,160	2.91
(7) UBS AG London Branch	6,800,200	1.30
(8) Cholkadeedamrongkul Group	6,582,700	1.25
(9) Mr. Nawat Taengtang	5,375,000	1.02
(10) Tanchatchawan Group	5,053,400	0.96
(11) Other Shareholders	127,534,306	24.29
<b>Total</b>	<b>524,999,679</b>	<b>100.00</b>

(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. Sivakon Mahasandana (wife and son of Mr. Siva Mahasandana, Member of Group Executive Committee, and holding the position of Director and Chief Executive Officer of SCCC) holding a total of 237,088,980 shares or 45.16 percent of the paid-up capital and all shares with voting right, having four representing directors; namely, Mr. Paul Heinz Hugentobler, Mr. Siva Mahasandana, Mr. Vanchai Tosomboon, and Mr. Mark Anatol Schmidt whom are non-executive directors, having Mr. Vanchai Tosomboon as the Chairman of the Board and Company’s authorized director.

(2) Thai NVDR Co., Ltd. is the second largest shareholder, holding a total of 39,027,212 or 7.43 percent of the paid-up capital and being all shares with voting right, having no representative as the director and/or executive.

(3) The “Chulankul” group is the third largest shareholder, comprising of Mr. Taweechat Chulankul and Mr. Sansern Chulankul, holding a total of 30,079,700 shares or 5.73 percent of the paid-up capital and being all shares with voting rights, having no representative as the director and/or executive.

(4) The “Tantisunthorn” group is the fourth largest shareholder, comprising of Mr. Tawee Tantisunthorn, Mrs. Samruay Tantisunthorn, Mr. Visit Tantisunthorn, Mr. Tanat Tantisunthorn, Mr. Boonlieng Tantisunthorn, Mrs. Mullika Intusuth, Mrs. Naline Rattanaadi, Mrs. Malee Tantisunthorn, Ms. Wanida Tantisunthorn, Mr. Phongthai Tantisunthorn, and Ms. Siriphan Tissayakorn, holding a total of 28,371,740 shares or 5.41 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) The “Sirirungsi” group is the fifth largest shareholder, comprising of Mr. Kraisi Sirirungsi and Ms. Kraikan Sirirungsi, holding a total of 23,808,281 shares or 4.54 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.

(6) Mr. Kongphop Limsong is the sixth largest shareholder, holding a total of 15,278,160 shares or 2.91 percent of the paid-up capital and being all shares with voting right, having no representative as the director and/or executive.

(7) UBS AG London Branch, is the seventh largest shareholder, holding a total of 6,800,200 shares or 1.30 percent of the paid-up capital and being all shares with voting right, having no representative as the director and/or executive.

(8) The “Cholkadeedamrongkul” group is the eighth largest shareholder, comprising of Mr. Sompong Cholkadeedamrongkul, Mrs. Kanpitcha Cholkadeedamrongkul, Mrs. Warunee Cholkadeedamrongkul, Ms. Kanita Cholkadeedamrongkul, Ms. Nataya Cholkadeedamrongkul, Mr. Pongpat Cholkadeedamrongkul, and Mr. Sompong Cholkadeedamrongkul (held by Daol (Thailand) Public Co., Ltd.) holding a total of 6,582,700 or 1.25 percent of the paid-up capital and being all shares with voting right, having no representative as the director and/or executive.

(9) Mr. Nawat Taengtang is the ninth largest shareholder, holding a total of 5,375,000 shares or 1.02 percent of the paid-up capital and being all shares with voting right, having no representative as the director and/or executive.

(10) The “Tanchatchawan” group is the tenth largest shareholder, comprising of Mr. Chairat Tanchatchawan, Mr. Boonchai Tanchatchawan, Mr. Pongpan Tanchatchawan and Mrs. Ladda Tanchatchawan, holding a total of 5,053,400 or 0.96 percent of the paid-up capital and being all shares with voting right, having no representative 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 2023 from the Company’s website, [www.lannar.com](http://www.lannar.com), prior to the Annual General Meeting of Shareholders Year 2023.**

## (2) Shareholding 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 2022					Number of Shares		
	Number of Shares					Increase(+) Decrease(-) in 2022		
	Directors/ Executives	Spouse	Minor Child	Representative and/or Related Person	Total	% Shareholding	Number of Shares	%
(1) Mr. Vanchai Tosomboon	760,000	-	-	-	760,000	0.145	200,000	0.038
(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	-	-
(5) Mr. Mark Anatol Schmidt	-	-	-	-	-	-	-	-
(6) Mr. Visit Tantisunthorn	6,430,500	-	-	-	6,430,500	1.225	-	-
(7) Mr. Abdul 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	-	-
(17) Mr. Saharat Vatanatumrak	186,986	-	-	-	186,986	0.036	-	-
(18) Mr. Bandhit Ngarmkum	-	-	-	-	-	-	-	-
(19) Mr. Yongyut Choochua	86,600	-	-	-	86,600	0.16	-	-
(20) Ms. Siriporn Trakoonkitcharoen	129,490	-	-	-	129,490	0.025	-	-
(21) Mrs. Prapawan Puengpakdee	43,602	-	-	-	43,602	0.008	-	-
<b>Remarks:</b> Disclosed information on shareholding of directors and executives include spouse, minor child, representative and/or related person.								

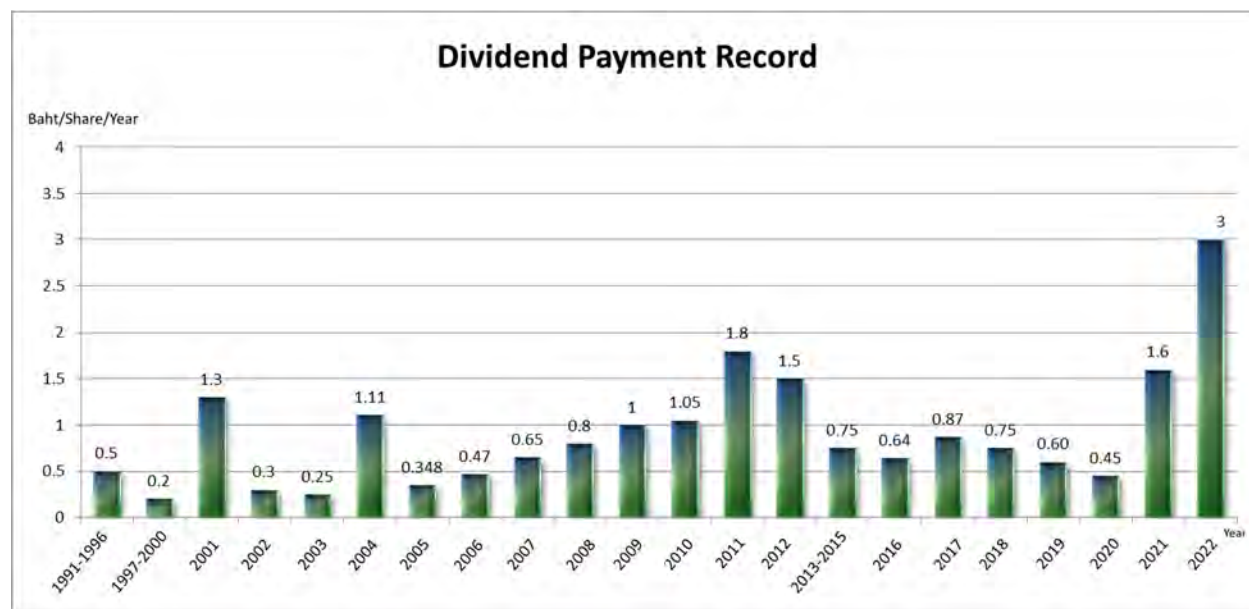
## Shareholding in Thai Agro Energy Public Co., Ltd (Subsidiary) by the Directors and Executives

Directors and/or Executives	Year 2022					Number of Shares		
	Number of Shares					Increase(+) Decrease(-) in 2022		
	Directors/ Executives	Spouse	Minor Child	Representative and/or Related Person	Total	% Shareholding	Number of Shares	%
(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	8,047,000	-	-	-	8,047,000	0.805	-1,261,600	-0.126
(7) Mr. Abdul 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	2,622	-	-	4,774,517	0.477	2,622	0.00
(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	-0.002
(18) Mr. Bandhit Ngarmkum	-	-	-	-	-	-	-	-
(19) Mr. Yongyut Choochua	-	-	-	-	-	-	-	-
(20) Ms. Siriporn Trakoonkitcharoen	9,000	-	-	-	9,000	0.001	-	-
(21) Mrs. Prapawan Puengpakdee	-	-	-	-	-	-	-	-
<b>Remarks:</b> 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 2022:** The Company's net profit according to the separate financial statements was approximately Baht 2,323 million or Baht 4.43 per share. The Board of Directors has proposed for the appropriation of earnings for the purpose of dividend payment to the shareholders at Baht 3.00 per share or 67.79 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 1.40 per share or 87.50 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 2023.

Separate Financial Statements	Unit	Y2017	Y2018	Y2019	Y2020	Y2021	Y2022
Net Profit per Share	Baht/Share	1.44	1.15	0.62	0.56	2.23	<b>4.43</b>
Dividend per Share	Baht/Share	0.87	0.75	0.60	0.45	1.60	<b>3.00</b>
Dividend Payment per Net Profit	%	60.58	65.44	97.25	80.94	71.62	<b>67.79</b>

## **(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, 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 in line with the principles of good corporate governance under the management of executives at all levels and the supervision of the Board of Directors. With a focus on systematic risk management that is capable of adapting to various situations and rapidly changing trends, the focus remains on addressing important issues related to ESG principles (Environmental, Social, and Governance) in order to cope with global changes. Environmental and social risk assessment are carried out with an emphasis on management and employee potential development, occupational safety and health management, as well as community relations and development. In terms of corporate governance, the emphasis is on sustainable governance and adherence to business ethics. The Risk Management Committee held six meetings during 2022 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 2022 to be in line with the Company's strategic plan, 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 coal 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 subsidiaries have good profitability. Management of the significant risks during 2022 can be summarized as follows:

**(1) Coal Mining Operations and Associated Risks in Coal Delivery:** Subsidiaries in Indonesia places importance on mitigating risks from production uncertainty, which most of the 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, a plan has been established to maintain an adequate coal stock for distribution and in accordance with the obligations in the advance coal sale agreements made with customers. This includes risk management in transportation or logistics through close communication between production department and sales departments to ensure that coal transportation aligns with the coal production and sales plan at all times, allowing for timely adjustments to the coal delivery plan. In 2022, the subsidiaries in Indonesia, were able to manage coal delivery risk efficiently 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.

**(2) Coal Price Fluctuation Risk:** As the fluctuations in coal prices impact the Company's operations, the Company therefore closely monitors and analyzes coal price movements in the global market to adjust its coal production and distribution plans in response to changing circumstances in order to determine appropriate timing of coal sale and purchase agreements negotiation with customers to achieve the best results. The price is also index-linked corresponding to the market, and the product mix is adjusted to achieve the best selling price. As a result, the subsidiaries in Indonesia have a significant increase in profits, and the overall performance of the Company and its subsidiaries yielded strong profits from the coal business in 2022.

**(3) Risk Associated with Being Dependent on Coal Sales to the Major Customers:** In 2022, the subsidiaries in Indonesia successfully acquired new customers without having to depend on any specific customer. Additionally, coal remains in demand in the market, being more affordable than alternative fuels, creating more demand to support new customers to diversify risk and minimize potential impacts.

**(4) Risk associated with Customers' Defaults on Coal Payment:** Majority of domestic coal sales are sold on cash basis. In the case of 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 subsidiaries 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.

**(5) 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.

**(6) 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 or “JORC Code”).

**(7) Risk associated with Mining Contractors’ Operation:** The subsidiaries mainly engaged contractors for coal mining operations and transportation, therefore, there is a risk associated with contractors’ inability to perform in accordance with established plans and objectives due to various issues, such as unscheduled procurement of machinery and tools, substandard maintenance of equipment, labor-related problems, or inefficient and ineffective contractor work planning. These factors may inevitably impact the production and distribution of coal for the Company and its subsidiaries. To mitigate these risk, multiple contractors have been employed, with a focus on selecting those of high quality, reliability, and a proven track record of performance, then the long-term contracts are made to ensure that contractors have adequate work for their capital acquisition for working capital. Additionally, the operations of contractors are closely monitored, and a weekly meeting is held together with each contractor to find ways to prevent problems that may occur and impact operations in the future.

**(8) Occupational Safety and Environmental Risk:** The Company and its subsidiaries 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 subsidiaries 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 Year 2022 (Sustainability Disclosure and Reporting on SDG Target 12.6) as the Company realizes and gives importance to the dissemination of operating information, which covers ESG (Environmental, Social and Governance). Additionally, in 2022, the Company established a working group with the objective of preparing the carbon footprint of the organization to present the organization’s greenhouse gas emission and absorption data in a concrete manner, for the efficient reduction of greenhouse gas emissions. As for the subsidiaries with coal mining operations in Indonesia, they have received the Green Certificate for Environmental Management Year 2021-2022 recognizing their compliance with environmental and safety management standards as required by the laws. Moreover, they have received the Corporate Social Responsibility Award for the support of social responsibility projects, and was also recognized with an Environmental Management Award, which is considered the industry standard for management in mining sector, for its good management and adherence to relevant regulations for the coal product group of the Coal Contract of Work (“CCoW”), and also received an award for its response efforts and contribution to earthquake disaster rescue and management in the Jawa Barat Province from the Ministry of Energy and Mineral Resources of Indonesia (“MEMR”). As for the Ayutthaya Coal Distribution Center, which is the domestic operator, also demonstrated a sense of responsibility towards the surrounding 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, aimed at improving wind protection and reducing the diffusion of dust into the public. 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 2022, the



Ayutthaya Coal Distribution Center has received the Corporate Social Responsibility - Department of Industrial Works Award (CSR-DIW Continuous Award 2022), and has been certified from the Department of Industrial Works, Ministry of Industry, in year 2022, as a Level 3 Green Industry (Green System), for its implementation of systematic environmental management with continuous assessment and review for improvement.

**(9) Risk Associated with Changes and Compliance with Related Regulations and Laws:** Legal compliance risks can arise from a variety of factors, including the complexity of legal provisions, frequent changes in laws, and misunderstandings regarding how to operate in accordance with the laws. These risks can result in false compliance, which can have serious consequences for the Company. In particular, noncompliance may lead to fines, suspension or revocation of business licenses, and damage to reputation and image. Accordingly, the Company and its subsidiaries give priority to risk management related to legal compliance by having its executives closely monitor and coordinate with relevant entities, including government agencies, private sectors, communities and stakeholders in order to be updated on changes to policies, rules, regulations, and laws. The Company also engaged a legal advisor to provide accurate and comprehensive guidance and ensure strict compliance with legal requirements.

Furthermore, the Company places significant emphasis on mitigation of corruption risks through obtaining certification as a member of the Thai Private Sector Collective Action Against Corruption (“CAC”) since July 10, 2014, and has been continuously recertified until present, and also promotes and supports the subsidiary 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 business, was certified as CAC member on March 9, 2017 and has been continuously recertified. In 2022, a working group responsible for personal data protection (“PDPA”) has been established, assigned to develop and implement systems and procedures that comply with the Personal Data Protection Act, B.E. 2562 (2019), to ensure that the use or disclosure of personal data is conducted in an efficient and systematic manner, as well as promote awareness and understanding among the employees or personnel throughout the organization.

**(10) 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”), subsidiary company in Thailand, having loans from financial institutions for business operation. In 2022, all three companies have completely and correctly complied with the terms and conditions of the loan agreement without any default.

**(11) Risk Associated with the Outbreak Situation of the Coronavirus Disease 2019 (“COVID-19”):** As a result of the outbreak situation of the COVID-19 since late 2019 and persists to this day, the Company and its subsidiaries have effectively mitigated risks while ensuring that business operations and employee well-being remain unaffected. The Company and its subsidiaries have issued announcements and regulations to communicate with employees for their acknowledgment and adjusted working hours 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 2022, PT. Singlurus Pratama (“SGP”), a subsidiary company in Indonesia, has received the award for the prevention and control of COVID-19 within the workplace (Penghargaan Program P2 COVID-19).

## **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 2022 can be summarized as follows.

**(1) Risk Associated with Procurement of Main Raw Materials:** Molasses and cassava are agricultural products that being used as the main raw materials for ethanol production, which are subject to numerous factors such as climate conditions, crop diseases, and annual rainfall, especially plantation areas that may vary according to the return or compensation as compared with other agricultural products. In 2022/2023 season, it is anticipated an increase in sugarcane crushed and molasses by 16.17 percent and 16.16 percent, respectively, as compared to 2021/2022 season. However, according to the weather in the recent season have resulted in sweeter sugarcane and higher sugar production, causing a decrease in the production of molasses, which is a by-product. Meanwhile, the Thai Tapioca Trade Association's survey predicts a 4.36 percent increase in cassava production in 2023 compared to 2021/2022 season. Accordingly, TAE has considered using cassava chips mixed with molasses as raw materials for Production Line No. 2 to reduce the risk concerning sole dependency on the molasses raw materials.

**(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 in both domestic and overseas markets. If the raw materials prices rise rapidly, the sales cost and the profit margin of TAE may be adversely affected. Although the volume of sugarcane crushed in 2022/2023 season is expected to exceed that of the previous season, the price of molasses has remained high due to the rising production costs of sugarcane, including expenses for fertilizers, pesticides, diesel fuel, and labor costs. While the price of cassava production, especially cassava chips, is still volatile in response to fluctuations in demand from the overseas market, including its use in the tapioca industry. 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 traders under Section 7 for blending with gasohol, which this market is characterized by a limited number of customers. Consequently, in the current oversupply scenario, major customers with significant demands for ethanol have more bargaining power in terms of prices and trading conditions. In the event that major customer engages in business cooperation with an ethanol producer through the form of shareholding or the joint venture, their bargaining power will increase. TAE realizes such risk and has endeavored to mitigate dependence on a single customer by expanding its customer base to ensure ethanol sales target with optimal terms and prices. Additionally, TAE is currently conducting a feasibility study to produce ethanol as a raw material for the higher-value-added products.

**(4) Government Policy Risk:** The cancellation of price subsidy for gasohol E20 and E85 by the Oil Fuel Fund Office in the 4<sup>th</sup> quarter of 2022 resulted in a higher retail price for gasohol E85 than for gasohol E20, leading to a significant decline in the demand for gasohol E85. Sales volume for gasohol E85 in December 2022 decreased by 12 percent from the previous month and 51 percent from the same period last year, while the sales volume for other types of oil increased. As gasohol E85 contains an ethanol proportion of more than 80 percent, it increases the demand for ethanol and intensifies competition within the industry. Additionally, the policy promoting the use of electric vehicles (EVs) has impacted TAE's ethanol business operations. In this regard, 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 directions 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 ("EVs") industry, covering all three vehicle categories, namely passenger cars, motorcycles, and pick-up trucks. This policy includes measures such as import duty exemptions or reductions for battery electric vehicles ("BEVs"), excise tax relief measures, and subsidies by the Excise Department. Although there are restrictions regarding prices and battery life, charging time, and the number of service stations to be developed in the future, the implementation of electrification in vehicles will have an impact on future demand for fuel and ethanol. 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:** Treating wastewater from ethanol production and obtaining biogas as a by-product 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 of biogas digester ponds, 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) every five years 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 of hydrogen sulfide ( $H_2S$ ) in biogas, which is used for power generation and steam production to make biogas clean and good 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. In 2023, there are plans to install a quality measuring system, analyzer, and data acquisition system for intensive and continuous measurement of air quality emitted from chimneys (Continuous Emission Monitoring System or “CEMS”) in order to monitor air quality emitted from chimneys to be in compliance with the notification of the Ministry of Industry Re: Factories to Install Special Device or Equipment for Reporting Air Pollution from Factory Chimney, B.E. 2565 (2022).

(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 constructed a spent wash evaporation plant in order to reduce the volume of treated spent wash and mitigate the risk of water leakage in the event of flooding, and has planned for spent wash collection aligned with ethanol production plan to ensure safety and to prevent the potential impact on the surrounding communities.

**(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.

**(9) Risk Associated with Compliance with Related Regulations and Laws:** TAE is committed to complying with applicable regulations and laws, recognizing the adverse impacts that may arise, such as warnings by authorities, fines, or legal proceedings that could damage TAE’s reputation. Accordingly, TAE has assigned executives to closely monitor and coordinate with relevant entities, including government agencies, private sectors, communities and stakeholders in order to be updated on changes to policies, rules, regulations, and laws, as well as implementing practical guidelines to ensure strict adherence to legal requirements.

## 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, and Thai Agro Energy Public Co., Ltd, subsidiary company in Thailand, have taken loans from financial institutions for business operations during year 2022. All three 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 in the future.

### (3) DRIVING BUSINESS FOR SUSTAINABILITY

#### (3.1) POLICY AND SUSTAINABILITY MANAGEMENT GOALS

The Company recognizes the importance of sustainable development and has made a commitment to conduct its business in compliance with sustainable development principles following the Sufficiency Economy Philosophy, and assesses key sustainability issues based on the GRI Sustainability Reporting Standards. Additionally, the Company has engaged the Thailand Environment Institute (“TEI”) as a consultant to prepare the organization’s carbon footprint in accordance with the guidelines of the Thailand Greenhouse Gas Management Organization (Public Organization) or TGO. As for overseas subsidiaries, the Company is presently seeking a verification body that conforms to international standards, with the objective to reduce its greenhouse gas emissions by no less than 25 percent from the base year 2022 by year 2030.

The Company, with its domestic and overseas subsidiaries, has established a policy aimed at becoming a low-carbon organization that creates a balance between the economy, society, and environment, while adhering to good governance practices, in order to enhance the Company’s competitive potential and achieving sustainable growth and returns over the long term.

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 as follows.

#### SOCIAL DIMENSION

##### PRACTICE GOALS


- To ensure stakeholder satisfaction across all dimensions, and there were zero complaints during year 2022.
- To encourage employees at all levels to participate in trainings, seminars, or classes related to their interests, with the goal of improving their knowledge and skills that can be applied to their work.
- To conduct annual fire drills training and ensure that all employees, particularly new hires, receive proper training to enhance their understanding of fire safety and emergency response protocols.
- To engage in community relations activities around Ayutthaya Coal Distribution Center. This is aimed at fostering good relationships with nearby communities and local agencies, and to contribute to the improvement of the quality of life for the surrounding communities.

##### PRACTICE GUIDELINES

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

##### PRACTICE GOALS

- Operate in accordance with good corporate governance for listed companies and maintain CGR rating at “**Excellent**” level or 5 stars (  ) continuously.
- Being a member of the Thai Private Sector Collective Action Against Corruption (“CAC”) and obtain continuous certification as a member of the CAC.



## PRACTICE GUIDELINES

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.

Accordingly, the Company has been officially certified as a member of the Thai Private Sector Collective Action Against Corruption (“CAC”) since 2015 and has been re-certified for the second term, valid until December 31, 2024.

## WHISTLEBLOWING AND COMPLAINTS

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, wrongdoing or mistake, illegal action or unethical behavior, corruption, 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](mailto: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.

In year 2022, no violations of laws or regulations concerning corruption that could potentially obstruct the operations of the Company, and no instances of conflicts of interest among employees.

## ENVIRONMENTAL DIMENSION

### PRACTICE GOALS

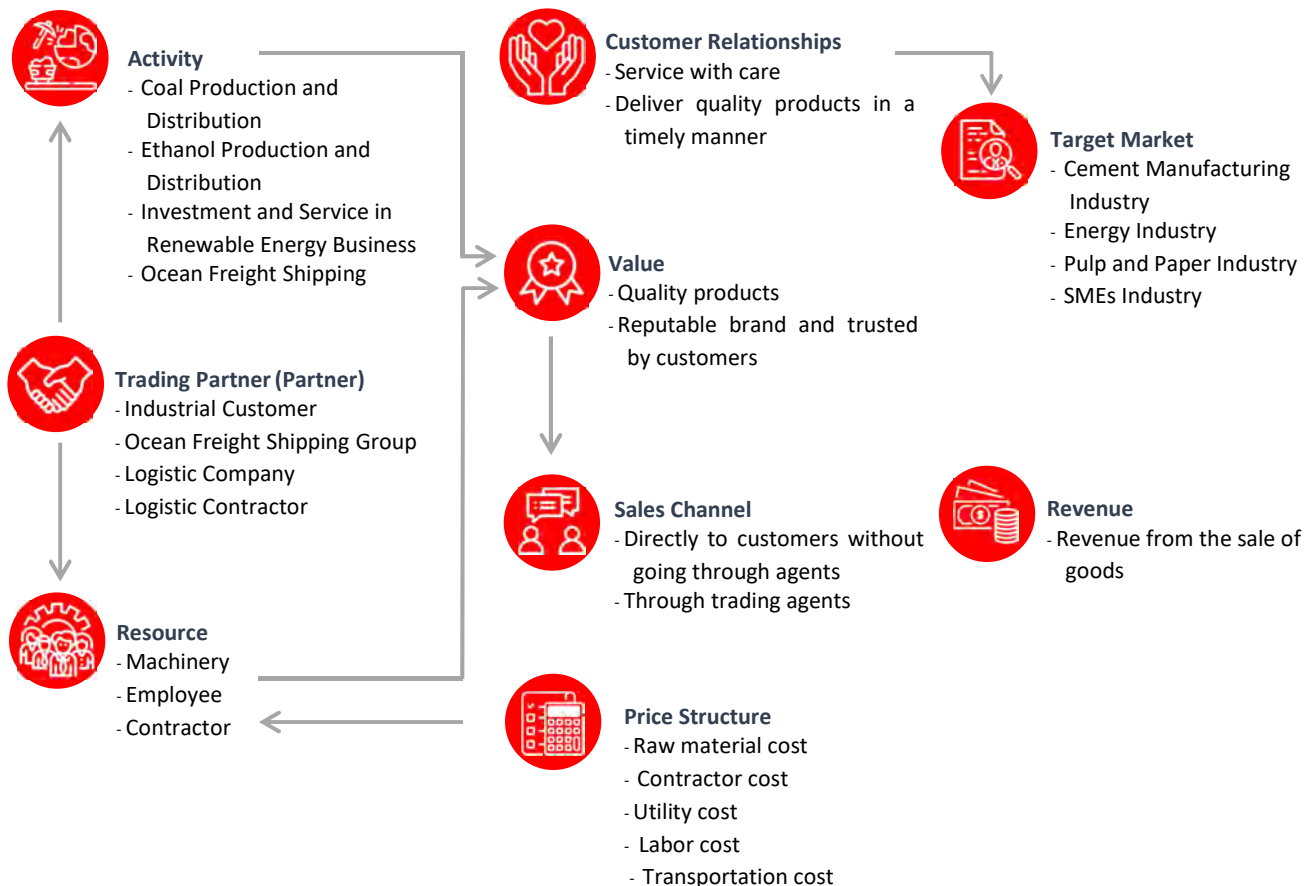
The Company is firmly committed to fostering business development towards a low carbon society, while ensuring environmentally-friendly business operations that utilize resources prudently. The Company also seeks to minimize the impact of its business activities on the ecosystem and biodiversity, and to address the effects of climate change through adherence to the principles of the circular economy.

### PRACTICE GUIDELINES

- Strictly adheres to international and local environmental laws, as well as the Company's rules and regulations.
- Accredited with various standards relating to resource and environmental conservation.
- Reduce waste using the 3Rs principle, a practical guideline for the efficient utilization of available resources, facilitates wastes reduction by Reduce, Reuse, and Recycle ("3Rs").

## (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"> <li>1. Conduct business fairly to generate good results.</li> <li>2. Treat all shareholders equitably.</li> <li>3. Provide good internal audit and control system.</li> <li>4. Provide effective risk management system.</li> <li>5. Disclosure of accurate and complete information.</li> </ol>	<ol style="list-style-type: none"> <li>1. Build investor confidence.</li> <li>2. Generate good and consistent returns.</li> <li>3. Provide reliable internal control system.</li> <li>4. Disclosure of transparent and verifiable information.</li> </ol>	<ol style="list-style-type: none"> <li>1. Arrangement of the Annual General Meeting of Shareholders</li> <li>2. Annual Report</li> <li>3. Quarterly report on operating results.</li> <li>4. Information, news, and announcements on the Company's website.</li> </ol>
Employees	<ol style="list-style-type: none"> <li>1. Appropriate compensation and benefits system.</li> <li>2. Continuous learning opportunities.</li> <li>3. Career growth and stability.</li> <li>4. Workplace safety standards.</li> </ol>	<ol style="list-style-type: none"> <li>1. Create an appropriate and fair compensation and benefits system.</li> <li>2. Develop employees knowledge and skills.</li> <li>3. Focus on occupational health and safety.</li> <li>4. Organize activities to build relationships between employees.</li> </ol>	<ol style="list-style-type: none"> <li>1. Performance assessment.</li> <li>2. Personnel development plan.</li> <li>3. Annual training on Basic Firefighting and Evacuation Fire Drill.</li> <li>4. Listen to complaints and suggestions.</li> </ol>
Customers	<ol style="list-style-type: none"> <li>1. Treat all customers equitably.</li> <li>2. Offer and deliver quality products in a timely manner at reasonable prices.</li> <li>3. Protect confidentiality of customers information.</li> </ol>	<ol style="list-style-type: none"> <li>1. Take care, understand, and respect every customer, as well as coordinate and solve any problems to create an impression.</li> <li>2. Deliver quality products that meet the requirements at reasonable prices.</li> <li>3. Provide measures to protect confidentiality of customers information.</li> </ol>	<ol style="list-style-type: none"> <li>1. Produce and deliver quality products in a timely manner.</li> <li>2. Conduct customer satisfaction survey.</li> <li>3. Provide customer service through every channel at every time.</li> </ol>
Partners Competitors and Creditors	<ol style="list-style-type: none"> <li>1. Strictly comply with the terms and conditions.</li> <li>2. Promote sustainable business growth together.</li> <li>3. Create satisfaction in doing business together.</li> <li>4. Generate good and fair returns.</li> <li>5. Maintain trade secret information under relevant laws and regulations.</li> </ol>	<ol style="list-style-type: none"> <li>1. Guarantee fairness and transparency in operating business.</li> <li>2. Fulfill the contract, financial obligations and commercial terms.</li> <li>3. Not request or pay any benefits that may lead to corruption.</li> <li>4. Maintain the interests of doing business together.</li> </ol>	<ol style="list-style-type: none"> <li>1. Meeting with partners.</li> <li>2. Conduct business partner check.</li> <li>3. Accept suggestions and complaints through every channel at every time.</li> </ol>
Society, Community, and Environment	<ol style="list-style-type: none"> <li>1. Conduct business with social responsibility and taking into account the public interest.</li> <li>2. Promote and participate in activities that are beneficial to the community and society.</li> <li>3. Build a good relationship with each other.</li> <li>4. Maintain good environment and safety for the community and surrounding society.</li> </ol>	<ol style="list-style-type: none"> <li>1. Support activities that are beneficial to the community and surrounding society.</li> <li>2. Enhance the quality and standards of environmental management.</li> <li>3. Participate in community and society development for sustainable growth through various activities.</li> </ol>	<ol style="list-style-type: none"> <li>1. Organize activities with the community.</li> <li>2. Prepare policy and guidelines on environmental protection.</li> <li>3. Report and disseminate pictures of the annual community relations activity.</li> <li>4. Report the results of the environmental quality measurements.</li> </ol>
Regulatory Agencies	<ol style="list-style-type: none"> <li>1. Strictly comply with relevant laws.</li> <li>2. Cooperate in various project of the government agencies.</li> </ol>	<ol style="list-style-type: none"> <li>1. Strictly comply with the law and report the results.</li> <li>2. Not request or pay any benefits that may lead to corruption.</li> </ol>	<ol style="list-style-type: none"> <li>1. Prepare and report documents related to laws.</li> </ol>



### **(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 losses caused by 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 2022, the Company has enrolled employees to the following activities

(A) A seminar on the topic of "Toward 2065 Thailand Net Emissions Goal" dated May 31, 2022, conducted by the Embassy of France in Thailand.

(B) A seminar on the topic of "Connecting Corporates and Investors through Environmental Disclosure" dated June 2, 2022, conducted in collaboration between the SEC and the UK Government and CDP.

(C) A seminar on the topic of "Greenhouse Gas Reduction Targets, Reduction Guidelines, Reporting and Compensation" dated July 11, 2022, conducted by the Stock Exchange of Thailand.

(D) A seminar on the topic of "Energy Symposium 2022: Adaptation and Survival of Thai Industrial Sector to the Global Energy Crisis" dated September 12, 2022, conducted by the Institute of Industrial Energy.

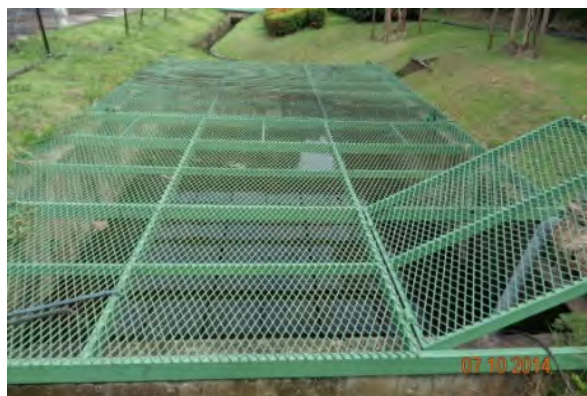
(E) A training course on "Basic Fire Fighting and Evacuation Fire Drill Training for Year 2022", dated September 21, 2022, at the Ayutthaya Coal Distribution Center.

## ENVIRONMENTAL PERFORMANCE

The Company operates business by applying the concept of social responsibility and sufficiency economy to the business framework, in line with the business strategy planning, which are derived from years of expertise to create and develop innovative approaches that enhance competitiveness and continuously increase the business value. These efforts have been made with the aim of promoting sustainable growth with a focus on quality, stability, and sustainability in the long term. In 2022, the Company's environmental operations were carried out as follows:

### WATER RESOURCE MANAGEMENT

The Company has constructed a sedimentation water treatment system at the Ayutthaya Coal Distribution Center in order to mitigate sediment discharged into public waterways. This system involves the construction of sedimentation ponds situated throughout the area to facilitate the collection of rainwater and water used for sprinkle onto stockpile for dust suppression. The accumulated surface water is then directed to a settling ponds. Once the process is over, the water in the sedimentation pond will be efficiently reused to minimize waste and encourage efficient water utilization.



Sedimentation Pond

The results of water quality measurements in 2022 from two 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 be 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 (d), dated February 24, 1994 (Category No. 4). Water with hardness in the form of  $\text{CaCO}_3$  not exceeding 100 milligram per liter, and having standard value equal to 0.005 milligram per liter.



Pa Sak River area before passing through the Company's port and jetty



Pa Sak River area after passing through the Company's port and jetty

## WASTE MANAGEMENT AND POLLUTION CONTROL

### WASTE AND SEWAGE

At the Ayutthaya Coal Distribution Center, the bins are classified into two categories: green bins for general waste and red bins for the disposal of hazardous materials or equipment. Once the waste is sorted accordingly, it will be sent for proper disposal. The general waste will be transferred to the Khlongsakae Subdistrict Administration Organization twice a week, other types of waste, such as oil-contaminated cloth or gloves, will be stored in a storage facility for unused materials before forwarded to a disposal agency.



Storage Facility for Unused Materials

At the Bangkok Head Office, a campaign has been initiated to encourage employees to separate plastic waste and glass bottles for recycling purposes. In addition, the Company has set up collection container for different types of unused batteries and pass them to waste disposal agencies for proper recycling in accordance with international standards.



Waste Disposal Points for Batteries, Plastic Bottles, and Glass Bottles

### POLLUTION AND DUST

- The Company has improved its coal processing operations to a closed system by constructing a coal processing plant, which helps minimize the problem of dust dispersion associated with coal processing, and has adopted a conveyor belt system to unload coal into trucks, thereby reducing the need for unnecessary coal handling and transportation process. Furthermore, the 4,000-square-meter parking area for customers' trucks is adequate and has been improved with concrete surface.
- 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.
- 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.
- 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 results of ambient air quality measurements in 2022, 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 be within the established criteria and standard, having concentration of the total suspended particulate matter (TSP) not exceeding 0.330 mg/m<sup>3</sup> and the particulate matter of less than 10 micron (PM-10) not exceeding 0.120 mg/m<sup>3</sup>.



The Company's Port and Jetty Area



The Company's Office Area

## ENERGY MANAGEMENT

In year 2022, the Company has installed a solar cell system at the Ayutthaya Coal Distribution Center, which generates clean and environmentally-friendly energy by converting solar energy into electricity for use in the office, and has contributed to a reduction in electricity costs.



## GREENHOUSE GAS REDUCTION MANAGEMENT

In year 2022, the Company established a working group focused on carbon footprint for organization to gather data related to greenhouse gas emissions and greenhouse gas reduction at the Bangkok Head Office and at the Ayutthaya Coal Distribution Center. The information collected will be utilized for assessing the Carbon Footprint for Organization ("CFO") with the assistance of the Thailand Environment Institute ("TEI"), a consultant for the Company, then the data will be verified by the Management System Certification Institute ("MASCI") to ensure its accuracy, completeness, and quality before proceeding for certification from the Thailand Greenhouse Gas Management Organization (Public Organization) or "TGO". The working group will discuss greenhouse gas emission values from 2022 or the base year to identify ways of improving plans and policies aimed at reducing greenhouse gas emissions of the organization for sustainability in the global environment and climate, as it is moving towards achieving carbon neutrality.



## ENVIRONMENTAL ACTIVITIES IN YEAR 2022

### MANGROVE PLANTING ACTIVITIES, BAAN MAI CHAI LANE, SAMUT SONGKHRAM PROVINCE



The mangrove trees have gained international attention at the 2021 Conference of the Parties to the United Nations Framework Convention on Climate Change (“COP26”), held in Glasgow, United Kingdom. During the event, the Minister of Climate Change and the Environment of the United Arab Emirates announced a commitment to planting up to 100 million mangrove trees by 2030. This is due to the fact that areas of mangrove forests serve as a natural barrier against water erosion, providing shelter from wind, waves, and serving as a habitat and food source for different types of plants and animals. Additionally, mangrove forests are a significant source of greenhouse gas absorption for our planet, and it has been proven to absorb more greenhouse gases than other forest types due to its high photosynthesis rate, as a result of this process, carbon dioxide (“CO<sub>2</sub>”) emissions are reduced, with the CO<sub>2</sub> being stored in the wood.

The Company therefore organized a mangrove planting activity at Baan Mai Chai Lane, Samut Songkhram Province, on November 26, 2022, with the purpose of promoting environmental awareness among its employees and contributing to the global goal of increasing number of mangrove trees.



### **(3.4) SUSTAINABILITY MANAGEMENT IN SOCIAL DIMENSION**

#### **3.4.1 SOCIAL POLICY AND PRACTICE GUIDELINE**

##### **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 three 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**

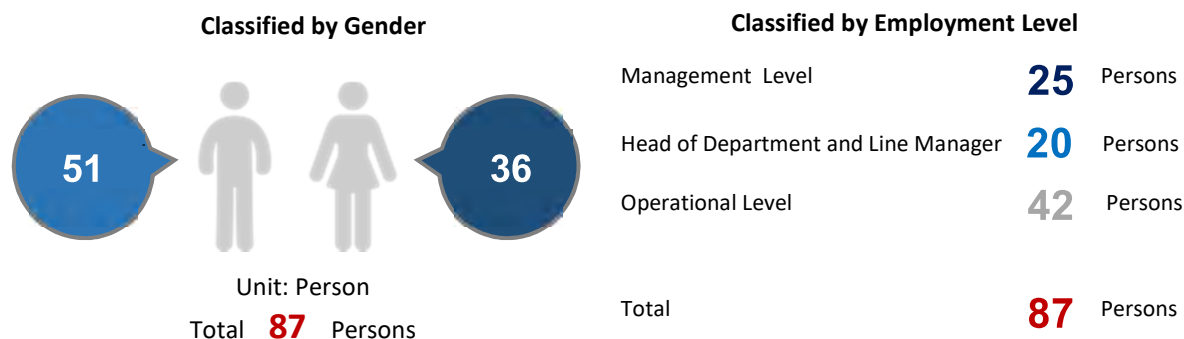
#### **1. Information on Employees**

##### **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 Ayutthaya Coal Distribution Center, which is considered an implementation under the Empowerment of Persons with Disabilities Act, B.E. 2550 (2007), 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 2022, the Company has a total number of employees as follows.



## NUMBER OF EMPLOYEES YEAR 2022



In year 2022, the Company has implemented in accordance with the Empowerment of Persons with Disabilities Act, B.E. 2550 (2007), Section 33, by hiring an individual with a disability to work at the Ayutthaya Coal Distribution Center, which is in accordance with the legal requirement of a 1% ratio between employees with disabilities and general employees.

### 1.2 Remunerations of Employees

In year 2022, the Company has paid remunerations for employees totaling Baht 116 million, with the proportion of remunerations paid for male employees to female employees of 2.15 times, which consists of fair remunerations 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 2022, as at December 31, 2022, the proportion of employees participating in the provident fund compared to the total number of employees is 100 percent.

### 1.3 Employee Training and Development

In year 2022, 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

Year	AFR: Accident Record Frequency Rate  (Unit:Person)	LTIFR: Lost Time Injury Frequency Rate  (Unit:Person)	LTISR: Lost Time Injury Severity Rate  (Unit:Person)
2021	0	0	0
2022	0	0	0

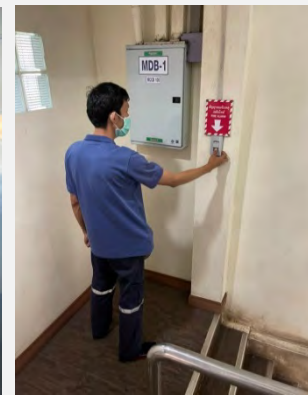
### Risk Prevention Measures Regarding Safety, Occupational Health and Environment

#### **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 September 21, 2022 at the Ayutthaya Coal Distribution Center, Phra Nakhon Si Ayutthaya Province.

#### **Pictures of Basic Firefighting and Evacuation Fire Drill Training**

At the Ayutthaya Coal Distribution Center, Phra Nakhon Si Ayutthaya Province



## 2. Community and Social Development

The Company realizes the importance of continuous community and social development and has established policies concerning the Company's responsibility towards the community, society, and environment 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.

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 important activities during year 2022 as follows:

### Lanna Resources Public Company Limited

#### Community Relations Aspect Related to the Spread of COVID-19



Providing COVID-19 survival kits to households with COVID-19 positive individual



Providing alcohol to communities around the Ayutthaya Coal Distribution Center



Providing COVID-19 testing kits

#### Educational Aspect



Providing scholarship support



Providing support for the Sufficiency Economy Project



Providing support for the initiative of encouraging students to obtain a motorcycle license



## Religious Aspect



Volunteering for temple cleaning with the SAO



Contributing to the formation of a Buddha Statue



Offering drinking water

## Elderly, Disabilities, and Bedridden Patients Aspect



Participating in elderly activities at Klong Sakae Subdistrict Health Promoting Hospital



Providing donation to assist the Disability Club, Phra Nakhon Si Ayutthaya Province



Visiting bedridden patients

## Other Aspects



Providing survival kits to houses damaged by fire, Wat Tanod Community



Providing equipment for Cleaning Day activity to Khlong Sakae SAO



Providing survival kits to persons under drug rehabilitation



Providing financial support for Contract Teacher Recruitment Fund for Ban Pa Kha School, Dong Dam Subdistrict, Li District, Lamphun Province



## PT LANNA HARITA INDONESIA (LHI)



During year 2022, 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 community, economy, social environment, and infrastructure, having details of activities during year 2022 as follows:

- Providing financial assistance for water treatment for consumption project in Tanah Datar village.
- Providing financial assistance for the construction of Kusuma Bangsa Kindergarten.
- Renovating a building for an Islamic School located in Lempake, the northern region of Samarinda Province.
- Constructing a rice mill for Kutai Lama village.
- Renovating two bridges, one serving the local community and the other connecting to Nur Annisa boarding school, in Sungai Siring, the northern region of Samarinda Province.

## PT SINGLURUS PRATAMA (SGP)



During year 2022, 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 2022 as follows:

- Sponsoring Indonesia’s Independence Day activities.
- Improving scenery surrounding an elementary school in Teluk Dalam village.
- Renovating unpaved roads in Beringin Agung village.
- Providing computers to be utilized as learning tools for the students of Madrasah Ibtidaiyah.
- Organizing vaccination activities to prevent the spread of the coronavirus disease 2019 (COVID-19) in Samboja area.
- Organizing youth football competitions in Samboja area.
- Providing ambulances for Amborawang Luar village.
- Constructing a mosque at Amborawang Darat village.
- Providing support for various agricultural projects as follows:
  - Hydroponic Farming Project at Sungai Seluang village.
  - Organic Fertilizer Project in Beringin Agung village.
  - Duck Farming Project in Margomulyo village.

### (3.5) GRI CONTENT INDEX

ECONOMIC						
GRI	OPERATION DATA	UNIT	YEAR			
			2019	2020	2021	2022
<b>*G4-EC1</b>	Revenues from sales and services	million baht	1,139.10	1,550.58	1,772.68	2,223.64
	Profit for the year	million baht	323.90	291.88	1,172.91	2,323.41
	Dividend payment to shareholders of Lanna Resources Public Co., Ltd.	baht/share	0.60	0.40	1.60	3.00
	Wages and compensation to employees	million baht	86	82	118	128
	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	41.94	44.90	303.77	578.93
	Expenses for social and community development and supporting projects	baht	1,440,053	1,615,992	2,013,503	1,807,818
<b>*G4-EC3</b>	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
<b>G4-EC9</b>	Percentage of delivery person locally (Supplier /Service/Outsource) (within 5 kilometer radius or within the province)	%	50	50	50	50
<b>G4-LA10</b>	Total number of employees	person	81	83	84	87
	- Permanent employees	person	75	77	83	85
	- Temporary employees	person	6	6	1	2
	Number of employees classified by gender	person				
	- Male	person	49	49	49	51
	- Female	person	32	34	35	36
	Number of employees classified by employee level	person				
	- Operational level	person	45	47	39	42
	- Command and professional level	person	13	13	19	20
	- Manager level	person	23	23	26	25

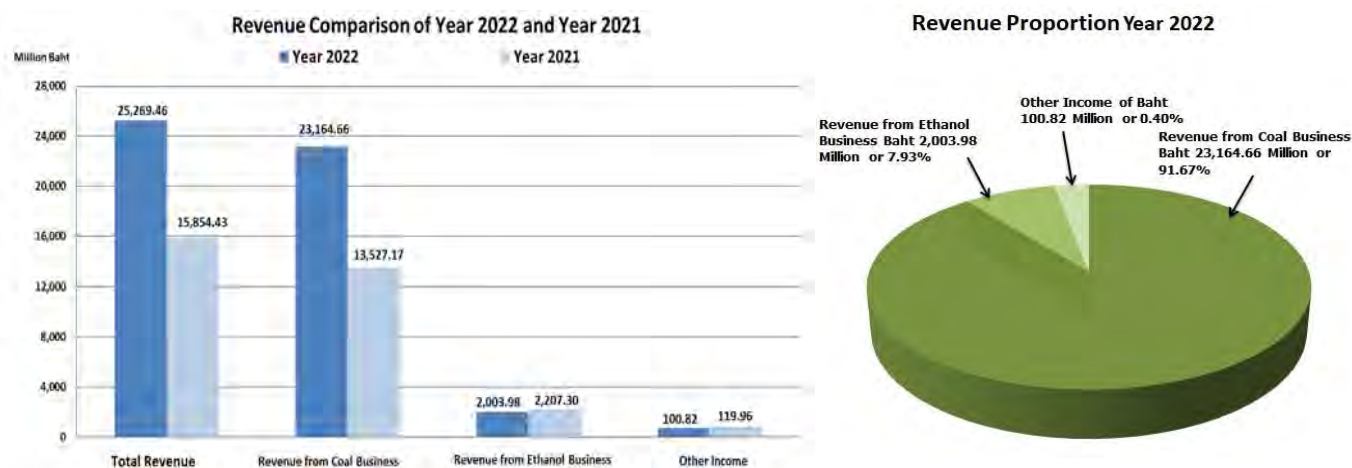
SOCIAL						
GRI	OPERATION DATA	UNIT	YEAR			
			2019	2020	2021	2022
<b>G4-LA3</b>	Rate of return to work after maternity leave	%	-	-	-	-
<b>G4-LA5</b>	Number of employees being members of the Welfare Committee	person	8	8	9	9
	Number of employees being members of the Operational Safety and Health Committee (OSH Committee)	person	7	7	12	12
	- Employer representatives and OSH officers	person	4	4	7	7
	- Employee representatives	person	3	3	5	5
<b>0G4-LA6</b>	Injury Rate from work (IR)	person per working hour	0	0	0	2
	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
<b>G4-LA9</b>	Average Hours of Training per person per year	hour/person/year	25	25	7.2	14.9
<b>G4-LA11</b>	Percentage of employees with performance assessment and career path planning	%	99	100	100	100
<b>G4-LA13</b>	Compensation rate of male to female employees	times			2.18	2.15
	- Operational level	times	-	-	0.65	1.4
	- Command and professional level	times	-	-	1.39	0.8
	- Management level	times	-	-	0.31	3.1
<b>G4-HR1</b> <b>G4-HR10</b>	Percentage of important delivery persons, contractors and business partners having been screened on human rights aspect	%	100	100	100	100
<b>G4-HR9</b>	Percentage of work process with assessment of impact on human rights aspect	%	100	100	100	100
<b>G4-SO4</b>	Percentage of employees having been trained on company's anti-corruption policy and guidelines	%	100	100	100	100
<b>G4-SO11</b>	Number of written complaints on social impact and formal rectification process	times	0	0	0	0
<b>G4-PR5</b>	Customers satisfaction survey results	%	-	-	-	-

ENVIRONMENT						
GRI	OPERATION DATA	UNIT	YEAR			
			2019	2020	2021	2022
G4-EN1	Main Raw Materials					
	1. Coal	ton	746,405	1,028,062	896,401	674,011
G4-EN3	Fossil fuel consumption volume					
	1. Diesel Oil (Static Combustion)	liter	-	-	-	-
	2. Diesel Oil (Moving Combustion)	liter	87,434	127,501	127,140	123,746
G4-EN3	Electricity Consumption	kWh				
	1. Electricity consumption from outside	kWh	832,380	834,420	770,820	826,620
G4-EN8	Water consumption classified by water sources					
	1. Tap Water	m <sup>3</sup>	5,300	3,127	4,700	2,942
	2. Ground water (Pasak River)	m <sup>3</sup>	-	-	-	161,187
	3. Treated water after recycling process	m <sup>3</sup>	-	-	-	-
G4-EN10	Percentage of recycled water usage	%	-	-	-	-
G4-EN15	Direct Greenhouse gas emission : Scope 1 (ton CO <sub>2</sub> e)*					
	1. Diesel Oil (Static Combustion) x 2.708 /1,000	ton CO <sub>2</sub> e	-	-	-	-
	2. Diesel Oil (Moving Combustion) x 2.7446 / 1,000	ton CO <sub>2</sub> e	239.97	349.94	384.95	335.10
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 <sub>2</sub> e	507.17	508.41	469.66	503.66
G4-EN22	Wastewater volume discharged outside the factory	m <sup>3</sup>	0	0	0	0
G4-EN23	Waste Volume	ton				
	1. Hazardous wastes	ton	1	1	1	1
	2. Non-hazardous wastes	ton	10	10	10	9.73

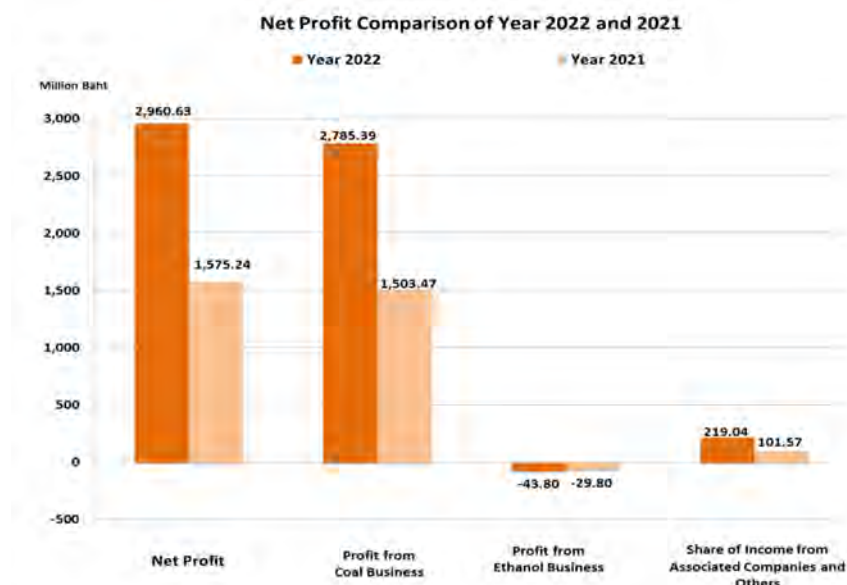
## (4) MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

### OVERALL OPERATING RESULTS

The total revenue of the Company and subsidiary companies in year 2022 was Baht 25,269.46 million, which increased from the previous year by Baht 9,415.03 million or 59.38 percent. The revenue proportion from coal business, ethanol business and other income in year 2022 accounted for 91.67 percent, 7.93 percent and 0.40 percent, respectively.



The net profit of the Company and subsidiary companies in year 2022 totaled Baht 2,960.63 million or Baht 5.64 per share, which increased from the previous year by Baht 1,385.39 million or Baht 2.64 per share, accounted for 87.95 percent, which is the highest net profit the Company has recorded since its establishment in 1985, with the net profit margin of 19.36 percent, the EBITDA margin of 35.26 percent, and the return on equity of 45.13 percent.



The overall financial position and liquidity of the Company and subsidiary companies as at the end of year 2022 were considered excellent. The current ratio was as high as 2.13 times and the quick ratio was as high as 1.55 times and the total debt to total assets ratio was only 35.26 percent with debt to equity ratio of only 54.45 percent.



**Operating Results of the Coal Business or the Core Business:** The Company and subsidiary companies had total revenue from coal business in year 2022 of Baht 23,164.66 million, which increased from the previous year by Baht 9,637.49 million or 71.25 percent, due to the increase in coal sales volume and average coal selling price from the previous year of 15.56 percent and 48.20 percent, respectively. The net profit derived from shareholding proportion of the Company in year 2022 was Baht 2,785.39 million, which increased from the previous year by Baht 1,281.92 million or 85.26 percent. Coal prices continued to remain high as the war between Russia and Ukraine resulted in a surge in energy prices, leading to more demand for renewable energy. Additionally, the European Union (EU) expanded sanctions against Russia, causing the EU to buy more coal to replace Russian gas imports. Moreover, other countries such as Korea, Japan, India planned to increase coal stocks for winter in order to reduce natural gas imports that were a lot more expensive, resulting in the rising coal prices in the global market in line with the increasing demand for coal.

**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 2022 of Baht 2,003.98 million, which decreased from the previous year by Baht 203.32 million or 9.21 percent, due to the ethanol sales volume in year 2022 decreased by 14.09 percent, while the average ethanol selling price increased by 5.68 percent from the previous year. The net loss derived from shareholding proportion of the Company in year 2022 was Baht 43.80 million, which increased from the previous year by Baht 14.00 million or 46.98 percent. This was due to the increase of 3.57 percent in molasses price, which is the main raw material for ethanol production, and the shortage of raw material caused the subsidiary company to temporarily stop its ethanol production for the Production Line No.1.

#### OPERATING RESULTS ANALYSIS

Revenue	Year 2022		Year 2021		Increase (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from Coal Sales	23,164.66	91.67	13,527.17	85.32	9,637.49	71.25
Revenue from Ethanol Sales	2,003.98	7.93	2,207.30	13.92	(203.32)	(9.21)
Other Income	100.82	0.40	119.96	0.76	(19.14)	(15.96)
<b>Total Revenue</b>	<b>25,269.46</b>	<b>100.00</b>	<b>15,854.43</b>	<b>100.00</b>	<b>9,415.03</b>	<b>59.38</b>

#### REVENUE

Revenue of the Company and subsidiary companies in year 2022 totaled Baht 25,269.46 million, which increased from the previous year by Baht 9,415.03 million or 59.38 percent due to the following reasons:

(1) Revenue from coal business, which is the core business, was Baht 23,164.66 million, which increased from year 2021 by Baht 9,637.49 million or 71.25 percent. This was due to the increase in coal sales volume and average coal selling price as described above.

(2) Revenue from ethanol business, which is the secondary core business, was Baht 2,003.98 million, which decreased from year 2021 by Baht 203.32 million or 9.21 percent. This was due to the decrease in ethanol sales volume as described above; and

(3) Other income totaled Baht 100.82 million, which decreased from the previous year by Baht 19.14 million or 15.96 percent. This was due to the decrease in foreign exchange gain.

Expenses	Year 2022		Year 2021		Increase (Decrease)	
	Million Baht	% Sales	Million Baht	% Sales	Million Baht	% Sales
<b>Coal Business</b>						
Cost of sales	8,678.94	37.47	5,649.13	41.76	3,029.81	53.63
Selling and administrative	6,917.52	29.86	3,729.02	27.57	3,188.50	85.51
Financial expense	(18.60)	(0.08)	2.29	0.02	(20.89)	(912.23)
Corporate income tax	2,926.27	12.63	1,592.35	11.77	1,333.92	83.77
<b>Ethanol Business</b>						
Cost of sales	1,917.95	95.71	2,142.49	97.06	(224.54)	(10.48)
Selling and administrative	148.17	7.39	102.03	4.62	46.14	45.22
Financial expense	45.14	2.25	36.74	1.66	8.40	22.86
Corporate income tax	(19.94)	(1.00)	(14.97)	(0.68)	(4.97)	(33.20)

### COAL BUSINESS EXPENSES

Coal business expenses of the Company and subsidiary companies in year 2022 totaled Baht 18,504.13 million, which increased from year 2021 by Baht 7,531.34 million or 68.64 percent, due to the following reasons:

(1) Cost of coal sales increased from the previous year by Baht 3,029.81 million or 53.63 percent, due to the increase in coal sales volume and cost of coal sales per metric ton of 15.56 percent and 32.95 percent, respectively.

(2) Selling and administrative expenses increased from the previous year by Baht 3,188.50 million or 85.51 percent due to the increase in royalty fee payment paid to the government in accordance with the increase in coal sales volume, which varies according to rising coal selling prices.

(3) Financial expense decreased from the previous year by Baht 20.89 million or 912.23 percent due to the increase in interest received; and

(4) Corporate income tax increased from the previous year by Baht 1,333.92 million or 83.77 percent due to the increase in profit.

### ETHANOL BUSSINESS EXPENSES

Ethanol business expenses of the subsidiary company in year 2022 totaled Baht 2,091.32 million, which decreased from year 2021 by Baht 174.97 million or 7.72 percent, due to the following reasons:

(1) Cost of ethanol sales decreased from the previous year by Baht 224.54 million or 10.48 percent due to the decrease in ethanol sales volume per liter of 14.09 percent, but the average cost of ethanol sales per liter increased by 4.22 percent.

(2) Selling and administrative expenses increased from the previous year by Baht 46.14 million or 45.22 percent. This was due to the transfer of expenses of the Production Line No. 1 to selling and administrative expenses since there was a shortage of raw materials, which had caused a temporary stop in ethanol production for the Production Line No. 1.

(3) Financial expense increased from the previous year by Baht 8.40 million or 22.86 percent due to the increase in interest expense; and

(4) Corporate income tax decreased from the previous year by Baht 4.97 million or 33.20 percent due to the decrease in profit.

Gross Profit	Coal Business		Ethanol Business		Total	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Year 2022</b>						
Revenues from sales	23,164.66	100.00	2,003.98	100.00	25,168.64	100.00
<b>Less</b> Cost of sales	8,678.94	37.47	1,917.95	95.71	10,596.89	42.10
<b>Gross Profit</b>	<b>14,485.72</b>	<b>62.53</b>	<b>86.03</b>	<b>4.29</b>	<b>14,571.75</b>	<b>57.90</b>
<b>Year 2021</b>						
Revenues from sales	13,527.17	100.00	2,207.30	100.00	15,734.47	100.00
<b>Less</b> Cost of sales	5,649.13	41.76	2,142.49	97.06	7,791.62	49.52
<b>Gross Profit</b>	<b>7,878.04</b>	<b>58.24</b>	<b>64.81</b>	<b>2.94</b>	<b>7,942.85</b>	<b>50.48</b>

#### GROSS PROFIT

Gross profit of the Company and subsidiary companies in year 2022 accounted for 57.90 percent of the sales revenue, which increased from year 2021 with the gross profit of 50.48 percent of the sales revenue, due to the following reasons:

(1) Gross profit from coal business in year 2022 accounted for 62.53 percent of the sales revenue, which increased from year 2021 with gross profit of 58.24 percent of the sales revenue. This was due to the increase in average coal selling price of 48.20 percent but the average cost of coal sales increased by only 32.95 percent; and

(2) Gross profit from ethanol business in year 2022 accounted for 4.29 percent of the sales revenue, which increased from year 2021 with gross profit of 2.94 percent of the sales revenue. This was due to the increase in average ethanol selling price of 5.68 percent but the cost of ethanol sales increased by only 4.22 percent.

Net Profit	Year 2022		Year 2021		Increase (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Profit from Coal Business	2,785.39	94.08	1,503.47	95.44	1,281.92	85.26
Profit (Loss) from Ethanol Business	(43.80)	(1.48)	(29.80)	(1.89)	(14.00)	(46.98)
Share of income from associated company and other revenue	219.04	7.40	101.57	6.45	117.47	115.65
Net Profit	2,960.63	100.00	1,575.24	100.00	1,385.39	87.95
Net Earnings per Share - Baht per Share	5.64		3.00		2.64	87.95
Remark: Registered par value of Baht 1 per share						

#### NET PROFIT

The net profit of the Company and subsidiary companies in year 2022 totaled Baht 2,960.63 million, which increased from the previous year by Baht 1,385.39 million and net earnings per share was Baht 5.64 per share, which increased from the previous year by Baht 2.64 per share or 87.95 percent, due to the following reasons:

(1) Net profit from coal business derived from shareholding proportion of the Company in year 2022 was Baht 2,785.39 million, which increased from the previous year by Baht 1,281.92 million or 85.26 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 2022 was Baht 43.80 million, which increased from the previous year by Baht 14.00 million or 46.98 percent. This was due to the decrease in ethanol sales volume as described above; and

(3) Share of income from associated companies totaled Baht 219.04 million, which increased from the previous year by Baht 117.47 million or 115.65 percent due to the share of income from PT. Pesona Khatulistiwa Nusantara ("PKN") of Baht 207.88 million, which is the associated company that the Company acquired 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 2022 was Baht 8,910.23 million, which increased from the previous year by Baht 3,709.87 million or 71.34 percent and EBITDA margin was at 35.26 percent, which increased from the previous year by 7.50 percent.

(2) Net profit margin of the Company and subsidiary companies in year 2022 was at 19.36 percent, which increased from the previous year by 12.99 percent.

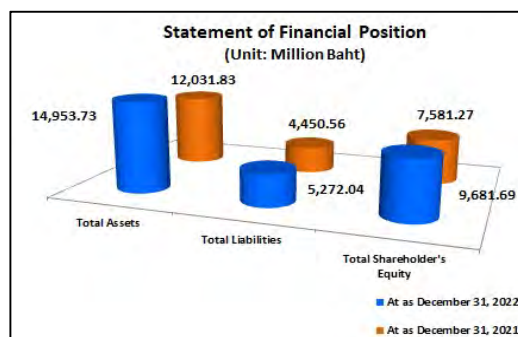
(3) Return on equity of the Company and subsidiary companies in year 2022 was at 45.13 percent, which increased from the previous year by 44.49 percent.

(4) Return on total assets and the return on fixed assets of the Company and subsidiary companies in year 2022 were at 36.26 percent and 142.97 percent, which increased from the previous year by 42.04 percent and 70.83 percent, respectively.

## STATEMENTS OF FINANCIAL POSITION

Description	Unit	As at December 31, 2022	As at December 31, 2021	Increase (Decrease)	%
Total Assets	Million Baht	14,953.73	12,031.83	2,921.90	24.28
Total Liabilities	Million Baht	5,272.04	4,450.56	821.48	18.46
Total Shareholders' Equity	Million Baht	9,681.69	7,581.27	2,100.42	27.71
<b>Book Value</b>	<b>Baht per Share</b>	<b>14.16</b>	<b>10.83</b>	<b>3.33</b>	<b>30.75</b>
<b>Remark: Registered par value of Baht 1 per share</b>					

**ASSETS:** The total assets of the Company and subsidiary companies as at the end of year 2022 was Baht 14,953.73 million, which increased from the end of year 2021 by Baht 2,921.90 million or 24.28 percent, due to (1) current assets increased by Baht 2,486.34 million or 40.30 percent, consisting of: (A) cash and cash equivalent increased by Baht 1,757.42 million or 64.73 percent; (B) trade accounts receivable and other accounts receivable increased by Baht 213.43 million or 12.81 percent; (C) inventories increased by Baht 49.19 million or 9.36 percent; and (D) other current assets most of which were prepaid corporate income tax, advance payment for goods, etc., increased by Baht 466.30 million or 36.91 percent; and (2) non-current assets increased by Baht 435.56 million or 7.43 percent.



**LIABILITIES:** The total liabilities of the Company and subsidiary companies as at the end of year 2022 was Baht 5,272.04 million, which increased from the end of year 2021 by Baht 821.48 million or 18.46 percent, due to (1) trade accounts payable and other accounts payable increased by Baht 217.78 million or 41.11 percent (2) accrued expenses, most of which were overburden removal expenses and freight cost, etc., increased by Baht 62.64 million or 3.92 percent (3) other liabilities, most of which were deferred tax, provision for mine rehabilitation of the subsidiary companies, and allowance for long-term benefits of employees, etc., increased by Baht 206.08 million or 31.80 percent; and (4) short-term loan and long-term loan of the subsidiary companies increased by Baht 334.98 million or 20.01 percent.

**TOTAL SHAREHOLDERS' EQUITY:** The total shareholders' equity of the Company and subsidiary companies as at the end of year 2022 was Baht 9,681.69 million, which increased from the end of year 2021 by Baht 2,100.42 million or 27.71 percent, resulting in an increase of the share's book value from Baht 10.83 per share to Baht 14.16 per share, an increase of Baht 3.33 per share or 30.75 percent. This was due to (1) an increase in retained earnings of Baht 1,672.74 million or 38.31 percent due to the net profit and revised comprehensive income items of Baht 2,958.99 million, but there was a dividend payment of Baht 1,286.25 million (2) an increase in translation adjustment in financial of Baht 73.63 million or 63.94 percent; and (3) an increase in minority shareholders' equity of Baht 354.05 million or 18.69 percent.

## CASH FLOWS

Description	Unit: Million Baht	
	Year 2022	Year 2021
Cash Flows from (used in) Operating Activities	5,523.30	3,623.81
Cash Flows from (used in) Investing Activities	(2,088.79)	(940.62)
Cash Flows from (used in) Financing Activities	(2,566.52)	(1,365.01)
Increase (Decrease) in Translation Adjustments in Financial Statements	(3.04)	12.84
Net Increase (Decrease) in Cash	864.95	1,331.02
Cash at the beginning of the period	2,163.72	832.70
<b>Cash at the end of the period</b>	<b>3,028.67</b>	<b>2,163.72</b>

(1) The net cash from operating activities of the Company and subsidiary companies in year 2022 totaled Baht 5,523.30 million, consisting of (A) income before corporate income tax and interest expense of Baht 7,799.38 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 924.07 million (C) an increase in operating assets of Baht 753.70 million (D) an increase in operating liabilities of Baht 155.43 million (E) interest received of Baht 26.75 million; and (F) interest expenses and taxes of Baht 2,628.63 million.

(2) The net cash used in investing activities of the Company and subsidiary companies in year 2022 totaled Baht 2,088.79 million, consisting of (A) properties, buildings and equipment, most of which were the second coal processing plant and the expansion of the port and jetty to increase the production capacity of the subsidiary company in Indonesia, increased by Baht 289.73 million (B) an increase in expenses of coal mine projects of subsidiary companies in Indonesia of Baht 856.13 million (C) short-term capital investment and other items decreased by Baht 970.13 million (D) loans to related parties decreased by Baht 18.62 million; and (E) dividend income of Baht 8.58 million.

(3) The net cash used in financing activities of the Company and subsidiary companies in year 2022 totaled Baht 2,566.52 million, consisting of (A) an increase in loan of Baht 296.99 million (B) dividend payment of Baht 2,913.48 million; and (C) an increase in minority shareholders' equity of Baht 49.97 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 2022 were 12.57 percent of total assets.

(2) Inventory of the Company and subsidiary companies as at the end of year 2022 was 3.84 percent of total assets.

(3) The Company's goodwill incurred from investment in the subsidiary company as at the end of year 2022 accounted for 1.24 percent of total assets.

## LIQUIDITY AND SUFFICIENCY OF CAPITAL

(1) The current ratio and the quick ratio of the Company and subsidiary companies as at the end of year 2022 were as high as 2.13 times and 1.55 times, respectively. In addition, the Company and subsidiary companies have sufficient credit facilities for future working capital.

(2) The total debt-to-equity ratio of the Company and subsidiary companies as at the end of year 2022 was as low as 0.54:1 with appropriate capital structure. The Company has cash generation and credit facilities sufficient for future investment projects.

(3) The cash cycle of the Company and subsidiary companies in year 2022 was 26 days, which decreased from the previous year by 3 days. The average debt collection period was at 24 days, which decreased from the previous year by 5 days. The average inventory turnover was at 19 days, which was the same as the previous year but the average debt repayment period was at 17 days, which decreased from the previous year by 2 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, 2022, the abovementioned subsidiary company was unable to maintain the DSCR as required by the contractual obligation of the loan. Nevertheless, the lending bank issued a waiver letter regarding such conditions on November 3, 2022.

(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 continue to rise as many countries have started relaxing lockdown restrictions and begun to open up as the COVID-19 pandemic situation has improved, which has brought the economy back to normal, resulting in an increase in energy demand, as well as the prolonged Russo-Ukrainian war has led to a rise in energy prices. As a result of China open up the country, energy prices have remained high. It is expected that the Company and subsidiary companies will sustain profitable performance throughout 2023. In this regard, the Company and subsidiary companies place importance on strict compliance with laws and regulations, as well as adherence to environmental, social, and governance (ESG) principles. Apart from coal-fired power business, the Company and subsidiary companies seek to pursue energy sustainability by exploring and investing in renewable energy projects both domestically and overseas, with the goal of transitioning into a clean energy business in order to minimize the impact on the environment and greenhouse gases, for the Company to grow sustainably.

**Ethanol Business:** It is anticipated that in year 2023, the quantity of cane processed during the production season will be lower compared to the previous year, leading to a decrease in the amount of molasses, the main raw material for ethanol production, and there is high volatility of cassava chip prices resulting from domestic and overseas demand. Therefore, the cost of production is expected to remain high in 2023. Although demand for ethanol decreased in late 2022 to early 2023 due to the cancellation of the E20 and E85 gasohol fund compensation measures, the Company believes that the demand for ethanol will rise if the government implements measures to seriously promote the use of gasohol E20 as a base oil.

**Overall Business:** The COVID-19 pandemic situation is improving, which should result in a recovery of global economy including Thailand. Therefore, the overall operating results of the Company and subsidiary companies in year 2023 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 2022 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 (2000) and in compliance with the accounting standard established in the Accounting Profession Act B.E. 2547 (2004).

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 2022 (Form 56-1 One Report).

March 7, 2023

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



(Mr. Vanchai Tosomboon)  
Chairman of the Board



(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. The auditor provided a summary of the audit results for year 2022 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 2022, 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 2022, 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 2022. 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 2022, the Company recorded goodwill amounting to Baht 186 million. 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 2020 – 2022**

Description	Year 2020		Year 2021		Year 2022	
	Million Baht	%	Million Baht	%	Million Baht	%
<b><u>Assets</u></b>						
<b><u>Current Assets</u></b>						
Cash and Cash Equivalents	832.70	9.00	2,163.72	17.98	3,028.67	20.25
Short Term Investment	551.06	5.96	551.10	4.58	1,443.57	9.65
Trade and other Receivables	935.84	10.12	1,666.08	13.85	1,879.51	12.57
Inventories-net	302.32	3.27	525.52	4.37	574.71	3.84
Other Current Assets	1,100.57	11.89	1,263.45	10.50	1,729.75	11.57
<b>Total Current Assets</b>	<b>3,722.49</b>	<b>40.24</b>	<b>6,169.87</b>	<b>51.28</b>	<b>8,656.21</b>	<b>57.89</b>
Long-Term Loans to Related Party	-	-	105.81	0.88	90.19	0.60
Restricted bank deposit	151.42	1.64	343.23	2.85	434.88	2.91
Investment in Associated Companies	20.79	0.22	173.04	1.44	383.38	2.56
Advance Payment for Share Subscription	160.77	1.74	0.00	0.00	0.00	0.00
Property, Plant and Equipment	4,271.49	46.17	4,140.20	34.41	4,072.54	27.23
Biological Assets	6.46	0.07	11.58	0.10	15.17	0.10
Investment properties	61.14	0.66	57.53	0.48	50.15	0.34
Other Non-Current Assets	856.80	9.26	1,030.57	8.56	1,251.21	8.37
<b>Total Assets</b>	<b>9,251.36</b>	<b>100.00</b>	<b>12,031.83</b>	<b>100.00</b>	<b>14,953.73</b>	<b>100.00</b>
<b><u>Liabilities and Shareholders' Equity</u></b>						
<b><u>Current Liabilities</u></b>						
Short -Term Loans from Financial Institutions	994.74	10.75	763.61	6.35	1,303.95	8.72
Trade and other payables	481.14	5.20	529.81	4.40	747.59	5.00
Current Portion of Long Term loans from Financial Institution	190.13	2.06	291.61	2.42	321.04	2.15
Current Portion of Lease Liabilities	24.27	0.26	30.42	0.25	29.61	0.20
Other Current Liabilities	446.71	4.83	1,598.47	13.29	1,661.11	11.11
<b>Total Current Liabilities</b>	<b>2,136.99</b>	<b>23.10</b>	<b>3,213.92</b>	<b>26.71</b>	<b>4,063.30</b>	<b>27.17</b>
Lease Liabilities- net of current portion	60.87	0.66	62.54	0.52	44.85	0.30
Long-Term Loans from Financial Institution – net of current portion	476.48	5.15	619.09	5.15	384.30	2.57
Provision for Mine reclamation and Decommissioning	96.73	1.05	124.99	1.04	130.67	0.87
Provision for Long-Term Employee Benefits	268.14	2.90	203.69	1.69	203.76	1.36
Deferred Tax Liabilities	187.65	2.02	226.33	1.88	445.16	2.98
<b>Total Liabilities</b>	<b>3,226.86</b>	<b>34.88</b>	<b>4,450.56</b>	<b>36.99</b>	<b>5,272.04</b>	<b>35.26</b>
<b><u>Shareholders' Equity</u></b>						
Registered, Issued and Fully Paid up	525.00	5.67	525.00	4.36	525.00	3.51
Share Premium	680.40	7.35	680.40	5.66	680.40	4.55
<b><u>Retained Earnings</u></b>						
Appropriated-Statutory Reserve	52.50	0.57	52.50	0.44	52.50	0.35
Appropriated-General Reserve	1,255.00	13.57	1,310.60	10.89	1,310.60	8.76
Unappropriated	1,951.55	21.09	3,003.44	24.96	4,676.18	31.27
Other Components of Shareholders' Equity	(65.00)	(0.70)	115.16	0.96	188.79	1.26
<b>Equity Attributable to owners of The Company</b>	<b>4,399.45</b>	<b>47.55</b>	<b>5,687.10</b>	<b>47.27</b>	<b>7,433.47</b>	<b>49.71</b>
<b>Non-Controlling interests of The Subsidiaries</b>	<b>1,625.05</b>	<b>17.57</b>	<b>1,894.17</b>	<b>15.74</b>	<b>2,248.22</b>	<b>15.03</b>
<b>Total Shareholders' equity</b>	<b>6,024.50</b>	<b>65.12</b>	<b>7,581.27</b>	<b>63.01</b>	<b>9,681.69</b>	<b>64.74</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>9,251.36</b>	<b>100.00</b>	<b>12,031.83</b>	<b>100.00</b>	<b>14,953.73</b>	<b>100.00</b>

### Income Statements Year 2020 - 2022

Description	Year 2020		Year 2021		Year 2022	
	Million Baht	%	Million Baht	%	Million Baht	%
<b><u>Revenues</u></b>						
Revenue from Sales	9,511.87	99.40	15,734.47	99.24	25,168.64	99.60
Other Income	57.27	0.60	119.96	0.76	100.82	0.40
<b>Total Revenues</b>	<b>9,569.14</b>	<b>100.00</b>	<b>15,854.43</b>	<b>100.00</b>	<b>25,269.46</b>	<b>100.00</b>
<b><u>Expenses</u></b>						
Cost of sales	6,639.50	69.38	7,791.62	49.14	10,596.89	41.94
Selling and Administrative Expenses	2,310.69	24.15	3,831.05	24.16	7,065.69	27.96
Financial Cost	44.53	0.47	39.03	0.25	26.54	0.11
<b>Total Expenses</b>	<b>8,994.72</b>	<b>94.00</b>	<b>11,661.70</b>	<b>73.55</b>	<b>17,689.12</b>	<b>70.00</b>
Share of Profit from Investment in Associated Companies	8.05	0.08	101.57	0.64	219.04	0.87
Income Tax Expenses	(176.71)	(1.84)	(1,577.38)	(9.95)	(2,906.33)	(11.50)
<b>Profit for the Year</b>	<b>405.76</b>	<b>4.24</b>	<b>2,716.92</b>	<b>17.14</b>	<b>4,893.05</b>	<b>19.36</b>
<b>Non-Controlling Interests of the Subsidiaries</b>	<b>(118.94)</b>	<b>(1.24)</b>	<b>(1,141.68)</b>	<b>(7.20)</b>	<b>(1,932.42)</b>	<b>(7.65)</b>
<b>Net Profit</b>	<b>286.82</b>	<b>3.00</b>	<b>1,575.24</b>	<b>9.94</b>	<b>2,960.63</b>	<b>11.72</b>
<b>Earnings per Share</b>	<b>0.55</b>		<b>3.00</b>		<b>5.64</b>	

### Retained Earnings Year 2020 - 2022

Description	Unit : Million Baht		
	Year 2020	Year 2021	Year 2022
Unappropriated Retained Earnings Brought Forward	1,909.83	1,951.55	3,003.44
Net Profit (Loss)	286.82	1,575.24	2,960.63
<b>Unappropriated Retained Earnings</b>	<b>2,196.65</b>	<b>3,526.79</b>	<b>5,964.07</b>
<b>Other Comprehensive income for the Year</b>	<b>(4.45)</b>	<b>4.75</b>	<b>(1.64)</b>
Unappropriated Retained Earnings Transferred to General Reserve	(4.40)	(55.60)	0.00
Retained Earnings for Appropriations	2,187.80	3,475.94	5,962.43
<b><u>Less</u> Dividend Paid</b>			
Final Dividends	(157.50)	(157.50)	(525.00)
Interim Dividends	(78.75)	(315.00)	(761.25)
<b>Unappropriated Retained Earnings Carried Forward</b>	<b>1,951.55</b>	<b>3,003.44</b>	<b>4,676.18</b>

### Statements of Cash Flows Year 2020 - 2022

Description	Unit : Million Baht		
	Year 2020	Year 2021	Year 2022
<b><u>Cash Flows from Operating Activities</u></b>			
Profit before Tax	582.47	4,294.31	7,799.38
Depreciation and Amortization	812.76	852.75	1,054.86
Share of Profit from Investment in Associated Companies	(8.05)	(101.57)	(219.04)
Adjustments other Transactions	131.38	222.69	88.25
Operating Assets and Liabilities	837.79	(1,034.32)	(598.27)
Interest Income	13.90	14.08	26.75
Cash Paid for Interest Expenses	(48.22)	(44.97)	(47.62)
Cash Paid for Income Tax	(104.29)	(579.16)	(2,581.01)
<b>Net Cash from (used in) operating activities</b>	<b>2,217.74</b>	<b>3,623.81</b>	<b>5,523.30</b>
<b><u>Cash Flows from Investment Activities</u></b>			
Cash Paid for Investment in Subsidiary	(74.71)	-	-
Dividend Received from Subsidiaries and Associated Company	6.87	7.75	8.58
Short-term Investment Decrease (Increase)	61.91	-	(892.50)
Decrease in Debt Instruments Investments	-	-	18.62
Increase in Restricted Bank Deposits	(36.70)	(175.81)	(79.92)
Proceeds from Disposals of Equipment, Computer software and investment Properties	11.24	1.78	4.06
Acquisitions of Property, Plant and Equipment	(266.73)	(142.65)	(293.79)
Increase in other Non-Current Assets	(388.21)	(631.69)	(853.84)
<b>Net Cash from (used in) Investing Activities</b>	<b>(686.33)</b>	<b>(940.62)</b>	<b>(2,088.79)</b>
<b><u>Cash Flows from Financing Activities</u></b>			
Increase (Decrease) in loans from Financial Institutions	(629.32)	285.68	627.41
Dividend Paid	(336.71)	(1,454.64)	(2,913.48)
Repayment of Long-Term Loan from Financing Institution	(166.53)	(270.85)	(296.21)
Cash paid for Lease Liabilities	(33.78)	(33.66)	(34.21)
Increase(Decrease) in Non-Controlling Interests of the Subsidiaries	(7.30)	108.46	49.97
<b>Net Cash used in Financing Activities</b>	<b>(1,173.64)</b>	<b>(1,365.01)</b>	<b>(2,566.52)</b>
<b>Increase (Decrease) in Translation Adjustments</b>	<b>(2.69)</b>	<b>12.84</b>	<b>(3.04)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>355.08</b>	<b>1,331.02</b>	<b>864.95</b>
<b>Cash and Cash Equivalents at beginning of Year</b>	<b>477.62</b>	<b>832.70</b>	<b>2,163.72</b>
<b>Cash and Cash Equivalents at end of Year</b>	<b>832.70</b>	<b>2,163.72</b>	<b>3,028.67</b>

### Financial Ratio Year 2020 - 2022

Consolidated Financial Statements	Unit	Year 2020	Year 2021	Year 2022
<b><u>Per Share Data</u></b>				
Book Value	Baht per Share	8.38	10.83	14.16
Earnings per Share	Baht per Share	0.55	3.00	5.64
Dividend Per Share	Baht per Share	0.45	1.60	3.00
<b><u>Liquidity Ratios</u></b>				
Current Ratio	times	1.74	1.92	2.13
Quick Ratio	times	1.07	1.35	1.55
Cash Flow Liquidity Ratio	times	0.93	1.35	1.52
Account Receivable Turnover Ratio	times	11.98	12.54	14.71
Average Debt Collection Period	days	30	29	24
Inventory Turnover Ratio	times	12.87	18.82	19.26
Average Selling Period	days	28	19	19
Account Payable Turnover Ratio	times	15.57	18.48	20.59
Average Debt Payment Period	days	23	19	17
Cash Cycle	days	35	29	26
<b><u>Profitability Ratio</u></b>				
Gross Profit Margin	%	30.20	30.48	57.90
Operating Profitability Ratio	%	5.44	25.88	29.72
Others Profitability Ratio	%	0.68	1.40	1.27
Cash Flow to Profitability Ratio	%	428.84	88.98	73.85
EBITDA Margin	%	15.19	32.80	35.26
Net Profit Margin	%	4.24	17.14	19.36
Return on Equity	%	6.55	31.23	45.13
<b><u>Operating Efficiency Ratio</u></b>				
Return on Total Assets	%	4.27	25.53	36.26
Return on Fixed Assets	%	27.92	83.69	142.97
Total Assets Turnover Ratio	times	1.01	1.49	1.87
<b><u>Financial Policy Ratio</u></b>				
Debt to Equity Ratio	times	0.54	0.59	0.54
Interest Coverage Ratio	times	24.89	97.53	159.14
EBITDA Coverage Ratio (cash basis)	times	1.20	4.79	5.39
Dividend Payment Ratio	%	82.37	53.35	53.20

**(B) SEPARATED FINANCIAL STATEMENTS**

**Statements of Financial Position Year 2020 - 2022**

Description	Year 2020		Year 2021		Year 2022	
	Million Baht	%	Million Baht	Million Baht	%	Million Baht
<b><u>Assets</u></b>						
<b><u>Current Assets</u></b>						
Cash and Cash Equivalents	277.70	9.67	874.23	24.09	987.80	21.18
Other Current financial Assets	550.01	19.15	550.01	15.15	1,442.50	30.92
Trade and other Receivables	185.86	6.47	322.90	8.90	485.25	10.40
Inventories-net	108.97	3.79	254.76	7.02	207.64	4.45
Other Current Assets	130.88	4.55	54.09	1.49	59.48	1.28
<b>Total Current Assets</b>	<b>1,253.42</b>	<b>43.63</b>	<b>2,055.99</b>	<b>56.65</b>	<b>3,182.67</b>	<b>68.23</b>
Investment in Associated Companies	906.03	31.54	903.54	24.90	853.64	18.30
Advance Payment for Share Subscription	160.77	5.60	0.00	0.00	0.00	0.00
Long-Term Loans to Related Party	0.00	0.00	105.81	2.92	90.19	1.93
Property, Plant and Equipment	458.33	15.95	427.96	11.79	443.73	9.51
Investment properties	29.86	1.04	29.45	0.81	29.45	0.63
Other Non-Current Assets	64.34	2.24	106.29	2.93	64.94	1.39
<b>Total Assets</b>	<b>2,873</b>	<b>100.00</b>	<b>3,629</b>	<b>100.00</b>	<b>4,664.62</b>	<b>100.00</b>
<b><u>Liabilities and Shareholders' Equity</u></b>						
<b><u>Current Liabilities</u></b>						
Trade and other payables	33.29	1.16	53.68	1.48	47.07	1.01
Current Portion of Lease Liabilities	8.75	0.30	11.26	0.31	11.74	0.25
Other Current Liabilities	27.73	0.97	51.37	1.42	62.04	1.33
<b>Total Current Liabilities</b>	<b>69.77</b>	<b>2.43</b>	<b>116.31</b>	<b>3.21</b>	<b>120.85</b>	<b>2.59</b>
Lease Liabilities- net of current portion	28.11	0.98	34.89	0.96	25.19	0.54
Provision for Long-Term Employee Benefits	48.80	1.70	47.59	1.31	51.17	1.10
<b>Total Liabilities</b>	<b>147</b>	<b>5.11</b>	<b>199</b>	<b>5.48</b>	<b>197.21</b>	<b>4.23</b>
<b><u>Shareholders' Equity</u></b>						
Registered, Issued and Fully Paid up	525.00	18.28	525.00	14.47	525.00	11.25
Share Premium	680.40	23.68	680.40	18.75	680.40	14.59
<b><u>Retained Earning</u></b>						
Appropriated-Statutory Reserve	52.50	1.83	52.50	1.45	52.50	1.13
Appropriated-General Reserve	1,255.00	43.68	1,310.60	36.11	1,310.60	28.10
Unappropriated	213.17	7.42	861.75	23.74	1,898.91	40.71
Equity Attributable to owners of The Company	2,726.07	94.89	3,430.25	94.52	4,467.41	95.77
<b>Total Shareholders' equity</b>	<b>2,726.07</b>	<b>94.89</b>	<b>3,430.25</b>	<b>94.52</b>	<b>4,467.41</b>	<b>95.77</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>2,872.75</b>	<b>100.00</b>	<b>3,629.04</b>	<b>100.00</b>	<b>4,664.62</b>	<b>100.00</b>



### Income Statement Year 2020 – 2022

Description	Year 2020		Year 2021		Year 2022	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Revenues</b>						
Revenue from Sales	1,550.58	88.59	1,772.68	52.85	2,223.65	44.73
Other Income	199.71	11.41	1,581.56	47.15	2,747.95	55.27
<b>Total Revenues</b>	<b>1,750.29</b>	<b>100.00</b>	<b>3,354.24</b>	<b>100.00</b>	<b>4,971.60</b>	<b>100.00</b>
<b>Expenses</b>						
Cost of sales	1,129.53	64.53	1,429.66	42.62	1,705.37	34.30
Selling and Administrative Expenses	285.90	16.33	449.91	13.41	371.92	7.48
Finance cost (Income)	(1.62)	(0.09)	(2.01)	(0.06)	(8.03)	(0.16)
<b>Total Expenses</b>	<b>1,413.81</b>	<b>80.77</b>	<b>1,877.56</b>	<b>55.97</b>	<b>2,069.26</b>	<b>41.62</b>
<b>Income Tax Expenses</b>	<b>(44.60)</b>	<b>(2.55)</b>	<b>(303.77)</b>	<b>(9.06)</b>	<b>(578.93)</b>	<b>(11.64)</b>
<b>Net Profit</b>	<b>291.80</b>	<b>16.68</b>	<b>1,172.91</b>	<b>34.97</b>	<b>2,323.41</b>	<b>46.73</b>
<b>Earnings per Share</b>	<b>0.56</b>		<b>2.23</b>		<b>4.43</b>	

### Retained Earnings Year 2020 – 2022

Description	Year 2020	Year 2021	Year 2022
	Million Baht	Million Baht	Million Baht
Unappropriated Retained Earnings Brought Forward	161.94	213.17	861.75
Net Profit (Loss)	291.88	1,172.91	2,323.41
Unappropriated Retained Earnings	453.82	1,386.08	3,185.16
Other Comprehensive income for the Year		3.77	0.00
Unappropriated Retained Earnings Transferred to General Reserve	(4.40)	(55.60)	0.00
Retained Earnings for Appropriations	449.42	1,334.25	3,185.16
<u>Less</u> Dividend Paid			
Final Dividends	(157.50)	(157.50)	(525.00)
Interim Dividends	(78.75)	(315.00)	(761.25)
Unappropriated Retained Earnings Carried Forward	213.17	861.75	1,898.91

### Cash Flows Year 2020 - 2022

Description	Unit: Million Baht		
	Year 2020	Year 2021	Year 2022
<b><u>Cash Flows from Operating Activities</u></b>			
Profit before Tax	336.49	1,476.69	2,902.34
Depreciation and Amortization	55.02	54.65	61.13
Dividend Received	(127.04)	(1,506.26)	(2,626.49)
Adjustments other Transactions	3.22	175.16	11.76
Operating Assets and Liabilities	125.52	(178.65)	(102.29)
Interest Income	3.75	4.17	7.81
Cash Paid for Income Tax	(36.83)	(334.47)	(583.34)
<b>Net Cash from (used in) operating activities</b>	<b>360.13</b>	<b>(308.71)</b>	<b>(329.08)</b>
<b><u>Cash Flows from Investment Activities</u></b>			
Increase in Debt Instruments Investments	60.69	0.00	0.00
Dividend Received from Subsidiaries and Associated Company	127.04	1,506.26	2,626.49
Short-term Investments/Fixed Deposits Decrease (Increase)	-	-	(892.50)
Cash Received from the partial Return on Investment from Subsidiary	(892.50)	53.12	18.83
Cash Paid for Investment in Subsidiary	(145.00)	(145.00)	-
Proceeds from Disposals of Equipment, Computer software and investment Properties	10.30	0.67	0.62
Loans to Related Parties Decrease	-	-	18.62
Acquisitions of Property, Plant and Equipment	(10.74)	(19.81)	(29.33)
Increase in other Non-Current Assets	0.05	(0.23)	0.75
<b>Net Cash from (used in) Investing Activities</b>	<b>42.34</b>	<b>1,395.01</b>	<b>1,743.48</b>
<b><u>Cash Flows from Financing Activities</u></b>			
Cash paid for Lease Liabilities	(12.97)	(13.61)	(14.31)
Dividend Paid	(236.25)	(472.50)	(1,286.25)
<b>Net Cash used in Financing Activities</b>	<b>(249.22)</b>	<b>(486.11)</b>	<b>(1,300.56)</b>
<b>Increase (Decrease) in Translation Adjustments</b>	<b>(0.10)</b>	<b>(3.66)</b>	<b>(0.27)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>153.15</b>	<b>596.53</b>	<b>113.57</b>
<b>Cash and Cash Equivalents at beginning of Year</b>	<b>124.55</b>	<b>277.70</b>	<b>874.23</b>
<b>Cash and Cash Equivalents at end of Year</b>	<b>277.70</b>	<b>874.23</b>	<b>987.80</b>

### Financial Ratio Year 2020 - 2022

Description	Unit	Year 2020	Year 2021	Year 2022
<b><u>Per Share Data</u></b>				
Book Value	Baht per Share	5.19	6.53	8.51
Earnings per Share	Baht per Share	0.56	2.23	4.43
Dividend Per Share	Baht per Share	0.45	1.60	3.00
<b><u>Liquidity Ratios</u></b>				
Current Ratio	times	17.97	17.68	26.34
Quick Ratio	times	14.53	14.94	24.03
Cash Flow Liquidity Ratio	times	5.83	(3.32)	(2.78)
Account Receivable Turnover Ratio	times	11.04	7.36	5.65
Average Debt Collection Period	days	33	49	64
Inventory Turnover Ratio	times	9.06	7.86	7.38
Average Selling Period	days	40	46	49
Account Payable Turnover Ratio	times	40.97	35.08	39.27
Average Debt Payment Period	days	9	10	9
Cash Cycle	days	64	85	104
<b><u>Profitability Ratio</u></b>				
Gross Profit Margin	%	27.15	19.35	23.31
Operating Profitability Ratio	%	8.82	(5.92)	6.94
Others Profitability Ratio	%	11.41	47.15	55.27
Cash Flow to Profitability Ratio	%	263.31	294.35	(213.15)
EBITDA Margin	%	22.58	45.78	59.66
Net Profit Margin	%	16.68	34.97	46.73
Return on Equity	%	10.82	38.10	58.84
<b><u>Operating Efficiency Ratio</u></b>				
Return on Total Assets	%	10.35	36.08	56.03
Return on Fixed Assets	%	68.53	259.64	512.48
Total Assets Turnover Ratio	times	0.62	1.03	1.20
<b><u>Financial Policy Ratio</u></b>				
Debt to Equity Ratio	times	0.05	0.06	0.04
Interest Coverage Ratio	times	183.10	649.87	1,200.79
EBITDA Coverage Ratio (cash basis)	times	44.99	136.21	252.64
Dividend Payment Ratio	%	80.94	71.62	67.79

## **(5) GENERAL INFORMATION AND OTHER INFORMATION**

### **(5.1) REFERENCE INFORMATION**

<b>Registrar</b>	<b>Audit Company</b>
<b>Thailand Securities Depository Co., Ltd.</b> 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 : <a href="http://www.set.or.th/tsd">www.set.or.th/tsd</a>	<b>EY Office Limited</b> 193/136-137 Lake Rajada Office Complex, 33 <sup>rd</sup> Floor, Ratchadapisek Rd., Klongtoey, Bangkok 10110 Tel.: 0-2264-0777, Fax: 0-2264-0789-90 E-mail : <a href="mailto:ey.thailand@th.ey.com">ey.thailand@th.ey.com</a> Website : <a href="https://www.ey.com/th/en/home">https://www.ey.com/th/en/home</a>

### **(5.2) LITIGATION**

In September 2011, a company sued the subsidiary company 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 contested the case in three courts, with a final ruling on April 17, 2019. The Supreme Court upheld the judgments of the Civil Court and the Appeal Court, which ordered the aforementioned company to pay the subsidiary company for the advance purchase of cassava chips in the amount of Baht 6.9 million with an interest rate of 7.5 percent per annum starting from November 8, 2011 (Countersue date) until the payment is fully settled.

On May 18, 2018, the subsidiary company filed a lawsuit against the above company with the Bankruptcy Court. The Bankruptcy Court dismissed the case on May 29, 2019 as such company still has claims against a debtor who is a government agency, therefore has not yet become insolvent. In this regard, the subsidiary has already made attachment of the claim.

On August 13, 2019, the subsidiary company received a partial payment of Baht 0.2 million. Subsequently, on January 21, 2022, the court ordered the debtor to pay the attached funds to the subsidiary company. In October 2022, the subsidiary initiated an execution case by submitting a request to seize the debtor's bank deposit for the full amount as per the writ of execution. The bank has duly remitted the entire amount to the executing officer, while awaiting the preparation of the account and the collection of funds. In December 2022, the debtor submitted a petition to revoke the claim attachment. At present, the matter is under the court's investigation of the petition. Nevertheless, the subsidiary company had previously recorded the full amount of allowance for impairment for the advance payment for cassava chips paid to the aforementioned company.

### **(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 business development in the long term.



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

### 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 ESG Committee 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 for further improvements, leading to sustainable business development in long term.

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 established code of conduct.

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

### 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 103 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 Nomination and Remuneration Committee ("NRC") 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 103 under topic 7.2, Board of Directors Information).

- In 2022, the Board of Directors consisted of 12 directors, including four authorized directors and nine non-executive directors and four 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 four sub-committees; namely, Audit Committee ("AC"), Risk Management Committee ("RMC"), Nomination and Remuneration Committee ("NRC"), and ESG Committee ("ESGC"). 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 2022 (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 23 under topic 1.3.2, Shareholders, in the Annual Report 2022 (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 (1992) 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 four listed companies.
  - (2) Non-executive directors or professional directors may take up directorship position at no more than five listed companies; and
  - (3) The Chairman of the Board may take up the Chairman of the Board position at only one 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 Environmental, Social, and Governance Committee ("ESGC"). (see details on page 103 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 128 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 74 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 2022 (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 2022 (Form 56-1 One Report) on page 103 under topic 7.2, 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 2022, there were two meetings held, Non-Executive Directors Meeting No. 1/2022 on October 17, 2022 and No. 2/2022 on November 21, 2022.

### **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 103 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 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 two 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 two 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 2022 are as follows:

Attendees in Training/Seminar	Training/Seminar	Institution	Date of Training/Seminar
Mr. Srihasak Arirachakaran	(1) Energy Symposium 2022: Adaptation of the Thai Industrial Sector to the Global Energy Crisis	The Federation of Thai Industries (FTI)	12/9/2022
	(2) Director Forum 1/2022: From "Net-Zero" to "Set-Zero" Reimagining Business Landscape	Thai Institute of Directors (IOD)	19/1/2022
	(3) Director's Briefing: What Director Should Know about Quantum?	Thai Institute of Directors (IOD)	25/1/2022
	(4) Future-proofing Shipping: The Decarbonization Game-Changer	DNV Group	25/1/2022
	(5) Director's Briefing 2/2022: Workplace Health & Safety: New Priorities for Board	Thai Institute of Directors (IOD)	15/2/2022
	(6) Jump-start Your Leaders to Accelerate Transformation	South East Asia Center (SEAC)	23/3/2022
	(7) NSTDA Annual Conference No. 17- NAC2022: Revitalizing Thai Economy through BCG Research and Innovation	NSTDA	31/3/2022
	(8) The Roles of Biofuels Towards Achieving Thailand's Net-Zero Emissions Policy	Chulalongkorn University	29/3/2022
	(9) Progress Towards CE with Circularity Performance Assessment	NSTDA	30/3/2022
	(10) Geo-political Conflicts and Thailand's Path in the Next World Order	The Permanent Mission of Thailand to the WTO and WIPO (PMTW)	31/3/2022
	(11) Challenges for Thai Entrepreneurs on the New World Rules on Climate Change	Thai Renewable Energy Association (RE100)	19/4/2022
	(12) CMA Extension Program (CMA-X): China 2022 Challenges and Opportunities	Capital Market Academy (CMA)	28/4/2022
	(13) Alternative Ship Fuels – Status and Outlook	DNV Group	28/4/2022
	(14) Director's Briefing 4/2022: Building 21 <sup>st</sup> Century Companies in Asia	Thai Institute of Directors (IOD)	29/4/2022
	(15) CMA Extension Program (CMA-X): Sustainability – Business Success Drives Social Development/ Craving Leadership - Ways Forward for Our Better Society	Capital Market Academy (CMA)	5/5/2022
	(16) ESG Webinar Series No.2/2022: Circular Economy – Strategies for Reducing Greenhouse Gas Emissions in the Business Sector	The Stock Exchange of Thailand	9/5/2022
	(17) Director's Briefing 5/2022: Leadership that Shapes the Future	Thai Institute of Directors (IOD)	12/5/2022
	(18) CMA Extension Program (CMA-X): How Blockchain may Reshape Capital Markets/ Digital Asset and Neo Finance	Capital Market Academy (CMA)	30/5/2565
	(19) ACMA Talk No. 1/2022: LiVE Platform: Opportunities and Challenges: New Chapter of Thai Capital Market	ACMA Alumni	24/5/2565
	(20) Independent & Chartered Director Forum 2022: "Navigate Board's Challenges in Defining Governance vs. Management Role"	Thai Institute of Directors (IOD)	30/5/2022

Attendees in Training/Seminar	Training/Seminar	Institution	Date of Training/Seminar
	(21) Toward 2065 Thailand Net Emissions Goal	Business France	31/5/2022
	(22) Carbon Dynamics and Forest Ecology: Are Thai Forests a Source or a Sink for Carbon?	Petroleum Institute of Thailand	17/6/2022
	(23) Director's Briefing 6/2022: Reimagining Boardroom in the Web 3.0 Era	Thai Institute of Directors (IOD)	22/6/2022
	(24) Surviving Business Opportunities	ACMA Alumni	5/7/2022
	(25) Disrupt Corruption with Power of Business Unity	Thai Institute of Directors (IOD) (IOD)	12/7/2022
	(26) Wisdom for Future: Harmonizing the Diverse Boards & Notice of Privacy policy and Privacy Statement	Thai Institute of Directors (IOD)	19/7/2022
	(27) Director's Briefing 9/2022: Geopolitical Risk and Opportunity	Thai Institute of Directors (IOD)	8/9/2022
	(28) IOD Refreshing Course: Outbound Investment	Thai Institute of Directors (IOD)	7/11/2022
	(29) TH SEC Series 1: Implementation of TCFD Checklist for Listed Companies in the Non-Financial Sector Webinar	Securities and Exchange	10/11/2022
	(30) TH SEC Series 2: Climate Scenario Analysis and Risk Management Application for Listed Companies in the Non-Financial Sector	Securities and Exchange	11/11/2022
Mr. Prasert Promdech	(1) Risk Management Program for Corporate Leaders (RCL)	Thai Institute of Directors (IOD)	4/10/2022
	(2) Coaltrans Asia 2022	Coaltrans Conferences	18/09/2022
Mr. Yongyut Choochua	(1) Coaltrans Asia 2022	Coaltrans Conferences	18/09/2022
	(2) Understanding and Implementing the Personal Data Protection Act for Business Establishments	HR Center Co., Ltd.	18/10/2022
	(3) Subsidiary Governance Program (SGP) 3/2022	Thai Institute of Directors (IOD)	12/10/2022
Mr. Vacharachai Nachailert	(1) Understanding and Implementing the Personal Data Protection Act for Business Establishments	HR Center Co., Ltd.	18/10/2022
Mr. Saharat Vatanatumrak	(1) Understanding and Implementing the Personal Data Protection Act for Business Establishments	HR Center Co., Ltd.	18/10/2022
	(2) PDPA Onboarding	Securities and Exchange Commission	20/5/2022
	(3) Greenhouse Gas Reduction Targets, Reduction Guidelines, Reporting and Compensation	The Stock Exchange of Thailand (SET)	11/7/2022
	(4) Connecting Corporate and Investors through Environmental Disclosure	Securities and Exchange Commission	2/6/2022
	(5) Subsidiary Governance Program (SGP) 3/2022	Thai Institute of Directors (IOD)	12/10/2022
Mr. Sudusit Ounsangchan	(1) Understanding and Implementing the Personal Data Protection Act for Business Establishments	HR Center Co., Ltd.	18/10/2022
Mrs. Petcharat Chayanon	(1) Understanding and Implementing the Personal Data Protection Act for Business Establishments	HR Center Co., Ltd.	18/10/2022
	(2) Risk Management Program for Corporate Leaders (RCL)	Thai Institute of Directors (IOD)	4/10/2022
	(3) Mergers & Acquisitions (M&A): Tax Obligations and Legal Requirements	Dharmniti Seminar and Training Co., Ltd.	16/3/2022
	(4) PDPA for Accounting and Finance: Personal Data Protection Act	Dharmniti Seminar and Training Co., Ltd.	21/3/2022
	(5) Mergers & Acquisitions: New Directions, Strategies, Contract, and Negotiation - Commercial, Financial, Legal & Tax Strategies for the Best M&A Deal	Omega World Class Research Institute	13/9/2022

Attendees in Training/Seminar	Training/Seminar	Institution	Date of Training/Seminar
	(6) CFO Refresher Course 2022	The Stock Exchange of Thailand	22/11/2022
	(7) TLCA CFO CPD No. 7/2022: Introduction to Sustainable Finance	Thai Listed Companies Association (TLCA)	30/11/2022
Mr. Bandhit Ngarmkum	(1) Understanding and Implementing the Personal Data Protection Act for Business Establishments	HR Center Co., Ltd.	18/10/2022
	(2) Ethical Leadership Program	Thai Institute of Directors (IOD)	11/2/2022
Ms. Wanna Chomkhokkruad	(1) Understanding and Implementing the Personal Data Protection Act for Business Establishments	HR Center Co., Ltd.	18/10/2022
	(2) Risk Management Program for Corporate Leaders (RCL)	Thai Institute of Directors (IOD)	4/10/2022
	(3) Corruption Risk and Control Workshop (CRC)	Thai Institute of Directors (IOD)	26/5/2022
	(4) Risk Based Audit	Institute of Internal Auditors	18/6/2022
Ms. Siriporn Trakoonkitcharoen	(1) Understanding and Implementing the Personal Data Protection Act for Business Establishments	HR Center Co., Ltd.	18/10/2022
	(2) Transfer Pricing Year 2022	NYC Management Co., Ltd.	20/5/2022
	(3) Preparing for Intensive Tax Audits by the Revenue Department	Dharmniti Seminar and Training Co., Ltd.	19/7/2022
	(4) Mergers & Acquisitions: New Directions, Strategies, Contract, and Negotiation - Commercial, Financial, Legal & Tax Strategies for the	Omega World Class Research institute	13/9/2022
	(5) TFRS Revised 2022, to be effective on January 1, 2023: Digital Assets, Classification, Accounting Practices and Interesting Issues,	NYC Management Co., Ltd.	13/12/2022
Mrs. Prapawan Puengpakdee	(1) Understanding and Implementing the Personal Data Protection Act for Business Establishments	HR Center Co., Ltd.	18/10/2022
Ms. Phanomkorn Phimsri	(1) Understanding and Implementing the Personal Data Protection Act for Business Establishments	HR Center Co., Ltd.	18/10/2022
	(2) The 7 Habits of Highly Effective People	PacRim Leadership Center Co., Ltd.	15/15/2022
Mr. Ekapon Suparpornhemin	(1) Understanding and Implementing the Personal Data Protection Act for Business Establishments	HR Center Co., Ltd.	18/10/2022
	(2) Basic Fire Fighting and Evacuation Fire Drill Training for Year 2022	Santo Fire Training Co., Ltd.	30/8/2022

## **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, Logistics, 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, International Marketing, and Logistics shall prepare monthly summary reports of both domestic and international sales, including logistics 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.

(2) 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.

(3) 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.

(4) 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](http://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 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 27 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 132 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**

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 Against Corruption ("CAC") continuously. (see details on page 133 under topic 3, Anti-Corruption Policy)

## **7. BEST PRACTICE GUIDELINES CONCERNING VARIOUS ANTI-CORRUPTION MEASURES**

The Company has established Best Practice Guidelines concerning various anti-corruption measures 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 Guidelines Concerning Anti-Corruption Measures).

## **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 2022 (Form 56-1 One Report).

## **9. REPORT ON INTEREST OF THE BOARD OF DIRECTORS AND EXECUTIVES**

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).

### **(B) 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 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 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 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 2022 (Form 56-1 One Report) of the Company. However, only those items that are required by the established laws shall be disclosed.

#### **10. 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.

#### **11. 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.

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

**(5) 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 (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 (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 (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 (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 (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 (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 (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 2022, the Company has convened a total of four 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](mailto: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 assess and monitor the Company's financial problem solving according to established plan as well as report to the Board of Directors continuously and regularly 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 8 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 2022 (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](mailto: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) Encouragement on 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 consider 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 1<sup>st</sup> through December 31<sup>st</sup> 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](mailto: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). Regarding the dividend payment of the subsidiaries in which the Company holds more than 50 percent of shares. For the dividend payment of the subsidiary company with Company holding more than 50 percent shares, the dividend payment policy and capital requirement of the Company and the subsidiary company will be considered to facilitate the Company for payment of dividend according to above policy.

**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**

- 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".

- 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.

- 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 2022, there were some corporate governance principles that the Company had not put into practice, having appropriate replacement measures as follows.

<b>Items Not Yet in Practice</b>	<b>Reasons or Substituting Measures of the Company</b>
(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.	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) The Company should consider appointing an independent director as the Chairman of the Board.	Although the Chairman of the Board of the Company 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.
(4) 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.
(5) The Company should consider appointing an independent director as the Chairman of the Nomination and Remuneration Committee.	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

Items Not Yet in Practice	Reasons or Substituting Measures of the Company
	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.
(6) The Board of Directors should consider establishing the Corporate Governance Committee (at a board level).	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.
(7) The majority of the members of the Board of Directors should be independent directors (more than 50 percent).	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.

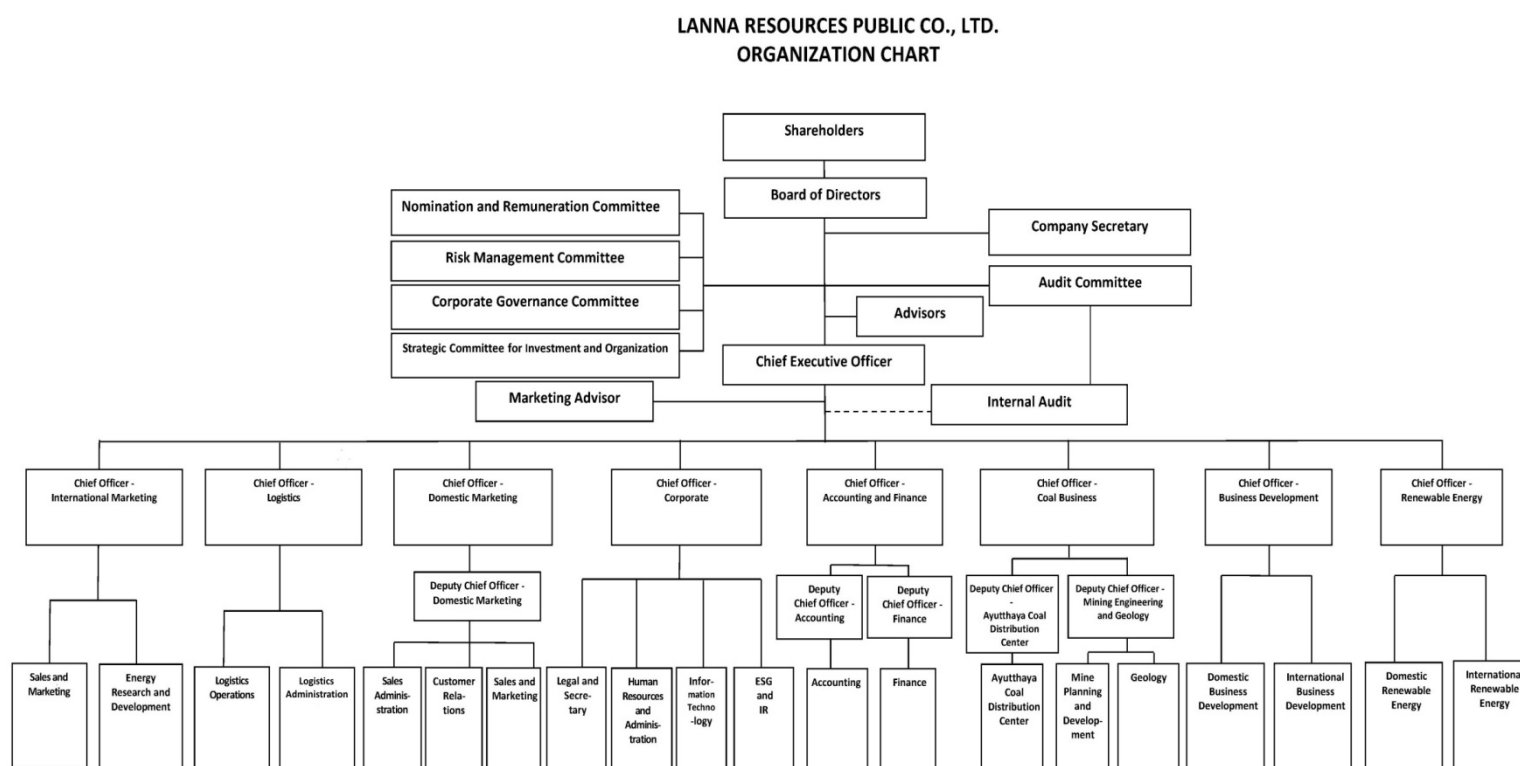
### CORPORATE GOVERNANCE ASSESSMENT OF YEAR 2021

The Thai Institute of Directors Association (IOD) has prepared the Corporate Governance Report of Thai Listed Companies Year 2022, of which Lanna Resources Public Co., Ltd. was placed in an **“Excellent”** level or five-star award (  ) for three consecutive years (2020-2022) having received a score of 91 percent, higher than the previous year with the 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, 2022



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 **“The Corporate Governance Handbook 2022”** 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 four Authorized Directors, eight Non-Executive Directors, and four 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 Sirirungsri, Mr. Srihasak Arirachakaran, Mr. Anun Louharanoo and Mr. Vanchai Tosomboon, 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 2022, there were six meetings altogether, having details as follows:

Director's Name	Position	Meeting Attendance in 2022
(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	5 out of 6
(4) Mr. Siva Mahasandana	Director	6 out of 6
(5) Mr. Mark Anatol Schmidt	Director	6 out of 6
(6) Mr. Visit Tantisunthorn	Director	6 out of 6
(7) Mr. Adul Tantharatana	Independent Director and Audit Committee Chairman	6 out of 6
(8) Mrs. Duangkamol Suchato	Independent Director and Audit Committee Member	6 out of 6
(9) Mr. Ralph Robert Tye	Independent Director and Audit Committee Member	6 out of 6
(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

**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 four 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 three 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:

(10.1) Arrange the Shareholder's Meeting and Board of Directors' Meeting according to laws and regulations of the Company.

(10.2) 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.

(10.3) Supervise on the disclosure of information and report within scope of responsibilities according rules and regulations established by the SEC and SET.

(10.4) 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).

(10.5) Safekeeping of the reports of interest which are reported by the Directors and Executives.

(10.6) 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.

(10.7) 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:

(11.1) 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.

(11.2) 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 long-term and short-term strategic plans, and subsequently, the Board shall monitor the work progress from the Management on implementation of such strategic plans, in which the Management shall regularly report on an implementation progress to the Board of Directors for acknowledgement regularly.

#### **Practice Guidelines for 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 three members, comprising one Audit Committee Chairman, and at least two 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:

<b>Name</b>	<b>Position</b>	<b>Meeting Attendance in 2022</b>
(1) Mr. Adul Tantharatana	Independent Director and Audit Committee Chairman	10 out of 10
(3) Mrs. Duangkamol Suchato	Independent Director and Audit Committee Member	10 out of 10
(2) Mr. Ralph Robert Tye	Independent Director and Audit Committee Member	10 out of 10
(4) Mrs. Wanna Chomkhokkrud	Secretary to the Audit Committee	10 out of 10



### **(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 three 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 three Company's directors, having one NRC Chairman, and at least two 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.

<b>Name</b>	<b>Position</b>	<b>Meeting Attendance in 2022</b>
(1) Mr. Kraisi Sirirungsi	NRC Chairman	2 out of 2
(2) Mr. Vanchai Tosomboon	NRC Member	2 out of 2
(3) Mr. Anun Louharanoo	NRC Member	2 out of 2
(4) Mr. Srihasak Arirachakaran	NRC Member	2 out of 2
(5) Mr. Saharat Vatanatumrak	Secretary	2 out of 2

## (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 three 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

(3.1.1) 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.

(3.1.2) 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.

(3.1.3) 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.

(3.1.4) 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.

(3.1.5) 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

(3.2.1) To recommend guidelines and procedure for payment of remunerations for the Board of Directors and sub-committees appointed by the Board of Directors.

(3.2.2) 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.

(3.2.3) 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

(3.3.1) 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.

(3.3.2) 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.

(3.3.3) To have authority to invite executives and/or relevant persons of any level for briefing meetings or submission of related documents.

(3.3.4) 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.

(3.3.5) 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).

(3.3.6) 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 2022
(1) Mr. Anun Louharanoo	RMC Chairman	6 out of 6
(2) Mr. Srihasak Arirachakaran	RMC Vice Chairman	5 out of 6
(3) Mr. Vacharachai Nachailert	RMC Member	6 out of 6
(4) Mr. Prasert Promdech	RMC Member	6 out of 6
(5) Mrs. Petcharat Chayanon	RMC Member	6 out of 6
(6) Mr. Saharat Vatanatumrak	RMC Member	6 out of 6
(7) Mr. Sudusit Ounsangchan	RMC Member	6 out of 6
(8) Mr. Bandhit Ngarmkum	RMC Member	6 out of 6
(9) Mrs. Wanna Chomkhokkruad	RMC Member and Secretary	6 out of 6

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:

<b>Red Risk</b>	<b>A risk factor requiring urgent rectification, having highest priority for mitigation.</b>
<b>Orange Risk</b>	<b>A risk factor requiring close monitoring. Preventative measures may be required</b>
<b>Yellow Risk</b>	<b>A risk factor requiring monitoring. Preventative measures may be required in both short term and long term.</b>
<b>Green Risk</b>	<b>An inconsequential risk factor or not yet requires close monitoring.</b>

(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 three Company's directors and executives, having one CGC Chairman, and at least two 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.

<b>Name</b>	<b>Position</b>	<b>Meeting Attendance in Year 2022</b>
(1) Mr. Srihasak Arirachakaran	CGC Chairman	2 of 2 Meetings
(2) Mrs. Petcharat Chayanon	CGC Member	2 of 2 Meetings
(3) Mr. Prasert Promdech	CGC Member	2 of 2 Meetings
(4) Mr. Sudusit Ounsangchan	CGC Member	2 of 2 Meetings
(5) Mr. Vacharachai Nachailert	CGC Member	2 of 2 Meetings
(6) Mr. Bandhit Ngarmkum	CGC Member	1 of 1 Meetings
(7) Mr. Saharat Vatanatumrak	CGC Member and Secretary	2 of 2 Meetings
Remark: Mr. Bandhit Ngarmkum was appointed as the Corporate Governance Committee Member on May 1, 2022		

#### **(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

(3.6.1) 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.

(3.6.2) 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.

(3.6.3) 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.

(3.6.4) 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.

(3.6.5) 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).

(3.6.6) To have authority to invite executives and/or relevant persons of any level for briefing meetings or submission of related documents.

(3.6.7) 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 Annual 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 nine persons with names and positions as follows.

<b>Executive</b>	<b>Position</b>
(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 additional 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 (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 2022 shall be paid once a year according to the Company's operating results of each year to 12 Directors totaling Baht 16,898,000 which is based on the same basis as in the previous year, by which the Chairman of the Board who served for less than a full year received Baht 2,380,000; and nine Directors who served for a full year received Baht 1,400,000 each person. As for two Directors who served for less than a full year received Baht 1,176,000 and Baht 742,000.

(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, 2022)

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 two NRC meetings altogether in 2022.					
(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, 2022)

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	720,000	-	20,000	-	-	2,380,000	3,120,000
(2) Mr. Kraisi Sirirungsi	360,000	-	30,000	-	-	1,400,000	1,790,000
(3) Mr. Paul Heinz Hugentobler	360,000	-	-	-	-	1,400,000	1,760,000
(4) Mr. Siva Mahasandana	360,000	-	-	-	-	1,400,000	1,760,000
(5) Mr. Mark Anatol Schmidt	360,000	-	-	-	-	1,176,000	1,536,000
(6) Mr. Visit Tantisunthorn	360,000	-	-	-	-	1,400,000	1,760,000
(7) Mr. Tanon Tantisunthorn	360,000	-	-	-	-	1,400,000	1,760,000
(8) Mr. Adul Tantharatana	360,000	240,000	-	-	-	1,400,000	2,000,000
(9) Mrs. Duangkamol Suchato	360,000	180,000	-	-	-	1,400,000	1,940,000
(10) Mr. Ralph Robert Tye	360,000	180,000	-	-	-	742,000	1,282,000
(11) Mr. Anun Louharanoo	360,000	-	20,000	-	-	1,400,000	1,780,000
(12) Mr. Srihasak Arirachakaran	360,000	-	20,000	-	-	1,400,000	1,780,000
Remarks:							
(1) The Nomination and Remuneration Committee receives remuneration for each meeting attended. There were two meetings altogether in 2022.							
(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.							

(C) Remuneration of Executive Directors and Executives

Remuneration (Unit: Million Baht)	Year 2022		Year 2021		Year 2020	
	Number of Persons	Remuneration Amount	Number of Persons	Remuneration Amount	Number of Persons	Remuneration Amount
Directors' Remuneration and Bonus	12	22,268,000	16	9,019,000	14	10,663,500
Executives' Monthly Salary, Bonus and others	10	52,534,959	10	48,302,570	9	31,825,270
<b>Total</b>	<b>22</b>	<b>74,802,959</b>	<b>26</b>	<b>57,321,570</b>	<b>23</b>	<b>42,488,770</b>

(D) Details of the remuneration paid to the directors of the Company and subsidiaries for year 2022 are shown in the table below.

Director's Name	Position	Remuneration for Year 2022		
		LANNA	Subsidiary	Total
(1) Mr. Vanchai Tosomboon	Chairman of the Board and NRC Member	3,120,000	-	3,120,000
(2) Mr. Kraisi Sirirungsi	Vice Chairman and NRC Chairman	1,790,000	3,569,769	5,359,769
(3) Mr. Paul Heinz Hugentobler	Director	1,760,000	-	1,760,000
(4) Mr. Siva Mahasandana	Director	1,760,000	-	1,760,000
(5) Mr. Mark Anatol Schmidt	Director	1,536,000	-	1,536,000
(6) Mr. Visit Tantisunthorn	Director	1,760,000	-	1,760,000
(7) Mr. Abdul Tantharatana	Independent Director and Audit Committee Chairman	2,000,000	-	2,000,000
(8) Mrs. Duangkamol Suchato	Independent Director and Audit Committee Member	1,940,000	-	1,940,000
(9) Mr. Ralph Robert Tye	Independent Director and Audit Committee Member	1,282,000	-	1,282,000
(10) Mr. Tanon Tantisunthorn	Independent Director	1,760,000	-	1,760,000
(11) Mr. Anun Louharanoo	Director and NRC Member	1,780,000	5,215,142	6,995,142
(12) Mr. Srihasak Arirachakaran	Director, NRC Member and Chief Executive Officer	1,780,000	7,536,934	9,316,934
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 2022 totaling Baht 50.74 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 2022 totaling Baht 13.47 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:

(2.1.1) Analyzing situation of the Company: considering business expansion in 3-5 years, the Company has to estimate appropriate headcount and qualifications of employees.

(2.1.2) 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.

(2.1.3) Planning employee recruitment and development: specify desired requirement of knowledge, ability, personality, skills and attitude.

(2.1.4) 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.

(2.1.5) 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.

(2.1.6) Timely reviewing and developing: even after passing the evaluation, it is not certain that the successor can perform according to expectation therefor 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 termed 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 2022, the Company and its affiliated companies have the following number of employees and employees-related expenses:

Description	Year 2022		
	Company Only	Affiliated Companies	Total
Number of Employees as at End of Year (Person)	87	754	841
Employees-Related Expenses (Million Baht per year)	128	375	503

Remunerations paid to the employees in 2022 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.

### **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 2022**

<b>Employee Training for Enhanced Capabilities in 2022</b>	<b>Average Training Hour per Person</b>	<b>Training Objectives</b>
Management level	20	To develop management skills.
Heads of departments and employee	12.5	To develop personal competence and skills.
Costs of employee training and development in 2022 totaling Baht 812,286		

#### **(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 ASSIGNED PERSONS**

<b>Name</b>	<b>Position within the Company</b>	<b>Assigned Position</b>
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	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

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 : [CorplR@LannaR.com](mailto:CorplR@LannaR.com)

### 3. COMPANY'S AUDITOR

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 2022 has appointed the auditor from EY Office Limited to be the Company's auditor for year 2022, 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 2022 at the amount of Baht 1,550,000 and payment for other fees of USD 20,000 or Baht 761,358.

#### APPOINTMENT OF THE AUDITOR AND DETERMINATION OF AUDIT FEE

(A) The Company and subsidiary companies paid audit fees during year 2023 as follows:		
Company	Auditor	Audit Fee
(1) Lanna Resources Public Co., Ltd.	Ms. Patcharawan Koonarangsri EY Office Limited	Baht 1,550,000.00
(2) Thai Agro Energy Public Co., Ltd. (Subsidiary Company)	Ms. Patcharawan Koonarangsri EY Office Limited	Baht 1,330,000.00
(3) Lanna Power Generation Co., Ltd. (Subsidiary Company)	Ms. Patcharawan Koonarangsri EY Office Limited	Baht 120,000.00
(4) SRT Power Pellet Co., Ltd. (Subsidiary Company)	Ms. Patcharawan Koonarangsri EY Office Limited	Baht 230,000.00
(5) PT. Lanna Harita Indonesia (Subsidiary Company)	Mr. Benediktio Salim Purwantono, Sungkoro & Surja (A member firm of Ernst & Young Global Limited)	Baht 1,450,333.75 (or IDR 655,000,000)
(6) PT. Singlurus Pratama (Subsidiary Company)	Mr. Benediktio Salim Purwantono, Sungkoro & Surja (A member firm of Ernst & Young Global Limited)	Baht 1,450,333.75 (or IDR 655,000,000)
(B) During the past year 2022, 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) Lanna Resources Public Co., Ltd.	USD 20,000 (Approximately Baht 761,358.00)	To review the Purchase Price Allocation ("PPA") Report
(2) PT. Singlurus Pratama	IDR 155,000,000 (Approximately Baht 343,208.75)  IDR 60,000,000 (Approximately Baht 132,855.00)	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 0.00221425 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 Company has established the definition of Independent Director to be more stringent than the regulation of the office of the Securities and Exchange Commission regarding shareholding percentage. The independent director who has been nominated and appointed must have the following qualifications.

(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.

(1) Characteristics of the business relationship or professional service, which have made such person to have the qualification not conforming to the established criteria.

(2) Reason and necessity for maintaining or appointing such person as the independent director.

(3) 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 three 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 three 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:

(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, etc.

(2) General business knowledge i.e. operating guidelines and operation plant visits.

(3) 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.

- 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.

- 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.

- 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 four 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 as a whole and as an individual of the year 2022 was of an average score of 94.21% - 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	
	2021	2022	2021	2022
1) Board of Directors	92.86%	94.41%	94.34%	94.21%
2) Audit Committee	100.00%	100.00%	100.00%	100.00%
3) Risk Management Committee	92.52%	94.54%	92.61%	94.58%
4) Nomination and Remuneration	94.60%	97.60%	94.20%	95.80%
5) Corporate Governance Committee	96.31%	98.27%	95.63%	97.82%

#### • Meeting Attendance of Directors/ Committee Members

Directors' Name	Meeting attendance per year (times)				
	Board of Directors	AC Committee	NRC Committee	RMC Committee	CGC Committee
(1) Mr. Vanchai Tosomboon	6 out of 6		2 out of 2		
(2) Mr. Kraisi Sirirungsi	6 out of 6		2 out of 2		
(3) Mr. Paul Heinz Hugentobler	5 out of 6				
(4) Mr. Siva Mahasandana	6 out of 6				
(5) Mr. Mark Anatol Schmidt	6 out of 6				
(6) Mr. Visit Tantisunthorn	6 out of 6				
(7) Mr. Adul Tantharatana	6 out of 6	10 out of 10			
(8) Mrs. Duangkamol Suchato	6 out of 6	10 out of 10			
(9) Mr. Ralph Robert Tye	6 out of 6	10 out of 10			
(10) Mr. Tanon Tantisunthorn	6 out of 6				
(11) Mr. Anun Louharanoo	6 out of 6		2 out of 2	6 out of 6	
(12) Mr. Srihasak Arirachakaran	6 out of 6		2 out of 2	5 out of 6	2 out of 2

### **8.1.2 SUPERVISION OF SUBSIDIARY COMPANIES AND ASSOCIATED COMPANIES**

- The Company has policy for investment in subsidiary companies or associated companies 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 companies shall be under the control and inspection by the Board of Directors. For the control of the subsidiaries company and associated companies, 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 companies 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.

(4.1.1) Reduce the salary or compensation

(4.1.2) 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.

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

(4.1.4) Report the case for a legal prosecution.

(4.1.5) 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 2022, the Company enrolled the employees to the following corruption-related training courses.

<b>Training Course</b>	<b>Training Date</b>	<b>Trainee</b>	<b>Organizer</b>
Risk Management for Corporate Leaders (RCL)	February 1, 2022	(1) Mr. Ralph Robert Tye	Thai Institute Of Directors (IOD)
Ethical Leadership Program	February 11, 2022	(1) Mr. Bandhit Ngarmkum	Thai Institute Of Directors (IOD)
Corruption Risk and Control Workshop (CRC)	May 26, 2022	(1) Mrs. Wanna Chomkhokkrud	Thai Institute Of Directors (IOD)
Risk Management Program for Corporate Leaders (RCL)	October 4, 2022	(1) Mrs. Petcharat Chayanon (2) Mrs. Wanna Chomkhokkrud (3) Mr. Prasert Promdech	Thai Institute Of Directors (IOD)
Subsidiary Governance Program (SGP) Class 3/2022	October 12, 2022	(1) Mr. Yongyut Choochua (2) Mr. Saharat Vatanatumrak	Thai Institute Of Directors (IOD)

### **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 Damage 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 2022

### Report of the Audit Committee

The Audit Committee of Lanna Resources Public Co., Ltd. consists of three qualified independent directors with experiences in accounting and finance, technical and energy business, namely, Mr. Adul Tantharatana, the Audit Committee Chairman, Mrs. Duangkamol Suchato and Mr. Ralph Robert Tye, the Audit Committee Member, and having Mrs. Wanna Chomkhokkruad as the secretary to the Audit Committee.

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, 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 2022, the Audit Committee held 10 meetings altogether with the presence of all three committee members in every meeting, having discussions with internal auditors, additionally, there were three meetings 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, and financial statements for year 2022, including related party transactions, transactions that may have conflicts of interest, and jointly discussed the appropriateness of accounting policies with the auditors and relevant executives, as well as the disclosure of key audit matters in the auditor's report, having reviewed important issues, important adjusting entries transactions affecting financial statements, financial projections affecting financial statements in order to ensure accuracy and reliability of the financial statements of the Company and its subsidiaries. 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 with the internal audit office reviewed the sufficiency of internal control system regarding operational procedures, resource utilization, assets management, prevention or reduction of errors, damages, frauds, reliability of financial reporting, compliance with relevant laws, regulations, as well as related risk management oversight process, internal control, and other relevant regulations, emphasized the importance of following internal control procedures with prudence and caution, aimed at increasing confidence in the Company's potential. In addition, from an assessment on sufficiency of internal control system according to the assessment form of the Securities and Exchange Commission ("SEC"), there were no important issues or errors found, having confidence that the internal audit system of the Company is sufficient and appropriate for effective business operations.

**(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, review the results of the audit report and follow up to rectify and improve significant issues, as well as provide support for the advancement of knowledge to enhance operational efficiency to generate added value, and protect the interests of stakeholders by emphasizing the internal audit plan to be consistent and supportive with Company's strategic plan.

**(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, with endeavor to conduct operations with integrity and transparency, adhering to the good corporate governance principles and business ethics, 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 2022 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 from the report of the risk management unit regularly every quarter, which occur both internally and externally, as well as conducted assessment and follow up of important risk situations that may affect the Company's business operations, and to implement risk preventive measures to manage and mitigate such risks to an acceptable level. Risk factors may arise due to dynamic changes in business conditions, covering strategic risk, operational risk, financial risk and compliance risk, information technology risk, corruption risk and reputation risk. In this regard, the risk management unit has actively monitored key risks and provided preventive guidelines to mitigate risks that may impact the business through a systematic risk management approach that can effectively respond to the rapidly evolving trends and situations. The Company has consistently prioritized matters related to ESG (Environmental, Social and Governance), recognizing the need to adapt to the changing global situation. The Company has conducted an environmental risk assessment, and made a commitment to sustainable development with a goal to transforming into a low-carbon organization, a part of a broader effort to mitigate the impact of global warming and climate change, which are of crucial issues both domestically and overseas. In 2022, the Company established a Carbon Footprint for Organization Working Group with primary responsibility to prepare the carbon footprint report. Regarding social responsibility, the Company prioritizes competency development of its employees, occupational safety and health management, as well as community relations and development. Regarding corporate governance, the Company emphasizes sustainability while upholding business ethics to control and mitigate any impact that may have adverse effects on the business achievement to an acceptable level. Accordingly, the Company has included the information about the risk management system in the 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 2022, 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 2023:** 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 2023. 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, one or the other, as the Company's auditors for the year 2023 with the audit fee for the year 2023 of Baht 1,550,000.

In summary, during year 2022, the Audit Committee carried out their duties and responsibilities in accordance with the Audit Committee Charter with prudence and discretion, having adequate independence to ensure equitable benefit for all stakeholders. The Audit Committee had an opinion that the Company strictly adheres to the principles of good corporate governance, having appropriate risk management system, and compliance with all relevant laws and regulations regarding business operations, maintaining highly effective internal control system and internal audit work to promote sustainable business value. Moreover, the Company's financial reports were accurate, reliable, with adequate disclosure of information and in compliance with the generally accepted accounting standards.

February 23, 2023

On behalf of the Audit Committee



(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 2022, the RMC held six 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 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 RMC during year 2022 can be summarized as follows:

(1) The RMC has considered the risk management plan and process in accordance with the policies and objectives approved by the Board of Directors, with emphasis on the development of risk management system to effectively responding to rapidly changing trends and situations, as well as consistently prioritized important matters concerning ESG (Environmental, Social, and Governance) in order to adapt to the global transformation, including promoting the prevention of corruption by implementing anti-corruption policy with serious commitment 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 RMC has considered and assessed various risk factors, including overseeing and supervising 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 RMC 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 RMC 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 RMC has disclosed the details of the significant risk management of the Company and its subsidiary companies within the Annual Report 2022 (Form 56-1 One Report).

(5) The RMC 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 RMC still has complete compositions, qualifications and performance as assigned according to the scope of duties and responsibilities of the RMC in accordance with the good corporate governance principles.

(6) The RMC has established rules and prepared self-assessment on performance as a whole and individual for year 2022 in accordance with good corporate governance principles. The RMC together considered the results of the assessment and established guidelines for achieving more effective operation in the following year.

During 2022, 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 13, 2023

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 2022, having two meetings in total, by which all four 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 2022, 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, 2022 to December 31, 2022. It appeared that no shareholders proposed any meeting agenda and new director nomination for the Annual General Meeting of Shareholders Year 2023.

(4) The NRC has established criteria for salary adjustments of employees, including the Chief Executive Officer and high-level executives for year 2023 and bonus payment of employees for year 2022, based on performance results in year 2022 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 2023, 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 propose to the Board of Directors for its consideration and approval.

(6) 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 2022.

(7) The NRC has reviewed and conducted self-assessment both as a whole and individual in year 2022 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 2022 (Form 56-1 One Report).

(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 23, 2023

On Behalf of the Nomination and Remuneration Committee

////////////////////

(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 2022, having two meetings in total, by which all seven 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 2022 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 has conducted a review and improvement of the anti-corruption policy and guidelines to provide clear guidance for business conduct, transparency, and the prevention of corruption, to be in consistent with the Self-Evaluation Tool for Anti-Corruption System Development Version 4.0 of the Thai Private Sector Collective Action Against Corruption (“CAC”).

(6) 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 2022 (Form 56-1 One Report).

(7) There were two meetings held in 2022, by which all seven CGC members have regularly attend every meeting.

(8) The Company’s Directors, executives and employees had been enrolled in several development courses during year 2022 as follows.

(8.1) A seminar on the topic of “Risk Management for Corporate Leaders (RCL)” dated February 1, 2022, conducted by the Thai Institute of Directors (IOD)

(8.2) A seminar on the topic of “Ethical Leadership Program”, dated February 11, 2022, conducted by the Thai Institute of Directors (IOD)

(8.3) A seminar on the topic of “Corruption Risk and Control Workshop (CRC)” dated May 26, 2022, conducted by the Thai Institute of Directors (IOD)

(8.4) A seminar on the topic of “Connecting Corporates and Investors through Environmental Disclosure”, dated June 2, 2022, conducted by the Securities and Exchange Commission

(8.5) A seminar on the topic of “Intensive Tutoring for a Full 100 Score on the New AGM Checklist 2023”, dated August 7, 2022, conducted by the Thai Investors Association

(8.6) A seminar on the topic of “Risk Management Program for Corporate Leaders (RCL)”, dated October 4, 2022, conducted by the Thai Institute of Directors (IOD)

(8.7) A seminar on the topic of “Subsidiary Governance Program (SGP) 3/2022 “ dated October 12, 2022, conducted by the Thai Institute of Directors (IOD)

(8.8) A seminar on the topic of “Director Forum 1/2022: From "Net-Zero" to "Set-Zero" ... Reimagining Business Landscape”, dated January 19, 2022, conducted by the Thai Institute of Directors (IOD)

(8.9) A seminar on the topic of “Director's Briefing 1/2022: What Director Should Know about Quantum?”, dated January 25, 2022, conducted by the Thai Institute of Directors (IOD)

(8.10) A seminar on the topic of “Director’s Briefing 2/2022: Workplace Health & Safety: New Priorities for Board”, dated February 15, 2022, conducted by the Thai Institute of Directors (IOD)

(8.11) A seminar on the topic of “Future-Proofing Shipping: The Decarbonization Game-Changer”, dated January 25, 2022, conducted by DNV Group

(8.12) A seminar on the topic of “Jump-Start Your Leaders to Accelerate Transformation”, dated March 23, 2022, conducted by the South East Asia Center (SEAC)

(8.13) A seminar on the topic of “Director’s Briefing 4/2022: Building 21<sup>st</sup> Century Companies in Asia”, dated April 29, 2022, conducted by the Thai Institute of Directors (IOD)

(8.14) A seminar on the topic of “ESG Webinar Series No. 2/2022: Circular Economy – Strategies for Reducing Greenhouse Gas Emissions in the Business Sector”, dated May 9, 2022, conducted by the Stock Exchange of Thailand

(8.15) A seminar on the topic of “Director’s Briefing 5/2022: Leadership that Shapes the Future”, dated May 12, 2022, conducted by the Thai Institute of Directors (IOD)

(8.16) A seminar on the topic of “ACMA Talk No. 1/2022: LiVE Platform: Opportunities and Challenges: New Chapter of Thai Capital Market”, May 24, 2022, conducted by the ACMA Alumni

(8.17) A seminar on the topic of “Director’s Briefing 6/2022: Reimagining Boardroom in the Web 3.0 Era”, dated June 22, 2022, conducted by the Thai Institute of Directors (IOD)

(8.18) A seminar on the topic of “Independent & Chartered Director Forum 2022: Navigate Board’s Challenges in Defining Governance VS. Management Role”, dated May 30, 2022, conducted by the Thai Institute of Directors (IOD)

(8.19) A seminar on the topic of “Carbon Dynamics and Forest Ecology: Are Thai Forests a Source or a Sink for Carbon?”, dated June 17, 2022, conducted by the Petroleum Institute of Thailand


(8.20) A seminar on the topic of “Director's Briefing 9/2022: Geopolitical Risk and Opportunity”, dated September 8, 2022, conducted by the Thai Institute of Directors (IOD)

(8.21) A seminar on the topic of “IOD Refreshing Course - Outbound Investment”, dated November 7, 2022, conducted by the Thai Institute of Directors (IOD)

(8.22) A seminar on the topic of “TH SEC Series 1: Implementation of TCFD Checklist for Listed Companies in the Non-Financial Sector Webinar”, dated November 10, 2022, conducted by the Securities and Exchange Commission

(8.23) A seminar on the topic of “TH SEC Series 2: Climate Scenario Analysis and Risk Management Application for Listed Companies in the Non-Financial Sector” dated November 11, 2022, conducted by the Securities and Exchange Commission

(9) The Company received the Awards and Recognitions in Year 2022 as follows:

(9.1) For the assessment of Corporate Governance (“CGR”) Year 2022 by the Thai Institute of Directors Association, the Company was placed in an “Excellent” level or 5 stars (  ) for three consecutive years (2020-2022), having received a score of 91 percent, higher than the previous year with a score of 90 percent.

(9.2) For the Annual General Meeting Quality Assessment of the Listed Companies (“AGM Checklist”) Year 2022 conducted by the Thai Investors Association, the Company has received the full score of 100 or excellent level.

(9.3) The Company has received two SET Awards 2022 from the Stock Exchange of Thailand, in Business Excellence category, namely, the Outstanding Company Performance Awards, and the Outstanding CEO Awards.

(9.4) The Company has received the Sustainability Disclosure Acknowledgement Award 2022 conducted by the Thaipat Institute, 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 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.

(9.5) The Company has declared its intention to join the Thai Private Sector Collective Action Against Corruption (“CAC”), managed by the Thai Institute of Directors Association (“IOD”). The Company has been a member of the CAC since 2015 and has been recertified for the second term valid until December 31, 2024.

(9.6) The Company was awarded with the CSR-DIW Continuous Award 2022 for its adherence to the standard of Corporate Social Responsibility (CSR-DIW), from the Department of Industrial Works, Ministry of Industry.

(9.7) The Company has been certified as a Level 3 Green Industry (Green System), from the Ministry of Industry, for its implementation of systematic environmental management with continuous assessment and monitoring for improvement. The certification is valid from January 13, 2022 to January 12, 2025.

February 22, 2023  
On Behalf of the Corporate Governance Committee



(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 (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. 1/2023 dated March 7, 2023, having Audit Committee Members in attendance, has reviewed all five 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 2022, 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 2022, 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 2022, 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

<b>(1) Type of Transaction</b>				
Coal Sale and Purchase				
<b>Related Parties</b>				
Seller: Lanna Resources Public Co., Ltd. ("Lanna")				
Buyer: Siam City Cement Public Co., Ltd. ("SCCC")				
<b>Connected Relationship</b>				
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.				
<b>Pricing Policy</b>				
Market price for same industrial sector and at similar coal quality.				
<b>Reason and Necessities</b>				
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 2022	Year 2021	Year 2020
Coal Sale Volume	Metric Ton	511,393.36	592,936.36	846,713.38
Coal Sale Value	Baht	1,322,775,150.00	860,860,099.08	1,107,384,448.41
Balance Amount as at end of year	Baht	384,358,181.51	209,564,644.40	98,390,048.97

<b>(2) Type of Transaction</b>			
Coal Sale and Purchase			
<b>Related Parties</b>			
Seller: Lanna Resources Public Co., Ltd. ("Lanna")			
Buyer: Insee Superblock Co., Ltd. ("ISUB")			
<b>Connected Relationship</b>			
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.			
Siam City Cement Public Co., Ltd. holds 100 percent of paid-up capital in ISUB.			
<b>Pricing Policy</b>			
Market price for same industrial sector and at similar coal quality.			
<b>Reason and Necessities</b>			
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 2022	Year 2021
Coal Sale Volume	Metric Ton	531.41	235.82
Coal Sale Value	Baht	1,833,364.50	554,177.00
Balance Amount as at end of year	Baht	-None-	-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 2022	Year 2021	Year 2020
Coal Sale Volume	Metric Ton	398,407	136,572	248,675
Coal Sale Value	Baht	744,738,062.75	223,396,153.39	213,527,758.77
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 2022	Year 2021	Year 2020
Coal Sale Volume	Metric Ton	-None-	145,923	207,330
Coal Sale Value	Baht	-None-	219,021,474.21	187,728,279.86
Advance Payment for Coal as at end of year	Baht	12,949,035.10	12,949,035.10	56,691,935.04



**(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 the total number of shares 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 2022	Year 2021
Coal Sale Volume	Metric Ton	222,404	222,185
Coal Sale Value	Baht	357,585,640.79	341,421,175.63
Advance Payment for Coal as at end of year	Baht	11,609,575.80	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: 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 stop trading wood pellet.

Transaction	Unit	Year 2022	Year 2021	Year 2020
Wood Pellet Volume	Metric Ton	-None-	-None-	989.37
Wood Pellet Value	Baht	-None-	-None-	2,448,693.26
Advance Payment for wood pellet as at end of year	Baht	10,000,000.00	16,745,653.34	13,625,653.34
Balance Amount as at end of year	Baht	-None-	-None-	123,368.72

### (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 2022	Year 2021	Year 2020
Coal Transport Volume	Metric Ton	674,011	896,401	1,025,883
Coal Transport Service Value	Baht	330,285,981.66	269,900,600.89	243,552,291.36
Advance Payment for Coal Transport Service as at end of year	Baht	32,367,332.45	-None-	-None-

#### (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 2022	Year 2021	Year 2020
Coal Service Volume	Metric Ton	3,549,724,776	3,172,686.68	2,520,767.315
Coal Distribution Service Value	Baht	93,308,607.77	76,075,946.73	58,558,402.38
Balance Amount of Coal Distribution Service Value as at end of year	Baht	6,060,353.41	6,887,113.95	6,486,258.46

**(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 2022	Year 2021	Year 2020
Coal Service Volume	Metric Ton	4,034,916.68	3,236,977.511	3,257,655.247
Coal Distribution Service Value	Baht	175,909,780.66	128,413,255.04	126,079,915.69
Balance Amount of Coal Distribution Service Value as at end of year	Baht	12,142,042.77	13,314,507.41	27,892,914.60

**(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 2022	Year 2021	Year 2020
Coal Service Volume	Metric Ton	4,034,916.68	3,236,977.511	3,257,655.247
Service Fee Value	Baht	105,545,865.50	77,047,952.77	75,647,949.64
Fee Balance Amount as at end of year	Baht	7,285,226.01	7,988,704.11	16,735,748.73

**(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. LPG has exempted the interest charge since January 1, 2022 as SRT is undergoing dissolution process.

(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. LPG has exempted the interest charge since January 1, 2022 as SRT is undergoing dissolution process.

(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 2022	Year 2021
Loan	Baht	-None-	87,900,758.18
Interest	Baht	-None-	1,455,778.04
Outstanding loan and interest as at end of year	Baht	89,356,536.22	89,356,536.22

**(2) 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 total number of shares 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 with reference interest rate of three 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 2022	Year 2021
Loan	Baht	-None-	102,332,079.22
Interest	Baht	3,202,431.75	-None-
Outstanding loan and interest as at end of year	Baht	92,247,813.91	105,810,553.29

## Opinion of the Audit Committee on the Related Party Transactions

March 7, 2023

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 2022 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, which is a subsidiary 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.

(3) In 2019, the Company entered into coal purchase agreement for import coal for further selling from PT. Singlurus Pratama, which is a subsidiary 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. The Company agreed to pay for coal in advance in the amount of USD 5 million or approximately Baht 160.13 million, and to offset the cost of coal delivered to the Company. As of December 31, 2022, outstanding liabilities for coal advances between the two parties remain with an outstanding amount of Baht 12.95 million.

(4) 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.

(5) Lanna Power Generation Co., Ltd has purchased wood pellets for further selling from SRT Power Pellet Co., Ltd. since 2020, which as at the end of year 2022, there still outstanding liabilities for wood pellet between both parties, 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. LPG has waived the interest charges from January 1, 2022 since SRT is in the dissolution process.

(10) 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 3 months at the rate of SIBOR+1% per annum, starting from January 1, 2022 onwards.

////////////////////

(Mr. Adul Tantharatana)

Audit Committee Chairman

////////////////////

(Mrs. Duangkamol Suchato)

Audit Committee Member

////////////////////

(Mr. Ralph Robert Tye)

Audit Committee Member

## **PART 3 : FINANCIAL STATEMENT**

### **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 2022, 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 2022, 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 including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Key Audit Matters**

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

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

Key audit 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 2022. 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 2022, the Company recorded goodwill amounting to Baht 186 million, as disclosed in Note 18 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: 27 February 2023

**Lanna Resources Public Company Limited and its subsidiaries**

**Statements of financial position**

**As at 31 December 2022**

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Assets					
Current assets					
Cash and cash equivalents	7	3,028,665,581	2,163,717,638	987,797,900	874,230,669
Trade and other receivables	6, 8	1,879,511,509	1,666,080,907	485,253,319	322,899,031
Inventories	9	574,710,186	525,524,689	207,636,155	254,755,840
Value added tax refundable		814,917,047	692,662,696	-	8,824,584
Prepaid income tax		66,446,656	124,011,809	-	-
Advance payments for goods	6, 10	584,317,937	316,458,238	56,925,943	42,436,514
Other current financial assets	11	1,443,575,752	551,099,427	1,442,502,000	550,006,500
Other current assets		264,066,430	130,312,145	2,550,936	2,839,038
Total current assets		8,656,211,098	6,169,867,549	3,182,666,253	2,055,992,176
Non-current assets					
Restricted bank deposits	7	434,882,799	343,225,261	-	-
Investments in subsidiaries	12	-	-	794,314,501	844,212,324
Investment in associated companies	13	383,383,012	173,043,466	59,328,216	59,328,216
Long-term loans to related party	6	90,193,557	105,810,553	90,193,557	105,810,553
Investment properties	14	50,149,229	57,532,539	29,451,251	29,451,251
Biological assets	15	15,168,924	11,577,452	-	-
Property, plant and equipment	16	3,997,277,172	4,033,626,146	335,704,558	323,816,345
Right-of-use assets	17	71,420,363	89,885,000	34,890,032	44,633,112
Goodwill	18	185,999,788	185,999,788	-	-
Intangible assets	19	75,255,851	106,572,894	73,127,534	104,138,091
Deferred tax assets	31	78,889,019	55,034,457	61,637,889	57,600,613
Other non-current financial assets		5,718,268	7,948,761	3,307,380	4,062,320
Other non-current assets	20	909,177,690	691,702,949	-	-
Total non-current assets		6,297,515,672	5,861,959,266	1,481,954,918	1,573,052,825
Total assets		14,953,726,770	12,031,826,815	4,664,621,171	3,629,045,001

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 2022**

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	21	1,303,948,048	763,613,321	-	-
Trade and other payables	22	747,593,000	529,811,720	47,067,747	53,680,349
Current portion of lease liabilities	17	29,607,889	30,422,602	11,737,171	11,255,318
Current portion of long-term loans from financial institutions	23	321,043,567	291,605,339	-	-
Accrued expenses		303,532,000	399,328,641	52,612,002	44,124,941
Income tax payable		1,005,939,280	915,767,113	-	-
Other current financial liabilities		4,640,878	4,471,767	1,053,811	939,371
Other current liabilities		346,993,447	278,897,044	8,380,420	6,311,358
Total current liabilities		4,063,298,109	3,213,917,547	120,851,151	116,311,337
Non-current liabilities					
Lease liabilities - net of current portion	17	44,846,470	62,536,430	25,193,457	34,894,151
Long-term loans from financial institutions - net of current portion	23	384,304,095	619,088,431	-	-
Provision for long-term employee benefits	24	203,761,340	203,689,998	51,164,299	47,585,681
Provision for mine reclamation and decommissioning costs	25	130,671,719	124,990,028	-	-
Deferred tax liabilities	31	445,161,332	226,332,536	-	-
Total non-current liabilities		1,208,744,956	1,236,637,423	76,357,756	82,479,832
Total liabilities		5,272,043,065	4,450,554,970	197,208,907	198,791,169

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 2022

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	31 December 2022	31 December 2021	31 December 2022	31 December 2021
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
Share premium		680,400,000	680,400,000	680,400,000	680,400,000
Retained earnings					
Appropriated - Statutory reserve	26	52,500,000	52,500,000	52,500,000	52,500,000
Appropriated - General reserve		1,310,600,000	1,310,600,000	1,310,600,000	1,310,600,000
Unappropriated		4,676,179,238	3,003,444,184	1,898,912,585	861,754,153
Other components of shareholders' equity		188,784,486	115,153,382	-	-
Equity attributable to owners of the Company		7,433,463,403	5,687,097,245	4,467,412,264	3,430,253,832
Non-controlling interests of the subsidiaries		2,248,220,302	1,894,174,600	-	-
Total shareholders' equity		9,681,683,705	7,581,271,845	4,467,412,264	3,430,253,832
Total liabilities and shareholders' equity		14,953,726,770	12,031,826,815	4,664,621,171	3,629,045,001

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 2022**

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
Revenues					
Sales	6	25,168,636,271	15,734,470,720	1,954,425,285	1,568,191,752
Commission and marketing service income	6	-	-	269,218,388	204,489,202
Other income					
Dividend income	6, 12, 13	-	-	2,626,489,158	1,506,263,001
Service income	6	-	-	74,565,775	52,194,440
Gain on exchange		-	14,308,808	35,173,330	21,616,808
Others		100,819,818	105,650,677	11,723,389	1,487,033
Total other income		100,819,818	119,959,485	2,747,951,652	1,581,561,282
Total revenues		25,269,456,089	15,854,430,205	4,971,595,325	3,354,242,236
Expenses					
Cost of sales	6	10,596,893,939	7,791,617,402	1,705,368,829	1,429,655,549
Selling and distribution expenses		6,372,470,562	3,045,092,706	180,922,942	160,206,191
Administrative expenses		641,350,150	785,945,874	191,000,038	289,699,274
Loss on exchange		51,865,808	-	-	-
Total expenses	30	17,662,580,459	11,622,655,982	2,077,291,809	1,879,561,014
Operating profit		7,606,875,630	4,231,774,223	2,894,303,516	1,474,681,222
Share of profit from investment in associated companies	13	219,041,218	101,570,096	-	-
Finance income	28	29,454,083	14,286,282	10,504,935	4,367,878
Finance cost	29	(55,989,975)	(53,317,723)	(2,473,077)	(2,363,383)
Profit before income tax		7,799,380,956	4,294,312,878	2,902,335,374	1,476,685,717
Income tax expenses	31	(2,906,328,345)	(1,577,383,787)	(578,927,728)	(303,771,104)
Profit for the year		4,893,052,611	2,716,929,091	2,323,407,646	1,172,914,613
Profit attributable to:					
Equity holders of the Company		2,960,628,557	1,575,244,559	2,323,407,646	1,172,914,613
Non-controlling interests of the subsidiaries		1,932,424,054	1,141,684,532		
		4,893,052,611	2,716,929,091		
Basic earnings per share					
Profit attributable to equity holders of the Company	33	5.64	3.00	4.43	2.23
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 2022**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>Profit for the year</b>		<u>4,893,052,611</u>	<u>2,716,929,091</u>	<u>2,323,407,646</u>	<u>1,172,914,613</u>
<b>Other comprehensive income:</b>					
<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>122,980,127</u>	<u>288,619,758</u>	<u>-</u>	<u>-</u>
Net other comprehensive income to be reclassified to income statement in subsequent periods		<u>122,980,127</u>	<u>288,619,758</u>	<u>-</u>	<u>-</u>
<i>Other comprehensive income not to be reclassified to income statement in subsequent periods</i>					
Actuarial gain (loss)	24	(3,456,737)	7,701,824	-	4,708,385
Less: Income tax effect	31	809,697	(1,839,685)	-	(941,677)
Share of other comprehensive income from associates - actuarial loss		<u>(117,264)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net other comprehensive income not to be reclassified to income statement in subsequent periods - net of income tax		<u>(2,764,304)</u>	<u>5,862,139</u>	<u>-</u>	<u>3,766,708</u>
<b>Other comprehensive income for the year</b>		<u>120,215,823</u>	<u>294,481,897</u>	<u>-</u>	<u>3,766,708</u>
<b>Total comprehensive income for the year</b>		<u><u>5,013,268,434</u></u>	<u><u>3,011,410,988</u></u>	<u><u>2,323,407,646</u></u>	<u><u>1,176,681,321</u></u>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		<u>3,032,144,429</u>	<u>1,760,152,137</u>	<u><u>2,323,407,646</u></u>	<u><u>1,176,681,321</u></u>
Non-controlling interests of the subsidiaries		<u>1,981,124,005</u>	<u>1,251,258,851</u>		
		<u><u>5,013,268,434</u></u>	<u><u>3,011,410,988</u></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 2022

(Unit: Baht)

Consolidated financial statements													
Equity attributable to owners of the Company													
						Other component of equity							
						Other comprehensive income							
						Exchange differences on							
						translation of	Surplus on change	Capital reserve	Total other	Total equity	Equity attributable		
						financial	in the percentage	for share-based	component of	attributable to	to non-controlling	Total	
						statements in	of shareholding	payment	shareholders'	owners of	interests of	shareholders'	
Note	Issued and paid up share capital	Share premium	Statutory reserve	General reserve	Unappropriated	foreign currency	in subsidiary	transactions	equity	the Company	the subsidiaries	equity	
Balance as at 1 January 2021	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	34	-	-	-	(472,499,711)	-	-	-	-	(472,499,711)	-	(472,499,711)	
Unappropriated retained earnings transferred to general reserve	34	-	-	-	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 2022

(Unit: Baht)

Consolidated financial statements												
Equity attributable to owners of the Company												
						Other component of equity						
						Other						
						comprehensive						
						income						
						Exchange						
						differences on						
						translation of	Surplus on change	Capital reserve	Total other	Total equity	Equity attributable	
						financial	in the percentage	for share-based	component of	attributable to	to non-controlling	Total
						statements in	of shareholding	payment	shareholders'	owners of	interests of	shareholders'
Note	Issued and		Retained earnings		Unappropriated	foreign currency	in subsidiary	transactions	equity	the Company	the subsidiaries	equity
	share capital	Share premium	Statutory	General								
	paid up		reserve	reserve								
	share capital	Share premium	reserve	reserve	Unappropriated	foreign currency	in subsidiary	transactions	equity	the Company	the subsidiaries	equity
Balance as at 1 January 2022	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
Profit for the year	-	-	-	-	2,960,628,557	-	-	-	-	2,960,628,557	1,932,424,054	4,893,052,611
Other comprehensive income for the year	-	-	-	-	(1,644,289)	73,160,162	-	-	73,160,162	71,515,873	48,699,950	120,215,823
Total comprehensive income for the year	-	-	-	-	2,958,984,268	73,160,162	-	-	73,160,162	3,032,144,430	1,981,124,004	5,013,268,434
Dividend paid	34	-	-	-	(1,286,249,214)	-	-	-	-	(1,286,249,214)	-	(1,286,249,214)
Decrease in non-controlling interests of the subsidiaries from dividend payments of subsidiaries		-	-	-	-	-	-	-	-	-	(1,627,230,250)	(1,627,230,250)
Impact from liquidation of subsidiary		-	-	-	-	470,942	-	-	470,942	470,942	151,948	622,890
Balance as at 31 December 2022	524,999,679	680,400,000	52,500,000	1,310,600,000	4,676,179,238	112,279,359	75,948,676	556,451	188,784,486	7,433,463,403	2,248,220,302	9,681,683,705

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 2022

(Unit: Baht)

		Separate financial statements					
	Note	Issued and paid up share capital	Share premium	Retained earnings		Total shareholders' equity	
				Appropriated			
				Statutory reserve	General reserve		Unappropriated
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	34	-	-	-	-	(472,499,711)	(472,499,711)
Unappropriated retained earnings transferred to general reserve	34	-	-	-	55,600,000	(55,600,000)	-
Balance as at 31 December 2021		524,999,679	680,400,000	52,500,000	1,310,600,000	861,754,153	3,430,253,832
Balance as at 1 January 2022		524,999,679	680,400,000	52,500,000	1,310,600,000	861,754,153	3,430,253,832
Profit for the year		-	-	-	-	2,323,407,646	2,323,407,646
Other comprehensive income for the year		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	2,323,407,646	2,323,407,646
Dividend paid	34	-	-	-	-	(1,286,249,214)	(1,286,249,214)
Balance as at 31 December 2022		524,999,679	680,400,000	52,500,000	1,310,600,000	1,898,912,585	4,467,412,264

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 2022**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities</b>				
Profit before tax	7,799,380,956	4,294,312,878	2,902,335,374	1,476,685,717
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	1,054,856,691	852,754,690	61,129,967	54,652,856
Reduction of inventories to net realisable value (reversal)	(16,311,589)	16,311,589	(15,525,688)	15,525,688
Write-off of inventories	113,886	-	-	-
Gain on debt forgiveness	-	(21,701,399)	-	-
Allowance for expected credit losses	-	180,688	-	-
Bad debt	-	-	-	200,804
Unrealised gain on change in value of debt instrument investments	(4,947)	(4,042)	-	-
Share of profit from investment in associated companies	(219,041,218)	(101,570,096)	-	-
Allowance for impairment loss of goodwill	-	48,768,932	-	-
Allowance for impairment of the investment in subsidiaries	-	-	32,133,453	152,798,969
Gain from liquidation of subsidiary	-	-	-1,064,568	-
Write-off of value added tax refundable and prepaid income tax	16,367,855	47,095,657	-	-
Gain on disposal of equipment	(2,097,144)	361,561	(617,308)	(253,824)
Loss from write-off of equipment and investment properties	9,544,188	-	3,812,997	-
Gain on write-off of right-of-use assets from contract cancellation	(52,016)	(537,423)	-	-
Allowance for impairment loss on assets	32,476,540	31,254,639	-	5,314,448
Reversal of dividend payable	(403,483)	(127,747)	(403,483)	(127,747)
Dividend income	-	-	(2,626,489,158)	(1,506,263,001)
Provision for long-term employee benefits	8,113,777	3,221,654	3,578,618	3,491,797
Provision for mine reclamation and decommissioning costs	39,502,231	43,843,482	-	-
Unrealised loss (gain) on exchange	(24,883,213)	3,051,136	(2,119,051)	222,912
Finance income	(29,454,083)	(14,286,282)	(10,504,935)	(4,367,878)
Finance cost	55,337,841	53,049,487	2,473,077	2,363,383
Profit from operating activities before changes in operating assets and liabilities	8,723,446,272	5,255,979,404	348,739,295	200,244,124

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 2022**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
Operating assets (increase) decrease				
Trade and other receivables	(210,731,630)	(730,227,098)	(159,839,892)	(136,972,996)
Inventories	(32,987,794)	(239,515,747)	62,645,373	(161,311,381)
Value added tax refundable	(107,975,529)	(151,564,996)	8,824,584	(8,824,584)
Advance payments for goods	(268,276,251)	(59,074,833)	(14,905,981)	85,422,503
Other current financial assets	30,622	(8,367)	6,500	6,163
Other current assets	(133,754,285)	(43,922,503)	288,102	180,390
Operating liabilities increase (decrease)				
Trade and other payables	211,601,536	43,852,319	(10,758,172)	22,497,649
Accrued expenses	(94,504,486)	98,517,123	8,487,061	31,236,033
Other current financial liabilities	572,594	(14,422,530)	517,923	73,061
Other current liabilities	68,471,592	188,236,180	2,444,251	(10,962,174)
Cash paid for long-term employee benefits	(3,962,691)	(85,400,853)	-	-
Cash paid for mine reclamation	(26,753,199)	(28,587,683)	-	-
Cash from operating activities	8,125,176,751	4,233,860,416	246,449,044	21,588,788
Interest income	26,755,111	14,082,421	7,806,692	4,169,119
Cash paid for interest expenses	(47,615,871)	(44,970,836)	-	-
Refund of income tax	104,018,635	151,923,308	-	-
Cash paid for income tax	(2,685,030,612)	(731,086,001)	(583,340,193)	(334,473,684)
<b>Net cash from (used in) operating activities</b>	<b>5,523,304,014</b>	<b>3,623,809,308</b>	<b>(329,084,457)</b>	<b>(308,715,777)</b>
<b>Cash flows from investing activities</b>				
Increase in fixed deposits	(892,502,000)	-	(892,502,000)	-
Increase in restricted bank deposits	(79,923,964)	(175,806,865)	-	-
Decrease in long-term loans to related party	18,618,264	-	18,618,264	-
Dividend received from subsidiaries and associated company	8,584,409	7,750,600	2,626,489,158	1,506,263,001
Cash paid for investment in subsidiary	-	-	-	(144,999,783)
Cash received from subsidiary due to liquidation	-	-	18,828,938	53,124,143
Proceeds from disposals of equipment	4,058,245	1,779,461	617,397	669,954
Acquisitions of plant and equipment	(289,609,492)	(135,742,968)	(29,065,166)	(19,643,533)
Acquisitions of computer software	(587,436)	(1,792,935)	(259,300)	(165,280)
Acquisitions of biological asset	(3,591,472)	(5,118,771)	-	-
Decrease (increase) in other non-current financial assets	2,285,960	(269,942)	754,940	(234,900)
Increase in other non-current assets	(856,129,122)	(631,419,079)	-	-
<b>Net cash from (used in) investing activities</b>	<b>(2,088,796,608)</b>	<b>(940,620,499)</b>	<b>1,743,482,231</b>	<b>1,395,013,602</b>

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 2022**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Cash flows from financing activities</b>				
Decrease in short-term loans from				
financial institutions - net	540,334,727	(213,692,335)	-	-
Cash paid for principal portion of lease liabilities	(29,285,150)	(29,011,716)	(11,834,509)	(11,243,688)
Cash paid for interest expense of lease liabilities	(4,922,239)	(4,645,687)	(2,473,077)	(2,363,383)
Cash received from long-term loans from financial institutions	87,066,142	499,365,000	-	-
Repayment of long-term loans from financial institutions	(296,206,160)	(270,847,214)	-	-
Dividend paid	(2,913,479,464)	(1,454,642,555)	(1,286,249,214)	(472,499,711)
Increase in non-controlling interests of the subsidiaries	49,971,915	108,463,276	-	-
<b>Net cash used in financing activities</b>	<b>(2,566,520,229)</b>	<b>(1,365,011,231)</b>	<b>(1,300,556,800)</b>	<b>(486,106,782)</b>
<b>Increase (decrease) in translation adjustments</b>	<b>(2,765,491)</b>	<b>16,508,129</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>865,221,686</b>	<b>1,334,685,707</b>	<b>113,840,974</b>	<b>600,191,043</b>
Cash and cash equivalents at beginning of year	2,163,717,638	832,696,118	874,230,669	277,703,813
Effect of change in foreign exchange rate				
on cash at bank balance	(273,743)	(3,664,187)	(273,743)	(3,664,187)
<b>Cash and cash equivalents at end of year (Note 7)</b>	<b>3,028,665,581</b>	<b>2,163,717,638</b>	<b>987,797,900</b>	<b>874,230,669</b>

**Supplemental cash flows information:**

**Non-cash transaction from operating activities**

Transferred provision for long-term employee benefits  
to accrued expenses

957,972      2,258,753      -      -

**Non-cash transactions from investing activities**

Additions to right-of-use assets and lease liabilities

12,508,492      39,627,701      2,615,668      20,532,539

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

8,769,136      12,596,575      5,865,071      1,727,576

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 2022**

#### **1. General 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 coal. The registered office of the Company is at 888/99 Mahathun Plaza Building 9th floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok.

#### **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>2022</u>	<u>2021</u>
				Percent	Percent
<u><b>Held by the Company</b></u>					
<b>Local subsidiaries</b>					
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
<b>Overseas subsidiaries</b>					
PT. Lanna Power Indonesia	Coal distribution (Liquidation in 2022)	Direct holding and common directors	Indonesia	-	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><b>Held by subsidiary</b></u>					
SRT Power Pellet Company Limited	Wood pellet production and distribution	Direct holding and common directors	Thailand	99.99	99.99
<u><b>Held by associated company</b></u>					
PT. Lanna Power Indonesia	Coal distribution (Liquidation in 2022)	Direct holding	Indonesia	-	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 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group’s financial statements.

However, the Group has adopted the temporary reliefs in accordance with TFRS 9 Financial Instruments and TFRS 7 Disclosure of Financial Instruments, which apply to transactions directly affected by interest rate benchmark reform, including changes to contractual cash flows or hedging relationships arising from the replacement of the referenced interest rate benchmark with an alternative benchmark rate.

The adoption of these temporary reliefs does not have any significant impact on the Group's financial statements.

**(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2023**

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements except the following standard which involves changes to key principles, summarised below.

**TAS 16, *Property, Plant and Equipment***

The amendment prohibits entities from deducting from cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

When the Company first applies the amendment, it applies the amendment retrospectively only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented.

The management of the subsidiary is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

## **4. Significant accounting policies**

### **4.1 Revenue and expense recognition**

#### *Sales of goods*

Revenue from sale of 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. The agricultural produce is included in inventories.

## 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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>Transactions with subsidiaries</u>				
(eliminated from the consolidated financial statements)				
Dividend income	-	-	2,617,905	1,498,512
Commission and marketing service income	-	-	269,218	204,489
Service income	-	-	74,566	52,194
Purchase of coal	-	-	744,738	442,418
<u>Transactions with major shareholder</u>				
Sales of coal	1,322,775	860,860	1,322,775	860,860
<u>Transactions with associated companies</u>				
Dividend income	-	-	8,584	7,751
Interest income	3,202	-	3,202	-
Purchase of coal	357,586	341,421	357,586	341,421
Freight charge	330,286	269,901	330,286	269,901
<u>Transactions with related person and company</u>				
Sales of coal	1,833	554	1,833	554
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
Interest income	Interest rate of 3MISBOR+1% and 6MISBOR+1% per annum
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 2022 and 2021, 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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b><u>Trade and other receivables - related parties</u></b>				
<b>(Note 8)</b>				
Major shareholder	384,358	209,565	384,358	209,565
Subsidiaries	-	-	25,488	28,190
Associated company	2,054	-	2,054	-
Total trade and other receivables - related parties	<u>386,412</u>	<u>209,565</u>	<u>411,900</u>	<u>237,755</u>
<b><u>Advance payments for goods - related parties</u></b>				
<b>(Note 10)</b>				
Subsidiary	-	-	12,949	12,949
Associated company	43,977	29,488	43,977	29,488
Total advance payment for goods - related parties	<u>43,977</u>	<u>29,488</u>	<u>56,926</u>	<u>42,437</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 and on 25 May 2022, the interest rate was adjusted to 3 months SIBOR plus 1% per annum, effective since 1 April 2022. Such loan is repayable on demand. Movement of long-term loan to related party for the year ended 31 December 2022 was summarised below.

	(Unit: Thousand Baht)		
	Consolidated and separate financial statements		
	Balance as at		Balance as at
	31 December	Decrease	31 December
	2021	during the year	2022
<b><u>Long-term loan to related company</u></b>			
Associated company	<u>105,811</u>	<u>(15,617)</u>	<u>90,194</u>



## Directors and management's benefits

During the years ended 31 December 2022 and 2021, the Group had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Short-term employee benefits	257,593	212,010	73,003	55,566
Post-employment benefits	5,163	60,922	1,800	1,756
Total	<u>262,756</u>	<u>272,932</u>	<u>74,803</u>	<u>57,322</u>

## **7. Cash and cash equivalents/Restricted bank deposits**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cash	183	165	40	40
Bank deposits	3,463,366	2,506,778	987,758	874,191
Total	3,463,549	2,506,943	987,798	874,231
Less: Restricted bank deposits	(434,883)	(343,225)	-	-
Total	<u>3,028,666</u>	<u>2,163,718</u>	<u>987,798</u>	<u>874,231</u>

As at 31 December 2022, bank deposits in savings accounts and fixed deposits carried interests between 0.01 and 5.75 percent per annum (2021: between 0.01 and 5.50 percent per annum).

As at 31 December 2022, the overseas subsidiaries have restricted bank deposits of USD 12.5 million or approximately Baht 434.9 million (2021: USD 10.3 million or approximately Baht 343.2 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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b><u>Trade receivables - related parties</u></b>				
<b>Age on the basis of due dates</b>				
Not yet due	384,358	209,565	402,561	223,300
Past due				
Up to 3 months	-	-	-	6,466
Total trade receivables - related parties	<u>384,358</u>	<u>209,565</u>	<u>402,561</u>	<u>229,766</u>
<b><u>Trade receivables - unrelated parties</u></b>				
<b>Age on the basis of due dates</b>				
Not yet due	1,204,454	1,158,600	70,786	83,913
Past due				
Up to 3 months	<u>221,517</u>	<u>242,576</u>	-	-
Total	<u>1,425,971</u>	<u>1,401,176</u>	<u>70,786</u>	<u>83,913</u>
Less: Allowance for expected credit losses	-	(34)	-	-
Total trade receivables - unrelated parties, net	<u>1,425,971</u>	<u>1,401,142</u>	<u>70,786</u>	<u>83,913</u>
Total trade receivables - net	<u>1,810,329</u>	<u>1,610,707</u>	<u>473,347</u>	<u>313,679</u>
<b><u>Other receivables</u></b>				
Other receivables - related parties	-	-	7,285	7,989
Other receivables - unrelated parties	65,506	54,543	953	261
Interest receivable - related parties	2,054	-	2,054	-
Interest receivable - unrelated parties	<u>1,623</u>	<u>978</u>	<u>1,614</u>	<u>970</u>
Total	<u>69,183</u>	<u>55,521</u>	<u>11,906</u>	<u>9,220</u>
Less: Allowance for expected credit losses	-	(147)	-	-
Total other receivables - net	<u>69,183</u>	<u>55,374</u>	<u>11,906</u>	<u>9,220</u>
Total trade and other receivables - net	<u>1,879,512</u>	<u>1,666,081</u>	<u>485,253</u>	<u>322,899</u>

The overseas subsidiary has pledged its accounts receivable to secure credit facilities from the financial institutions. As at 31 December 2022, the balance of accounts receivable totaling Rupiah 90,000 million or approximately Baht 191.0 million (2021: Rupiah 90,000 million or approximately Baht 201.7 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	
	2022	2021	2022	2021	2022	2021
Coal and work in process	410,207	422,241	-	(15,526)	410,207	406,715
Finished goods	35,508	20,101	-	(720)	35,508	19,381
Work in process	18,039	16,654	-	-	18,039	16,654
Raw materials	68,366	50,527	-	(19)	68,366	50,508
Supplies	25,970	21,150	-	(47)	25,970	21,103
Spare parts	16,620	11,164	-	-	16,620	11,164
Total	574,710	541,837	-	(16,312)	574,710	525,525

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2022	2021	2022	2021	2022	2021
Coal and work in process	207,636	270,282	-	(15,526)	207,636	254,756
Total	207,636	270,282	-	(15,526)	207,636	254,756

During the current year, the Group reversed the write-down of cost of inventories by Baht 16.3 million (the Company only: Baht 15.5 million) and reduced the amount of inventories recognised as expenses during the year (2021: 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 2022, the balance of finished goods totaling Rupiah 10,000 million or approximately Baht 21.2 million (2021: Rupiah 10,000 million or approximately Baht 22.4 million) were pledged to secure such credit facilities.

## 10. Advance payments for goods

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Advance payments for goods - related parties	43,977	29,488	56,926	42,437
Advance payments for goods - unrelated parties	547,005	293,634	-	-
Total	590,982	323,122	56,926	42,237
Less: Allowance for impairment	(6,664)	(6,664)	-	-
Total advance payments for goods	584,318	316,458	56,926	42,437

## 11. Other current financial assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>Debt instruments at amortised cost</u>				
Fixed deposits	1,442,502	550,000	1,442,502	550,000
Others	-	30	-	7
<u>Debt instruments at FVTPL</u>				
Investments in General Fixed Income funds	1,074	1,069	-	-
Total other current financial assets	1,443,576	551,099	1,442,502	550,007

## 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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
			(%)	(%)				
<b>Local subsidiaries</b>								
Lanna Power Generation Company Limited	Baht 300 million	Baht 300 million	100.00	100.00	300,000	300,000	-	-
Thai Agro Energy Public Company Limited	Baht 1,000 million	Baht 1,000 million	51.00	51.00	510,000	510,000	-	17,850
<b>Overseas subsidiaries</b>								
PT. Lanna Power Indonesia (Incorporated in Indonesia)	-	USD 2.1 million	-	99.95	-	70,889	-	8,344
PT. Singlurus Pratama (Incorporated in Indonesia)	Rp 10,500 million	Rp 10,500 million	65.00	65.00	22,421	22,421	1,840,023	856,694
PT. Lanna Harita Indonesia (Incorporated in Indonesia)	USD 8 million	USD 8 million	55.00	55.00	155,023	155,023	777,882	615,624
Total investment in subsidiaries					987,444	1,058,333	2,617,905	1,498,512
Less: Partial return on investment from subsidiary					-	(53,125)		
Less: Allowance for impairment of the investment					(193,129)	(160,996)		
Total investments in subsidiaries - net					794,315	844,212		

## **Overseas subsidiaries**

The Company has 2 overseas subsidiaries (2021: 3 overseas subsidiaries) in which the Company has shareholding percentage between 55.00% and 65.00% (2021: 55.00% and 99.95%) and, as at 31 December 2022, such subsidiaries had unappropriated retained earnings of the Company's portion totaling USD 65.6 million or approximately Baht 2,172.4 million (2021: USD 48.2 million or approximately Baht 1,586.6 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. During the year 2021, 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 for the year ended 31 December 2021. In addition, on 20 December 2022, the subsidiary returned the remaining investment of Baht 17.8 million, therefore, the Company recorded the reversal an allowance for impairment loss of investment in subsidiary totaling of Baht 1.5 million in the income statement for the year ended 31 December 2022. The liquidation process was completed on 30 December 2022 and the subsidiary registered for dissolution with the Law Office of the Ministry of Law and Human Rights on 10 January 2023.

## **Local subsidiary**

### Lanna Power Generation Company Limited

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.

### SRT Power Pellet Company Limited

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 for the year ended 31 December 2021. During the current year, the management additionally recognised an impairment loss on investment in LPG to Baht 33.6 million.

SRT is currently in the process of considering asset management. The management expects that the registration of the dissolution will be completed in 2023.

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 for the year ended 31 December 2021.

## 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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(%)	(%)										
Thai Agro Energy Public Co., Ltd.	49.00	49.00	792	835	(42)	(29)	(1)	-	-	-	-	(17)
PT. Singlurus Pratama	35.00	35.00	888	560	1,293	588	(1)	(1)	27	63	(991)	(461)
PT. Lanna Harita Indonesia	45.00	45.00	576	508	681	583	-	2	23	46	(636)	(504)



12.3 Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling interests.

Summarised information about financial position

	(Unit: Million Baht)					
	Thai Agro Energy Public Co., Ltd.		PT. Singlurus Pratama		PT. Lanna Harita Indonesia	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current assets	915	637	2,816	1,490	1,711	1,940
Non-current assets	2,694	2,762	1,881	1,580	517	443
Current liabilities	(1,640)	(1,093)	(1,586)	(970)	(756)	(1,076)
Non-current liabilities	(351)	(600)	(366)	(294)	(189)	(169)

Summarised information about comprehensive income

	(Unit: Million Baht)					
	For the year ended 31 December					
	Thai Agro Energy Public Co., Ltd.		PT. Singlurus Pratama		PT. Lanna Harita Indonesia	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenue	2,006	2,208	13,338	6,896	8,721	5,602
Profit (loss)	(86)	(58)	3,695	1,682	1,506	1,308
Other comprehensive income	(2)	-	(1)	(2)	1	4
Total comprehensive income	(88)	(58)	3,694	1,680	1,507	1,312

Summarised information about cash flow

	(Unit: Million Baht)					
	For the year ended 31 December					
	Thai Agro Energy Public Co., Ltd.		PT. Singlurus Pratama		PT. Lanna Harita Indonesia	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cash flow from (used in) operating activities	(224)	(63)	4,383	2,326	1,484	1,566
Cash flow used in investing activities	(80)	(88)	(916)	(591)	(125)	(82)
Cash flow from (used in) financing activities	289	161	(2,678)	(1,407)	(1,391)	(1,147)
Net increase (decrease) in cash and cash equivalents	(15)	10	789	328	(32)	337

### 13. Investment in associated companies

#### 13.1 Detail of associated companies

(Unit: Thousand Baht)

Company's name	Nature of Business	Paid up capital		Shareholding percentage		Consolidated financial statements		Separate financial statements	
						Carrying amounts based on equity method		Cost	
		<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
				(%)	(%)				
United Bulk Shipping Pte. Ltd. (Incorporated in Singapore)	Shipping business and coal distribution	SGD 0.1 million	SGD 0.1 million	49	49	23,599	21,018	891	891
PT. Pesona Khatulistiwa Nusantara (Incorporated in Indonesia)	Manufacture and distribution of coal	Rp 580,891 million	Rp 580,891 million	10	10	359,784	152,025	58,437	58,437
Total						<u>383,383</u>	<u>173,043</u>	<u>59,328</u>	<u>59,328</u>

## **Overseas associated**

### PT. Pesona Khatulistiwa Nusantara ("PKN")

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.

The Company assessed the fair values of identifiable assets acquired and liabilities assumed at the acquisition dates of PKN. 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 Company obtained the information on the fair values of identifiable assets acquired and liabilities assumed which was not significant difference from the consideration paid on acquisition date.

### 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)					
	Consolidated financial statements		Separate financial statements			
	Share of profit from investment in associated companies for the years ended 31 December		Share of other comprehensive income from investment in associated companies for the years ended 31 December		Dividend received for the years ended 31 December	
Company's name	2022	2021	2022	2021	2022	2021
United Bulk Shipping Pte. Ltd.	11,165	7,983	-	-	8,584	7,751
PT. Pesona Khatulistiwa Nusantara	207,876	93,588	(117)	-	-	-

Share of profit from the associated companies for the years ended 31 December 2022 and 2021 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 their auditors.

### 13.3 Summarised financial information about material associated companies

#### Summarised information about financial position

	(Unit: Million Baht)			
	United Bulk Shipping Pte.		PT. Pesona Khatulistiwa	
	Ltd.		Nusantara	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current assets	89	49	3,911	1,304
Non-current assets	-	-	1,995	2,126
Current liabilities	(37)	(4)	(1,820)	(2,224)
Non-current liabilities	-	-	(1,148)	(222)
Net assets	52	45	2,938	984
Carrying amounts of associates based on equity method	25	22	294	98

#### Summarised information about comprehensive income

	(Unit: Million Baht)			
	For the years ended 31 December			
	United Bulk Shipping Pte.		PT. Pesona Khatulistiwa	
	Ltd.		Nusantara	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenue	345	270	8,932	2,073
Profit	23	16	2,079	936
Other comprehensive income	-	-	(1)	-
Total comprehensive income	23	16	2,078	936

#### 14. Investment properties

The net book value of investment properties as at 31 December 2022 and 2021 is presented below.

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cost	72,468	72,781	29,451	29,451
Less: Accumulated depreciation	(17,349)	(14,839)	-	-
Less: Allowance for impairment	(4,970)	(409)	-	-
Net book value	<u>50,149</u>	<u>57,533</u>	<u>29,451</u>	<u>29,451</u>

A reconciliation of the net book value of investment properties for the years 2022 and 2021 is presented below.

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Net book value as at 1 January 2022	57,533	61,145	29,451	29,864
Disposals - net book value at write-off date	(91)	(413)	-	(413)
Depreciation charged	(2,732)	(2,790)	-	-
Allowance for impairment	(4,561)	(409)	-	-
Net book value as at 31 December 2022	<u>50,149</u>	<u>57,533</u>	<u>29,451</u>	<u>29,451</u>

As at 31 December 2022, 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 (2021: Baht 29.4 million) and land and building of the local subsidiary with an aggregate net book value of approximately Baht 20.7 million (2021: 28.1 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 2022 and 2021 stated below:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
The fair value of land awaiting sales	45.0	45.0	45.0	45.0
The fair value of land and building	29.0	31.0	-	-

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.

#### 15. Biological assets

	(Unit: Thousand Baht)
	Consolidated financial statements
<b>Balance as at 1 January 2022</b>	11,577
Increase due to cost of planting	3,592
<b>Balance as at 31 December 2022</b>	<u>15,169</u>

## 16. 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
<b>Cost</b>									
1 January 2021	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
Additions	-	-	18,343	1,113	24,608	4,907	1,724	245,086	295,781
Disposals/write-off	-	-	(15,647)	(26,968)	(175,845)	(11,001)	(154)	(5,384)	(234,999)
Transfer in (transfer out)	-	-	1,186	20,392	102,324	71	-	(126,867)	(2,894)
Translation adjustment	601	-	603	26,854	36,394	1,681	417	1,046	67,596
31 December 2022	437,576	63,896	228,019	1,430,456	4,046,734	104,545	35,642	704,113	7,050,981



(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
<b>Accumulated depreciation</b>									
1 January 2021	-	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
Depreciation for the year	-	-	6,976	106,284	200,370	6,939	2,364	-	322,933
Accumulated depreciation of the disposal/written-off	-	-	(2,592)	(17,782)	(158,825)	(10,817)	(154)	-	(190,170)
Translation adjustment	-	-	603	17,339	14,917	1,390	319	-	34,568
31 December 2022	-	63,896	77,627	809,249	1,958,999	89,828	28,842	-	3,028,441
<b>Allowance for impairment loss:</b>									
1 January 2021	-	-	-	-	-	-	-	-	-
Increase during the year	-	-	11,033	5,240	14,488	-	-	-	30,761
31 December 2021	-	-	11,033	5,240	14,488	-	-	-	30,761
Increase during the year	-	-	920	-	26,910	93	-	-	27,923
Decrease during the year	-	-	(11,735)	(5,240)	(16,406)	(40)	-	-	(33,421)
31 December 2022	-	-	218	-	24,992	53	-	-	25,263
<b>Net book value</b>									
31 December 2021	436,975	-	139,861	700,417	2,142,228	16,571	7,342	590,232	4,033,626
31 December 2022	437,576	-	150,174	621,207	2,062,743	14,664	6,800	704,113	3,997,277
<b>Depreciation for the year</b>									
2021 (Baht 226 million included in manufacturing cost, and the balance in selling, distribution and administrative expenses)									322,211
2022 (Baht 206 million included in manufacturing cost, and the balance in selling, distribution and administrative expenses)									322,933

## 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
<b>Cost</b>									
1 January 2021	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
Additions	-	-	18,191	-	13,277	1,399	84	252	33,203
Transfer in (transfer out)	-	-	1,186	-	2,446	-	-	(3,632)	-
Disposal/write-off	-	-	-	(7,642)	(9,295)	(1,851)	-	-	(18,788)
31 December 2022	180,000	63,896	132,985	40,018	132,349	28,726	5,026	5,279	588,279
<b>Accumulated depreciation</b>									
1 January 2021	-	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
Depreciation for the year	-	-	6,795	2,279	6,098	1,956	373	-	17,501
Accumulated depreciation of the disposal/written-off	-	-	-	(2,703)	(5,107)	(1,851)	-	-	(9,661)
31 December 2022	-	63,896	59,116	15,770	85,471	25,681	2,640	-	252,574

(Unit: Thousand Baht)

	Land	Ore	Land improvement	Building and amenities	Machinery and equipment	Furniture and office equipment	Vehicles	Assets under construction and installation	Total
<b>Allowance for impairment loss:</b>									
1 January 2021	-	-	-	-	-	-	-	-	-
Increase during the year	-	-	-	1,126	4,188	-	-	-	5,314
31 December 2021	-	-	-	1,126	4,188	-	-	-	5,314
Decrease during the year	-	-	-	(1,126)	(4,188)	-	-	-	(5,314)
31 December 2022	-	-	-	-	-	-	-	-	-
<b>Net book value</b>									
31 December 2021	180,000	-	61,287	30,340	37,253	3,602	2,675	8,659	323,816
31 December 2022	180,000	-	73,869	24,248	46,878	3,045	2,386	5,279	335,705
<b>Depreciation for the year</b>									
2021 (included in selling, distribution and administrative expenses)									17,139
2022 (included in selling, distribution and administrative expenses)									17,501

As at 31 December 2022, a local subsidiary had an outstanding balance of the construction of Wastewater Evaporation Plant amounting to Baht 392.4 million (2021: Baht 387.1 million). The construction has been financed with a loan from a financial institution. Borrowing costs amounting to Baht 2.7 million were capitalised during the year (2021: Baht 4.2 million). The weighted average rate of 2.1 to 3.3 percent per annum has been used to determine the amount of borrowing costs eligible for capitalisation (2021: 2.1 to 2.3 percent per annum).

The local subsidiaries have mortgaged part of their land and construction thereon and machinery with net book value as at 31 December 2022 amounting to approximately Baht 1,216 million (2021: Baht 1,314 million) as collateral for short-term and long-term loans and credit facilities granted by a commercial bank as discussed in Note 21 and 23.

The overseas subsidiary has mortgaged part of its land, machinery, and equipment with net book value as at 31 December 2022 amounting to approximately USD 17.9 million or equivalent to Baht 619.9 million (2021: USD 20.1 million or equivalent to Baht 670.9 million) as collateral for short-term and long-term loans and credit facilities granted by a commercial bank as discussed in Note 21 and 23.

As at 31 December 2022, 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 602 million (2021: Baht 648 million) (the Company only: Baht 120 million (2021: Baht 101 million)).

## 17. Leases

The Group has lease contracts for various items of assets used in its operations. Leases generally have lease terms between 2 - 7 years.

### 17.1 Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2022 and 2021 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 2021	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
Additions	2,616	-	-	9,893	12,509
Write-off - net book value at write-off date	-	-	-	(115)	(115)
Depreciation for the year	(13,650)	(172)	(77)	(17,642)	(31,541)
Translation adjustment	358	-	-	324	682
31 December 2022	36,414	273	93	34,640	71,420

(Unit: Thousand Baht)

	Separate financial statements		
	Buildings	Motor vehicles	Total
1 January 2021	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
Additions	2,616	-	2,616
Depreciation for the year	(6,135)	(6,224)	(12,359)
31 December 2022	18,833	16,057	34,890

## 17.2 Lease liabilities

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Lease payments	80,554	102,005	40,869	52,358
Less: Deferred interest expenses	(6,100)	(9,046)	(3,939)	(6,209)
Total	74,454	92,959	36,930	46,149
Less: Portion due within one year	(29,608)	(30,423)	(11,737)	(11,255)
Lease liabilities - net of current portion	44,846	62,536	25,193	34,894

Movements of lease liabilities for the year ended 31 December 2022 and 2021 are summarised below.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Balance at beginning of year	92,959	85,135	46,149	36,860
Additions during the year	12,508	39,628	2,616	20,533
Accretion of interest	4,922	4,646	2,473	2,363
Payment during the year	(34,207)	(33,657)	(14,308)	(13,607)
Decrease from contract cancellation	(167)	(4,662)	-	-
Translation adjustment	(1,561)	1,869	-	-
Balance at end of year	74,454	92,959	36,930	46,149

A maturity analysis of lease payments is disclosed in Note 40.2 under the liquidity risk.

## 17.3 Expenses relating to leases that are recognised in income statement

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Depreciation expenses of right-of-use assets	31,541	32,424	12,359	12,004
Interest expenses on lease liabilities	4,922	4,646	2,473	2,363
Expenses relating to short-term leases	1,404	1,852	530	587
Expenses relating to leases of low-value assets	145	176	121	117
Expenses relating to variable lease payments that do not depend on an index or a rate	5	11	-	-

## 17.4 Others

The Group had total cash outflows for leases for the year ended 31 December 2022 of Baht 35.8 million (2021: Baht 34.8 million) (the Company only: Baht 15.0 million (2021: Baht 14.3 million)), including the cash outflow related to short-term lease, leases of low-value assets and variable lease payments that do not depend on an index or a rate.

## 18. Goodwill

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2022</u>	<u>2021</u>
Goodwill	234,769	234,769
Less: Accumulated allowance for impairment loss	<u>(48,769)</u>	<u>(48,769)</u>
Goodwill - net	<u>186,000</u>	<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	12

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.

## 19. 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
<b>Cost</b>			
1 January 2021	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
Additions	587	-	587
Disposal	(353)	-	(353)
Translation adjustment	116	-	116
31 December 2022	24,007	191,939	215,946
<b>Accumulated amortisation</b>			
1 January 2021	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
Amortisation for the year	924	30,980	31,904
Disposal	(353)	-	(353)
Translation adjustment	116	-	116
31 December 2022	21,162	119,443	140,605
<b>Allowance for impairment loss</b>			
1 January 2021	-	-	-
Increase during the year	85	-	85
31 December 2021	85	-	85
31 December 2022	85	-	85
<b>Net book value</b>			
31 December 2021	3,097	103,476	106,573
31 December 2022	2,760	72,496	75,256



## **Separate financial statements**

	(Unit: Thousand Baht)		
	Computer software	Deferred transferred service fees according to contract	Total
<b>Cost</b>			
1 January 2021	8,685	191,939	200,624
Additions	155	-	155
Disposal	(37)	-	(37)
31 December 2021	8,803	191,939	200,742
Additions	259	-	259
31 December 2022	9,062	191,939	201,001
<b>Accumulated amortisation</b>			
1 January 2021	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
Amortisation for the year	289	30,980	31,269
31 December 2022	8,430	119,443	127,873
<b>Net book value</b>			
31 December 2021	662	103,476	104,138
31 December 2022	632	72,496	73,128

### **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.

## 20. Other non-current assets

Other non-current assets have been shown net of related accumulated amortisation as at 31 December 2022 and 2021 are as follows:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2022	2021
Deferred expenses - Indonesia coal mine project	216,774	216,727
Deferred stripping costs	692,404	474,976
Total other non-current assets	909,178	691,703
Amortisation expenses for the year	665,195	467,857

### Deferred expenses - Indonesia coal mine project

A reconciliation of the net book value of deferred expenses - Indonesia coal mine project for the years 2022 and 2021 is presented below.

	(Unit: Thousand Baht)		
	Consolidated financial statements		
	Exploration and evaluation assets	Deferred exploration and development costs	Total
As at 1 January 2021	2,885	185,276	188,161
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	3,210	213,517	216,727
Increase during the year	-	26,728	26,728
Amortisation for the year	-	(34,089)	(34,089)
Translation adjustment	110	7,298	7,408
As at 31 December 2022	3,320	213,454	216,774

## Deferred stripping costs

A reconciliation of the net book value of deferred stripping costs for the years 2022 and 2021 is presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	<u>2022</u>	<u>2021</u>
Net book value at beginning of year	474,976	285,391
Increase during the year	832,295	601,465
Amortisation for the year	(631,105)	(444,021)
Translation adjustment	16,238	32,141
Net book value at end of year	<u>692,404</u>	<u>474,976</u>

## 21. Short-term loans from financial institutions

	Interest rate		(Unit: Thousand Baht)	
	(percent per annum)		Consolidated financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Promissory notes	3.00 - 3.90	2.67 - 2.88	1,303,948	763,613
Total			<u>1,303,948</u>	<u>763,613</u>

Movements in short-term loans from financial institutions during the year ended 31 December 2022 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Balance as at 1 January 2022	763,613
Add: Increase during the year	4,947,372
Less: Repayment during the year	(4,407,037)
Balance as at 31 December 2022	<u>1,303,948</u>

Credit facilities are secured by the mortgage of part of the subsidiary's land and construction thereon and machinery as discussed in Note 16.

As at 31 December 2022, the short-term credit facilities of the subsidiaries which have not yet been drawn down amounted to USD 32.0 million or equivalent to Baht 1,106.0 million and Baht 56.1 million totaling of Baht 1,162.1 million (2021: USD 28.0 million or equivalent to Baht 935.8 million and Baht 996.4 million totaling of Baht 1,932.2 million).

## 22. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Trade payables - unrelated parties	605,183	424,254	33,275	46,796
Other payables - unrelated parties	138,703	105,452	10,086	6,778
Derivative liabilities	3,707	106	3,707	106
Total trade and other payables	747,593	529,812	47,068	53,680

## 23. Long-term loans from financial institutions

No.	Credit facilities (Million Baht)	Interest rate (percent per annum)	Repayment schedule	(Unit: Thousand Baht)	
				Consolidated	
				financial statements	
				As at 31 December	
				2022	2021
1	418.0	3M BAYBIBOR + 1.97 (2021:3M THBFIX + 1.95)	The loan is repayable within 6 years and is repayable the first installment in the last day of the eighteenth month since the subsidiary withdrew the loan (8 June 2018). The principal is payable in 10 semi-annually installments of Baht 42 million during the first to ninth installment, remaining balance is repayable in the tenth installment and interest is repayable every 3 months.	112,680	196,591
2	300.0	3M BAYBIBOR + 1.97 (2021:3M THBFIX + 1.95)	The loan is repayable within 5 years and is repayable the first installment in the last day of the sixth month since the Company withdrew the loan (15 November 2018). The principal is repayable in 10 semi-annually installments of Baht 30 million each and interest is repayable every 3 months.	59,933	119,856
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.	133,195	94,833
4	500.0	3M BAYBIBOR + 2.22	The loan is repayable within 5 years and is repayable the first installment in the last day of the sixth month since the 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.	399,540	499,413
Total				705,348	910,693
Less: Current portion				(321,044)	(291,605)
Long-term loans, net of current portion				384,304	619,088

Movements in the long-term loans from financial institution during the year ended 31 December 2022 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Balance as at 1 January 2022	910,693
Increase from business combination	87,066
Amortisation of transaction costs during the year	552
Repayment during the year	(296,206)
Translation adjustment	3,243
Balance as at 31 December 2022	705,348

The credit facilities of subsidiaries are secured by the pledge of the mortgage of part of the land and construction thereon, machinery.

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 2022 and 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 2022 and 2021 from a bank on 3 November 2022 and 27 October 2021, respectively.

As at 31 December 2022, the long-term credit facilities of the subsidiaries which have not yet been drawn down amounted to USD 5.5 million or equivalent to Baht 188.4 million and Baht 11.2 million totaling of Baht 199.6 million (2021: Baht 78.0 million).

## 24. 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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Provision for long-term employee benefits at beginning of year</b>	203,690	268,141	47,586	48,802
Included in income statement:				
Current service cost	16,844	16,450	2,892	2,854
Interest cost	8,149	13,385	686	638
Past service costs	(17,387)	(26,613)	-	-
Included in statement of comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	2,144	(4,555)	-	(4,555)
Financial assumptions changes	(5,540)	(3,769)	-	3,562
Experience adjustments	6,852	622	-	(3,715)
Benefits paid during the year	(1,719)	(80,750)	-	-
Translation adjustment	(9,272)	20,779	-	-
<b>Provision for long-term employee benefits at end of year</b>	<u>203,761</u>	<u>203,690</u>	<u>51,164</u>	<u>47,586</u>

The Group expects to pay Baht 42.1 million of long-term employee benefits during the next year (2021: Baht 52.2 million).

As at 31 December 2022, the weighted average duration of the liabilities for long-term employee benefit is 2 - 13 years (the Company only: 10 years) (2021: 2 - 15 years, the Company only: 10 years).

Significant actuarial assumptions are summarised below:

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	1.36 - 7.55	1.64 - 7.55	1.36	1.36
Salary increase rate	5.00 - 6.00	5.00 - 8.00	5.73	5.73

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2022 and 2021 are summarised below:

(Unit: Thousand Baht)

	As at 31 December 2022					
	Consolidated financial statements				Separate	
	The group in Thailand		The group in overseas		financial statements	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
	0.5% - 1.0%	0.5% - 1.0%	1.0%	1.0%	0.5%	0.5%
Discount rate	(1,764)	1,869	(6,270)	6,964	(1,290)	1,358
Salary increase rate	2,777	(2,580)	7,056	(6,457)	1,783	(1,706)

(Unit: Thousand Baht)

	As at 31 December 2021					
	Consolidated financial statements				Separate	
	The group in Thailand		The group in overseas		financial statements	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
	0.5% - 1.0%	0.5% - 1.0%	1.0%	1.0%	0.5%	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)

## 25. Provision for mine reclamation and decommissioning costs

(Unit: Thousand Baht)

	Consolidated financial statements		
	Provision for		
	Provision for mine	decommissioning	Total
	reclamation	costs	
As at 1 January 2021	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
Increase during the year	40,702	-	40,702
Decrease from actual paid	(26,753)	-	(26,753)
Translation adjustment	(6,914)	(1,353)	(8,267)
As at 31 December 2022	110,177	20,495	130,672

## 26. 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.

## 27. 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 2022 amounting to Baht 9.1 million (the Company only: Baht 6.0 million) (2021: Baht 9.2 million (the Company only: Baht 5.7 million)) were recognised as expenses.

## 28. Finance income

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Interest income at amortised cost	29,454	14,286	10,505	4,368
<b>Total</b>	<u>29,454</u>	<u>14,286</u>	<u>10,505</u>	<u>4,368</u>

## 29. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Interest expenses on borrowings	49,851	45,304	-	-
Interest expenses on mine reclamation	1,217	3,368	-	-
Interest expenses on lease liabilities	4,922	4,646	2,473	2,363
<b>Total</b>	<u>55,990</u>	<u>53,318</u>	<u>2,473</u>	<u>2,363</u>



### 30. Expenses by nature

Significant expenses classified by nature are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Purchase of finished goods	905,010	1,174,185	1,658,249	1,575,441
Raw materials and consumables used	1,685,665	1,851,667	-	-
Changes in inventories of finished goods and work in process decrease (increase)	(4,758)	(261,371)	62,646	(161,312)
Royalty fee	3,977,004	1,617,123	-	-
Freight and transportation of goods expenses	1,796,202	1,123,161	80,456	73,462
Coal winning and conveyance expenses	5,464,754	3,252,935	-	-
Depreciation and amortisation expenses	1,054,857	852,755	61,130	54,653
Reduction of inventories to net realisable value (reversal)	(16,312)	16,312	(15,526)	15,526
Allowance for impairment of the investment in subsidiaries	-	-	32,133	152,799
Allowance for impairment loss of goodwill	-	48,769	-	-
Allowance for impairment loss on assets (reversal)	(937)	31,255	-	5,314
Salaries, wages and other employee benefits	313,750	389,032	74,966	69,801
Management benefit expenses	262,756	272,932	74,803	57,322
Electricity and fuel expenses	110,099	98,535	8,201	6,931
Repair and maintenance expenses	84,146	64,500	14,542	6,994

### 31. Income tax

Income tax expenses for the years ended 31 December 2022 and 2021 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Current income tax:</b>				
Current income tax charge	2,133,190	1,210,648	-	-
Adjustment in respect of income tax of previous year	4,611	3,236	-	-
Withholding tax deducted at source recognised as expenses during the year	57,254	49,984	582,965	337,905
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	711,273	313,516	(4,037)	(34,134)
<b>Income tax expenses reported in income statements</b>	<u>2,906,328</u>	<u>1,577,384</u>	<u>578,928</u>	<u>303,771</u>

The amount of income tax related to each component of other comprehensive income for the years ended 31 December 2022 and 2021 are as follow:

	(Unit: Thousand Baht)			
	For the years ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Deferred tax relating to actuarial gain (loss)	<u>(810)</u>	<u>1,840</u>	<u>-</u>	<u>942</u>

The reconciliation between accounting profit and income tax expenses is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Accounting profit before tax	<u>7,799,381</u>	<u>4,294,313</u>	<u>2,902,335</u>	<u>1,476,686</u>
Applicable tax rate	10% - 30%	10% - 30%	20%	20%
Accounting profit before tax multiplied by income tax rate	2,256,365	1,265,524	580,467	295,337
Adjustment in respect of income tax of previous year	4,568	3,236	-	-
Withholding tax deducted at source recognised as expenses during the year	57,254	49,984	582,965	337,905
Effects of:				
Non-deductible expenses	16,565	21,930	4,219	3,519
Income not subject to tax	(22,919)	(26,864)	(525,298)	(301,253)
Additional expense deductions allowed	(4,672)	(3,213)	(3,090)	(3,094)
Taxable withholding tax deducted at source expenses	(105,142)	(59,226)	(105,142)	(59,226)
Previously unrecognised temporary differences	-	(952)	-	-
Others	(667)	346	-	-
Total	(122,643)	(67,979)	(629,311)	(360,054)
Investments in subsidiaries	655,808	282,770	-	-
Deductible temporary differences and unrecognised tax loss as deferred tax assets	49,135	43,858	44,807	30,583
Translation adjustment	33	(9)	-	-
Income tax expenses reported in income statements	<u>2,906,328</u>	<u>1,577,384</u>	<u>578,928</u>	<u>303,771</u>

A reconciliation of the book value of deferred tax assets and deferred tax liabilities for the years ended 31 December 2022 and 2021 is presented below.

	Consolidated financial statements					Separate financial statements			
	As at	Recognise	Recognise to		As at	As at	Recognise	Recognise to	As at
	1 January	to income	statement of	Translation	31 December	1 January	to income	statement of	31
	2022	statement	income	adjustment	2022	2022	statement	income	December
									2022
Deferred tax assets									
Provision for long-term employee benefits	55,712	(2,834)	810	1,478	55,166	9,518	715	-	10,233
Reduction of inventories to net realisable value	3,224	(3,224)	-	-	-	3,105	(3,105)	-	-
Allowance for impairment loss of investment in subsidiary	-	-	-	-	-	32,199	6,427	-	38,626
Accumulated depreciation - ore, plant and equipment	18,245	(581)	-	162	17,826	12,779	-	-	12,779
Inventories	15,636	(7,403)	-	197	8,430	-	-	-	-
Government grants	4,050	(667)	-	-	3,383	-	-	-	-
Lease liabilities	(25,691)	8,828	-	(904)	(17,767)	-	-	-	-
Property, plant and equipment and investment properties	3,397	5,153	-	-	8,550	-	-	-	-
Unrecognised tax loss	21,684	22,665	-	-	44,349	-	-	-	-
Provision for domestic market sales obligation penalty	16,308	(16,476)	-	168	-	-	-	-	-
Decrease in assets from fair value adjustment from the acquisition	1,273	(1,273)	-	-	-	-	-	-	-
Total	113,838	4,188	810	1,101	119,937	57,601	4,037	-	61,638

(Unit: Thousand Baht)

	Consolidated financial statements					Separate financial statements			
	As at	Recognise	Recognise to	Translation	As at	As at	Recognise	Recognise to	As at
	1 January	to income	statement of	adjustment	31 December	1 January	to income	statement of	31
	2022	statement	income		2022	2022	statement	income	December
									2022
<b>Deferred tax liabilities</b>									
Accumulated amortisation - deferred									
exploration and development costs and									
deferred stripping costs	179,226	63,140	-	7,209	249,575	-	-	-	-
Investments in subsidiaries	98,346	132,021	-	-	230,367	-	-	-	-
Accumulated depreciation - machinery	3,149	(155)	-	-	2,994	-	-	-	-
Accumulated depreciation - right-of-use assets	4,416	(1,139)	-	(3)	3,274	-	-	-	-
Total	285,137	193,867	-	7,206	486,210	-	-	-	-
<b>Deferred tax assets (liabilities) - net</b>	<u>(171,299)</u>				<u>(366,273)</u>	<u>57,601</u>			<u>61,638</u>
Deferred tax assets					78,889				61,638
Deferred tax liabilities					<u>(445,162)</u>				-
<b>Deferred tax assets (liabilities) - net</b>					<u>(366,273)</u>				<u>61,638</u>

(Unit: Thousand Baht)

	Consolidated financial statements					Separate financial statements			
	As at	Recognise	Recognise to	Translation	As at	As at	Recognise	Recognise to	As at
	1 January	to income	statement of	adjustment	31 December	1 January	to income	statement of	31
	2021	statement	income		2021	2021	statement	income	December
									2021
<b>Deferred tax assets</b>									
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	-	-	-	-
<b>Total</b>	<b>80,322</b>	<b>32,744</b>	<b>(1,840)</b>	<b>2,612</b>	<b>113,838</b>	<b>24,409</b>	<b>34,134</b>	<b>(942)</b>	<b>57,601</b>

(Unit: Thousand Baht)

	Consolidated financial statements					Separate financial statements			
	As at	Recognise	Recognise to	Translation	As at	As at	Recognise	Recognise to	As at
	1 January	to income	statement of	adjustment	31 December	1 January	to income	statement of	31
	2021	statement	income		2021	2021	statement	income	December
									2021
<b>Deferred tax liabilities</b>									
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	-	-	-	-
<b>Deferred tax assets (liabilities) - net</b>	<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>				-
<b>Deferred tax assets (liabilities) - net</b>					<u>(171,299)</u>				<u>57,601</u>

As at 31 December 2022, the Group have deductible temporary differences and unused tax losses totaling Baht 436.8 million (the Company only: Baht 376.9 million) (2021: 298.6 million (the Company only: Baht 152.9 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 611.8 million will expire by year 2023 - 2027.

### 32. 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 (expired on 22 April 2022)
2.2 Allowance to carry-forward the annual loss from promoted operations incurred during the corporate income tax exemption period to offset with net income incurred thereafter (after exemption period in 2.1).	5 years	5 years
2.3 Exemption from import duty on raw and essential materials or products used for manufacture for export commencing from the first import date.	1 year	-
3. Date of first earning operating income	2 April 2012	23 April 2019



As a promoted company, the 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 2022 and 2021 were domestic sales, which were divided between promoted and non-promoted operations, are summarised below:

	(Unit: Thousand Baht)	
	<u>2022</u>	<u>2021</u>
Revenues from sales		
Promoted operations	340,282	606,998
Non-promoted operations	1,663,694	1,600,299
Total	<u>2,003,976</u>	<u>2,207,297</u>

### 33. 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.

### 34. Dividend paid

Dividends paid by the Group for the years ended 31 December 2022 and 2021 are as follows:

#### The Company

Dividends	Approved by	Total Dividends (Thousand Baht)	Dividend per share (Baht)	Paid on
<b><u>2022</u></b>				
Final dividends for 2021	Annual General Meeting of the shareholders on 18 April 2022	525,000	1.00	17 May 2022
Interim dividends for 2022	Board of Directors' meeting on 22 August 2022	761,249	1.45	20 September 2022
Total		<u>1,286,249</u>	<u>2.45</u>	
<b><u>2021</u></b>				
Final dividends for 2020	Annual General Meeting of the shareholders on 19 April 2021	157,500	0.30	18 May 2021
Interim dividends for 2021	Board of Directors' meeting on 18 October 2021	315,000	0.60	16 November 2021
Total		<u>472,500</u>	<u>0.90</u>	

In addition, the Annual General Meeting of the shareholders for 2021 approved to set aside a general reserve of Baht 55.6 million.

## Local subsidiary

### Thai Agro Energy Public Company Limited

Dividends	Approved by	Total Dividends (Thousand Baht)	Dividend per share (Baht)	Paid on
<b><u>2021</u></b>				
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		<u>34,999</u>	<u>0.035</u>	

## Overseas subsidiaries

### PT. Lanna Power Indonesia

Dividends	Approved by	Total dividends (Thousand US Dollar)	Dividend per share (US Dollar)	Paid on
<b><u>2021</u></b>				
Dividends for 2020	Annual General Meeting of shareholders on 18 February 2021	273	13	18 March 2021
Total		<u>273</u>	<u>13</u>	

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.

**PT. Lanna Harita Indonesia**

Dividends	Approved by	Total Dividends (Thousand US Dollar)	Dividend per share (US Dollar)	Paid on
<b><u>2022</u></b>				
The third interim dividends for 2021	Board of Directors' meeting on 28 March 2022	5,000	625.0	25 May 2022
Final dividends for 2021	Annual General Meeting of the shareholders on 30 June 2022	10,000	1,250.0	30 June 2022
The first interim dividends for 2022	Board of Directors' meeting on 20 September 2022	10,000	1,250.0	28 September 2022
The second interim dividends for 2022	Board of Directors' meeting on 14 December 2022	15,000	1,875.0	22 December 2022
Total		<u>40,000</u>	<u>5,000.0</u>	

Dividends	Approved by	Total Dividends (Thousand US Dollar)	Dividend per share (US Dollar)	Paid on
<b><u>2021</u></b>				
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		<u>34,020</u>	<u>4,252.5</u>	

During the year 2022, the Company recorded dividend income at 55 percent for a total of USD 22.0 million or equivalent to Baht 777.9 million. The Company had been withheld the withholding tax deducted at source of Baht 156.1 million. (2021: USD 18.7 million or equivalent to Baht 615.6 million. The Company had been withheld the withholding tax deducted at source of Bath 123.1 million.)

**PT. Singlurus Pratama**

Dividends	Approved by	Total dividends (Thousand US Dollar)	Dividend per share (US Dollar)	Paid on
<b><u>2022</u></b>				
The third interim dividends for 2021	Board of Directors' meeting on 28 March 2022	10,000	952.4	10 May 2022
Final dividends for 2021	Annual General Meeting of the shareholders on 30 June 2022	20,000	1,904.8	30 June 2022
The first interim dividends for 2022	Board of Directors' meeting on 20 September 2022	20,000	1,904.8	20 September 2022
The second interim dividends for 2022	Board of Directors' meeting on 14 December 2022	30,000	2,857.1	21 December 2022
Total		<u>80,000</u>	<u>7,619.1</u>	
<b><u>2021</u></b>				
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		<u>40,000</u>	<u>3,809</u>	

During the year 2022, the Company recorded dividend income at 65 percent for a total of USD 52.0 million or equivalent to Baht 1,840.0 million. The Company had been withheld the withholding tax deducted at source of Baht 369.6 million. (2021: USD 26 million or equivalent to Baht 856.7 million. The Company had been withheld the withholding tax deducted at source of Bath 171.3 million.)

### **35. 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

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 2022 and 2021, respectively.

(Unit: Million Baht)

	For the years ended 31 December													
	Domestic		Overseas		Wood Pellet				Total segments		Adjustments and		Consolidated	
	coal business		coal business		Ethanol business		business				eliminations			
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenue from external customers	1,954	1,568	21,211	11,959	2,004	2,207	-	-	25,169	15,734	-	-	25,169	15,734
Inter-segment revenue	375	282	745	442	-	-	-	2	1,120	726	(1,120)	(726)	-	-
Finance income	11	4	18	10	-	-	-	1	29	15	-	(1)	29	14
Finance cost	2	2	8	11	46	37	-	4	56	54	-	(1)	56	53
Depreciation and amortisation	61	55	820	615	170	171	5	13	1,056	854	(1)	(1)	1,055	853
Share of profit from investment in associated companies accounted for by the equity method	219	102	-	-	-	-	-	-	219	102	-	-	219	102
Tax expenses	579	304	2,217	1,256	(20)	(15)	(6)	7	2,770	1,552	136	25	2,906	1,577
<b>Segment profit (loss)</b>	<b>624</b>	<b>420</b>	<b>14,227</b>	<b>7,763</b>	<b>86</b>	<b>65</b>	<b>-</b>	<b>(2)</b>	<b>14,937</b>	<b>8,246</b>	<b>(365)</b>	<b>(303)</b>	<b>14,572</b>	<b>7,943</b>
<b>Segment total assets</b>	<b>4,851</b>	<b>3,815</b>	<b>6,924</b>	<b>5,471</b>	<b>3,608</b>	<b>3,398</b>	<b>279</b>	<b>329</b>	<b>15,662</b>	<b>13,013</b>	<b>(708)</b>	<b>(981)</b>	<b>14,954</b>	<b>12,032</b>
Investment in associated companies accounted for by equity method	383	173	-	-	-	-	-	-	383	173	-	-	383	173
Additions to non-current assets other than financial instruments and deferred tax assets	(30)	(183)	283	236	(88)	(85)	(40)	(88)	125	(120)	-	2	125	(118)

## Geographic information

Revenue from external customers is based on locations of the customers.

	(Unit: Thousand Baht)	
	<u>2022</u>	<u>2021</u>
Revenue from external customers		
Thailand	3,964,983	4,001,215
India	12,977,163	6,722,724
Singapore	4,160,173	1,611,022
Indonesia	3,166,141	1,707,789
China	-	604,005
Dubai	900,176	512,754
Others	-	574,961
Total	<u>25,168,636</u>	<u>15,734,470</u>
Non-current assets (other than financial instruments and deferred tax assets)		
Thailand	3,443,217	3,501,392
Indonesia	<u>1,959,933</u>	<u>1,675,505</u>
Total	<u>5,403,150</u>	<u>5,176,897</u>

## Major customers

During the year 2022, the Group has revenue from 5 major customers in amount of Baht 11,222 million, arising from sales by the coal business (2021: 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).

### **36. Significant contracts and agreements**

36.1 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.

36.2 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.

36.3 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.



## 37. Commitments and contingent liabilities

### 37.1 Capital commitments

As at 31 December 2022, the Group had capital commitments of Baht 11.2 million, relating to 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 2021: Baht 24.4 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.)

### 37.2 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 2022 and 2021, future minimum payments under these agreements are as follows:

(Unit: Million Baht)

Payable	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
In up to 1 year	2.0	2.2	0.6	0.4
In over 1 year and up to 5 years	0.6	0.8	0.6	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 15.2 million (the Company only: Baht 13.9 million) (2021: Baht 23.1 million (the Company only: Baht 21.6 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.

### **37.3 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.

### **37.4 Guarantees**

As at 31 December 2022, the Group had bank guarantees of approximately Baht 72 million and Rupiah 19,990 million (the Company only: Baht 0.9 million) (2021: 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, guarantee contractual performance under the agreement for rice supply with the Public Warehouse Organization ministry of Commerce, using of electric to the Provincial Electricity Authority and guarantee of submitting an offer to the Electricity Generating Authority of Thailand.

## **38. 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 payment of Baht 0.2 million. In addition, on 21 January 2022, the court ordered the debtor, a government agency, to submit the funds as they had been withheld to the subsidiary. In October 2022, the subsidiary proceeded with an enforcement action by filing an application requesting to attach the debtor's bank deposits in full in accordance with the writ of execution, and the bank already remitted the fully funds that had been withheld to enforcement officers. In December 2022, while the subsidiary was waiting for the preparation of its account and the payment receipt, the debtor filed a petition for revocation of attachment of claims. Currently, the case is pending and awaiting court hearing on the petition. However, the subsidiary recorded allowance for impairment in advance paid to that company for a whole amount.

### 39. Fair value hierarchy

As at 31 December 2022 and 2021, 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 2022				
	Consolidated		Separate	
	financial Statements		financial Statements	
	Level 2	Total	Level 2	Total
<b>Asset measured at fair value</b>				
<u>Financial assets measured at FVTPL</u>				
Investment in General Fixed Income				
Funds - open fund	1,074	1,074	-	-
<b>Liability measured at fair value</b>				
<u>Derivatives</u>				
Foreign currency forward contracts	3,707	3,707	3,707	3,707
<b>Assets for which fair value are disclosed</b>				
<u>Financial assets measured at amortised cost</u>				
Investment properties	50,149	50,149	29,451	29,451

(Unit: Thousand Baht)

As at 31 December 2021

	Consolidated		Separate	
	financial Statements		financial Statements	
	Level 2	Total	Level 2	Total
<b>Asset measured at fair value</b>				
<u>Financial assets measured at FVTPL</u>				
Investment in General Fixed Income				
Funds - open fund	1,069	1,069	-	-
<b>Liability measured at fair value</b>				
<u>Derivatives</u>				
Foreign currency forward contracts	106	106	106	106
<b>Assets for which fair value are disclosed</b>				
<u>Financial assets measured at amortised cost</u>				
Investment properties	57,533	57,533	29,451	29,451

#### 40. Financial instruments

##### 40.1 Derivatives

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Derivative liabilities</b>				
Derivatives liabilities not designated as hedging instruments				
Foreign exchange forward contracts	3,707	106	3,707	106
<b>Total derivative liabilities</b>	<u>3,707</u>	<u>106</u>	<u>3,707</u>	<u>106</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.

## 40.2 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 2022 and 2021, the Company had balances of financial assets and liabilities denominated in foreign currencies as follows:

As at 31 December 2022				
Foreign currency	Financial assets	Financial liabilities	Exchange rate as at 31 December 2022	
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
			<u>Buying rate</u>	<u>Selling rate</u>
US dollar	6.5	-	34.3913	34.7335

As at 31 December 2021				
Foreign currency	Financial assets	Financial liabilities	Exchange rate as at 31 December 2021	
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
			<u>Buying rate</u>	<u>Selling rate</u>
US dollar	21.1	-	33.2469	33.5929

As at 31 December 2022 and 2021, foreign exchange contracts outstanding are summarised below:

As at 31 December 2022			
Foreign currency	Bought amount	Contractual exchange rate for amount bought	Contractual maturity date
	(Million)		
US dollar	2.0	34.59 - 37.50	February - June 2023

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

#### *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 2022 and 2021.

Currency	2022		2021	
	Increase (decrease)	Effect on profit before tax	Increase (decrease)	Effect on profit before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
US dollar	5	11,188	5	35,024
US dollar	(5)	(11,188)	(5)	(35,024)

#### **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 2022 and 2021, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2022						
	Fixed interest rates		Floating	Non-		
	Within		interest	interest		
	1 year	1 - 5 years	rate	bearing	Total	Interest rate
						(% per annum)
<b>Financial assets</b>						
Cash and cash equivalents	472	-	2,533	24	3,029	0.01 - 5.75
Trade and other receivables	-	-	-	1,880	1,880	-
Other current financial assets	1,443	-	-	1	1,444	0.75 - 1.10
Restricted bank deposits	435	-	-	-	435	0.20 - 5.75
Long-term loans to related parties	-	-	90	-	90	3MSIBOR+1.00
Other non-current financial assets	-	-	-	6	6	-
	2,350	-	2,623	1,911	6,884	
<b>Financial liabilities</b>						
Short-term loans from financial institutions	1,304	-	-	-	1,304	3.00 - 3.90
Trade and other payables	-	-	-	748	748	-
Lease liabilities	30	44	-	-	74	0.58 - 22.37
Other current financial liabilities	-	-	-	5	5	-
						3M BAYBIBOR + 1.97, 5.5, 3M BAYBIBOR + 2.22
Long-term loans	77	56	572	-	705	2.22
	1,411	100	572	753	2,836	



(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				
<b>Financial assets</b>						
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	-	-	106	-	106	6MSIBOR+1.00
Other non-current financial assets	-	-	-	8	8	-
	<u>1,160</u>	<u>-</u>	<u>990</u>	<u>2,688</u>	<u>4,838</u>	
<b>Financial liabilities</b>						
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)

## Separate financial statements

As at 31 December 2022

	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Interest rate (% per annum)
	Within 1 year	1 - 5 years				
<b>Financial assets</b>						
Cash and cash equivalents	200	-	783	5	988	0.01 - 0.60
Trade and other receivables	-	-	-	485	485	-
Other current financial assets	1,443	-	-	-	1,443	0.75 - 1.1
Long-term loans to related party	-	-	90	-	90	3MSIBOR+1.00
Other non-current financial assets	-	-	-	3	3	-
	<u>1,643</u>	<u>-</u>	<u>873</u>	<u>493</u>	<u>3,009</u>	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	47	47	-
Lease liabilities	12	25	-	-	37	1.66 - 22.37
Other current financial liabilities	-	-	-	1	1	-
	<u>12</u>	<u>25</u>	<u>-</u>	<u>48</u>	<u>85</u>	

(Unit: Million Baht)

	Separate financial statements					
	As at 31 December 2021					
	Fixed interest rates		Floating	Non-		
	Within		interest	interest		
	1 year	1 - 5 years	rate	bearing	Total	Interest rate
						(% per annum)
<b>Financial assets</b>						
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	-	-	106	-	106	6MSIBOR+1.00
Other non-current financial assets	-	-	-	4	4	-
	600	-	853	404	1,857	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	54	54	-
Lease liabilities	11	35	-	-	46	1.66 - 22.37
Other current financial liabilities	-	-	-	1	1	-
	11	35	-	55	101	

*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 2022 and 2021, with all other variables held constant.

Currency	2022		2021	
	Increase (decrease)	Effect on profit before tax	Increase (decrease)	Effect on profit before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
Baht	0.5	2,861	0.5	(4,079)
Baht	(0.5)	(2,861)	(0.5)	4,079

## 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 2022 and 2021 based on contractual undiscounted cash flows:

	(Unit: Thousand Baht)		
	Consolidated financial statements		
	As at 31 December 2022		
	Less than 1 year	1 to 5 years	Total
<b>Non-derivatives</b>			
Short-term loans from financial institutions	1,303,948	-	1,303,948
Trade and other payables	747,593	-	747,593
Lease liabilities	32,925	47,629	80,554
Long-term loans	321,337	384,665	706,002
Other current financial liabilities	4,641	-	4,641
<b>Total non-derivatives</b>	<b>2,410,444</b>	<b>432,294</b>	<b>2,842,738</b>
<b>Derivatives</b>			
Derivative liabilities: net settled	3,707	-	3,707
<b>Total</b>	<b>3,707</b>	<b>-</b>	<b>3,707</b>

	(Unit: Thousand Baht)		
	Separate financial statements		
	As at 31 December 2022		
	Less than 1 year	1 to 5 years	Total
<b>Non-derivatives</b>			
Trade and other payables	47,068	-	47,068
Lease liabilities	13,638	27,231	40,869
Other current financial liabilities	1,054	-	1,054
<b>Total non-derivatives</b>	<b>61,760</b>	<b>27,231</b>	<b>88,991</b>
<b>Derivatives</b>			
Derivative liabilities: net settled	3,707	-	3,707
<b>Total derivatives</b>	<b>3,707</b>	<b>-</b>	<b>3,707</b>

	(Unit: Thousand Baht)		
	Consolidated financial statements		
	As at 31 December 2021		
	Less than 1 year	1 to 5 years	Total
<b>Non-derivatives</b>			
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
<b>Total non-derivatives</b>	<b>1,623,958</b>	<b>687,584</b>	<b>2,311,542</b>
<b>Derivatives</b>			
Derivative liabilities: net settled	106	-	106
<b>Total</b>	<b>106</b>	<b>-</b>	<b>106</b>

	(Unit: Thousand Baht)		
	Separate financial statements		
	As at 31 December 2021		
	Less than 1 year	1 to 5 years	Total
<b>Non-derivatives</b>			
Trade and other payables	53,680	-	53,680
Lease liabilities	13,646	38,712	52,358
Other current financial liabilities	939	-	939
<b>Total non-derivatives</b>	<b>68,265</b>	<b>38,712</b>	<b>106,977</b>
<b>Derivatives</b>			
Derivative liabilities: net settled	106	-	106
<b>Total derivatives</b>	<b>106</b>	<b>-</b>	<b>106</b>

### 40.3 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.

#### **41. 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 2022, the Group's debt-to-equity ratio was 0.55:1 (2021: 0.59:1) and the Company's debt-to-equity ratio was 0.04:1 (2021: 0.06:1).

#### **42. Approval of financial statements**

These financial statements were authorised for issue by the Company's authorised directors on 27 February 2023.

## 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 27, 2023 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: Mrs. Petcharat Chayanon	Chief Officer-Accounting and Finance	.....
Mr. Saharat Vatanatumrak	Chief Officer-Operation	.....

## **ATTACHMENT 1**

### **DETAILS OF DIRECTORS, EXECUTIVES, CONTROLLING PERSONS, THE PERSON TAKING THE HIGHEST RESPONSIBILITY IN ACCOUNTING AND FINANCE, PERSON SUPERVISING ACCOUNTING, COMPANY SECRETARY, AND LIAISON REPRESENTATIVE IN CASE OF OVERSEAS COMPANIES**



#### **Mr. Vanchai Tosomboon**

**Positions:** Chairman of the Board, Authorized Director and  
Nomination and Remuneration Committee Member  
**Age:** 73 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  
Role of the Chairman Program (RCP) Class 52/2022
- 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 23 years and 8 months.

**Shareholding in the Company as at December 31, 2022:** 760,000 shares or 0.145 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  
2014-Present: Director of Nomination and Compensation Committee, Siam City Cement Public Co., Ltd.
- Non-Listed Company – 2 Companies  
(1) 2015-Present: Director, Chip Mong Insee Cement Corporation (Cambodia) / Coal Producer  
(2) 2014-Present: Independent Director and Audit Committee Member, Krungsri Securities Public Co., Ltd / Finance and Securities

#### **Past 5-Year Work Experience:**

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:** 72 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 Defense Course for the Joint State-Private Sectors Class 4212  
Thailand National Defense College Year 1999

**Date of Appointment:** October 2, 1985

**Period of Directorship:** Holding Director Position since 1985 until present for a total of 37 years and 3 months.

**Shareholding in the Company as at December 31, 2022:** 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  
2003-Present: Director and Vice Chairman, Thai Agro Energy Public Co., Ltd., (Subsidiary) / Energy and Utilities
- Non-Listed Company – 5 Companies
  - (1) 2020-Present: Chairman and Authorized Director, SRT Power Pellet Co., Ltd. (Subsidiary) / Energy and Utilities
  - (2) 2016-Present: Chairman and Authorized Director, Lanna Power Generation Co., Ltd. (Subsidiary) / Energy and Utilities
  - (3) 2008-Present: Commissioner, PT. Singlurus Pratama, (Subsidiary) / Energy and Utilities
  - (4) 1998-Present: Commissioner, PT. Lanna Harita Indonesia, (Subsidiary) / Energy and Utilities
  - (5) 1996-Present: Director, United Bulk Shipping Pte.Ltd. (Associated Company) / Ocean Freight Transport

**Past 5-Year Work Experience:**

2006-Dec. 2022: President Commissioner, PT. Lanna Power Indonesia, (Subsidiary)

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:** 73 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, Fountainebleau, France, 2015

**Date of Appointment:** April 26, 2000

**Period of Directorship:** Holding Director Position since 2000 until present for a total of 22 years and 8 months.

**Shareholding in the Company as at December 31, 2022:** 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  
2017-Present: Chairman, Siam City Cement Public Co., Ltd. / Cement Producer and Construction Materials  
2014-Present: Nomination and Remuneration Committee Chairman, Siam City Cement Public Co., Ltd. / Cement Producer and Construction Materials
- Non-Listed Company – None

### **Past 5-Year Work Experience:**

2007-Dec. 2022: 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:** 60 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 6 years and 8 months

**Shareholding in the Company as at December 31, 2022:** 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  
2019-Present: Member of the Executive Committee, Siam City Cement Public Co., Ltd. / Cement Producer and Construction Materials  
2016-Present: Director and Chief Executive Officer, Siam City Cement Public Co., Ltd. / Cement Producer and Construction Materials
- Non-Listed Company – None

### Past 5-Year Work Experience:

2019-Nov. 2022: Chairman and Chief Executive Officer, Siam City Power Co., Ltd.  
 2017-Nov. 2022: Director, Siam City Concrete Co., Ltd.  
 2016-Nov. 2022: Director, Insee Digital Co., Ltd.  
 2017-Nov. 2022: Director, Siam City Cement (Vietnam) Limited (Registered in Vietnam)  
 2017-Nov. 2022: Director, Siam City Cement Trading 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:** 52 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 1 year 10 months

**Shareholding in the Company as at December 31, 2022:** 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  
2019-Present: Member of Group Executive Committee – Group Chief Financial Officer (Group CFO),  
Siam City Cement Public Co., Ltd. / Cement Producer and Construction Materials
- Non-Listed Company – 3 Companies  
(1) 2019-Present: Chairman, Insee Digital Co., Ltd. / Digital Technology and information Technology Services  
(2) 2019-Present: Director, Siam City Cement (Vietnam) Limited (Registered in Vietnam) / Cement Producer  
(3) 2019-Present: Director, Siam City Cement (Bangladesh) Limited (Registered in Bangladesh) / Cement Producer

### **Past 5-Year Work Experience:**

2019-Nov. 2022: Commissioner, PT Conwood Indonesia Co., Ltd. (Registered in Indonesia)

2019-Nov. 2022: Director, Conwood Co., Ltd.

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:** 63 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 Defense Course for the Joint State-Private Sectors, Thailand National Defense 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 22 years

**Shareholding in the Company as at December 31, 2022:** 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

2014-Present: Director, True Visions Group Co., Ltd. / Information and Communication Technology

### **Past 5-Year Work Experience:**

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:** 82 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 29 years and 6 months

**Shareholding in the Company as at December 31, 2022:** 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:** 76 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 15 years and 8 months.

**Shareholding in the Company as at December 31, 2022:** 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:** 64 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  
Director 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  
Risk Management Program for Corporate Leaders (RCL) Class 26/2022

**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 1 year 6 months.

**Shareholding in the Company as at December 31, 2022:** 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 – 2 Companies  
(1) Apr.2022-Present: Independent Director and Audit Committee Chairman, Siam Makro Public Co., Ltd. / Service  
(2) Jan.2022-Present: Independent Director and Audit Committee Member, SVI Public Co., Ltd. / Technology
- Non-Listed Company – None

### **Past 5-Year Work Experience:**

2000-2018: Director, EY Corporate Services Limited

1981-2018: Senior Audit Partner, EY Office Limited

2000-2017: Assurance Market Leader and Japanese Business Service Leader, EY Office Limited

2000-2006: Thailand Independence Leader, EY Office Limited

2019-2020: Director, Bangkok Ranch Public Co., Ltd.





**Mr. Tanon Tantisunthorn**

**Position:** Independent Director

**Age:** 50 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 19 years and 8 months.

**Shareholding in the Company as at December 31, 2022:** 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 Louharanoo

**Positions:** Director, Authorized Director, Risk Management Committee Chairman, Nomination and Remuneration Committee Member, and Financial Advisor

**Age:** 69 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 37 years and 3 months.

**Shareholding in the Company as at December 31, 2022:** 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
  - (1) 2005-Present: Independent Director, Audit Committee Member and Nomination and Remuneration Committee Member, Diamond Building Products Public Co., Ltd. / Construction Materials
  - (2) 2003-Present: Director, Nomination and Remuneration Committee Member and Authorized Director, Thai Agro Energy Public Co., Ltd. (Subsidiary) / Energy and Utilities
- Non-Listed Company – 4 Companies
  - (1) 2020-Present: Director and Authorized Director, SRT Power Pellet Co., Ltd. (Subsidiary) / Energy and Utilities
  - (2) 2016-Present: Director and Authorized Director, Lanna Power Generation Co., Ltd. (Subsidiary) / Energy and Utilities
  - (3) 2008-Present: Director, PT. Singlurus Pratama (Subsidiary) / Energy and Utilities
  - (4) 1998-Present: Director, PT. Lanna Harita Indonesia (Subsidiary) / Energy and Utilities

### Past 5-Year Work Experience:

2006-Dec. 2022Present: Commissioner, PT. Power 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:** 63 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 (IOD)
  - 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
  - IOD Refreshing Course: Outbound Investment, 2022
  - Director Forum 1/2022: From Net-Zero to Set-Zero.. Reimagining Business Landscape, 2022
  - Director’s Briefing 1/2022: What Director Should Know about Quantum?, 2022
  - Director’s Briefing 2/2022: Workplace Health & Safety: New Priorities for Board, 2022
  - Director’s Briefing 4/2022: Building 21<sup>st</sup> Century Companies in Asia, 2022
  - Director’s Briefing 5/2022: Leadership that Shapes the Future, 2022
  - Director’s Briefing 6/2022: Reimagining Boardroom in the Web 3.0 Era, 2022
  - Independent & Chartered Director Forum 2022: Navigate Board’s Challenges in Defining Governance VS. Management Role, 2022
  - Disrupt Corruption with Power of Business Unity, 2022
  - Wisdom for Future: Harmonizing the Diverse Boards & Notice of Privacy Policy and Privacy Statement, 2022
  - Director’s Briefing 9/2022: Geopolitical Risk and Opportunity, 2022
- Capital Market Academy (CMA):
  - Leadership Program Class 26, 2018
  - Thailand Import Export Data and Economic Outlooks, 2019
  - CMA Extension Program (CMA-X): China 2022 Challenges and Opportunities
  - CMA Extension Program (CMA-X): Sustainability – Business Success Drives Social Development/ Craving Leadership - Ways Forward for Our Better Society, 2022
  - CMA Extension Program (CMA-X): How Blockchain may Reshape Capital Markets/ Digital Asset and Neo Finance, 2022
  - ACMA Talk No. 1/2022: LiVE Platform: Opportunities and Challenges: New Chapter of Thai Capital Market

- Surviving Business Opportunities
- Thai Listed Company Association (TLCA):
  - 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 (SET):
  - 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
  - ESG Webinar Series No.2/2022: Circular Economy – Strategies for Reducing Greenhouse Gas Emissions in the Business Sector
- The Securities and Exchange Commission (SEC):
  - TH SEC Series 1: Implementation of TCFD Checklist for Listed Companies in the Non-Financial Sector Webinar
  - TH SEC Series 2: Climate Scenario Analysis and Risk Management Application for Listed Companies in the Non-Financial Sector
- Federation of Thai Industries (FTI):
  - Exponential Manufacturing Singularity University Thailand Summit, 2019
  - Adaptation of the Thai Industrial Sector in the Era of Energy Transition to Sustainability, 2021
  - Energy Symposium 2022: Adaptation of the Thai Industrial Sector to the Global Energy Crisis, 2022
- National Science and Technology Development Agency (NSTDA):
  - BCG Energy, Materials and Chemicals: Challenges & Solution, 2021
  - NSTDA Annual Conference No. 17- NAC2022: Revitalizing Thai Economy through BCG Research and Innovation, 2022
  - Progress Towards CE with Circularity Performance Assessment, 2022
- Other courses:
  - Operating Transparency Business in Asia, CAC, 2016
  - Hongsa Coal-Fired Power Plant Project, Lao Industrial Energy Institute, 2016
  - 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
  - Empowering Thai Companies to Win in the Vietnam Market Through M&A, Bangkok Bank Public Co., Ltd., Vietnam Branch, 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, Krunghthep 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
  - 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
  - Exclusive Virtual Sharing: Create a Workforce of Self-leaders to Power Your Organization, South East Asia Center (SEAC), 2021
  - Lessons Learned: Application and Practices of Rendanheyi Model in Large and Complex Organizations, South East Asia Center (SEAC), 2021
  - Management Model Design: How to Improve your Organization’s Performance from the Core, South East Asia Center (SEAC), 2021
  - Rebuilding and Rethinking, South East Asia Center (SEAC), 2021
  - Jump-start your Leaders to Accelerate Transformation, South East Asia Center (SEAC), 2022
  - Future-Proofing Shipping: The Decarbonization Game-Changer, DNV Group, 2022
  - The Roles of Biofuels Towards Achieving Thailand’s Net-Zero Emissions Policy, Chulalongkorn University, 2022

- Geo-Political Conflicts and Thailand's Path in the Next World Order, The Permanent Mission of Thailand to the WTO and WIPO, 2022
- Challenges for Thai Entrepreneurs on the New World Rules on Climate Change, Thai Renewable Energy Association, 2022
- Alternative Ship Fuels: Status and Outlook, DNV Group, 2022
- Toward 2065 Thailand Net Emissions Goal, Business France, 2022
- Carbon Dynamics and Forest Ecology: Are Thai Forests a Sources or Sink for Carbon?, Petroleum Institute of Thailand, 2022

**Date of Appointment:** January 1, 2016

**Period of Directorship:** Holding Director Position since 2016 until present for a total of 7 years.

**Shareholding in the Company as at December 31, 2022:** 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

2003-Present: Director and Authorized Director, Thai Agro Energy Public Co., Ltd. (Subsidiary)

- Non-Listed Company – 5 Companies

(1) 2020-Present: Director and Authorized Director, SRT Power Pellet Co., Ltd. (Subsidiary) / Energy and Utilities

(2) 2016-Present: Director and Acting Managing Director and Authorized Director, Lanna Power Generation Co., Ltd. (Subsidiary) / Energy and Utilities

(3) 2008-Present: President Director, PT. Singlurus Pratama (Subsidiary) / Energy and Utilities

(4) 2002-Present: President Director, PT. Lanna Harita Indonesia (Subsidiary) / Energy and Utilities

(5) 2015-Present: Director, United Bulk Shipping Pte Ltd. (Associated Company) / Ocean Freight Transport

**Past 5-Year Work Experience:**

2006-Dec. 2022: President Director, PT. Lanna Power Indonesia (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:** 58 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  
Subsidiary Governance Program (SGP), Class 3/2022  
Company Secretary Forum, 2022
- The Stock Exchange of Thailand (SET):  
CSR Engagement, 2014  
CG Forum 1/2016 “Ethics: Conscience on Good Governance Principle”
- The Securities and Exchange Commission (SEC):  
PDPA Onboarding, 2022  
Greenhouse Gas Reduction Targets, Reduction Guidelines, Reporting, and Compensation, 2022  
Business Model Reinvention for Corporate Sustainability, 2022  
Connecting Corporates and Investors through Environmental Disclosure, 2022
- 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  
Understanding and Implementing the Personal Data Protection Act for Business Establishments, HR Center Co., Ltd., 2022

**Shareholding in the Company as at December 31, 2022:** 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 – 4 Companies

2020-Present: Director and Authorized Director, SRT Power Pellet Co., Ltd. (Subsidiary) / Energy and Utilities

2016-Present: Director and Authorized Director, Lanna Power Generation Co., Ltd. (Subsidiary) / Energy and Utilities

2008-Present: Commissioner, PT. Singlurus Pratama (Subsidiary) / Energy and Utilities

2004-Present: Commissioner, PT. Lanna Harita Indonesia (Subsidiary) / Energy and Utilities

**Past 5-Year Work Experience:**

2015-Dec. 2022: Director, PT. Lanna Power 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:** 58 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 (SET):  
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  
Understanding and Implementing the Personal Data Protection Act for Business Establishments, HR Center Co., Ltd., 2022

**Shareholding in the Company as at December 31, 2022:** 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  
2019-Present: Chairman, ASN Broker Public Co., Ltd. / Finance  
2016-Present: Independent Director and Audit Committee Member, ASN Broker Public Co., Ltd. / Finance
- Non-Listed Company – 2 Companies  
2017-Present: Director, PT. Singlurus Pratama Co., Ltd. (Subsidiary) / Energy and Utilities  
2016-Present: Director and Authorized Director, Lanna Power Generation Co., Ltd. (Subsidiary) / Energy and Utilities

### Past 5-Year Work Experience:

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:** 55 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 (SET):
  - Accounting Standards for Financial Instruments..Coming Soon, 2013
  - Strategic CFO in Capital Markets, 2015
  - CFO Refresher Course 2022
- Thai Listed Companies Association (TLCA):
  - 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
  - TLCA CFO CPD No. 7/2022: Introduction to Sustainable Finance, 2022
- 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

Understanding and Implementing the Personal Data Protection Act for Business Establishments, HR Center Co., Ltd., 2022

Mergers & Acquisitions (M&A): Tax Obligations and Legal Requirements, Dharmniti Seminar and Training Co., Ltd., 2022

PDPA for Accounting and Finance: Personal Data Protection Act, Dharmniti Seminar and Training Co., Ltd., 2022

Mergers & Acquisitions: New Directions, Strategies, Contract, and Negotiation - Commercial, Financial, Legal & Tax Strategies for the Best M&A Deal, Omega World Class Research Institute, 2022

**Shareholding in the Company as at December 31, 2022:** 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 – 1 Company

2009-Present: Commissioner, PT. Singlurus Pratama (Subsidiary) / Energy and Utilities

**Past 5-Year Work Experience:**

2010-Dec. 2022: Director, PT. Lanna Power Indonesia (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:** 60 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  
Understanding and Implementing the Personal Data Protection Act for Business Establishments, HR Center Co., Ltd., 2022

**Shareholding in the Company as at December 31, 2022:** 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:** 54 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  
Risk Management Program for Corporate Leaders (RCL), class 29/2022
- Other courses:  
Coal Trading & Risk Management, Coaltrans Conferences Ltd., Singapore, 2014  
24<sup>th</sup> Coaltrans Asia, Coaltrans Conferences Ltd., 2018  
China & International Coal Supply Summit, HIS Global Inc., 2018  
17<sup>th</sup> 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  
Anti-Corruption, CAC Change Agent Program, CAC, 2021  
The Future of Financial System, Krungthep Turakij Media Co., Ltd., 2021  
Coaltrans Asia 2022, Coaltrans Conference Ltd., 2022

**Shareholding in the Company as at December 31, 2022:** 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 – 1 Company  
2008-Present: Commissioner, PT. Singlurus Pratama (Subsidiary) / Energy and Utilities

### Past 5-Year Work Experience:

2010-Dec. 2022: Director, PT. Lanna Power Indonesia (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:** 55 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  
Understanding and Implementing the Personal Data Protection Act for Business Establishments, HR Center Co., Ltd., 2022

**Shareholding in the Company as at December 31, 2022:** 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:** 52 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  
 24<sup>th</sup> Coaltrans Asia, Coaltrans Conferences Ltd., 2018  
 China & International Coal Supply Summit, HIS Global Inc., 2018  
 17<sup>th</sup> 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  
 Understanding and Implementing the Personal Data Protection Act for Business Establishments, HR Center Co., Ltd., 2022  
 Coaltrans Asia 2022, Coaltrans Conference Ltd., 2022

**Shareholding in the Company as at December 31, 2022:** 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, 2022

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) Mr. Yongyut Choochua	-	-	//	-	-	-	-	-	-	-
(20) Ms. Siriporn Trakoonkitcharoen	-	-	-	-	-	-	-	-	-	-
(21) Mrs. Prapawan Puengpakdee	-	-	-	-	-	-	-	-	-	-
(22) Mr. Nattapon Ngamphol	-	-	-	-	-	-	-	-	/	-
<b>Subsidiary Company</b>	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.									
<b>Associated Company</b>	1 = United Bulk Shipping Pte. Ltd. 2 = PT. Pesona Khatulistiwa Nusantara									
<b>Related Company</b>	Siam City Cement Public Company Limited, holding 44.99% of paid-up capital in Lanna Resources Public Company Limited									
<b>Remarks:</b>	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, 2022**

as at December 31, 2022								
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 Companies			
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, Secretary of Audit Committee,  
Risk Management Committee Member and Secretary

**Age :** 57 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
- Risk Management Program for Corporate Leaders (RCL) Class 29/2022
- Corruption Risk and Control Workshop (CRC) Class 13/2022
- 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:
  - 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
- Other Courses:
  - Understanding and Implementing the Personal Data Protection Act for Business Establishments, HR Center Co., Ltd., 2022
  - Risk Based Audit, Institute of Internal Auditors, 2022



**Shareholding in Company and Affiliates as at December 31, 2022**

- Holding 64,024 shares in Lanna Resources Plc.
  - or 0.012 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

- 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](http://WWW.LANNAR.COM)) IN THE PART OF CORPORATE GOVERNANCE UNDER THE TOPIC "CORPORATE GOVERNANCE POLICY"**

## **ATTACHMENT 6**

### **REPORT OF THE AUDIT COMMITTEE**

(The report can be found on Page 136-138)