

- Translation -

**Independent Financial Advisor's Opinion**

on

The Connected Transaction: Providing and/or Receiving

Financial Assistance from

Bangchak Corporation Public Company Limited

and/or

Bangchak Treasury Center Co., Ltd.

Proposed to the Shareholders of



**BBGI Public Company Limited**

by



**Silom Advisory Co., Ltd**

**2 March 2023**

Date 2 March 2023

To Shareholders

BBGI Public Company Limited

Subject Independent Financial Advisor's Opinion on the Connected Transaction: Providing and/or receiving Financial Assistance from Bangchak Corporation Public Company Limited and/or Bangchak Treasury Center Co., Ltd.

As Bangchak Corporation Public Company Limited ("BCP") plans to establish Bangchak Treasury Center Company Limited ("BCTC"), which is currently in the process of the establishment consideration to be a treasury center ("TC") and an international business center ("IBC") for BCP, BCP's subsidiaries and associated companies of both direct and indirect holdings. ("BCP Group") to increase efficiency in liquidity management, and foreign exchange management within the BCP group. Currently, BCP is on the consideration process to either 1) establish a BCTC to obtain a license to operate as a TC/IBC business, or 2) use BCP to obtain a license by itself to conduct as a TC/IBC. This establishment of BCTC will be decided on the best interest of BCP group. Therefore, to increase the efficiency of cash flow management, reduce financial costs, increase returns from financial management and financial cooperation within the BCP Group through the intercompany loan to BCP and/or BCTC, the Board of Directors' Meeting of BBGI Public Company Limited (the "Company" and/or "BBGI") No.1/2023 held on February 16, 2023 passed a resolution to propose to the shareholders' meeting to consider and approve the provision of intercompany loan between the Company and its subsidiaries with Bangchak Corporation Public Company Limited (BCP) and/or Bangchak Treasury Center Company Limited (BCTC) with the details as following;

- (1) To Consider approval of providing the financial assistance to BCP and/or BCTC in the form of revolving facility of not exceeding THB 3,000.00 million (at any point of time) for a period within 5 years after the shareholders' meeting approval's date and up to 1 year of each drawdown in the form of loans or any short-term debt instruments with interest rate or yield of not lower than the Company's cost of capital at the time of transaction, and the credit line could be replenished in case of the previous loan is paid ("Providing financial assistance transaction in the form of revolving facility of not exceeding THB 3,000.00 million").

As the Company's Board of Directors Meeting No. 1/2023 held on February 16, 2023 resolved to approve the providing of financial assistance to BCP and/or BCTC in the form of revolving facility of not exceeding THB 3,000.00 million (at any point of time). Since BCP, which is a major shareholder of the Company, holds 45.00% of the Company's issued and paid-up capital, intends to establish a TC for BCP, BCP's subsidiaries and associated companies of both direct and indirect holdings. Therefore, in order to gain the benefits to the Company in terms of the increase in efficiency in liquidity management, the Board of Directors' Meeting No. 1/2023 held on February 16, 2023 resolved to approve the providing financial assistance transaction in the form of revolving facility of not exceeding THB 3,000.00 million (at any point of time) for a period within 5 years after the shareholders' meeting approval's date and up to 1 year of each drawdown in the form of loans

or any short-term debt instruments with interest rate or yield of not lower than the Company's cost of capital at the time of transaction, and the credit line would be automatically replenished at the same amount as the previous loan is paid. The details of the transaction are as follows:

	The detail of "Providing financial assistance transaction in the form of revolving facility of not exceeding THB 3,000.00 million"
Borrower	BCP and/or BCTC
Type of loan	Uncommitted Unsecured, and Short-Term Credit Facility
Currency	Baht or other currencies as agreed
Payment of interest	Interest payment on the last banking day of each quarter and/or with the final principal payment.
Loan withdrawal period	Not exceeding 5 years
Each loan period	Maximum of not more than 1 year, can be renewed not more than 1 year at a time, for a total period of not more than 5 years
Loan amount	Up to THB 3,000.00 million or equivalent, at any moment, can withdraw once or multiple times (Revolving Basis)
Interest rate	Interest Rate is in accordance with the Money Market Rate (MMR**), loan currency, and loan period that the borrower will receive from the financial institution at that time less the discount in which interest rate will not below the Company's cost of capital depending on the source of excess cash. In case the source of excess cash is from the operation, the cost of capital would be the highest deposit rate which the Company's received from the financial institution. However, if the source of excess cash is from the financial institution loan, the cost of capital shall not less than interest rate in which the Company paid. (Assumption of the interest rate used to calculate the transaction size is 6.00%)
Prepayment fee	- None -
Collateral	- None -
Reasoning	Expand channels for managing excess short-term liquidity of the Company by increasing short-term investment opportunity
Sources of fund	Sources of funds are from the Company's working capital and/or other sources of funds arised from the Company's cash flow management. The interest rate received from the transaction should be higher than the Company's cost of capital at the moment of the transaction date.
Source of returned fund	Cash flow from operations and/or loans from financial institutions and/or loans from subsidiaries, associates and/or affiliates of TC and/or from business operations of BCP and/or BCTC.

Remark: \*Cost of capital will be depended on the source of excess cash for the transaction. In case the source of excess cash is from the operation, the cost of capital would be the highest deposit rate which the Company's received from the financial institutions. However, if the source of excess cash is from loan, the cost of capital shall not less than interest rate in which the Company paid to debtor plus other related cost such as FX Swap.

\*\*MMR is a short-term interest rate in which the financial institution offers to the Company for short-term borrowing through the issuance of Promissory Note (P/N). In addition, Most of MMR constructs from government bond yield or policy rate plus credit spread between the corporate bond yield and government bond yield.

This providing financial assistance transactions of revolving facility of up to THB 3,000.00 million plus interest is the connected transaction as providing and/or receiving financial assistance. The

value of both transaction by net tangible assets method was below 59.43 percent of the Company's NTA according to its consolidated financial statements as of December 31, 2022, which was THB 8,077 million, where the Company has not had any other connected transactions with such connected person or any of its related persons within the past six months prior to the Board Directors' Meeting No. 1/2023. Since the value of such transaction was more than 3.00 percent of the Company's NTA, the Company was required to undertake the following actions in connection with the providing financial assistance transactions of revolving facility of up to THB 3,000.00 million: (1) Disclose information on the Company's connected transaction to the SET in accordance with the Connected Transaction Notifications; (2) Obtain approval for entering into the Company's connected transaction from a shareholders' meeting of the Company with votes of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, excluding interested shareholders, where the Company must send a notice of such meeting to the shareholders at least 14 days in advance; and (3) Appoint an independent financial advisor to provide an opinion on the Company's connected transaction and deliver such opinion to The SEC and the SET.

- (2) To Consider approval of receiving the financial assistance from BCP and/or BCTC in the form of revolving facility of not exceeding THB 3,000.00 million (at any point of time) for a period within 5 years after the shareholders' meeting approval's date and up to 1 year of each drawdown in the form of loans or any short-term debt instruments with interest rate of not higher than the rate that the Company will receive from other financial institutions at the time of transaction, and the credit line could be replenished in case of the previous loan is paid ("Providing financial assistance transaction in the form of revolving facility of not exceeding THB 3,000.00 million").

As the Company's Board of Directors Meeting No. 1/2023 held on February 16, 2023 resolved to approve the receiving of financial assistance from BCP and/or BCTC in the form of revolving facility of not exceeding THB 3,000.00 million (at any point of time). Since BCP, which is a major shareholder of the Company, holds 45.00% of the Company's issued and paid-up capital, intends to establish a TC for BCP Group. Therefore, in order to gain the benefits to the Company in terms of the increase in efficiency in liquidity management, the Board of Directors' Meeting No. 1/2023 held on February 16, 2023 resolved to approve the receiving financial assistance transaction in the form of revolving facility of not exceeding THB 3,000.00 million (at any point of time) for a period within 5 years after the shareholders' meeting approval's date and up to 1 year of each drawdown in the form of loans or any short-term debt instruments with interest rate of not higher than the rate that the Company will receive from other financial institutions at the time of transaction, and the credit line would be automatically replenished at the same amount as the previous loan is paid. The details of the transaction are as follows

	The detail of “Receiving financial assistance transaction in the form of revolving facility of not exceeding THB 3,000.00 million”
Lender	BCP and/or BCTC
Type of loan	Uncommitted Unsecured, and Short-Term Credit Facility
Currency	Baht or other currencies as agreed
Payment of interest	Interest payment on the last banking day of each quarter and/or with the final principal payment.
Loan withdrawal period	Not exceeding 5 years
Each loan period	Maximum of not more than 1 year, can be renewed not more than 1 year at a time, for a total period of not more than 5 years
Loan amount	Up to THB 3,000.00 million or equivalent, at any moment, can withdraw once or multiple times (Revolving Basis)
Interest rate	Interest Rate is in accordance with the Money Market Rate (MMR*), loan currency, and loan period that the borrower will receive from the financial institution at that time less the discount in which interest rate will not higher than the rate that the Company will receive from other financial institutions at the time of transaction. (Assumption of the interest rate used to calculate the transaction size is 6.00%)
Prepayment fee	- None -
Collateral	- None -
Reasoning	To enhance new source of short-term liquidity funding
Lender's sources of fund	Sources of funds are from working capital of BCP and/or BCTC and/or other sources of funds arised from cash flow management of BCP and/or BCTC.
Source of returned fund	Cash flow from operations and/or loans from financial institutions and/or loans from subsidiaries, associates and/or affiliates and/or from business operations of the Company.

Remark: \*MMR is a short-term interest rate in which the financial institution offers to the Company for short-term borrowing through the issuance of Promissory Note (P/N). In addition, Most of MMR constructs from government bond yield or policy rate plus credit spread between the corporate bond yield and government bond yield.

This receiving financial assistance transactions of revolving facility of up to THB 3,000.00 million plus interest is the connected transaction as providing and/or receiving financial assistance. The value of both transaction by net tangible assets method was below 59.43 percent of the Company's NTA according to its consolidated financial statements as of December 31, 2022, which was THB 8,077 million, where the Company has not had any other connected transactions with such connected person or any of its related persons within the past six months prior to the Board Directors' Meeting No. 1/2023. Since the value of such transaction was more than 3.00 percent of the Company's NTA, the Company was required to undertake the following actions in connection with the providing financial assistance transactions of revolving facility of up to THB 3,000.00 million: (1) Disclose information on the Company's connected transaction to the SET in accordance with the Connected Transaction Notifications; (2) Obtain approval for entering into the Company's connected transaction from a shareholders' meeting of the Company with votes of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, excluding interested shareholders, where the Company must send a notice of such meeting to the shareholders at least 14 days in advance; and (3) Appoint an independent financial advisor

to provide an opinion on the Company's connected transaction and deliver such opinion to The SEC and the SET.

In this regard, the Company has appointed Silom Advisory Co., Ltd ("IFA" or "the Advisor") as the independent financial advisor to provide their opinion on entering into the connected transaction to shareholders of the Company as information for their consideration. In order to calculate the number in this report, some figures and values are typically rounded up by two or three digits (as the case may be) in which the derived numbers may not equal to such figure and value appeared in this report

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## Glossary

Abbreviation	Definition
BBGI or the Company	: BBGI Public Company Limited
BCP	: Bangchak Corporation Public Company Limited
BCTC	: Bangchak Treasury Center Company Limited
BCP Group	BCP, the subsidiaries of BCP, and the associates of BCP, including branches of BCP, subsidiaries and associated companies.
The Transaction	: Providing and/or receiving financial assistance transactions to/from BCP and/or BCTC, which is a subsidiaries of BCP who is a major shareholder of the Company, holds 45.00% of the Company's issued and paid-up capital, in the form of revolving facility of not exceeding THB 3,000.00 million (at any point of time) for a period within 5 years after the shareholders' meeting approval's date and up to 1 year of each drawdown in the form of loans or any short-term debt instruments with interest rate or yield in which expect to gain the best benefit to the Company at the time of transaction, and the credit line could be replenished in case of the previous loan is paid.
SEC	: The Securities and Exchange Commission
SET	: The Stock Exchange of Thailand
IFA or the Advisor	: Silom Advisory Co., Ltd
IFA's Opinion	: Independent financial advisor's opinion on the connected transaction of BBGI Public Company Limited
Notification on Connected Transaction	: The Notification of Capital Market Supervisory Board No.TorChor 21/2551 Re: Rules on Connected Transactions dated 31 August 2008 (including any amendment thereto), and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, 2003, dated 19 November 2003 (including any amendment thereto)
Public Limited Companies Act	: Public Limited Companies Act, B.E.2535 ( including any amendment thereto)
Securities and Exchange Act	: Securities and Exchange Act B.E.2535 (including any amendment thereto)



## **Section 1 : Executive Summary**

As Bangchak Corporation Public Company Limited (“BCP”) plans to establish a treasury center (“TC”) and an international business center (“IBC”) to increase efficiency in liquidity management, and foreign exchange management within the BCP group through intercompany loan in THB or other agreed currencies. To achieve this goal, the Board of Directors' Meeting of Bangchak Corporation Public Company Limited No.3/2023 held on February 20, 2023 passed a resolution to establish Bangchak Treasury Center Company Limited (“BCTC”) as a subsidiary in which the BCP holds 100 percent of BCTC’s shares with the objective to be a TC and IBC. However, to maintain the flexibility in applying TC and IBC license and in liquidity management, BCP is currently under consideration to;

- (1) establish a BCTC to obtain a license to operate as a TC/IBC business, or
- (2) use BCP to obtain a license by itself to conduct as a TC/IBC in which, currently, the Board of directors' meeting of BCP No. 3/2023 held on February 20, 2023 passed a resolution to propose to the shareholders to consider and approve the amendment to Clause 3 (the Company's objectives) by adding Clause (22). and (23) for BCP to be able to conduct business as TC and IBC.

This establishment of BCTC will be decided on the best interest of BCP group. Therefore, in order to let BBGI gain benefit from the establishment of TC/IBC in terms of increase the efficiency of cash flow management, reduce financial costs, increase returns from financial management and financial cooperation within the BCP Group through the intercompany loan to/from BCP and/or BCTC, the Board of Directors' Meeting of BBGI No.1/2023 held on February 16, 2023 passed a resolution to approve the provision of intercompany loan between the Company and its subsidiaries with BCP and/or BCTC, which is a subsidiaries of BCP who is a major shareholder of the Company, holds 45.00% of the Company’s issued and paid-up capital, in the form of revolving facility of not exceeding THB 3,000.00 million (at any point of time) for a period within 5 years after the shareholders' meeting approval's date and up to 1 year of each drawdown in the form of loans or any short-term debt instruments with interest rate 1) in case the Company provides financial assistance to BCP and/or BCTC, the interest rate, received by the Company, shall not lower than the cost of capital of the Company at the time of transaction, and 2) in case the Company receives financial assistance from BCP and/or BCTC, the interest rate, paid by the Company, shall not higher than the rate that the Company will receive from other financial institutions at the time of transaction. In addition, the credit line could be replenished in case of the previous loan is paid. Therefore, the Transaction is considered as a connected transaction according to the Notification of Capital Market Supervisory Board No.TorChor 21/2551 Re: Rules on Connected Transactions, and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, 2003 (including any amendment thereto) (“Notification on Connected Transaction”). The transaction size is calculated from (1) the value of providing financial assistance transaction of not exceed THB 3,000.00 million including principle and interest and (2) the value of receiving financial assistance of not exceed THB 3,000 million including only interest, with the combined transaction size ((1)+(2)) of not exceed THB 4,800 million, accounting for 56 percent of the Company’s net tangible assets (NTA), which was THB 8,077 million according to the consolidated financial statements for the period ended December 31, 2022. In this regard, the Company did not have any connected transaction with the

connected person or the person relating to the connected person within the past six month prior to the board of directors' Meeting No. 1/2023 of the Company.

Therefore, the Company has to comply with the following obligations;

- (1) Prepare and disclose the information regarding the connected transaction of the Company to the Stock Exchange of Thailand ("SET") immediately, according to the Notification on Connected Transaction
- (2) Appoint an independent financial advisor to perform relevant tasks including providing the independent financial advisor's opinion on reasonableness of the Transaction price and benefits that the Company shall receive from the Transaction, and fairness of the Transaction and conditions of the Transaction to the Company's shareholders. The independent financial advisor's opinion shall be sent to the shareholders along with the invitation to the annual general meeting.
- (3) Arrange the annual general meeting of the Company to approve the Transaction where the independent financial advisor's opinion and the invitation to the annual general meeting shall be sent to the shareholders at least 14 days prior to the meeting date. The Transaction must be approved by the shareholders' meeting with at least three-fourth of total votes of participating and voting shareholders, excluding interested shareholders. The name and amount of shares held by shareholders who cannot vote for the agenda item shall be disclosed within the invitation letter.

The IFA has studied on relevant information such as criteria of the Transaction, advantages and disadvantages of entering into the Transaction, Advantages and Disadvantages of Entering into the Transaction with the Connected Person Comparing to The Third Party, risks associated with entering into the Transaction, and appropriateness of entering into the Transaction. The IFA's Opinion are summarized as follows;

## **1 Appropriateness of Interest Rate and Conditions of the Transaction**

### **Appropriateness of Interest Rate**

Due to the terms of the loan drawdown period of 5 years and the fluctuation of market interest rates. in the current state, this causes the cost of fund received from financial institutions and money markets including the rate of return in the money market is volatile. Therefore, the interest rate which will be used on the connected transaction is determined by comparing the interest rate from providing and/or receiving financial assistance transactions with (1) market interest rates (2) costs of finance and (3) the rate of return that the Company expected to be received or paid at the time of the transaction. The details, criteria, and conditions are as follows:

- **Providing financial assistance in the revolving limit of not more than THB 3,000 million**

Interest rate, which will be used in providing financial assistance transaction must not be lower than the cost of capital of the excess cash of the company. The Company's cost of capital of the excess cash are differences depending on the source of funds as follows.

Source	Financial Assistance Guidelines
The excess cash from operation	<b>Interest rate of the providing financial assistance transactions must be higher than the rate of return received from investing in short-term liquid assets.</b> Excess cash of the Company mostly are the cash waiting for 1) the investment projects, 2) dividends to shareholders, and 3) repayment of creditors. Therefore, the appropriate rate of return for comparison should be the highest deposit rate in which the Company received from Financial Institution. This interest rate will be quoted at fix rate in order to be in line with the deposit interest rate in which the Company received. The Company will compare the received deposit interest rates at to the same time frame as the Transaction occurred.
The excess cash from borrowing	<b>Interest rate of the providing financial assistance transactions must not be lower than the interest rate from funding loan which paid by the Company.</b> This interest rate will be quoted at fix or float rate, depending on the rate in which the Company had to pay the financial institution in order to mitigate the interest rate risk. In addition, This excess cash is occurred from the advance financing, and the Company supposed to have enough excess cash to support future investments.

The company will follow up and segregate the cash flow needed to operate the business from the excess cash flow account used for financial assistance. In addition, the Company's revenue was mainly in the form of baht. Therefore, to provide financial assistance in the form of a foreign currency loan, the Company will consider the use of Foreign Exchange Rate Swap ("FX Swap") to hedge against exchange rate volatility, and include all the cost of Fx Swap in the return's calculation. However, currently, the Company has no plans to receive or provide financial assistance in the form of foreign currency.

The IFA has considered the purpose of providing financial assistance which is used for short-term liquidity management within the BCP Group, only, by considering only the short-term excess cash flow. Therefore, the IFA did not consider to compare with other type of cost of capital such as WACC, which is the average cost of the Company which is oftenly used in comparison the Return on Investment Capital (ROIC) to see if a business can generate a higher return on investment than the cost of financing.

- **Receiving financial assistance in the revolving limit of not more than THB 3,000 million**

Interest rate for receiving financial assistance transactions must not be higher than the interest rate that the Company will be obtained from borrowing through other financial institutions at the same transaction date, and also on the same important conditions. The example criteria for the comparison of receiving financial assistance transactions are as follows:

Item	Transaction	Bank	Other person	Subsidiaries / Associates
Interest rate				
Loan amount	The transaction has Similar or Better Conditions			
Currency	The transaction has Similar or Better Conditions			
Period	The transaction has Similar or Better Conditions			
Term of payment	The transaction has Similar or Better Conditions			
Prepayment fee	The transaction has Similar or Better Conditions			
Collateral	The transaction has Similar or Better Conditions			
Other related fee	The transaction has Similar or Better Conditions			

The IFA's opinion is that the criteria for determining the interest rate for providing and/or receiving financial assistance transactions as mentioned above is reasonable and beneficial to the Company in terms of (1) the rate of return on investment from providing financial assistance to BCP and/or BCTC shall be higher than the current level rate of return and (2) the Company's financial cost shall be lower from receiving financial assistance from BCP and/or BCTC.

#### Appropriateness of Conditions of the Transaction

The IFA has considered the reasonableness of the conditions for entering into the transaction. by considering providing and receiving financial assistance transactions in a revolving amount of not more than THB 3,000 million. Therefore, the IFA has commented on the conditions as follows.

Conditions		The IFA's Opinion
Type	Uncommitted Unsecured, and Short-Term Credit Facility	<b>Appropriate</b> Because the issuance of this debt instruments is allowed by law, and the conditions are indifferent from the practice of short-term loans which the Company received from the financial institutions.
Currency	Baht or other currencies as agreed	<b>Appropriate</b> Because it adds more alternative way to invest in and/or procure the short-term liquidity assets and/or liabilities in various currencies which suitable for the business of the Company.
Payment of interest	Interest payment on the last banking day of each quarter and/or with the final principal payment	<b>Appropriate</b> Because it is a normal interest payment condition commonly found in the short-term bond market.
Loan withdrawal period	Not exceeding 5 years	<b>Appropriate</b> Because it is an approval of the general timeframe for providing and receiving financial assistance transactions. This will create flexibility in doing business in the long run, and help manage overall borrowing costs. However, the management will approve the lending and borrowing of each transaction depending on liquidity and the need for capital at that time. The company will provide and receive financial assistance to be consistent with the Company's investment plan, even though BBGI currently has cash and cash equivalents and temporary investment The total amount is about THB 2,000 million, which is about THB 1,970 million from the initial public offering of newly issued ordinary

Conditions		The IFA's Opinion
		<p>shares ("IPO") on March 17, 2022. The proceed from IPO must be used in accordance with the purpose of utilizing proceeds stated in the prospectus during the initial public offering of newly issued ordinary shares only if the Company has not yet used the proceeds from this IPO. According to the main objectives stated, the Company may use the proceeds from this securities offering. to enter into a transaction for the benefit of cash management of the BBGI Group which includes only the Company's normal business only. Providing financial assistance to BCP and/or BCTC is not in accordance with the purpose of using the IPO proceeds. can provide financial assistance to the BCP and/or BCTC without being subject to such conditions. There may not be enough credit line to be a long-term loan of more than 1 year. In addition, BCP is the parent company. therefore has a good credit rating. And there is likely to be a chance to get credit from the lending financial institution. at a better rate than BBGI and therefore has a very low probability of providing financial assistance to BCP and/or BCTC.</p>
Each loan period	Maximum of not more than 1 year, can be renewed not more than 1 year at a time, for a total period of not more than 5 years	<b>Appropriate</b> This condition is consistent with the objective of the transaction that focuses on short-term liquidity management by creating an opportunity to receive more returns for the case of providing financial assistance and to acquire the short-term financing at lower costs for the case of receiving financial assistance. However, providing and receiving financial assistance each time will not exceed 1 year, and the Company had to make the payment in order to be able to borrow a new loan.
Loan amount	Up to 3,000 million baht or equivalent, at any moment, can withdraw once or multiple times (Revolving Basis)	<b>Appropriate</b> Because the Company had sufficient liquidity and the management will consider providing and receiving financial assistance of each transactions depending on liquidity and the need for capital at that time. Moreover, the Transaction is not binding in the Company to certainly provide or receive financial assistance to BCP and/or BCTC. In case, the Company doesnot have enough excess cash when BCP and/or BCTC needed, the Company has no obligation to provide financial assistance to BCP and/or BCTC
Interest rate for the providing financial assistance transactions	Interest Rate in accordance with the Money Market Rate (MMR**), loan currency, and loan period that the borrower will receive from the financial institution at that time less the discount (not less than the cost of capital*)	Details, according to clause 4.3.1.
Interest rate for the receiving financial assistance transactions	Interest Rate in accordance with the Money Market Rate (MMR), loan currency, and loan period that the	Details, according to clause 4.3.1.

Conditions		The IFA's Opinion
	borrower will receive from the financial institution at that time less the discount (not higher than the rate which the Company will receive from other financial institutions)	
Prepayment fee	- None -	<b>Appropriate</b> Since BBGI has entered into the transaction as both provider and receiver in financial assistance transactions. Therefore, there is an opportunity to benefit in case BBGI is the recipient of financial assistance. In addition, the loan period is lower than 1 year which has the objective similar to the OD credit line in which doesnot has prepayment fee.
Entering Contract	There is no lending and borrowing agreement in the amount of THB 3,000 million, but, there will be a short-term loan agreement governed by law as evidence for borrowing and lending of each transactions.	<b>Appropriate</b> Because the management is able to consider the borrowing and lending conditions of each borrowing and lending transactions, depending on the suitability of the situation

Remark: \*Cost of capital will be depended on the source of excess cash for the transaction. In case the source of excess cash is from the operation, the cost of capital would be the highest deposit rate which the Company's received from the financial institutions. However, if the source of excess cash is from loan, the cost of capital shall not less than interest rate in which the Company paid to debtor plus other related cost such as FX Swap.

\*\*MMR is a short-term interest rate in which the financial institution offers to the Company for short-term borrowing through the issuance of Promissory Note (P/N). In addition, Most of MMR constructs from government bond yield or policy rate plus credit spread between the corporate bond yield and government bond yield.

The IFA's opinion is that the conditions for providing and receiving financial assistance transactions in general are beneficial to the Company. and reasonable. By entering into the transaction of providing and receiving financial assistance, it will enhance the options for liquidity and short-term cash flow management of both financing and investing. In addition, this transactions is not binding in the Company to immediately provide or receive financial assistance, but the management will be the one who considers the lending and borrowing period, depending on the liquidity and the need to use funds of the company at that time. The difference between the interest rate calculation for the providing and receiving financial assistance is suitable for the Transactions. Since, for the providing financial assistance transactions, the suitably comparable rate should be the opportunities cost for the investment in which reflects the similar risk of the investment. Therefore, the appropriate rate should be the deposit interest rate. On the other hand, the suitable interest rate to compare with the receiving financial assistance transactions should be the cost of finance which has the similar terms and conditions as the receiving financial assistance transactions which is the rate in which the Company received from the financial institution. However, in considering the providing and/or receiving financial assistance of each time, the Company will give the first prioritizing to the adequacy of internal cash flow. Therefore, if the company is compulsory to use such excess cash flow in the future, the Company may consider denying the transaction of the providing financial assistance.

## 2 Advantages and Disadvantages of Entering into the Transaction

### **Advantages of Entering into the Transaction**

- Enhance investment opportunities to yield a higher return than the current investment

Because the Company's source of fund for providing financial assistance to BCP and/or BCTC is from the excess cash from both operation and/or any other source of funds from the Company's cash flow management. Therefore, the providing financial assistance to BCP and /or BCTC with an interest rate higher than the Company's current cost of capital for the excess cash will be able to create valuable return to the Company. (Shareholders can study the appropriateness of the interest rate Borrowing can be found in section 4.3.1)

- Enhance the flexibility in the liquidity and short-term cash flow management

Entering in the providing or receiving financial assistance transactions amongst the BCP Group will enhance the opportunities to obtain short-term financing with reasonable cost, and create flexibility in liquidity and short-term cash flow management in terms of both excess and shortage liquidity. In addition, this Transaction will also help the financial costs management and uses the potential of the BCP Group in finding low-cost funding sources, and utilizing as a source of funds for an emergency case.

### **Disadvantages of Entering into the Transaction**

- May lose the opportunity to invest in assets which has higher yield

The providing financial assistance to BCP and/or BCTC has a maximum credit limit of THB 3,000 million within a period of 5 years, with each loan not exceeding 1 year. This may cause the Company's to lose the opportunities to invest in the assets that could offer better returns during the same period. However, the Company's management will be the one who considers the lending period, depending on the liquidity and the need to use funds of the company at that time.

- The Company's liquidity ratio may be lower during the providing financial assistance period

Since the amount of the providing financial assistance transaction in the revolving credit line of not more than 10,000 million baht is quite high. However, the Company's management will be the one who considers the lending period, depending on the liquidity and the need to use funds of the company at that time.

## **3 Advantages and Disadvantages of Entering into the Transaction with the Connected Person Comparing to The Third Party**

### **Advantages of Entering into the Transaction with the Connected Person**

- Flexibility in negotiating and coordinating

As BCP is the Company's major shareholder sharing the same shareholders and directors, communication and negotiation between each other is more flexible. Comparing to entering into the Transaction with outsiders, the Company can conveniently follow up on loan repayment and inquire

necessary information regarding financial status and debt repayment. While, receiving financial assistance from BCP and/or BCTC, which is a major shareholder, may approve the loan faster than doing a transaction with a third party because BCP has a better knowledge and understanding of the business of the Company than others. Therefore, it may reduce the time for data verification.

- Flexibility in determining the terms of loan

By entering into the Transaction with the connected person, the Company can negotiate for loan conditions such as repayment date, or request for early repayment in case the Company has urgent need for cash etc. Thus, the Company will have more flexibility in liquidity management while be able to receive higher rate of returns comparing to entering into the Transaction with others. While, receiving financial assistance with the flexibility in terms and conditions setting also help reduce the Company's financial costs through prepayment in the event that the Company have sufficient cash flow, and the Company also receives the benefit from the lower interest rate than the other source of finance.

#### **Disadvantages of Entering into the Transaction with the Connected Person**

- Additional Transaction Cost

As the financial assistance provided to and/or received from BCP and/or BCTC is considered as a large connected transaction, the Company therefore has an obligation according to the Notification on Connected Transaction to propose the Transaction to the shareholders' meeting for approval. Thus, the Company has additional expenses including the appointment of an independent financial advisor to provide opinion on the Transaction. However, the compliance practice and information disclosure to SET and shareholders are a part of good corporate governance demonstrating the Company's transparency in management.

## **4 Risks from Entering into the Transaction**

### **Risk before entering into the Transaction**

- Risk of not getting the shareholders' approval

Due to the size of the transaction, it is considered as a Connected Transaction. the Company is obliged to hold a shareholders' meeting to request approval for entering into a transaction. The votes of the shareholders' meeting must not be less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, not including the shareholders who have conflict interests. Therefore, there is a risk of not getting approval from the shareholders' meeting which the Company will not be able to enter into the transaction.

### **Risk after entering into the Transaction**

- Risk from a lack of short-term financial liquidity

Although the Company had a current ratio as of December 31, 2022 at a high level of 6.6 times. when comparing the amount of the providing financial assistance transactions in the amount of not



more than THB 3,000 million with the value of current assets of the Company as of December 31, 2022 which is THB 22,878 million, the Company, therefore, may face the risk of liquidity shortage during the period in which the Company provides financial assistance to BCP and/or BCTC. However, in considering providing financial assistance to BCP and/or BCTC, the Company's management will be the one who considers the lending period, depending on the liquidity and the need to use funds of the company at that time. In addition, before signing loan agreement, the management have to present the transaction to the Executive Committee meeting. to ensure that this providing financial assistance transactions will not affect the operations of the Company. In case the Company has not enough excess cash for the Transaction, the Company has the right to reject BCP and/or BCTC in providing financial assistance.

- Risk of default

Despite the strong performance and the ability to continuously generate cash flow from operating activities, BCP's specific risks, such as fluctuations in oil prices and raw materials used in production, global economic downturn, and decreased demand, changes in energy innovation, and the risk from investment in mega-projects, may pressure BCP to lack short-term liquidity. Therefore, there is a risk of BCP's debt default. However, BCP is a large company with assets as of December 31, 2022 of THB 242,344 million and is able to continuously generate positive cash flow from operating activities. In addition, BCP has also received a credit rating from TRIS Rating at level A. This resulting in a low risk of default.

- Risk of breaching financial covenant contained in the financial institution and debentures

Since BBGI's source of fund is through borrowing from financial institutions and the issuance of debentures to investors. This loans also have financial covenants that require the Company to maintain financial ratios as follows:

Financial ratio	Conditions	As of December 31, 2022		
		Prior the Transaction	After providing financial assistance <sup>1</sup>	After receiving financial assistance <sup>1</sup>
Debt to Equity Ratio	Below 3.00 time	0.92	0.83	1.41
Debt Service Ratio	Exceed 1.15 time	2.66	2.90	2.14

Remark: <sup>1</sup> The financial ratio after providing and receiving financial assistance is calculated from Financial ratios calculated from the year 2022 financial statements, adjusted by providing and/or receiving financial assistance at full amount.

However, after entering into the transaction of providing and receiving financial assistance, by referring to the calculation from the Company's financial statements for the year 2022, it was found that the Company has sufficient capability to provide and/or receive financial assistance in full amount without violating the financial conditions specified in the loan agreement with the financial institution and the debenture. However, due to the conditions of the transaction has set a time frame for providing and/or receiving financial assistance within 5 years if there are changes in the Company's operation in the future, the Company may have a risk of breaching financial conditions.

from the increase in debt burden and/or reduce in liquidity from providing and/or receiving financial assistance. However, before entering the providing and/or receiving financial assistance transactions, the Company's management will be the one who considers the lending period, depending on the liquidity and the need to use funds of the company at that time, and will inform the meeting of the Board of Directors to acknowledge the loan agreement to ensure that such financial assistance will not affect the Company's financial covenants from the financial institution loan, and debenture.

- Risk from being controlled the condition in loan agreement by major shareholders

Since BCP is a major shareholder of the Company who has the power to control some parts of the business through the sending of representatives to participate in the management and some decisions-making within the Company. Therefore, there is a risk that the Company may be controlled in entering into the transaction of providing and receiving financial assistance which does not create the greatest benefit to the Company. However, due to the strict conditions for providing and receiving financial assistance both in terms of interest rates for providing financial assistance which must not be lower than the cost of capital of the excess cash of the Company and interest rate for receiving financial assistance which must not be higher than the interest rate that the Company received from other financial institutions. In addition, the Company also authorized Chief Finance and Accounting Officer ("CFO") to be the one who consider the amount and conditions of providing and/or receiving financial assistance under the conditions presented to the shareholders. The issues for consideration of providing or receiving financial assistance are as follows:

Issue	Providing financial assistance	Receiving financial assistance
Used of fund	<ul style="list-style-type: none"> <li>● BCP or BCTC must have clear objectives for the use of funds. which is applicable only for short-term liquidity support to BCP or BCTC only.</li> <li>● Consistent with the financial assistance period.</li> </ul>	<ul style="list-style-type: none"> <li>● The Company must has clear objectives for using this cash only to manage its short-term liquidity</li> <li>● Consistent with the financial assistance period.</li> </ul>
Source of fund	Details, according to item 3.7.	- None -
Credit Risk	<ul style="list-style-type: none"> <li>● BCP's Credit Rating is in the investment grade level (Currently, BCP's credit rating by TRIS Rating is at A-, in which the Investment Grade bond supposed to have the rating from BBB- and above.)</li> <li>● BCP's Credit Rating at the time of the transaction is higher than the credit rating of the Company.</li> </ul>	- None -

	<ul style="list-style-type: none"> <li>● BCP and/or BCTC is not in default with any lender.</li> </ul>	
Interest Rate	Details, according to item 4.3.1	Details, according to item 4.3.1
Loan Conditions	Details, according to item 4.3.2	Details, according to item 4.3.2

After passing consideration of all the above issue, CFO will compare interest rate and conditions for providing and/or receiving financial assistance with other alternatives and present information to the Executive Committee or the Board of Directors in order for the directors who have no interest in BCP and/or BCTC approves the providing and/or receiving financial assistance before entering into the transaction. After completing the transaction, management have to report the transaction to the Audit Committee and Risk management Committee for acknowledgment in accordance with the Company's guidelines for related party transactions. In addition, in order to monitor credit risk, the management team will continue to monitor credit risk and present the information to the Board of Directors in the event that the credit rating of BCP negatively changes or default on payment with any creditor. This will help reduce the risk of having control over major shareholders.

The Advisor, as the independent financial advisor, opined that the providing and/or receiving financial assistance to/from BCP and/or BCTC will allow the Company to have more alternatives to increase efficiency and returns from cash flow management. Moreover, the interest rate designed by the transaction is appropriate for both investing and financing, and benefits to the Company. Therefore, the IFA opined that entering into the transaction is reasonable. However, the decision-making on entering into the Transaction depend on shareholders' consideration. Shareholders should consider information disclosed altogether with the invitation to 2023 Annual General Meeting of shareholders of the Company as the support information prior to decision making.

## **Section 2 : Practice and Information Used in the Preparation of IFA Report**

The IFA considered and studied the Transactions, which are a connected transaction according to the Notification on Connected Transaction, based on the information received from the Company, the management's interviews, public information, and relevant information including, but not limited to;

1. The resolutions of the Board of Directors and the information memorandum relevance to the connected transaction which were disclosed to SET
2. Documents of the Company such as, affidavit, memorandum of association, and article of association etc.
3. Annual registration statements (Form 56-1) of the Company for the year ended December 31, 2564
4. Audited financial statements of the Company the Company and subsidiaries for the year ended December 31, 2020 – 2022
5. Business and investment plans of the Company
6. Interviews with the Company's management and relevant parties
7. SET Statistics and industry outlook

The IFA's opinion based on the assumption that information and/or document in which the IFA receive as well as interview with the Company and management as well as relevant person were true and accurate. The Advisor has carefully considered and studied such information to comply with professional standard. Moreover, the Advisor considered that all contracts and business agreements were effective and legally enforceable and the conditions of such agreement will not be changed, revoked or canceled, and there is no circumstance or any condition which might significantly affect the Transaction.

Therefore, in case that information and/or documents which the IFA received is untrue and/or inaccurate or the contracts and business agreements are not effective and/or not legally enforceable and/or the conditions of contracts and business agreements are changed, revoked or canceled, and/or there is any circumstance or condition that might cause significant effect to the Transactions which may affect opinion of the IFA. The IFA, therefore, will not be able to provide an opinion on such effect to the Company and its shareholders.

The IFA's opinion report was prepared based on the information provided to the IFA including industry outlook, economic circumstance and other events occurred during the report preparation. These information and circumstances may later significantly change affecting the IFA's Opinion. However, the IFA do not owe any obligation to make an adjustment to the IFA's opinion report.

The IFA's opinion report was prepared only as additional information for the Company's shareholders.

However, the IFA Report does not guarantee success of the Transaction, including possible impacts, and the IFA will not be able to, either directly or indirectly, response for any impact cause from entering into the Transaction.

### **Section 3 : Characteristics and Details of the Transaction**

#### **3.1 Characteristics of the Transaction**

As Bangchak Corporation Public Company Limited ("BCP") plans to establish a treasury center ("TC") and an international business center ("IBC") to increase efficiency in liquidity management, and foreign exchange management within the BCP group through intercompany loan in THB or other agreed currencies. To achieve this goal, the Board of Directors' Meeting of Bangchak Corporation Public Company Limited No.3/2023 held on February 20, 2023 passed a resolution to establish Bangchak Treasury Center Company Limited ("BCTC") as a subsidiary in which the BCP holds 100 percent of BCTC's shares with the objective to be a TC and IBC. However, to maintain the flexibility in applying TC and IBC license and in liquidity management, BCP is currently under consideration to;

- (3) establish a BCTC to obtain a license to operate as a TC/IBC business, or
- (4) use BCP to obtain a license by itself to conduct as a TC/IBC in which, currently, the Board of directors' meeting of BCP No. 3/2023 held on February 20, 2023 passed a resolution to propose to the shareholders to consider and approve the amendment to Clause 3 (the Company's objectives) by adding Clause (22). and (23) for BCP to be able to conduct business as TC and IBC.

This establishment of BCTC will be decided on the best interest of BCP group. Therefore, in order to let BBGI gain benefit from the establishment of TC/IBC in terms of increase the efficiency of cash flow management, reduce financial costs, increase returns from financial management and financial cooperation within the BCP Group through the intercompany loan to/from BCP and/or BCTC, the Board of Directors' Meeting of BBGI No.1/2023 held on February 16, 2023 passed a resolution to approve the provision of intercompany loan between the Company and its subsidiaries with BCP and/or BCTC, which is a subsidiaries of BCP who is a major shareholder of the Company, holds 45.00% of the Company's issued and paid-up capital, in the form of revolving facility of not exceeding THB 3,000.00 million (at any point of time) for a period within 5 years after the shareholders' meeting approval's date and up to 1 year of each drawdown in the form of loans or any short-term debt instruments with interest rate 1) in case the Company provides financial assistance to BCP and/or BCTC, the interest rate, received by the Company, shall not lower than the cost of capital of the Company at the time of transaction, and 2) in case the Company receives financial assistance from BCP and/or BCTC, the interest rate, paid by the Company, shall not higher than the rate that the Company will receive from other financial institutions at the time of transaction. In addition, the credit line could be replenished in case of the previous loan is paid. Therefore, the Transaction is considered as a connected transaction according to the Notification of Capital Market Supervisory Board No.TorChor 21/2551 Re: Rules on Connected Transactions, and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, 2003 (including any amendment thereto) ("Notification on Connected Transaction"). The transaction size is calculated from (1) the value of providing financial assistance transaction of not exceed THB 3,000.00 million including principle and interest and (2) the value of receiving financial assistance of not exceed THB 3,000 million including only interest, with the combined transaction size ((1)+(2)) of not exceed THB 4,800 million, accounting for 56 percent of the Company's net

tangible assets (NTA), which was THB 8,077 million according to the consolidated financial statements for the period ended December 31, 2022. In this regard, the Company did not have any connected transaction with the connected person or the person relating to the connected person within the past six month prior to the board of directors' Meeting No. 1/2023 of the Company.

However, due to the value of the Transaction exceeds THB 20 million, and exceeds 3 percent of the Company's NTA, according to the consolidated financial statements as of December 31, 2022, the Company is obligated to disclose information on the connected transaction of Company to SET, according to the connected transaction announcement, appointed the IFA to provide opinions on the Company's connected transactions, and seek approval from the shareholders' meeting of the Company with a vote of not less than three-fourths of the total number of votes of shareholders attending the meeting and having the right to vote without counting the votes on the part of the shareholders who have conflict of interest.

### **3.2 Transaction Date**

#### **3.2.1 Providing financial assistance in the revolving limit of not more than THB 3,000 million**

The Company will be able to enter into the Transaction within a period of 5 years by the Chief Executive Officer and President or equivalent and/or Senior Executive Vice President Corporate Finance and Accounting or the highest position in Corporate Finance and Accounting (after Executive Committee approval) will consider each transaction of providing financial assistance transactions after the 2023 Annual General Meeting of Shareholders of the Company, which will be held on April 10, 2023, has a resolution to approve the providing financial assistance in the revolving amount of not more than THB 3,000 million to BCP and/or BCTC. The entering into the Transaction will be depended on the Company's capital needs, and the ability to provide financial assistance to BCP and/or BCTC. Directors who have interests or directors who are connected persons will have no right to vote in this agenda.

#### **3.2.2 Receiving financial assistance in the revolving limit of not more than THB 3,000 million**

The Company will be able to enter into the Transaction within a period of 5 years by the Chief Executive Officer and President or equivalent and/or Senior Executive Vice President Corporate Finance and Accounting or the highest position in Corporate Finance and Accounting (after Executive Committee approval) will consider each transaction of receiving financial assistance transactions after the 2023 Annual General Meeting of Shareholders of the Company, which will be held on April 10, 2023, has a resolution to approve the receiving financial assistance in the revolving amount of not more than THB 3,000 million to BCP and/or BCTC. The entering into the Transaction will be depended on the Company's capital needs, and the ability to receive the financial assistance from BCP and/or BCTC. Directors who have interests or directors who are connected persons will have no right to vote in this agenda.

### **3.3 Relevant Parties and Relationships**

#### **3.3.1 Providing financial assistance in the revolving limit of not more than THB 3,000 million**

Financial assistance provider: The Company

Financial assistance receiver: BCP and/or BCTC

Relationship with the Company: (1) BCP is a major shareholder of the Company holding 45.00% of the total issued and paid-up shares (2) Mr. Pichai Chunhavajira is the Chairman of the Board of Directors of the Company and BCP and (3) Mr. Chaiwat Kovavisarach is the Vice Chairman. Board of Directors of BBGI and Chief Executive Officer of BCP Group and President of BCP

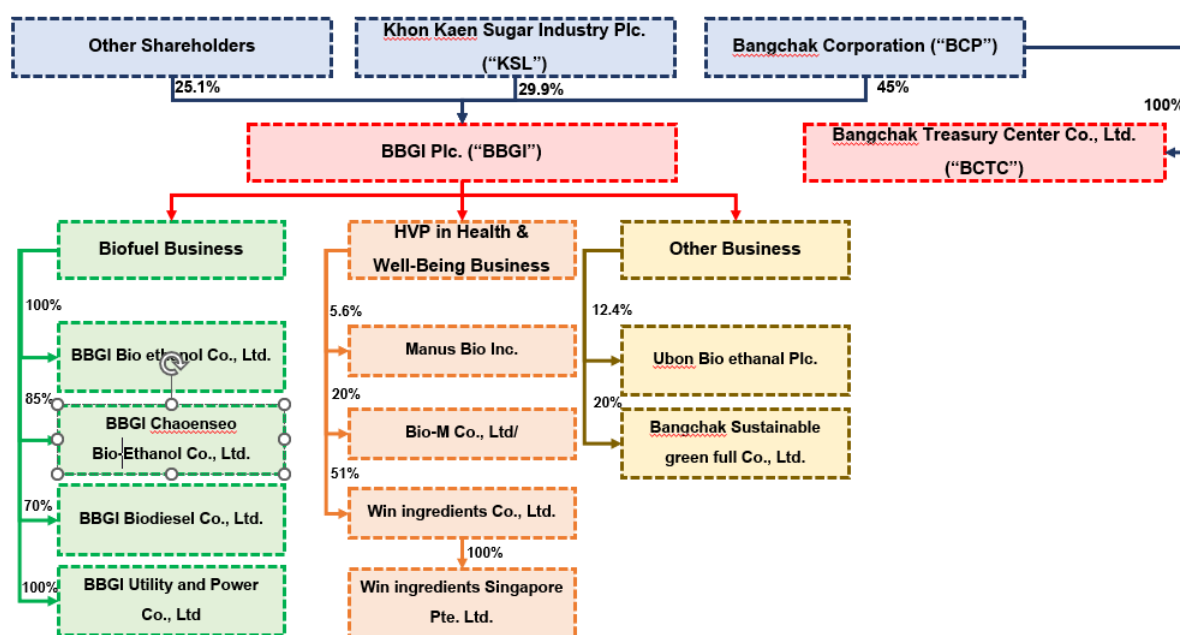
### 3.3.2 Receiving financial assistance in the revolving limit of not more than THB 3,000 million

Financial assistance provider: BCP and/or BCTC

Financial assistance receiver: The Company

Relationship with the Company: (1) BCP is a major shareholder of the Company holding 45.00% of the total issued and paid-up shares (2) Mr. Pichai Chunhavajira is the Chairman of the Board of Directors of the Company and BCP and (3) Mr. Chaiwat Kovavisarach is the Vice Chairman. Board of Directors of BBGI and Chief Executive Officer of BCP Group and President of BCP

The Company's organization chart are as following;



Remark: Information from the Company

In this regard, Mr. Pichai Chunhavajira Mr. Chaiwat Kovavisarach, and Mr. Kittiphong Limsuwannarot as directors who have conflict of interests and/or directors who are connected persons did not attend the meeting and has no right to vote at the Board of Directors' Meeting No. 1/2023 held on February 16, 2023 during the consideration of approval of the connected transaction.

### 3.4 Transaction Type and Transaction Size

#### 3.4.1 Providing financial assistance in the revolving limit of not more than THB 3,000 million

The Board of Directors' Meeting No. 1/2023 held on February 16, 2023 resolved to approve the providing financial assistance to BCP and/or BCTC in the revolving amount of not exceed THB 3,000.00 million (at any time) within Period of 5 years after the shareholders' meeting approves the Transaction. The term of each loan is not more than 1 year in the form of a loan or any debt instrument with interest at a rate close to the money market rate (MMR), depending on the loan currency and the loan period that BCP and/or BCTC will receive from the financial institution at that time less the discount with such interest rate must not be lower than the cost of capital for the excess cash of the Company at the time of the transaction

#### 3.4.2 Receiving financial assistance in the revolving limit of not more than THB 3,000 million

The Board of Directors' Meeting No. 1/2023 held on February 16, 2023 resolved to approve the receiving financial assistance to BCP and/or BCTC in the revolving amount of not exceed THB 3,000.00 million (at any time) within Period of 5 years after the shareholders' meeting approves the Transaction. The term of each loan is not more than 1 year in the form of a loan or any debt instrument with interest at a rate close to the money market rate (MMR), depending on the loan currency and the loan period that BCP and/or BCTC will provide from the financial institution at that time less the discount. This interest rate must not higher than the rate that the Company will receive from other financial institutions at the time of the transaction

The providing and/or receiving financial assistance transactions, according to Clause 3.4.1 and Clause 3.4.2 is considered to be a connected transaction as specified in the Notifications on Connected Transactions since it is providing and/or receiving financial assistance to BCP and/or BCTC which is a connected person of the Company. The highest transaction value is 59.43% of the Company's net tangible assets (NTA) according to the Company's consolidated financial statements as of December 31, 2022, which amounts to THB 8,077 million. In this regards, the Company did not have any connected transaction with the connected person or the person relating to the connected person within the past six month prior to the board of directors' Meeting No. 1/2023 of the Company.

Item	BBGI
NTA Value of BBGI	THB 8,077 million
The maximum value of the transaction for providing and receiving financial assistance of not more than THB 3,000 million.	
• Providing financial assistance to BCP and/or BCTC	3,900 million
• Receiving financial assistance from BCP and/or BCTC	900 million
<b>The maximum size of the transaction for providing and receiving financial assistance</b>	<b>4,800 million</b>
<b>Transaction Size based on NTA</b>	<b>59.43 percent</b>

Remark: The highest transaction value is based on providing and receiving financial assistance of THB 3,000 million for a period of 5 years based on the assumption of an interest rate of 6.00% per year.

The calculation date of the transaction size is based on information from the financial statements as of December 31, 2022.



Since the value of such transaction was more than 3.00 percent of the Company's NTA, the Company was required to undertake the following actions in connection with the providing financial assistance transactions of revolving facility of up to THB 3,000.00 million: (1) Disclose information on the Company's connected transaction to the SET in accordance with the Connected Transaction Notifications; (2) Obtain approval for entering into the Company's connected transaction from a shareholders' meeting of the Company with votes of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, excluding interested shareholders, where the Company must send a notice of such meeting to the shareholders at least 14 days in advance; and (3) Appoint an independent financial advisor to provide an opinion on the Company's connected transaction and deliver such opinion to The SEC and the SET.

### **3.5 Value of Consideration and Payment**

#### **3.5.1 Providing financial assistance in the revolving limit of not more than THB 3,000 million**

The total value of the providing financial assistance is a maximum loan amount of not more than THB 3,000 million and interest received based on the money market rate (MMR), depending on the loan currency, and the loan period that BCP and/or BCTC will receive from the financial institution at that time less the discount with such interest rate must not be lower than the cost of capital for the excess cash of the Company at the time of the transaction

#### **3.5.2 Receiving financial assistance in the revolving limit of not more than THB 3,000 million**

The interest rate depended on the money market rate (MMR), depending on the loan currency and the loan period that BCP and/or BCTC will provide from the financial institution at that time less the discount. This interest rate must not higher than the rate that the Company will receive from other financial institutions at the time of the transaction

### **3.6 Conditions for entering into the transaction**

In considering the providing and receiving financial assistance, the Company will authorize the Board of Directors to consider reviewing and amending the limit and terms and conditions in the future to be appropriate. The maximum amount revised must not exceed the maximum amount approved by shareholders or THB 3,000 million or equivalent, and also authorize the Chief Executive Officer and President or equivalent and/or Deputy Managing Director Head of Corporate Finance and Accounting Division or the highest position in Corporate Finance and Accounting is authorized to take the following actions

- specify details of terms and conditions for the connected loans transactions and perform any other acts related to documents, including taking relevant actions and considering adjusting the conditions in the contract and/or such documents as necessary and appropriate, provided that such change must not be a material change. In case there is any change, the management shall present it to the Board of Directors for further acknowledgment.
- sign contracts and/or intercompany loan documents and other relevant financial documents, any contracts and/or amendments or contracts and/or amendments documents as well as approve the fees, expenses and taxes associated with the execution of such contracts and/or documents

**3.7 Source of Fund for the Financial Assistance**

The funds used to provide the financial assistance to counterparties will be the excess cash from from the Company's cash flow. After provide the financial assistance, the Company must still have sufficient cash flow for operations and does not affect the company's money utilization plan. In addition, it does not affect any other financial conditions according to the company's financial contract.

**3.8 Board of Directors' meeting attendance of the directors who have a conflict of interests**

In the Board of Directors' Meeting of the Company No.1/2023 dated February 20, 2023 for consideration of the transaction of provision of intercompany loan, there are 3 directors having a conflict of interest who are directors from the group of major shareholders, namely Mr. Pichai Chunhavajira Mr. Chaiwat Kovavisarach, and Mr. Kittiphong Limsuwannarot who do not attend the meeting and vote on this matter

**3.9 Opinion of the Board of Directors on the Connected Transaction**

The Board of Directors' Meeting No. 1/2023 held on February 16, 2023 considered that the providing and receiving financial assistance transactions to be option and is beneficial to both the Company and shareholders. It is also under the reasonable transaction conditions. Therefore, the Board of Directors' meeting resolved to approve the Company to enter into the Transactions and sign contracts/relevant documents

**3.10 Opinion of the Audit Committee and/or the directors that differ from the Board of Directors**

- None -

## Section 4 : Reasonableness of the Transaction

### 4.1 Objective and necessity of the Transaction

As Bangchak Corporation Public Company Limited ("BCP") plans to establish a treasury center ("TC") and an international business center ("IBC") to increase efficiency in liquidity management, and foreign exchange management within the BCP group through intercompany loan in THB or other agreed currencies. To achieve this goal, the Board of Directors' Meeting of Bangchak Corporation Public Company Limited No.3/2023 held on February 20, 2023 passed a resolution to establish Bangchak Treasury Center Company Limited ("BCTC") as a subsidiary in which the BCP holds 100 percent of BCTC's shares with the objective to be a TC and IBC. However, to maintain the flexibility in applying TC and IBC license and in liquidity management, BCP is currently under consideration to;

- (5) establish a BCTC to obtain a license to operate as a TC/IBC business, or
- (6) use BCP to obtain a license by itself to conduct as a TC/IBC in which, currently, the Board of directors' meeting of BCP No. 3/2023 held on February 20, 2023 passed a resolution to propose to the shareholders to consider and approve the amendment to Clause 3 (the Company's objectives) by adding Clause (22). and (23) for BCP to be able to conduct business as TC and IBC.

This establishment of BCTC will be decided on the best interest of BCP group. Therefore, in order to let BBGI gain benefit from the establishment of TC/IBC in terms of increase the efficiency of cash flow management, reduce financial costs, increase returns from financial management and financial cooperation within the BCP Group through the intercompany loan to/from BCP and/or BCTC, the Board of Directors' Meeting of BBGI No.1/2023 held on February 16, 2023 passed a resolution to approve the provision of intercompany loan between the Company and its subsidiaries with BCP and/or BCTC, which is a subsidiaries of BCP who is a major shareholder of the Company, holds 45.00% of the Company's issued and paid-up capital, in the form of revolving facility of not exceeding THB 3,000.00 million (at any point of time) for a period within 5 years after the shareholders' meeting approval's date and up to 1 year of each drawdown in the form of loans or any short-term debt instruments with interest rate 1) in case the Company provides financial assistance to BCP and/or BCTC, the interest rate, received by the Company, shall not lower than the cost of capital of the Company at the time of transaction, and 2) in case the Company receives financial assistance from BCP and/or BCTC, the interest rate, paid by the Company, shall not higher than the rate that the Company will receive from other financial institutions at the time of transaction. In addition, the credit line could be replenished in case of the previous loan is paid. Therefore, the Transaction is considered as a connected transaction according to the Notification of Capital Market Supervisory Board No.TorChor 21/2551 Re: Rules on Connected Transactions, and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, 2003 (including any amendment thereto) ("Notification on Connected Transaction"). The transaction size is calculated from (1) the value of providing financial assistance transaction of not exceed THB 3,000 million including principle and interest and (2) the value of receiving financial assistance of not exceed THB 3,000 million including only interest, with the combined transaction size ((1)+(2)) of not exceed THB 4,800 million, accounting for 59.43 percent of the Company's net

tangible assets (NTA), which was THB 8,077 million according to the consolidated financial statements for the period ended December 31, 2022

#### 4.2 Track Record of Provided and Received Financial assistance

From 2020 to the present, the Company has no providing and/or receiving financial assistance transaction to and/or from BCP and/or BCTC.

#### 4.3 Appropriateness of Interest Rate and Conditions of the Transaction

##### 4.3.1 Appropriateness of Interest Rate

Due to the terms of the loan drawdown period of 5 years and the fluctuation of market interest rates. in the current state, this causes the cost of fund received from financial institutions and money markets including the rate of return in the money market is volatile. Therefore, the interest rate which will be used on the connected transaction is determined by comparing the interest rate from providing and/or receiving financial assistance transactions with (1) market interest rates (2) costs of finance and (3) the rate of return that the Company expected to be received or paid at the time of the transaction. The details, criteria, and conditions are as follows:

- **Providing financial assistance in the revolving limit of not more than THB 3,000 million**

Interest rate, which will be used in providing financial assistance transaction must not be lower than the cost of capital of the excess cash of the company. The Company's cost of capital of the excess cash are differences depending on the source of funds as follows.

Source	Financial Assistance Guidelines
The excess cash from operation	<b>Interest rate of the providing financial assistance transactions must be higher than the rate of return received from investing in short-term liquid assets.</b> Excess cash of the Company mostly are the cash waiting for 1) the investment projects, 2) dividends to shareholders, and 3) repayment of creditors. Therefore, the appropriate rate of return for comparison should be the highest deposit rate in which the Company received from Financial Institution. This interest rate will be quoted at fix rate in order to be in line with the deposit interest rate in which the Company received. The Company will compare the received deposit interest rates at to the same time frame as the Transaction occurred.
The excess cash from borrowing	<b>Interest rate of the providing financial assistance transactions must not be lower than the interest rate from funding loan which paid by the Company.</b> This interest rate will be quoted at fix or float rate, depending on the rate in which the Company had to pay the financial institution in order to mitigate the interest rate risk. In addition, This excess cash is occurred from the advance financing, and the Company supposed to have enough excess cash to support future investments.

The company will follow up and segregate the cash flow needed to operate the business from the excess cash flow account used for financial assistance. In addition, the Company's revenue was mainly in the form of baht Therefore, to provide financial assistance in the form of a foreign currency loan, the Company will consider the use of Foreign Exchange Rate Swap ("FX Swap") to hedge against exchange rate volatility, and include all the cost of FX Swap in the return's calculation.

However, currently, the Company has no plans to receive or provide financial assistance in the form of foreign currency.

The IFA has considered the purpose of providing financial assistance which is used for short-term liquidity management within the BCP Group, only, by considering only the short-term excess cash flow. Therefore, the IFA did not consider to compare with other type of cost of capital such as WACC, which is the average cost of the Company which is oftenly used in comparison the Return on Investment Capital (ROIC) to see if a business can generate a higher return on investment than the cost of financing.

● **Receiving financial assistance in the revolving limit of not more than THB 3,000 million**

Interest rate for receiving financial assistance transactions must not be higher than the interest rate that the Company will be obtained from borrowing through other financial institutions at the same transaction date, and also on the same important conditions. The example criteria for the comparison of receiving financial assistance transactions are as follows:

Item	Transaction	Bank	Other person	Subsidiaries / Associates
Interest rate				
Loan amount	The transaction has Similar or Better Conditions			
Currency	The transaction has Similar or Better Conditions			
Period	The transaction has Similar or Better Conditions			
Term of payment	The transaction has Similar or Better Conditions			
Prepayment fee	The transaction has Similar or Better Conditions			
Collateral	The transaction has Similar or Better Conditions			
Other related fee	The transaction has Similar or Better Conditions			

The IFA's opinion is that the criteria for determining the interest rate for providing and/or receiving financial assistance transactions as mentioned above is reasonable and beneficial to the Company in terms of (1) the rate of return on investment from providing financial assistance to BCP and/or BCTC shall be higher than the current level rate of return and (2) the Company's financial cost shall be lower from receiving financial assistance from BCP and/or BCTC.

#### 4.3.2 Appropriateness of Conditions of the Transaction

The IFA has considered the reasonableness of the conditions for entering into the transaction. by considering providing and receiving financial assistance transactions in a revolving amount of not more than THB 3,000 million. Therefore, the IFA has commented on the conditions as follows.

Conditions		The IFA's Opinion
Type	Uncommitted Unsecured, and Short-Term Credit Facility	<b>Appropriate</b> Because the issuance of this debt instruments is allowed by law, and the conditions are indifferent from the practice of short-term loans which the Company received from the financial institutions.

Conditions		The IFA's Opinion
Currency	Baht or other currencies as agreed	<b>Appropriate</b> Because it adds more alternative way to invest in and/or procure the short-term liquidity assets and/or liabilities in various currencies which suitable for the business of the Company.
Payment of interest	Interest payment on the last banking day of each quarter and/or with the final principal payment	<b>Appropriate</b> Because it is a normal interest payment condition commonly found in the short-term bond market.
Loan withdrawal period	Not exceeding 5 years	<b>Appropriate</b> Because it is an approval of the general timeframe for providing and receiving financial assistance transactions. This will create flexibility in doing business in the long run, and help manage overall borrowing costs. However, the management will approve the lending and borrowing of each transaction depending on liquidity and the need for capital at that time. The company will provide and receive financial assistance to be consistent with the Company's investment plan, even though BBGI currently has cash and cash equivalents and temporary investment. The total amount is about THB 2,000 million, which is about THB 1,970 million from the initial public offering of newly issued ordinary shares ("IPO") on March 17, 2022. The proceed from IPO must be used in accordance with the purpose of utilizing proceeds stated in the prospectus during the initial public offering of newly issued ordinary shares only if the Company has not yet used the proceeds from this IPO. According to the main objectives stated, the Company may use the proceeds from this securities offering, to enter into a transaction for the benefit of cash management of the BBGI Group which includes only the Company's normal business only. Providing financial assistance to BCP and/or BCTC is not in accordance with the purpose of using the IPO proceeds. can provide financial assistance to the BCP and/or BCTC without being subject to such conditions. There may not be enough credit line to be a long-term loan of more than 1 year. In addition, BCP is the parent company. therefore has a good credit rating. And there is likely to be a chance to get credit from the lending financial institution. at a better rate than BBGI and therefore has a very low probability of providing financial assistance to BCP and/or BCTC.
Each loan period	Maximum of not more than 1 year, can be renewed not more than 1 year at a time, for a total period of not more than 5 years	<b>Appropriate</b> This condition is consistent with the objective of the transaction that focuses on short-term liquidity management by creating an opportunity to receive more returns for the case of providing financial assistance and to acquire the short-term financing at lower costs for the case of receiving financial assistance. The providing and receiving of financial assistance is valid for no more than 1 year and upon maturity and payment has been made. The Company and BCP and/or BCTC shall have the right to borrow again.

Opinion of the Independent Financial Advisor on the Connected Transaction

Conditions		The IFA's Opinion
Loan amount	Up to THB 3,000 million baht or equivalent, at any moment, can withdraw once or multiple times (Revolving Basis)	<b>Appropriate</b> Because the Company had sufficient liquidity and the management will consider providing and receiving financial assistance of each transactions depending on liquidity and the need for capital at that time. Moreover, the Transaction is not binding in the Company to certainly provide or receive financial assistance to BCP and/or BCTC. In case, the Company doesnot have enough excess cash when BCP and/or BCTC needed, the Company has no obligation to provide financial assistance to BCP and/or BCTC
Interest rate for the providing financial assistance transactions	Interest Rate in accordance with the Money Market Rate (MMR**), loan currency, and loan period that the borrower will receive from the financial institution at that time less the discount (not less than the cost of capital*)	Details, according to clause 4.3.1.
Interest rate for the receiving financial assistance transactions	Interest Rate in accordance with the Money Market Rate (MMR), loan currency, and loan period that the borrower will receive from the financial institution at that time less the discount (not higher than the rate which the Company will receive from other financial institutions)	Details, according to clause 4.3.1.
Prepayment fee	- None -	<b>Appropriate</b> Since BBGI has entered into the transaction as both provider and receiver in financial assistance transactions. Therefore, there is an opportunity to benefit in case BBGI is the recipient of financial assistance. In addition, the loan period is lower than 1 year which has the objective similar to the OD credit line in which doesnot has prepayment fee.
Entering Contract	There is no lending and borrowing agreement in the amount of THB 3,000 million, but, there will be a short-term loan agreement governed by law as evidence for borrowing and lending of each transactions.	<b>Appropriate</b> Because the management is able to consider the borrowing and lending conditions of each borrowing and lending transactions, depending on the suitability of the situation

Remark: \*Cost of capital will be depended on the source of excess cash for the transaction. In case the source of excess cash is from the operation, the cost of capital would be the highest deposit rate which the Company's received from the financial institutions. However, if the source of excess cash is from loan, the cost of capital shall not less than interest rate in which the Company paid to debtor plus other related cost such as FX Swap.

\*\*MMR is a short-term interest rate in which the financial institution offers to the Company for short-term borrowing through the issuance of Promissory Note (P/N). In addition, Most of MMR constructs from government bond yield or policy rate plus credit spread between the corporate bond yield and government bond yield.

The IFA's opinion is that the conditions for providing and receiving financial assistance transactions in general are beneficial to the Company. and reasonable. By entering into the transaction of providing and receiving

financial assistance, it will enhance the options for liquidity and short-term cash flow management of both financing and investing. In addition, this transactions is not binding in the Company to immediately provide or receive financial assistance, but the management will be the one who considers the lending and borrowing period, depending on the liquidity and the need to use funds of the company at that time. The difference between the interest rate calculation for the providing and receiving financial assistance is suitable for the Transactions. Since, for the providing financial assistance transactions, the suitably comparable rate should be the opportunities cost for the investment in which reflects the similar risk of the investment. Therefore, the appropriate rate should be the deposit interest rate. On the other hand, the suitable interest rate to compare with the receiving financial assistance transactions should be the cost of finance which has the similar terms and conditions as the receiving financial assistance transactions which is the rate in which the Company received from the financial institution. However, in considering the providing and/or receiving financial assistance of each time, the Company will give the first prioritizing to the adequacy of internal cash flow. Therefore, if the company is compulsory to use such excess cash flow in the future, the Company may consider denying the transaction of the providing financial assistance.

#### 4.4 Effects of the Financial Assistance to the Company's Financial Position

From the Company's performance and financial position which is in accordance with the Company's financial statements for the year 2020 - 2022 audited by the certified auditor of KPMG Phoomchai Audit Ltd., can be summarized as follows:

Item (Unit: THB Million)	2020	2021	2022
<b>Statement of Income</b>			
Revenue from sales and rendering services	12,571	14,095	13,374
Other income	48	37	45
<b>Total income</b>	<b>12,619</b>	<b>14,132</b>	<b>13,419</b>
Expense	11,199	13,341	13,219
Finance costs	123	107	95
Share of profit of subsidiaries and associates	21	43	(8)
Income tax expense (revenue)	174	150	0.3
<b>Net Profit</b>	<b>1,112</b>	<b>1,189</b>	<b>97</b>
<b>Statement of financial position</b>			
<i>Cash and cash equivalents</i>	<i>158</i>	<i>384</i>	<i>1,414</i>
<i>Short-term Investment</i>			<i>1,220</i>
Current assets	3,281	3,037	5,138
Non-current assets	9,451	9,870	8,969
<b>Total assets</b>	<b>12,731</b>	<b>12,907</b>	<b>14,106</b>
Current liabilities	3,697	2,940	1,467
Non-current liabilities	2,530	3,063	2,358
<b>Total liabilities</b>	<b>6,227</b>	<b>6,003</b>	<b>3,825</b>
<b>Total shareholder's equity</b>	<b>6,504</b>	<b>6,904</b>	<b>10,281</b>
<b>Statement of cash flows</b>			
Cash flow from operating activities	1,693	1,742	463
Cash flow from investing activities	(1,693)	(167)	(1,615)



Item (Unit: THB Million)	2020	2021	2022
Cash flow from financing activities	89	(1,349)	2,183
<b>Cash and cash equivalents at 31 December</b>	<b>157</b>	<b>384</b>	<b>1,414</b>
<b>Key financial ratio</b>			
Current ratio (x)	0.89	1.03	3.50
Quick ratio (x)	0.33	0.51	2.42
Interest coverage ratio (x)	14.87	17.34	6.48
Interest-bearing debt/equity (x)	0.72	0.57	0.02

Source: Information from the Company's One Report form for the year 2021 and the Company's financial statements for the year 2020 - 2022

As of December 31, 2020 – 2022, the Company recorded its current ratio of 0.89 time, 1.03 time, and 3.5 time, respectively. In 2022, the Company's current ratio increased to 3.50 times with current assets of 5,138 million baht, an increase of 2,101 million baht from cash and cash equivalents. and temporary investment increased by 2,251 million baht from the IPO, while current liabilities amounted to 1,467 million baht, decreased by 1,473 million baht due to the company Repayment of short-term loans from financial institutions and debentures totaling 1,228 million baht.

As of December 31, 2020 – 2022, the Company recorded its quick ratio of 0.33 time, 0.51 time, and 2.42 time, respectively. the Company's quick ratio increased to 2.42 times. This was mainly due to Cash and cash equivalents and an increase in temporary investments from the IPO

As of December 31, 2020 – 2022, the Company recorded its Interest coverage ratio of 14.87 time, 17.34 time, and 6.48 time, respectively. In 2022, the Company's earnings before interest and tax decreased. However, the Company's Interest coverage ratio is still high of at 6.00%

Based on the liquidity ratio as of December 31, 2022 and the interest-bearing debt to equity ratio of 2020 - 2022, the IFA has an opinion that the Company's past performance and financial position shows that the Company has a good liquidity management. It has strong interest-bearing debt to equity ratio, and as of December 31, 2022, the Company still has a high liquidity ratio. Moreover, the Transaction is not binding in the Company to immediately provide or receive financial assistance to BCP and/or BCTC. Furthermore, the management will consider providing and receiving financial assistance of each transactions depending on liquidity and the need for capital at that time. According to those reason, entering into the transaction of providing and receiving such financial assistance may not severely affect the financial position of the Company

#### 4.5 BCP's Operating Performance and Financial Position

From BCP's performance and financial position which is in accordance with the Company's financial statements for the year 2020 - 2022 audited by the certified auditor of KPMG Phoomchai Audit Ltd., can be summarized as follows;

Item (Unit: THB Million)	2020	2021	2022
<b>Statement of Income</b>			
Revenue from sales and rendering services	136,450	199,417	312,202
Other income	533	1,279	1,855
<b>Total income</b>	<b>136,983</b>	<b>200,696</b>	<b>314,056</b>

Item (Unit: THB Million)	2020	2021	2022
Expense	141,621	186,045	283,894
Finance costs	1,969	2,540	3,977
Share of profit of subsidiaries and associates	(592)	1,042	188
Income tax expense (revenue)	(1,589)	4,263	12,852
<b>Net Profit</b>	<b>(5,770)</b>	<b>9,845</b>	<b>15,152</b>
<b>Statement of financial position</b>			
Current assets	47,296	69,372	111,349
Non-current assets	101,027	132,413	130,995
<b>Total assets</b>	<b>148,323</b>	<b>201,785</b>	<b>242,344</b>
Current liabilities	25,502	34,105	47,852
Non-current liabilities	64,504	98,121	111,114
<b>Total liabilities</b>	<b>90,006</b>	<b>132,226</b>	<b>158,966</b>
<b>Total shareholder's equity</b>	<b>148,323</b>	<b>201,785</b>	<b>242,344</b>
<b>Statement of cash flows</b>			
Cash flow from operating activities	6,340	16,980	19,443
Cash flow from investing activities	(6,353)	(5,840)	(962)
Cash flow from financing activities	14,567	(1,019)	(5,146)
<b>Cash and cash equivalents at 31 December</b>	<b>21,651</b>	<b>32,022</b>	<b>45,932</b>
<b>Key financial ratio</b>			
Current ratio (x)	1.85	2.03	2.33
Quick ratio (x)	1.10	1.40	1.45

Source: Information from BCP's One Report form for the year 2021 and BCP's financial statements for the year 2020 - 2022

### Revenue from Sales and Services

For the year 2020 – 2022, BCP recorded the revenue from sales and services of THB 136,450 million, THB 199,417 million, and THB 312,202 million. The majority of BCP's revenue is from the revenue from oil refining and related business. In 2021, BCP's revenue from sales and services increased THB 62,967 million or accounting for the 46.2 percent increased from the previous year. This was owing to an increase in revenue from the sales of OKEA. However, if excluding revenue from sales of OKEA, BCP had an increase in revenue from oil refining and related business. The increase in revenue from oil refining and related business was due to 1) the increase in the average selling price per unit which increased by 32 percent from the previous year from crude oil prices rising in line with economic recovery and oil demand growth, 2) the progress in the global COVID-19 vaccination. The total sales volume of oil products also increased 4 percent compared to the previous year. This was mainly from the export of low sulfur fuel oil and UCO. In addition, BCPT had higher sales revenue. Mainly from the increase in average selling price per unit and sales volume to others. In 2022, BCP's revenue from sales and services increased THB 112,785 million or accounting for the 56.6 percent increased from the previous year. This was owing to the increase in average selling price per unit, following crude oil prices and refined oil prices that increased in line with world market conditions. In addition, the natural resources business group received a positive factor from the average selling price of oil and liquefied natural gas, which increased 51 percent from the previous year.

### Net (Loss) Profit

For the period of 2020 – 2022, BCP had net profit and (Loss) of THB (6,697) million, THB 7,624 million, and THB 12,575 million or accounting for (5.1) percent, 3.8 percent, and 4.8 percent, respectively. In 2021, BCP's net profit increased THB 14,591 million from the previous year. This was owing to the situation of the COVID-19 epidemic that is better than the previous period. While, in 2022, BCP's net profit increased from THB 7,624 million in 2021 to THB 12,575 million, accounting for the increase of THB 4,951 million or 65 percent increase from the previous year. This was a result of the sales revenue of the refinery and oil trading business group from the Russian-Ukrainian war that pushed up the price of oil.

#### **Total assets**

As of December 31, 2020 - 2022, BCP's total assets were THB 148,323 million, THB 201,785 million, and THB 242,344 million, respectively. BCP's total assets mainly consisting of property, plant and equipment, Cash and cash equivalents, and inventories

BCP's total assets in 2021 increased from 2020 by THB 53,463 million or an increase of 36.0 percent from the previous year. This was mainly due to the increase in (1) cash and cash equivalents from the sale of OKEA's part of THB 7,680 million and (2) property, plant and equipment from OKEA and investment in assets during the period such as scheduled maintenance of the refinery, investment in solar power plant projects in Japan, investment in ethanol production capacity expansion, and etc. While in 2022, BCP's total assets increased by THB 40,599 million or an increase of 20.1 percent from the previous year, mainly due to the increase in (1) products remaining from an increase in the amount of crude oil and refined oil and average cost per unit of crude oil and refined oil increased; and (2) trade and other current receivables from the increase in sales volume and average selling price of refined oil products and the increase in the amount of accrued revenue recognition

#### **Total liabilities**

As of December 31, 2020 - 2022, BCP's total liabilities were THB 64,504 million, THB 98,121 million, and THB 111,114 million, respectively. BCP's main total liabilities consisting of loans from financial institutions, debentures, and trade payables.

BCP's total liabilities in 2021 increased by THB 42,220 million from 2020, or an increase of 46.9 percent from the previous year. This was mainly due to the increase in long-term loans and debentures of the BCP group for business expansion. While, in 2022, BCP's total liabilities continued to increase by THB 26,740 million, or an increase of 20.2 percent from the previous year. This was mainly due to an increase in (1) Trade and other current payables from an increase in purchase volume of crude oil and finished oil products and an increase in the average purchase price; and (2) a provision for dismantling costs from an additional investment in OKEA's share of resources (Ivar Aasen, Brage and Nova)

The IFA's opinion is that BCP's past performance and financial position demonstrates that BCP has a strong operating performance and be able to continuously generate cash flow from operating activities. Moreover, BCP has good liquidity management as of December 31, 2022, the company still be able to maintain high liquidity ratio. Furthermore, the value of assets, liabilities and shareholders' equity of BCP is still higher than the value of the providing and/or receiving financial assistance transactions.

#### **4.6 Advantages and Disadvantages of Entering into the Transaction**

##### **4.6.1 Advantages of Entering into the Transaction**

- Enhance investment opportunities to yield a higher return than the current investment  
Because the Company's source of fund for providing financial assistance to BCP and/or BCTC is from the excess cash from both operation and/or any other source of funds from the Company's cash flow management. Therefore, the providing financial assistance to BCP and /or BCTC with an interest rate higher than the Company's current cost of capital for the excess cash will be able to create valuable return to the Company. (Shareholders can study the appropriateness of the interest rate Borrowing can be found in section 4.3.1)
- Enhance the flexibility in the liquidity and short-term cash flow management  
Entering in the providing or receiving financial assistance transactions amongst the BCP Group will enhance the opportunities to obtain short-term financing with reasonable cost, and create flexibility in liquidity and short-term cash flow management in terms of both excess and shortage liquidity. In addition, this Transaction will also help the financial costs management and uses the potential of the BCP Group in finding low-cost funding sources, and utilizing as a source of funds for an emergency case.

##### **4.6.2 Disadvantages of Entering into the Transaction**

- May lose the opportunity to invest in assets which has higher yield  
The providing financial assistance to BCP and/or BCTC has a maximum credit limit of THB 3,000 million within a period of 5 years, with each loan not exceeding 1 year. This may cause the Company's to lose the opportunities to invest in the assets that could offer better returns during the same period. However, the Company's management will be the one who considers the lending period, depending on the liquidity and the need to use funds of the company at that time.
- The Company's liquidity ratio may be lower during the provding financial assistance period The amount of the providing financial assistance transaction in the revolving credit line of not more than THB 3,000 million baht The Company's management will be the one who considers the lending period, depending on the liquidity and the need to use funds of the company at that time.

#### **4.7 Advantages and Disadvantages of Entering into the Transaction with the Connected Person Comparing to The Third Party**

##### **4.7.1 Advantages of Entering into the Transaction with the Connected Person**

- Flexibility in negotiating and coordinating  
As BCP is the Company's major shareholder sharing the same shareholders and directors, communication and negotiation between each other is more flexible. Comparing to entering into the Transaction with outsiders, the Company can conveniently follow up on loan repayment and inquire necessary information regarding financial status and debt repayment. While, receiving financial assistance from BCP and/or BCTC, which is a major shareholder, may approve the loan faster than

doing a transaction with a third party because BCP has a better knowledge and understanding of the business of the Company than others. Therefore, it may reduce the time for data verification.

- Flexibility in determining the terms of loan

By entering into the Transaction with the connected person, the Company can negotiate for loan conditions such as repayment date, or request for early repayment in case the Company has urgent need for cash etc. Thus, the Company will have more flexibility in liquidity management while be able to receive higher rate of returns comparing to entering into the Transaction with others. While, receiving financial assistance with the flexibility in terms and conditions setting also help reduce the Company's financial costs through prepayment in the event that the Company have sufficient cash flow, and the Company also receives the benefit from the lower interest rate than the other source of finance.

#### **4.7.2 Disadvantages of Entering into the Transaction with the Connected Person**

- Additional Transaction Cost

As the financial assistance provided to and/or received from BCP and/or BCTC is considered as a large connected transaction, the Company therefore has an obligation according to the Notification on Connected Transaction to propose the Transaction to the shareholders' meeting for approval. Thus, the Company may have additional expenses including the appointment of an independent financial advisor to provide opinion on the Transaction. However, the compliance practice and information disclosure to SET and shareholders are a part of good corporate governance demonstrating the Company's transparency in management.

### **4.8 Risks from Entering into the Transaction**

#### **4.8.1 Risk before entering into the Transaction**

- Risk of not receiving the shareholders' approval

Due to the size of the transaction, it is considered as a Connected Transaction. the Company is obliged to hold a shareholders' meeting to request approval for entering into a transaction. The votes of the shareholders' meeting must not be less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, not including the shareholders who have conflict interests. Therefore, there is a risk of not getting approval from the shareholders' meeting which the Company will not be able to enter into the transaction.

#### **4.8.2 Risk after entering into the Transaction**

- Risk from a lack of short-term financial liquidity

Although the Company had a current ratio as of December 31, 2022 at a good high level of 6.6 times when comparing the amount of the providing financial assistance transactions in the amount of not more than THB 3,000 million with the value of current assets of the Company as of December 31, 2022 which is THB 5,138 million, the Company, therefore, may have the risk of liquidity shortage during the period in which the Company provides financial assistance to BCP and/or BCTC.

However, in considering providing financial assistance to BCP and/or BCTC, the Company's management will be the one who considers the lending period, depending on the liquidity and the need to use funds of the company at that time. In addition, before signing loan agreement, the management have to present the transaction to the Executive Committee meeting. to ensure that this providing financial assistance transactions will not affect the operations of the Company. In case the Company has not enough excess cash for the Transaction, the Company has the right to reject BCP and/or BCTC in providing financial assistance

- Risk of default

Despite the strong performance and the ability to continuously generate cash flow from operating activities, BCP's specific risks, such as fluctuations in oil prices and raw materials used in production, global economic downturn, and decreased demand, changes in energy innovation, and the risk from investment in mega-projects, may pressure BCP to lack short-term liquidity. Therefore, the Company may have is a risk of BCP's debt default. However, BCP is a large company with assets as of December 31, 2022 of THB 242,344 million and is able to continuously generate positive cash flow from operating activities. In addition, BCP has also received a credit rating from TRIS Rating at level A. This resulting in a low risk of default.

- Risk of breaching financial covenant contained in the financial institution and debentures

Since BBGI's source of fund is through borrowing from financial institutions and the issuance of debentures to investors. This loans also have financial covenants that require the Company to maintain financial ratios as follows:

Financial ratio	Conditions	As of December 31, 2022		
		Prior the Transaction	After providing financial assistance <sup>1</sup>	After receiving financial assistance <sup>1</sup>
Debt to Equity Ratio	Below 3.00 time	0.92	0.83	1.41
Debt Service Ratio	Exceed 1.15 time	2.66	2.90	2.14

Remark: <sup>1</sup> The financial ratio after providing and receiving financial assistance is calculated from Financial ratios calculated from the year 2022 financial statements, adjusted by providing and/or receiving financial assistance at full amount.

However, after entering into the transaction of providing and receiving financial assistance, by referring to the calculation from the Company's financial statements for the year 2022, it was found that the Company has sufficient capability to provide and/or receive financial assistance in full amount without violating the financial conditions specified in the loan agreement with the financial institution and the debenture. However, due to the conditions of the transaction has set a time frame for providing and/or receiving financial assistance within 5 years if there are changes in the Company's operation in the future, the Company may have a risk of breaching financial conditions. from the increase in debt burden and/or reduce in liquidity from providing and/or receiving financial assistance However, before entering the providing and/or receiving financial assistance transactions, the Company's management will be the one who considers the lending period, depending on the

liquidity and the need to use funds of the company at that time, and will inform the meeting of the Board of Directors to acknowledge the loan agreement to ensure that such financial assistance will not affect the Company's financial covenants from the financial institution loan, and debenture.

- Risk from being controlled the condition in loan agreement by major shareholders

Since BCP is a major shareholder of the Company who has the power to control some parts of the business through the sending of representatives to participate in the management and some decisions-making within the Company. Therefore, there is a risk that the Company may be controlled in entering into the transaction of providing and receiving financial assistance which does not create the greatest benefit to the Company. However, due to the strict conditions for providing and receiving financial assistance both in terms of interest rates for providing financial assistance which must not be lower than the cost of capital of the excess cash of the Company and interest rate for receiving financial assistance which must not be higher than the interest rate that the Company received from other financial institutions. In addition, the Company also authorized Chief Finance and Accounting Officer ("CFO") to be the one who consider the amount and conditions of providing and/or receiving financial assistance under the conditions presented to the shareholders. The issues for consideration of providing or receiving financial assistance are as follows:

Issue	Providing financial assistance	Receiving financial assistance
Used of fund	<ul style="list-style-type: none"> <li>● BCP or BCTC must have clear objectives for the use of funds. which is applicable only for short-term liquidity support to BCP or BCTC only.</li> <li>● Consistent with the financial assistance period.</li> </ul>	<ul style="list-style-type: none"> <li>● The Company must has clear objectives for using this cash only to manage its short-term liquidity</li> <li>● Consistent with the financial assistance period.</li> </ul>
Source of fund	Details, according to item 3.7.	- None -
Credit Risk	<ul style="list-style-type: none"> <li>● BCP's Credit Rating is in the investment grade level (Currently, BCP's credit rating by TRIS Rating is at A-, in which the Investment Grade bond supposed to have the rating from BBB- and above.)</li> <li>● BCP's Credit Rating at the time of the transaction is higher than the credit rating of the Company.</li> <li>● BCP or BCTC is not in default with any lender.</li> </ul>	- None -
Interest Rate	Details, according to item 4.3.1	Details, according to item 4.3.1

Loan Conditions	Details, according to item 4.3.2	Details, according to item 4.3.2
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After passing consideration of all the above issue, CFO will compare interest rate and conditions for providing and/or receiving financial assistance with other alternatives and present information to the Executive Committee or the Board of Directors in order for the directors who have no interest in BCP and/or BCTC approves the providing and/or receiving financial assistance before entering into the transaction. After completing the transaction, management have to report the transaction to the Audit Committee and Risk management Committee for acknowledgment in accordance with the Company's guidelines for related party transactions. In addition, in order to monitor credit risk, the management team will continue to monitor credit risk and present the information to the Board of Directors in the event that the credit rating of BCP negatively changes or default on payment with any creditor. This will help reduce the risk of having control over major shareholders.

#### **4.9 IFA's Opinion on Reasonableness of the Transaction**

The IFA has considered the reasonableness of the transaction. By considering the suitability of the interest rate and the conditions of the transaction, advantages and disadvantages of entering into the Transaction, Advantages and disadvantages of entering into transactions with connected persons compared to third parties, and risk of entering into the transaction. For the reasons mentioned above, the IFA, as an independent financial advisor, have an opinion that entering the providing and receiving financial assistance transaction with BCP and/or BCTC will help the Company to increase the alternative way to manage liquidity and short-term cash flow to be more efficient. In addition, the interest rate that the Company will be received from both providing and receiving is suitable in term of both financing and investing and beneficial to the Company. **The Advisor is of the view that this transaction is reasonable.**



**Section 5 : Summary of IFA's Opinion**

Please see more summary of IFA's Opinion in Section 1 : "Executive Summary" of the IFA's Opinion report.

The connected transaction of the Company is in accordance to the Notification on Connected Transaction. Shareholders should consider information, reasons for the Transaction and opinion of IFA regarding the Transaction which have been disclosed within the IFA's Opinion report.

Silom Advisory Co., Ltd, as the independent financial advisor of the Company, hereby certify that the Advisor have considered and studied the information with the prudence and reasonableness according to professional conduct and have opined based on reasonableness and fair basis by accounting the interest of the Company's shareholders.

Yours sincerely,

.....  
(Mr. Pitak Kittiakrasatien)

Managing Director

Silom Advisory Co., Ltd

.....  
(Mr. Pitak Kittiakrasatien)

Operation Controller

Silom Advisory Co., Ltd

## Attachment 1 : Information Summary of BBGI Public Company Limited

### 1. General Information

<b>Company Name</b>	: BBGI Public Company Limited
<b>Type of Business</b>	: The Company performed through Holding Company within 1 ) the business of Biofuel including Ethanol, Biodiesel, and 2) High Value Bio-Based Products in Health and Well-Being which utilizing advanced technology.
<b>Juristic Person Registration Number</b>	: 0107561000129
<b>Address</b>	: 2098 M Tower Building, 5th Floor, Sukhumvit Road, Phra Khanong Tai, Phra Khanong Bangkok 10260
<b>Registered capital</b>	: 3,615,000,000.00 THB baht divided into 1,446,000,000 ordinary shares with par value 2.50 THB ( as of 20 February, 2023)
<b>Issued and paid-up capital</b>	: 3,615,000,000.00 THB baht divided into 1,446,000,000 ordinary shares with par value 2.50 THB ( as of 20 February, 2023)

### 2. History

BBGI Public Company Limited ("BBGI" or "the Company") was formed as a result of the amalgamation of between BBH, a 100% subsidiary of Bangchak Corporation Public Company Limited ("BCP"), and KSLGI, a 100% subsidiary of Khon Kaen Sugar Industry Public Company Limited ("KSL") ) In 2017, from the cooperation as a business alliance of 2 leaders in bio-energy business (Bio-based Products) between BCP, a manufacturer and distributor of fuel with a network of gas stations nationwide which aims to develop businesses with green innovations for the environment and society; and KSL, a sugar manufacturer and distributor with a full range of sugar-related businesses, giving the company a strong foundation. BBGI is ready to drive to become a leader in the business of high-value bio-products that promote health through green innovation. and conducting business with a sustainable approach

The Company operates its business by holding shares of other companies (Holding Company), consisting of (1) manufacturing and distributing bio-based products. food grade and pharmaceutical grade pure ethanol, pharmaceutical grade disinfectant alcohol; and (2) other businesses, which are Health and Well-Being products that use advanced technology in 4 main business groups: bio-based ingredients in supplements; food (Bio-Nutrition Ingredients) biological components in cosmetics (Biocosmetic Ingredients) biological components (Bio-Pharmaceutical Ingredients) and biological materials / bioactive substances (Bio-Materials / Active Ingredients)

Currently the company is a leading producer and distributor of biofuels in Thailand which operates upstream to downstream business of biodiesel and ethanol fully integrated by selling to the country's major oil traders of both BCP and other oil traders with a biodiesel production plant located in Phra Nakhon Si Ayutthaya Province. The total production capacity is 1,000,000 liters per day. There are also 3 ethanol production plants

located in Khon Kaen, Kanchanaburi and Chachoengsao with the total production capacity is 600,000 liters per day. Currently, BBGI is in the process of expanding the production capacity of ethanol by 200,000 liters per day to increase business competitiveness and create stability in the country's renewable energy.

From the current of health awareness and the trend of higher proportion of elderly people around the world, and the spread of Covid-19 encourages people to pay more attention to their health, which is in line with the business direction of BBGI that strives to become a leader in the business of high-value bio-based products that promote health through green innovation by taking advantage of the integrated bio-based business of the Company Group through biotechnology to develop advanced technologies in synthetic biology (Synthetic Biology - Synbio) to produce high-value bio-products through cooperation and investment in startups or leading business operators with knowledge and skills in advanced biotechnology high both in Thailand and abroad. In the near future, BBGI has plans to establish a Contract Development and Manufacturing Organization (CDMO) in Thailand. It will be able to produce various high-value bio-based products that are competitive in terms of efficiency and production capacity. At the same time, it also reduces the use of natural resources, greenhouse gas emissions and reduce production costs compared to traditional technology. This will help improve the quality of life and contribute to the sustainability of the world.

### 3. Type of Business

BBGI operates 3 businesses through holding shares in subsidiaries as follows:

**1. Ethanol production and distribution business** Ethanol (Ethanol) or ethyl alcohol (Ethyl Alcohol) was produced by the fermentation of sugar or starchy plants. It has a clear, colorless liquid with easily flammable properties, and can be dissolved in both water and other organic solutions, so it can be used in a variety of product grades. The ethanol products can be divided into 3 types as follows.

- **Fuel grade ethanol (Fuel Alcohol)**, which has a concentration of 99.5% by volume, used in fuel production. It can be used as an octane booster in gasoline, and when mixed with gasoline, it's then called gasohol.
- **Industrial Grade Ethanol (Industrial Alcohol)** is alcohol that cannot be consumed directly. It is mainly used in the food and beverage, medical and fiber industries, etc.
- **Pharmaceutical grade ethanol (Portable Alcohol or ENA – Extra Neutral Alcohol)** is alcohol that can be directly consumed. It is mainly used in the production of cosmetics, liquor and pharmaceuticals.

The Company's subsidiary obtained permission from the Excise Department to produce ethanol with an alcohol purity of not less than 99.5 percent to be used in mixing with fuel to be used as fuel. The ethanol must be converted by mixing with gasoline according to the method specified by the Excise Department, before leaving the factory and selling to operators who sell fuel mixed with ethanol directly only, and is licensed by the Excise Department to sell pharmaceutical grade ethanol for use in the production of cleaning products to mitigate the spread of the COVID-19 virus, at present, as of January 31, 2023. Currently,

the Company has a total ethanol production capacity of 600,000 liters per day (accounting for the production capacity according to the shareholding ratio of 577,500 liters per day), with Details are as follows:

Company	Share holding (%)	Location	Production capacity (Litre/day)	Production capacity by equity (Litre/day)	Raw Material	Product
Subsidiaries						
1. BBGI Bioethanol <sup>(1)</sup> Nam Phong 1	100.00	Nam Phong District Khon Kaen Province	150,000	150,000	molasses <sup>(2)</sup>	fuel grade ethanol and biogas
Bo Ploy		Bo Phloi District Kanchanaburi Province	300,000	300,000	molasses <sup>(2)</sup>	Fuel Grade Ethanol, ENA Grade and Biogas
2. BBGI Bioethanol (Chachoengsao)	85.00	Bo Phloi District and Sanam Chai Khet District Kanchanaburi Province	150,000	127,500	cassava <sup>(2)</sup>	fuel grade ethanol

Remark:

(1) BBGI Bioethanol Plc. is under construction an ethanol plant. (Nam Phong Factory 2) in Khon Kaen province with a production capacity of 200,000 liters per day and is expected to commence commercial production at full capacity in the first quarter of 2023

(2) The Factorys under BBGI Bioethanol Plc. and BBGI Bioethanol Co., Ltd. (Chachoengsao) can use raw sugar as a raw material for ethanol production. However, it is not the main ingredient. The Company will decide to use raw sugar as raw materials only when the price of the main raw material is high or the quantity is insufficient. The Company only raw sugar was used in 2020, accounting for approximately 36% of the total cost of ethanol feedstock.

**2. Biodiesel production and distribution business** Biodiesel is a substitute fuel for diesel fuel. which is produced from natural raw materials and is considered to be a clean energy that is friendly to the environment. Biodiesel can be produced from vegetable oil, or animal fat into a chemical process called transesterification. (Transesterification) by reacting with methanol and alkali as a catalyst. It produces biodiesel and has a by-product of crude glycerin, which can be refined into pure glycerin. To be used as an important precursor in various industries such as soap, pharmaceutical and cosmetic production. The Company's subsidiary Received permission from the Department of Energy Business to operate the business of producing and distributing biodiesel in the category of fatty acid tethyl esters. This includes being registered as a fuel payer under section 7. At present, as of January 31, 2023, the company has a total biodiesel production capacity of 1,000,000 liters per day (accounting for the capacity according to the shareholding ratio of 700,000 liters per day). Details are as follows:

Company	Subsidiaries	Share holding (%)	Location	Production capacity (Litre/day)	Production capacity by equity (Litre/day)	Raw Material	Product
BBGI Biodiesel 1 Factory	BBF	70.00	Bang Pa-in District, Phra Nakhon Si	410,000	287,000	Crude palm oil or palm stearin and	biodiesel and crude glycerin
BBGI Biodiesel 2 Factory				590,000	413,000	fatty acids from refined palm oil	biodiesel and crude glycerin

Company	Subsidiaries	Share holding (%)	Location	Production capacity (Litre/day)	Production capacity by equity (Litre/day)	Raw Material	Product
Pure glycerine Factory			Ayutthaya Province	80 Tonne	56 Tonne	Crude glycerin obtained from biodiesel production	Pure glycerin

**3. Health-Promoting High-Value Bio-Products Business Unit** is a group of biological products that aim or exists for the benefit of helping to promote health or the well-being of consumers by means 1) Dietary supplements, including products that are consumed in addition to the normal diet in the form of tablets, capsules, powder, pellets, liquids or other forms which is not a normal food form 2) Cosmetics, including beauty products for youth cleaning products and any products that promote good hygiene for users. It does not include products intended for consumption as food or as a condiment or as an ingredient in food or is protected by the law on intellectual property.

In this regard, the revenue structure of the Company, according to the audited consolidated financial statements in 2020 - 2022 can be classified as follows:

Item	2020		2021		2022	
	MB	%	MB	%	MB	%
<b>Revenue from Sales</b>						
Ethanol production and distribution business	4,427.95	35.09	4,610.79	32.63	3,965.32	29.55
Biodiesel production and distribution business	8,142.69	64.52	9,481.73	67.09	9,404.09	70.08
Health-Promoting High-Value Bio-Products Business Unit		0.00	2.42	0.02	4.37	0.03
<b>Total Revenue from Sales</b>	<b>12,570.64</b>	<b>99.61</b>	<b>14,094.94</b>	<b>99.74</b>	<b>13,373.78</b>	<b>99.66</b>
Interest received	1.41	0.01	2.26	0.02	10.91	0.08
Other revenue*	47.88	0.38	34.75	0.25	34.16	0.25
<b>Total revenue</b>	<b>12,619.93</b>	<b>100.00</b>	<b>14,131.95</b>	<b>100.00</b>	<b>13,418.84</b>	<b>100</b>

Remak: \* Other revenue consists of dividend income. and income from the sale of by-products from scrap raw materials, etc.

Source: The Company's annual report 2021 and information from the company

#### 4. List of Board of Directors

As of January 1, 2023, BBGI has 11 members of the Board of Directors, whose names are as follows:

	Name-Surname	Position
1.	Mr. Pichai Chunchavajira	Chairman
2.	Mr. Chamroon Chinthammit	Vice Chairman
3.	Mr. Surin Chiravisit	Director
4.	Mr. Chaiwat Kovavisarath	Director
5.	Mr. Kittiphong Limsuwanarot	President and Chief Executive Officer, Director
6.	Mr. Chalush Chinthammit	Director
7.	Mr. Chanachai Chutimavoraphand	Director

	Name-Surname	Position
8.	Mrs. Jaruporn Viyanant	Independent Director, Chairman of the Audit Committee
9.	Mrs. Patricia Mongkhonvanit	Independent Director, Audit Committee
10.	Mr. Matthew Kichodhan	Independent Director
11.	Mrs. Thitapha Smitinon	Independent Director, Audit Committee

Source : [www.set.or.th](http://www.set.or.th)

## 5. Shareholder Structure

As of August 23, 2022, BBGI has a list of top 10 major shareholders as follows.

	Name-Surname	No. of shares	%
1.	Bangchak Corporation Plc.	650,632,088	45.00
2.	Khon Kaen Sugar Industry Plc.	432,119,988	29.88
3.	Sansiri Plc. managed by Xspring Asset Management Company Limited	17,620,000	1.22
4.	Bualuang Long Term Equity Fund	16,139,145	1.12
5.	Viriyah Insurance Plc.	9,318,980	0.64
6.	Ms. Obwaroon Yamerbsin	8,525,000	0.59
7.	Vayupak Mutual Fund 1 by MFC Asset Management Plc.	6,615,213	0.46
8.	Vayupak Mutual Fund 1 by Krung Thai Asset Management Plc.	6,615,213	0.46
9.	Gunkul Group Company Limited	5,000,000	0.35
10.	Thai NVDR Company Limited	4,597,616	0.32

Source : [www.set.or.th](http://www.set.or.th)

## 6. Financial Statement

### 6.1 Statement of financial position

Statement of financial position	December 31, 2020 (audited)		December 31, 2021 (audited)		December 31, 2022 (audited)	
	Million baht	%	Million baht	%	Million baht	%
<b>Assets</b>						
<b>Current assets</b>						
Cash and Cash Equivalents	157.15	1.23	383.61	2.97	1,414.22	10.03
Current investment					1,220.00	8.65
Trade accounts receivable	1,056.16	8.30	1,122.25	8.69	910.67	6.46
Other current receivables	660.90	5.19	494.77	3.83	688.13	4.88
Short-term loan to related parties	0.00	0.00	0.00	0.00	0.00	0.00
Inventories	1,402.34	11.01	1,024.78	7.94	891.96	6.32
Current tax assets	4.09	0.03	11.30	0.09	12.56	0.09
Other current assets	0.13	0.00	0.20	0.00	0.06	0.00
<b>Total current assets</b>	<b>3,280.76</b>	<b>25.77</b>	<b>3,036.91</b>	<b>23.53</b>	<b>5,137.61</b>	<b>36.42</b>
<b>Non-current assets</b>						

Statement of financial position	December 31, 2020 (audited)		December 31, 2021 (audited)		December 31, 2022 (audited)	
	Million baht	%	Million baht	%	Million baht	%
Restricted deposits at financial institutions	73.68	0.58	57.59	0.45	46.96	0.33
Investment in subsidiaries, associate and joint venture	862.49	6.77	39.06	0.30	114.32	0.81
Other non-current financial assets	796.51	6.26	1,883.24	14.59	916.64	6.50
Property, plant and equipment	5,695.62	44.74	5,871.41	45.49	6,187.39	43.86
Right-of-use assets	387.31	3.04	376.37	2.92	23.70	0.17
Goodwill	1,602.32	12.59	1,602.32	12.41	1,602.32	11.36
Intangible assets other than goodwill	25.50	0.20	25.36	0.20	28.52	0.20
Deferred tax assets	5.93	0.05	6.58	0.05	7.77	0.06
Other non-current assets	1.33	0.01	8.26	0.06	40.90	0.29
<b>Total non-current assets</b>	<b>9,450.70</b>	<b>74.23</b>	<b>9,870.20</b>	<b>76.47</b>	<b>8,968.51</b>	<b>63.58</b>
<b>Total assets</b>	<b>12,731.47</b>	<b>100.00</b>	<b>12,907.10</b>	<b>100.00</b>	<b>14,106.12</b>	<b>100.00</b>
<b>Liabilities and equity</b>						
<b>Current liabilities</b>						
Short-term loans from financial institutions	2,204.75	17.32	755.31	5.85	26.61	0.19
Trade accounts payable	528.71	4.15	716.35	5.55	516.81	3.66
Other current payables	220.05	1.73	303.06	2.35	253.01	1.79
Current portion of lease liabilities	4.62	0.04	7.25	0.06	6.19	0.04
Current portion of debenture			499.41	3.87	0.00	0.00
Current portion of long-term loans from financial institutions	571.28	4.49	591.88	4.59	627.10	4.45
Income tax payable	110.86	0.87	24.80	0.19	1.38	0.01
Other current liabilities	57.07	0.45	42.19	0.33	35.94	0.25
<b>Total current liabilities</b>	<b>3,697.33</b>	<b>29.04</b>	<b>2,940.25</b>	<b>22.78</b>	<b>1,467.05</b>	<b>10.40</b>
<b>Non-current liabilities</b>						
Long-term loans from financial institutions	2,061.27	16.19	1,685.53	13.06	1,372.07	9.73
Lease liabilities	388.94	3.05	394.17	3.05	19.52	0.14
Debentures			798.81	6.19	799.32	5.67
Deferred tax liabilities	54.26	0.43	140.31	1.09	59.37	0.42
Non-current provisions for employee benefits	21.48	0.17	24.70	0.19	35.52	0.25
Other non-current financial liability					53.00	0.38
Other non-current liabilities	3.74	0.03	19.24	0.15	19.07	0.14
<b>Total non-current liabilities</b>	<b>2,529.70</b>	<b>19.87</b>	<b>3,062.76</b>	<b>23.73</b>	<b>2,357.87</b>	<b>16.72</b>
<b>Total liabilities</b>	<b>6,227.03</b>	<b>48.91</b>	<b>6,003.01</b>	<b>46.51</b>	<b>3,824.91</b>	<b>27.12</b>
<b>Equity</b>						
Issued and paid-up share capital	2,532.00	19.89	2,532.00	19.62	3,615.00	25.63
Share premium on ordinary shares					3,381.24	23.97
Surplus from business combination	1,950.68	15.32	1,950.68	15.11	1,950.68	13.83
Differences from business restructuring under common control	(229.05)	(1.80)	(229.05)	(1.77)	(229.05)	(1.62)

Statement of financial position	December 31, 2020 (audited)		December 31, 2021 (audited)		December 31, 2022 (audited)	
	Million baht	%	Million baht	%	Million baht	%
Retained earnings						
Appropriated Legal reserve	45.03	0.35	96.00	0.74	97.02	0.69
Unappropriated	1,719.11	13.50	2,127.45	16.48	1,852.82	13.13
Other component of equity			(62.10)	(0.48)	(952.05)	(6.75)
<b>Equity attributable to owners of the parent</b>	<b>6,017.78</b>	<b>47.27</b>	<b>6,414.98</b>	<b>49.70</b>	<b>9,715.67</b>	<b>68.88</b>
Non-controlling interests	486.66	3.82	489.11	3.79	565.54	4.01
<b>Total equity</b>	<b>6,504.43</b>	<b>51.09</b>	<b>6,904.10</b>	<b>53.49</b>	<b>10,281.21</b>	<b>72.88</b>
<b>Total liabilities and equity</b>	<b>12,731.47</b>	<b>100.00</b>	<b>12,907.10</b>	<b>100.00</b>	<b>14,106.12</b>	<b>100.00</b>

Source: BBGI's audited consolidated financial statements for the year ended 31 December 2020 - 2022

**6.2 Statements of income**

Statement of comprehensive income	2020 (audited)		2021 (audited)		2022 (audited)	
	Million baht	%	Million baht	%	Million baht	%
Revenue from sale of goods	12,570.64	99.62	14,094.94	99.74	13,373.78	99.66
Other revenues	47.94	0.38	37.23	0.26	45.07	0.34
<b>Other income</b>	<b>12,618.57</b>	<b>100.00</b>	<b>14,132.17</b>	<b>100.00</b>	<b>13,418.84</b>	<b>100.00</b>
Cost of sales of goods	10,868.40	86.13	13,065.41	92.45	12,909.53	96.20
<b>Gross Profit</b>	<b>1,702.23</b>	<b>13.49</b>	<b>1,029.53</b>	<b>7.28</b>	<b>464.24</b>	<b>3.46</b>
Distribution costs	41.75	0.33	32.40	0.23	42.74	0.32
Administrative expenses	288.55	2.29	243.26	1.72	266.82	1.99
Gain on fair value adjustment on investment			611.79	4.33		
Gain (Loss) on derivative instruments	(31.91)	(0.25)				
<b>Profit (loss) from operating activities</b>	<b>1,387.95</b>	<b>11.00</b>	<b>1,402.89</b>	<b>9.93</b>	<b>199.75</b>	<b>1.49</b>
Finance costs	122.84	0.97	107.21	0.76	94.67	0.71
Share of profit of subsidiaries accounted for using equity method	20.63	0.16	42.70	0.30	(7.94)	(0.06)
<b>Profit before income tax expense</b>	<b>1,285.74</b>	<b>10.19</b>	<b>1,338.38</b>	<b>9.47</b>	<b>97.15</b>	<b>0.72</b>
Income tax expense	174.06	1.38	150.19	1.06	0.30	0.00
<b>Profit for the year</b>	<b>1,111.68</b>	<b>8.81</b>	<b>1,188.18</b>	<b>8.41</b>	<b>96.84</b>	<b>0.72</b>
- Owners of the Parent	845.17	6.70	960.18	6.79	20.42	0.15
- Non-controlling interests	266.51	2.11	228.01	1.61	76.43	0.57

Source: BBGI's audited consolidated financial statements for the year ended 31 December 2020 - 2022

**6.3 Statements of cash flows**

Statement of cash flows	2020 (audited)	2021 (audited)	2022 (audited)
	Million baht	Million baht	Million baht
<b>Cash flows from operating activities</b>			



Statement of cash flows	2020 (audited)	2021 (audited)	2022 (audited)
	Million baht	Million baht	Million baht
Profit for the year	1,111.68	1,188.18	96.84
<i>Adjustments to reconcile profit to cash receipts (payments)</i>			
Income tax expense	174.06	150.19	0.30
Finance costs	122.84	107.21	94.67
Depreciation and amortisation	417.85	413.70	421.64
Unrealised (gain) loss on foreign exchange	0.06	0.03	(0.00)
Losses on inventories devaluation	(0.46)	2.07	5.30
Loss on disposal of property, plant and equipment	3.81	0.74	1.96
Provision for non-current employee benefit	5.04	3.80	5.62
Interest income	(1.41)	(2.26)	(10.91)
Dividends income			(11.64)
Gain on fair value adjustment of investments		(611.79)	
Share of profit of subsidiaries accounted for using equity method	(20.63)	(42.70)	7.94
	<b>1,812.85</b>	<b>1,209.18</b>	<b>611.72</b>
<i>Changes in operating assets and liabilities</i>			
Trade accounts receivable	(177.05)	(66.09)	211.58
Other current receivables	420.37	154.78	(192.99)
Inventories	(178.25)	375.49	127.52
Other current assets and other non-current assets	20.18	(7.00)	(32.95)
Restricted deposits at financial institutions	(21.80)	16.09	10.63
Trade accounts payable	(117.23)	187.64	(199.53)
Other current payables	31.37	15.14	(38.67)
Other current liabilities and non-current liabilities	17.90	0.63	(4.26)
Net cash from (used in) operating activities	1,808.35	1,885.85	493.04
Tax paid	(114.79)	(143.48)	(30.20)
<b>Net cash from (used in) operating activities</b>	<b>1,693.22</b>	<b>1,742.37</b>	<b>462.84</b>
<b>Cash flows from investing activities</b>			
Dividends received	2.13	78.73	11.64
Interest received	1.41	2.16	10.80
Increase in current investments	68.17		(1,220.00)
Short-term loan to related parties - net		(0.07)	0.00
Proceeds from sales of investment in associate		234.86	0.00
Cash paid for investment in associate	(40.80)		(30.20)
Acquisition of property, plant and equipment and intangible assets	(927.82)	(484.33)	(387.57)
Proceeds from sale of property, plant and equipment		2.10	0.08
<b>Net cash from (used in) investing activities</b>	<b>(1,693.43)</b>	<b>(166.57)</b>	<b>(1,615.24)</b>
<b>Cash flows from financing activities</b>			
Repayment of short-term loans from financial institutions - net	(276.25)	(1,449.44)	(728.70)
Proceeds from long-term loans from financial institutions	1,041.41	216.00	298.50

Statement of cash flows	2020 (audited)	2021 (audited)	2022 (audited)
	Million baht	Million baht	Million baht
Repayment of long-term loans from financial institutions	(394.16)	(571.28)	(576.88)
Payment of lease liabilities	(24.30)	(15.12)	(394.63)
Proceeds from debentures		1,297.46	
Repayment of debentures			(500.00)
Proceeds from issue of ordinary shares			4,464.24
Dividends paid to owners of the parent		(501.34)	(289.18)
Dividends paid to non-controlling interests	(143.57)	(225.48)	0.00
Financial cost paid	(114.30)	(100.15)	(90.34)
<b>Net cash from (used in) financing activities</b>	<b>88.83</b>	<b>(1,349.35)</b>	<b>2,183.01</b>
<b>Net increase in cash and cash equivalent</b>	<b>88.63</b>	<b>226.46</b>	<b>1,030.61</b>
Cash and cash equivalents as at 1 January	68.52	157.15	383.61
<b>Cash and cash equivalents as at 31 December</b>	<b>157.15</b>	<b>383.61</b>	<b>1,414.22</b>
<b>Non-cash transactions</b>			
Payables for property, plant and equipment	81.08	144.63	135.23
Accrued investment			53.00

Source: BBGI's audited consolidated financial statements for the year ended 31 December 2020 - 2022

**6.4 Financial ratios**

Financial ratios	Unit	Consolidated financial statement as of		
		December 31		
		2020	2021	2022
<b>Liquidity Ratios</b>				
Current Ratio	times	0.89	1.03	3.50
Quick Ratio	times	0.33	0.51	2.42
Operating Cash Flow to Current Liabilities	times	0.44	0.53	0.21
AR Turnover	times	12.99	12.94	19.74
Collection Period (Days)	days	28	28	18
Finish Good Turnover	times	22.72	24.97	23.92
Finish Good Collection period (Days)	days	16	15	15
Inventory Turnover	times	8.28	10.77	13.47
Inventories Collection period (Days)	days	44	34	27
AP Turnover	times	18.51	20.99	20.94
Payment Period (Days)	days	20	17	17
Cash Cycle	days	52	45	28
<b>Profitability Ratios</b>				
Gross profit margin	%	13.54%	7.30%	3.47%
EBIT margin	%	11.04%	9.95%	1.49%
อัตราส่วนเงินสดต่อกำไร	%	121.99%	124.20%	231.71%
Net profit margin	%	8.84%	8.43%	0.72%
ROE	%	15.15%	15.21%	0.21%
<b>Efficiency ratio</b>				

Financial ratios	Unit	Consolidated financial statement as of		
		December 31		
		2020	2021	2022
Return on asset	%	11.57%	10.85%	1.26%
Return on fix assets	%	26.87%	27.59%	8.51%
Asset Turnover	times	1.04	1.10	0.99
<b>Financial Policy Ratio</b>				
Debt to Equity Ratio	times	0.96	0.87	0.37
Interest Coverage Ratio	times	14.87	17.34	6.48
Interest bearing debt to EBITDA	times	2.65	2.33	4.61
Debt services ratio	times	0.66	1.01	0.94
Dividend payout ratio	%	12%	42%	1,771%

Source: BBGI's 2021 annual report and information from the company

## 7. Analysis of operating results and financial position

This section describes historical financial information, including financial status, performance, and past cash flows of BBGI according to the audited consolidated financial statements as of and for the year ended December 31, 2020–2022, as well as the assessment of various factors that may affect the future performance of BBGI.

### 7.1 Operating Results and Financial Position

Currently, BBGI is a leading producer and distributor of biofuels in Thailand which operates upstream to downstream business of biodiesel and ethanol fully integrated by selling to the country's major oil traders, both BCP and other oil traders, with a biodiesel production plant located in Phra Nakhon Si Ayutthaya Province. The total production capacity is 1,000,000 liters per day. There are also 3 ethanol production plants located in Khon Kaen, Kanchanaburi and Chachoengsao. The total production capacity is 600,000 liters per day, which is currently in the process of expanding the production capacity of ethanol by 200,000 liters per day to increase business competitiveness and create stability in the country's renewable energy.

From the current of health awareness and the trend of higher proportion of elderly people around the world In addition, the spread of Covid-19 encourages people to pay more attention to their health. which is in line with the business direction of the Company that strives to become a leader in the business of high-value bio-based products that promote health through green innovation by taking advantage of the integrated bio-based business of BBGI through biotechnology to develop advanced technologies in synthetic biology (Synthetic Biology - Synbio) to produce high-value bio-products through cooperation and investment in startups or leading business operators with knowledge and skills in advanced biotechnology high both in Thailand and abroad. In the near future, the Company There are plans to establish a Contract Development and Manufacturing Organization (CDMO) in Thailand. It will be able to produce various high-value bio-based products that are competitive in terms of efficiency and production capacity. At the same time, BBGI also reduces the use of natural resources. greenhouse gas emissions and reduce production costs compared to traditional technology. This will help improve the quality of life and contribute to the sustainability of the world. At present, the main business operations of BBGI can be divided into 3 types as follows:

1. Ethanol production and distribution business
2. Biodiesel production and distribution business
3. Health-Promoting High-Value Bio-Products Business Unit

#### 7.1.1 Total revenue

For the period of 2020 – 2022, BBGI's total revenue were THB 12,620 million, THB 14,132 million, and THB 13,374 million, respectively. The majority of BBGI's total revenue was mainly from the selling of Ethanol and Biodiesel, accounting for 99 percent of BBGI's total revenue.

Details	2020		2021		2022	
	MB	%	MB	%	MB	%
<b>Revenue from Sales and Services</b>						
Ethanol production and distribution business	4,427.95	35.09	4,610.79	32.63	3,965.32	29.55
Biodiesel production and distribution business	8,142.69	64.52	9,481.73	67.09	9,404.09	70.08
Health-Promoting High-Value Bio-Products Business			2.42	0.02	4.37	0.03
<b>Total Revenue from Sales</b>	<b>12,570.64</b>	<b>99.61</b>	<b>14,094.94</b>	<b>99.74</b>	<b>13,373.78</b>	<b>99.66</b>
Interest and dividend received	1.41	0.01	2.26	0.02	22.55	0.17
Other revenue*	47.88	0.38	34.75	0.25	22.51	0.17
<b>Total revenue</b>	<b>12,619.93</b>	<b>100.00</b>	<b>14,131.95</b>	<b>100.00</b>	<b>13,418.84</b>	<b>100.00</b>

Remak: \* Other revenue consists of dividend income, and income from the sale of by-products from scrap raw materials, etc.

Source: The Company's annual report 2021 and information from the company

##### 7.1.1.1 Revenue from Sales and Services

For the year 2020 – 2022, BBGI's revenue from sales and services were THB 12,571 million, THB 14,095 million, and THB 13,374 million, respectively. The majority of BBGI's revenue from sales and services was mainly from the selling of Ethanol and Biodiesel. In this regard, revenue from sales and services can be classified by business group as follows;

- **Ethanol production and distribution business**

The company divides the ethanol production and distribution business into 2 types according to the production method, namely ethanol production and distribution business that produced from molasses, operated by BBGI, and Bioethanol Plc. On the other hand, the ethanol production and distribution business that produces from cassava, operated by BBGI Bioethanol Co., Ltd. (Chachoengsao). The Company's products consists of;

- (1) Revenue from sales of denatured ethanol
- (2) Revenue from the sale of industrial grade ethanol and pharmaceutical grade, and
- (3) Revenue from selling biogas

For the year 2020 – 2022, BBGI's revenue from ethanol production and distribution business were THB 4,428 million, THB 4,611 million, and THB 3,965 million, accounting for 35.1 percent, 32.6 percent, and 29.6 percent of the Company's total revenue, respectively.

Ethanol production and distribution business	Unit	Consolidated financial statement as of December 31		
		2020	2021	2022
Ethanol production	Million Litre	178.85	174.54	142.23
Ethanol sales	Million Litre	185.28	179.93	141.17
Ethanol EPPO	Baht/Litre	22.08	23.20	27.38
<b>Total revenue from sales and services</b>	<b>Million Baht</b>	<b>4,427.95</b>	<b>4,610.79</b>	<b>3,965.17</b>

Source: Department of Energy Business Annual report 2021 and information from the company

In 2021, revenue from ethanol production and distribution business increased from THB 4,428 million in 2020 to THB 4,611 million, accounting for an increase of 4 percent from the previous year. This was due to an increase in average selling prices following the increase in main raw material costs. While, in 2022, revenue from ethanol production and distribution business decreased from THB 4,611 million in 2021 to THB 3,965 million, accounting for a 14 percent decrease from the previous year due to the cost of main raw materials in Ethanol production, ie. cassava and molasses, increased, causing the sales volume of ethanol products to decrease in accordance with the amount of raw materials procured.

#### ● Biodiesel production and distribution business

Biodiesel production and distribution business is operated by BBGI Biodiesel Co., Ltd. whose main products are:

- (1) Revenue from sales of biodiesel (B100)
- (2) Revenue from sourcing and distributing biodiesel
- (3) Revenue from biodiesel refining service and
- (4) Revenue from the sale of by-products and semi-finished products, i.e. crude glycerin, purified glycerin, etc.

For the year 2020 – 2022, BBGI's revenue from Biodiesel production and distribution business were THB 8,143 million, THB 9,482 million, and THB 9,404 million, accounting for 64.5 percent, 67.1 percent, and 70.1 percent of the Company's total revenue, respectively.

Biodiesel production and distribution business	Unit	Consolidated financial statement as of December 31		
		2020	ปี 2564	ปี 2565
B100 Production	Million Litre	258.02	238.60	205.99
B100 Sales	Million Litre	275.99	239.14	208.49
B100 EPPO	Baht/Litre	31.73	41.12	46.34
<b>Total revenue from sales and services</b>	<b>Million Baht</b>	<b>8,142.69</b>	<b>9,481.73</b>	<b>9,404.09</b>

Source: Department of Energy Business Annual report 2021 and information from the company

In 2021, BBGI's revenue from biodiesel production and distribution business increased from THB 8,143 million in 2020 to THB 9,482 million, accounting for an increase of 16 percent from the previous year. The reason is the increase in average selling price of biodiesel products. The increase was due to the decline in the production of palm oil from Indonesia and Malaysia who is the world's largest producers. While, in 2022, revenue from biodiesel production and distribution business decreased from THB 9,482 million in 2021 to THB 9,404 million, accounting for a decrease of 0.8 percent from the previous year. This was due to the Energy Policy Administration Committee's announcement to reduce the blending ratio of biodiesel in High-speed diesel

oil from B7 to B5 from February to September 2022 and adjusted to B7 in October 2022, while in 2021 there is a biodiesel blend ratio in B10 high-speed diesel oil as the base grade for sale throughout the year. As a result, biodiesel sales volume dropped 13% YoY.

- **Health-Promoting High-Value Bio-Products Business**

In 2021, BBGI began to expand its biofuel business into the bio-based product business which has high value and promotes health. BBGI has a strategic plan to invest in an integrated value chain from upstream to downstream business. BBGI committed to further develop from its current strong revenue base in the bio-energy business to being a leader in the business of high-value bio-based products that promote health. Currently, the Company has started commercial distribution in the form of Business-to-Business (B2B) in June 2021. In addition, on September 1, 2021, BBGI started selling dietary supplements under the brand B Nature Plus, with ASTA-VIS the end of 2021. This product will help in nourishing the eyes, extracted from red algae (Astaxanthin), bilberry, lutein and fish oil. Moreover, BBGI also sold hand alcohol which has the properties such as pharmaceutical standards fragrance free, Safe with production standards from GMP HACCP for marketing. Business-to-Customers (B2C). BBGI distributed this group of products through Facebook: BNaturePlus Line official: @BNaturePlus Shopee: BBGI Official Store and Lazada: BBGI Flagship Store. From the aforementioned businesses, resulting in 2021, the Company started recognizing the revenue from high-value bio-based products that promote health in the amount of THB 2 million, while in 2022, revenue from the biofuels business which used in the bio-based products business increased from THB 2 million in 2021 to THB 4 million, representing an increase of 86% from the previous year. This was due to the launch of new product about health care, and promotion under the brand B nature+ (B Nature Plus). The products under B Nature Plus were increasing from the previous year, including "Calcium-LT plus UC-II" and 4 probiotic. BBGI also expands its distribution channels through both online, television, and Bangkok pharmacies are increasing. In addition, oat milk mixed with soy milk products are sold under the brand More Day.

#### **7.1.1.2 Interest and dividend received**

For the year 2020 – 2022, BBGI's revenue from interest and dividend received were THB 1 million, THB 2 million, and THB 23 million, respectively. In 2021, BBGI's revenue from Interest and dividend received increased THB 1 million due to the increase in cash for investment, received from the selling of investment in UBE and optations. While, in 2022, BBGI's revenue from Interest and dividend received increased from THB 2 million in 2021 to THB 23 million, accounting for 899 percent increased from the previous year. The increase is from the increase in cash and cash equivalent, and the investment in short-term investment.

#### **7.1.1.3 Other revenue**

For the year 2020 – 2022, BBGI's other revenue were THB 48 million, THB 35 million, and THB 23 million, respectively. In 2021, BBGI's other revenue decreased THB 13 million due to the low amount of sugar production from the drought in the previous year. However, the Company's other income is not constant from year to year. While, in 2022, BBGI's other revenue decreased from THB 35 million to THB 23 million, accounting for the decrease of 35 percent from the previous year due to the decrease in the supply of mollosses and raw sugar.

### **7.1.2 Gross profit**

For the year 2020 – 2022, BBGI's gross profit were THB 1,702 million, THB 1,030 million, and THB 464 million, respectively. In 2021, BBGI's gross profit dropped THB 672 million, accounting for 40 percent decrease from the previous year, and in 2022, BBGI's gross profit was dropped THB 566 million, accounting for 55 percent decrease from the previous year. The decrease in gross profit was mainly from the increase in raw material price.

### **7.1.3 Selling and administration expense**

#### **7.1.3.1 Selling expense**

Selling expenses consist of personnel expenses, transportation expenses, and other expenses. The majority of selling expenses was related to the transportation expenses to the customer. However, most of BBGI's customers were responsible for the transportation expenses. In 2020 – 2022, BBGI has selling expenses of THB 42 million, THB 32 million and THB 43 million, accounting for 0.3 percent, 0.2 percent and 0.3 percent of its revenue from sales and services

In 2021, Selling expenses decreased from THB 42 million in 2020 to THB 32 million, accounting for a decrease of THB 10 million or a decrease of 22 percent from the previous year. This was mainly from the decrease in transportation expenses which is align with the decrease in the sale volumn due to the decrease in traffic volumn from the resurgence of the COVID-19, resulting in restrictions on domestic travel once again. In addition, the ratio of selling expenses to revenue from sales and services continue to decline from 0.33 percent to 0.23 percent from the increase in product selling prices which raised along as the increase in the cost of raw materials.

While, in 2022, selling expenses increased from THB 32 million in 2021 to THB 43 million, accounting for the increase of THB 10 million or an increase of 32 percent from the previous year This was due to the increase in biological product promotion expenses.

#### **7.1.3.2 Administration expense**

Administration expenses consist of personnel expenses, depreciation and amortization expenses, professional and consultant fee, secondment agreement fee, and others. In 2020 – 2022, BBGI has administration expenses of THB 289 million, THB 243 million and THB 267 million, accounting for 2.3 percent, 1.8 percent and 2.0 percent of its revenue from sales and services

In 2021, administration expenses decreased from THB 289 million in 2020 to THB 243 million, accounting for a decrease of THB 46 million, or a decrease of 15 percent from the previous year. This was mainly from the cost management which is more efficiently. Moreover, in 2020, BBGI had an one-time expense from the professional and advisory fees related to investment in high-value bio-products business that promotes health.

In 2022, administration expenses increased from THB 243 million in 2021 to THB 267 million, accounting for an increase of THB 24 million or an increase of 10 percent from the previous year. This was

mainly from the increase in expenses related to issuing and Initial public offering (IPO) and listing on the Stock Exchange of Thailand

#### **7.1.4 Financial cost**

Finance costs consist of interest on short-term and long-term loans from financial institutions. Lease liabilities and fees for borrowing, etc. In 2020 - 2022, the Company had finance costs of THB 123 million, THB 107 million, and THB 95 million, accounting for 1.0 percent, 0.8 percent, and 0.7 percent from its total revenue, respectively. In 2021, BBGI's financial cost dropped THB 16 million, accounting for a decrease of 13 percent from the previous year. This was mainly due to refinancing with financial institutions to reduce interest and fee costs. and expanding financing channels through the issuance and offering of debentures

In 2022, financial costs decreased from THB 107 million in 2021 to THB 95 million, accounting for a decrease of THB 13 million or a decrease of 12 percent from the previous year. This was mainly from the repayment of short-term and long-term loans from financial institutions. in the amount of THB 1,007 million and repayment of debentures in the amount of THB 500 million.

#### **7.1.5 Net profit**

For the year 2020 – 2022, BBGI's net profit were THB 1,112 million, THB 1,188 million, and THB 97 million, respectively, accounting for the net profit margin of 8.8 percent, 9.4 percent, and 0.8 percent, respectively. In 2021, BBGI's net profit attributable to parent company increased THB 115 million, accounting for the increase of 14 percent from the previous year. This was owing to the expense management, lower financial costs, gains from the sale of investments, and adjustments to the fair value of investments in 2021.

While, in 2022, the Company had a net profit attributable to the parent company of THB 20 million, accounting for the decrease of THB 940 million from 2021. In 2021, the company had a gain from the sale of investments and adjusting the fair value of investments in the amount of THb 500 million.

### **7.2 Financial position**

#### **Total assets**

As of December 31, 2020 – 2022, BBGI's total assets were THB 12,731 million, THB 12,907 million, and THB 14,106 million, respectively. The majority of BBGI's total assets includes property, plant and equipment, goodwill, inventories and trade accounts receivable.

BBGI's total assets in 2021 increased by THB 176 million from 2020, or an increase of 1.38 percent from the previous year. This was mainly from the increase in (1) cash and cash equivalents. from operations and disposition of investment in UBE (2) Investments in other financial assets from adjusting the fair value of UBE and (3) property, plant and equipment from the investment in Nam Phong factory expansion phase 2 and additional molasses storage tank project

In 2022, BBGI's total assets increased by THB 1,199 million, or an increase of 9.3 percent from the previous year. This was mainly due to an increase in short-term investments and cash and cash equivalents from IPO.

#### **Total liabilities**



As of December 31, 2020 - 2022, BBGI's total liabilities were THB 6,227 million, THB 6,003 million, and THB 3,825 million, respectively. BBGI's main total liabilities consisted of loans from financial institutions, debentures, and trade payables.

BBGI's total liabilities in 2021 decreased from 2020 by THB 224 million or a decrease of 3.6 percent from the previous year. This was mainly due to the decrease in short-term and long-term loans from financial institutions from the success of the issuance of bonds and strong operating cash flow. The Company, therefore, used the proceeds from the bond issuance and some operations to repay its loans from financial institutions.

While, in 2022, BBGI's total liabilities decreased by THB 2,178 million or 36.3 percent from the previous year. This was mainly due the repayments of (1) short-term and long-term loans from financial institutions. and (2) debentures

### **Equity**

As of December 31, 2020 - 2022, BBGI's shareholders' equity was THB 6,504 million, THB 6,904 million, and THB 10,281 million, respectively.

BBGI's shareholders' equity in 2021 increased from 2020 by THB 400 million or an increase of 6.1 percent from the previous year This was mainly due to the increase in retained earnings from the net profits of 2021. While, in 2022, BBGI's shareholders' equity increased by THB 3,377 million, or an increase of 48.9 percent from the previous year. This was mainly from the IPO that increase the paid-up capital, and Share premium on ordinary shares.

## **Attachment 2 : Information Summary of Bangchak Corporation Public Company Limited**

### **1. General Information**

<b>Company Name</b>	: Bangchak Corporation Public Company Limited
<b>Type of Business</b>	: Refinery and oil trading business, marketing business, power plant business, Bio-based Products Business, Natural Resources business and New Business Development
<b>Juristic Person Registration Number</b>	: 0107536000269
<b>Address</b>	: 2098 M Tower Building, 8th Floor, Sukhumvit Rd., Phra Khanong Tai, Phra Khanong Bangkok 10260
<b>Registered capital</b>	: 1,376,923,157 baht divided into 1,376,923,157 ordinary shares With par value 1 Baht per share (as of February 26, 2023)
<b>Issued and paid-up capital</b>	: 1,376,923,157 baht divided into 1,376,923,157 ordinary shares With par value 1 Baht per share (as of February 26, 2023)

### **2. History**

The Bangchak Corporation Public Company Limited was incorporated under the name "Bangchak Petroleum Company Limited" on November 8, 1984 and began operating a refining and management business as a private company in 1985. Later, in 1991, the company was the first to produce and sell unleaded gasoline and Bangchak diesel 357 with the low sulfur diesel in Thailand. In 2005, the company opened thailand's first gasohol biodiesel service station and the first self-service gas station in Thailand. In 2006, the company entered into non-oil business by opening the first branch of Inthanin Coffee Shop. Later on, the company changed its name from Bangchak Petroleum Company Limited to "Bangchak Corporation Public Company Limited" in 2017 in order to improve the image of the organization and create clarity in business operations, aiming to expand the business to cover both related businesses and businesses that support core businesses.

### **3. Type of Business**

At present, Bangchak Corporation Public Company Limited operates 5 main businesses covering businesses from upstream to downstream, along with one innovation business as follows:

**1. Refinery and Oil Trading Business Group** - The refinery is a modern complex refinery with a daily capacity of 120,000 barrels. Refinery yields are mostly premium products in the gasoline and diesel groups and are of the government-required Euro 4 standard.

**2. Marketing Business Group** – It sells refined products that meet the standards and are environmental friendly. In 2021, over 69 percent of refined products were sold directly to customers through company's retail network of 1,277 stations across the country, which consists of 662 are standard service stations and 615 are community stations (as of December 31, 2021). The company service stations are also readily equipped with non-oil businesses and various services, which operated by Bangchak Retail Company Limited, including convenience stores, coffee shops, oil changing, and carwash service, to attract more customers.

**3. Power Plant Business Group** invests in the green power business, which is environmental friendly, serve the world's increasing energy demand and reduce impact on climate change through BCPG Public Company Limited (BCPG) (a Bangchak subsidiary). BPCG particularly established for production and distribution of electricity generated from renewables and new forms of clean energy in Thailand and abroad. As of December 31, 2021, BCPG has a total capacity of 504.7 MW of electricity.

**4. Bio-Based Products Business Group** engages in bio-based product, including ethanol and biodiesel, as it recognizes the value of renewable energy. The goal is to lower trade deficits due to fuel imports, contribute to national energy security, support farmers, and preserve the environment. It has long advocated the blending of ethanol with gasoline and biodiesel with diesel to yield gasohol 91, gasohol 95, gasohol E20, gasohol E85, and Hi-Diesel.

**5. Natural Resource Business Group and New Business Development** is for petroleum exploration and production and innovation for related business with the purpose of enhancing competitive advantage in business and sustainable growth. The Company established BCP Innovation Pte. Ltd. (BCPI) in Singapore to run and invest in the lithium business and innovation businesses outside Thailand. BCPI currently holds rights under a lithium purchase agreement with Lithium Americas Corp. to buy up to 6,000 tons per year from the Cauchari-Olaroz Project. BCPI has also invested in several other startups.

**6. Innovation Management Business** – The company established the Bangchak Initiative and Innovation Center (BiiC) to create a green ecosystem for driving various innovations with a focus on green energy and bio-based products to in turn grow its domestic and international businesses derived from R&D and corporate venture capital while engaging in business ecosystems and incubation. In short, Bangchak strives to be among Asia's leading green innovative companies.

The Group's revenue structure according to the audited consolidated financial statements for the year 2020 - 2022 can be classified as follows:

Operated by	% share holding	2020		2021		2022	
		Revenue (million baht)	%	Revenue (million baht)	%	Revenue (million baht)	%
Oil refining and related business group <sup>1/</sup>							
Bangchak Corporation Plc.	-	71,983	52.3	136,786	67.5	151,191	47.8
BCP Trading Pte. Ltd.	100.00	39,139	28.4	24,998	12.3	107,500	34.0
Bangkok Fuel Pipeline and Logistic Ltd.	100.00	-	-	-	-	184	-
<b>Total</b>		<b>258,875</b>	<b>111,122</b>	<b>80.7</b>	<b>79.8</b>	<b>111,122</b>	<b>258,875</b>
Marketing business group							
Bangchak Corporation Plc.	-	6,896	5.0	7,295	3.6	9,293	2.9

Operated by	% share holding	2020		2021		2022	
		Revenue (million baht)	%	Revenue (million baht)	%	Revenue (million baht)	%
Bangchak Green Net Co., Ltd.	49.00	895	0.7	811	0.4	795	0.3
Bangchak Retail Co., Ltd.	100.00	748	0.5	678	0.3	907	0.3
<b>Total</b>		<b>10,995</b>	<b>8,539</b>	<b>6.2</b>	<b>4.3</b>	<b>8,539</b>	<b>10,995</b>
Power plant business group							
BCPG Group	57.19	4,230	3.1	4,668	2.3	5,405	1.7
<b>Total</b>		<b>5,405</b>	<b>4,230</b>	<b>3.1</b>	<b>2.3</b>	<b>4,230</b>	<b>5,405</b>
Bio-based products business group							
BBGI Group	45.00	12,558	9.1	14,085	7.0	13,325	4.2
<b>Total</b>		<b>13,325</b>	<b>12,558</b>	<b>9.1</b>	<b>7.0</b>	<b>12,558</b>	<b>13,325</b>
Natural Resource Business Group and New Business Development							
OKEA ASA	45.46	-	-	10,068	5.0	23,349	7.4
BTSG Co., Ltd.	51.00	-	-	24	-	234	0.1
<b>Total</b>		<b>23,583</b>	<b>-</b>	<b>-</b>	<b>5.0</b>	<b>-</b>	<b>23,583</b>
<b>Other</b>		<b>19</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>19</b>
<b>Total revenue from sales and services</b>		<b>312,202</b>	<b>136,450</b>	<b>99.1</b>	<b>99.1</b>	<b>136,450</b>	<b>312,202</b>
Other <sup>2/</sup> BCP and subsidiaries		1,281	0.9	3,306	1.6	4,084	1.3
<b>Total</b>		<b>316,286</b>	<b>137,731</b>	<b>100.0</b>	<b>100.0</b>	<b>137,731</b>	<b>316,286</b>

**Remark** Revenues of Bangchak and its subsidiaries are net values derived from external parties

1/ Revenue from domestic fuel sales in 2022, 2021 and 2020 accounted for 66.2%, 68.5% and 81.2% respectively.

2/ Other revenues include investment, profit from derivatives, foreign exchange profit, the share of profit from investments in associates and joint ventures using the equity method, gain on fair value adjustments of investments and profit from the disposal of investment.

#### 4. List of Board of Directors

As of September 1, 2022, BCP has 15 members of the Board of Directors, whose names are as follows:

	Name-Surname	Position
1.	Mr. Pichai Chunhavajira	Chairperson, Independent director
2.	Mr. Suthep Wongvorazathe	Vice Chairperson

	<b>Name-Surname</b>	<b>Position</b>
3.	Mr. Chaiwat Kovavisarach	Bangchak Group Chief Executive Officer and President, Director
4.	Mr. Chamroen Phothiyod	Director
5.	Mr. Boonchob Suthamanuswong	Director
6.	Mr. Chanvit Nakburee	Director
7.	Gen. Songwit Noonpackdee	Independent director
8.	Pol.Lt.Gen. Chaiwat Chotima	Independent director
9.	Pol.Lt.Gen. Samran Nualma	Independent director
10.	Dr. Porametee Vimolsiri	Independent Director, Chairman of the Audit Committee
11.	Mr. Prasong Poontaneat	Independent director
12.	Mrs. Prisana Praharnkhasuk	Independent Director, Audit Committee Member
13.	Mr. Achporn Charuchinda	Independent Director, Audit Committee Member
14.	Mr. Chaovalit Ekabut	Independent director
15.	Mr. Narin Kalayanamit	Independent Director, Audit Committee Member

Source : www.set.or.th

## 5. Shareholder Structure

As of September 1, 2022, BCP has a list of top 10 major shareholders as follows.

	<b>Name - Surname</b>	<b>No. of shares</b>	<b>%</b>
1.	Thai NVDR Company Limited	240,233,093	17.45
2.	Social Security Office	198,307,697	14.4
3.	Vayupak Fund1, managed by MFC Asset Management Public Company Limited	136,586,300	9.92
4.	Vayupak Fund1, managed by Krung Thai Asset Management Public Company Limited	136,586,300	9.92
5.	Ministry of Finance	65,543,767	4.76
6.	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	49,840,498	3.62
7.	Bangkok Life Assurance Public Company Limited	24,154,700	1.75
8.	Ms. Somsong Lapananrat	23,923,700	1.74
9.	Bangchak Corporation Public Company Limited	19,238,000	1.4
10.	STATE STREET EUROPE LIMITED	11,908,095	0.86

Source : www.set.or.th

## 6. Financial Statements

### 6.1 Statement of financial position

Statement of financial position	December 31, 2020 (audited)		December 31, 2021 (audited)		December 31, 2022 (audited)	
	Million baht	%	Million baht	%	Million baht	%
<b>Current assets</b>						
Cash and cash equivalents	21,651	14.6	32,022	15.9	45,932	19.0
Short-term investments	25	0.0	808	0.4	1,237	0.5
Trade and other current receivables	6,402	4.3	15,234	7.5	22,199	9.2
Current tax assets	73	0.0	212	0.1	636	0.3
Short-term loan					91	0.0
Inventories	16,162	10.9	18,497	9.2	29,533	12.2
Other current financial assets	56	0.0	274	0.1	629	0.3
Oil fuel fund subsidies receivable	2,927	2.0	2,327	1.2	11,093	4.6
<b>Total current assets</b>	<b>47,296</b>	<b>31.9</b>	<b>69,372</b>	<b>34.4</b>	<b>111,349</b>	<b>45.9</b>
<b>Non-current assets</b>						
Other non-current financial assets	1,696	1.1	4,548	2.3	3,504	1.4
Investments in associates and joint ventures	14,331	9.7	13,670	6.8	1,852	0.8
Long-term loans to related parties	1,255	0.8	400	0.2	1,653	0.7
Investment properties	127	0.1	127	0.1	127	0.1
Property, plant and equipment	54,567	36.8	69,233	34.3	73,018	30.1
Right-of-use assets	11,087	7.5	13,625	6.8	16,947	7.0
Goodwill	2,129	1.4	4,022	2.0	5,788	2.4
Intangible assets	11,180	7.5	11,591	5.7	11,738	4.8
Deferred tax assets	2,981	2.0	2,126	1.1	850	0.4
Indemnification assets	0	0.0	11,394	5.6	12,923	5.3
Other non-current assets	1,674	1.1	1,678	0.8	2,594	1.1
<b>Total non-current assets</b>	<b>101,027</b>	<b>68.1</b>	<b>132,413</b>	<b>65.6</b>	<b>130,995</b>	<b>54.1</b>
<b>Total assets</b>	<b>148,323</b>	<b>100.0</b>	<b>201,785</b>	<b>100.0</b>	<b>242,344</b>	<b>100.0</b>
<b>Liabilities and equity</b>						
<b>Current liabilities</b>						
Short-term loan from financial institutions	3,975	2.7	1,257	0.6	1,101	0.5
Trade and other current payables	12,277	8.3	15,651	7.8	28,948	11.9
Current portion of long-term loans			4,964	2.5	7,231	3.0
Current portion of lease liabilities			1,220	0.6	1,381	0.6
Current portion of debentures	2,500	1.7	4,499	2.2	2,400	1.0
Short-term loan from related parties			17	0.0		
Excise tax and oil fuel fund payable			960	0.5	1,134	0.5
Current income tax payable	146	0.1	3,046	1.5	2,030	0.8
Other current financial liabilities	185	0.1	510	0.3	1,993	0.8
Other current liabilities	1,481	1.0	1,981	1.0	1,634	0.7

Statement of financial position	December 31, 2020 (audited)		December 31, 2021 (audited)		December 31, 2022 (audited)	
	Million baht	%	Million baht	%	Million baht	%
<b>Total current liabilities</b>	<b>25,502</b>	<b>17.2</b>	<b>34,105</b>	<b>16.9</b>	<b>47,852</b>	<b>19.7</b>
<b>Non-current liabilities</b>						
Long-term loans	30,615	20.6	21,883	10.8	16,489	6.8
Lease liabilities	6,581	4.4	7,518	3.7	10,401	4.3
Debentures	23,480	15.8	47,904	23.7	54,018	22.3
Deferred tax liabilities	795	0.5	2,617	1.3	6,561	2.7
Non-current provisions for employee benefits	2,336	1.6	2,388	1.2	2,287	0.9
Provision for the decommissioning cost	256	0.2	15,602	7.7	20,901	8.6
Other non-current financial liabilities	87	0.1	29	0.0	60	0.0
Other non-current liabilities	354	0.2	179	0.1	397	0.2
<b>Total non-current liabilities</b>	<b>64,504</b>	<b>43.5</b>	<b>98,121</b>	<b>48.6</b>	<b>111,114</b>	<b>45.8</b>
<b>Total liabilities</b>	<b>90,006</b>	<b>60.7</b>	<b>132,226</b>	<b>65.5</b>	<b>158,966</b>	<b>65.6</b>
<b>Liabilities and equity</b>						
<b>Equity</b>						
Share capital						
Authorized share capital						
(1,376,923,157 ordinary shares, par value at Baht 1 per share)	1,377	0.9	1,377	0.7	1,377	0.6
Issued and paid-up share capital						
(1,376,923,157 ordinary shares, par value at Baht 1 per share)	1,377	0.9	1,377	0.7	1,377	0.6
Share premium on ordinary shares	11,157	7.5	11,157	5.5	11,157	4.6
Other surpluses	3,441	2.3	3,333	1.7	3,824	1.6
Warrants	2	0.0	15	0.0	19	0.0
Expired warrants					2	0.0
Retained earnings-Appropriated						
Legal reserve	153	0.1	153	0.1	153	0.1
Treasury shares reserve	505	0.3	505	0.3	248	0.1
Retained earnings-Unappropriated	22,441	15.1	28,205	14.0	37,670	15.5
Treasury shares	(505)	(0.3)	(505)	(0.3)	(248)	(0.1)
Perpetual subordinated debentures	9,941	6.7	9,941	4.9	9,941	4.1
Other components of equity	(2,147)	(1.4)	(713)	(0.4)	(1,439)	(0.6)
<b>Equity attributable to owners of the parent</b>	<b>46,366</b>	<b>31.3</b>	<b>53,467</b>	<b>26.5</b>	<b>62,704</b>	<b>25.9</b>
Non-controlling interests	11,950	8.1	16,092	8.0	20,674	8.5
<b>Total equity</b>	<b>58,316</b>	<b>39.3</b>	<b>69,559</b>	<b>34.5</b>	<b>83,378</b>	<b>34.4</b>
<b>Total liabilities and equity</b>	<b>148,323</b>	<b>100.0</b>	<b>201,785</b>	<b>100.0</b>	<b>242,344</b>	<b>100.0</b>

Source: BCP's Audited Consolidated Financial Statements for the year ended 31 December 2020 - 2022

**6.2 Statement of income**

Statement of comprehensive income	2020 (audited)		2021 (audited)		2022 (audited)	
	Million baht	%	Million baht	%	Million baht	%
Revenue from sale of goods and rendering of services	136,450.29	99.61	199,417.00	99.36	312,202.37	99.41
Dividends income					11.64	0.00
Other income	532.53	0.39	1,278.74	0.64	1,842.06	0.59
<b>Total revenue</b>	<b>136,982.82</b>	<b>100.00</b>	<b>200,695.74</b>	<b>100.00</b>	<b>314,056.07</b>	<b>100.00</b>
Cost of sale of goods and rendering of services	(132,122.13)	(96.45)	(175,744.43)	(87.57)	(265,933.70)	(84.68)
<b>Gross profit</b>	<b>4,328.16</b>	<b>3.16</b>	<b>23,672.56</b>	<b>11.80</b>	<b>46,268.67</b>	<b>14.73</b>
Selling expenses	(4,260.28)	(3.11)	(4,181.58)	(2.08)	(4,931.29)	(1.57)
Administrative expenses	(2,880.76)	(2.10)	(2,971.49)	(1.48)	(4,272.26)	(1.36)
Exploration and evaluation expenses	0.00	0.00	(516.30)	(0.26)	(1,187.61)	(0.38)
Gain (loss) from derivatives	16.56	0.01	(1,273.97)	(0.63)	(5,135.98)	(1.64)
Gain on foreign exchange	732.13	0.53	250.51	0.12	0.99	0.00
Gain (loss) from fair value adjustment of investment	0.00	0.00	614.37	0.31	9.85	0.00
Gain from sale of investment	0.00	0.00	120.27	0.06	2,031.18	0.65
Loss from impairment of assets	(2,374.86)	(1.73)	(1,357.62)	(0.68)	(2,433.19)	(0.77)
<b>Profit (loss) from operating activities</b>	<b>(3,906.52)</b>	<b>(2.85)</b>	<b>15,635.49</b>	<b>7.79</b>	<b>32,204.05</b>	<b>10.25</b>
Finance costs	(1,969.30)	(1.44)	(2,539.51)	(1.27)	(3,976.72)	(1.27)
Impairment gains and reversal of impairment loss (impairment loss) determined in accordance with TFRS 9	(890.74)	(0.65)	(30.33)	(0.02)	(411.17)	(0.13)
Share of profit (loss) of associates and joint ventures accounted for using equity method	(592.02)	(0.43)	1,042.11	0.52	188.10	0.06
<b>Profit (loss) before income tax expense</b>	<b>(7,358.58)</b>	<b>(5.37)</b>	<b>14,107.76</b>	<b>7.03</b>	<b>28,004.27</b>	<b>8.92</b>
Tax income (expense)	1,588.60	1.16	(4,263.05)	(2.12)	(12,851.79)	(4.09)
<b>Profit (loss) for the year</b>	<b>(5,769.98)</b>	<b>(4.21)</b>	<b>9,844.72</b>	<b>4.91</b>	<b>15,152.48</b>	<b>4.82</b>
Profit (loss) attributable to						
Owners of the parent	(6,967.07)	(5.09)	7,623.79	3.80	12,575.16	4.00
Non-controlling interests	1,197.09	0.87	2,220.93	1.11	2,577.32	0.82

Source: BCP's Audited Consolidated Financial Statements for the year ended 31 December 2020 - 2022

**6.3 Statement of Cash Flows**

Statement of cash flows	2020 (audited)	2021 (audited)	2022 (audited)
	Million baht	Million baht	Million baht
<b>Cash flows from operating activities</b>			
Profit (loss) for the year	(5,769.98)	9,844.72	15,152.48
Adjustments for			



Statement of cash flows	2020 (audited)	2021 (audited)	2022 (audited)
	Million baht	Million baht	Million baht
Tax (income) expense	(1,588.60)	4,263.05	12,851.79
Finance costs	1,969.30	2,539.51	3,976.72
Depreciation and amortization	6,821.37	8,074.88	10,003.56
Unrealized (gain) loss from derivatives	(31.89)	229.64	992.02
Unrealized (gain) loss on foreign exchange	(296.50)	639.95	611.68
(Reversal of) loss on inventories devaluation	(4.68)	2.09	330.17
(Reversal of) impairment loss on assets	2,374.86	1,357.62	2,433.19
(Reversal of) impairment loss determined in accordance with TFRS 9	890.74	30.33	411.17
Write-off of Exploration and evaluation expenses		69.40	517.00
Loss on disposal of property, plant and equipment	134.87	84.56	134.56
Loss on disposal of intangible assets	33.60		
(Gain) loss on fair value adjustment	21.72	(614.37)	(9.85)
Expense from disposal of other investment	21.46	2.13	0.00
Gain on disposal of investment in subsidiaries		(120.27)	(2,031.18)
Interest income and dividend income	(157.41)	(184.79)	(315.00)
Provision for employee benefits	230.48	160.61	191.91
Warrants	0.00	23.27	8.15
Reversal of provision for customer loyalty programs	(9.78)	(4.78)	11.22
Deferred revenue	(7.35)	(7.58)	(4.16)
Share of (profit) loss of associates and joint ventures (net of tax)	592.02	(1,042.11)	(188.10)
	5,224.21	25,347.86	45,077.31
<i>Changes in operating assets and liabilities</i>			
Trade accounts receivable	3,196.59	(3,654.20)	(5,195.77)
Other current receivables	255.20	(1,296.20)	(12,394.23)
Inventories	(386.76)	(1,642.27)	(11,283.01)
Other non-current assets	(44.41)	294.64	336.42
Trade accounts payable	(1,321.46)	251.94	8,072.31
Other current payables	(576.76)	(1,754.15)	5,460.22
Other current liabilities	21.28	236.30	215.35
Provision for employee benefits	230.48	(225.69)	(267.35)
Other non-current liabilities	(80.32)	(313.05)	(113.41)
Net cash generated from operating	6,121.66	17,245.17	29,907.85
Tax received (paid)	217.92	(265.02)	(10,464.96)
<b>Net cash from operating activities</b>	<b>6,339.58</b>	<b>16,980.16</b>	<b>19,442.89</b>
<i>Cash flows from investing activities</i>			
Decrease (increase) in short-term investments	267.93	(795.02)	(417.33)
Payment for investment in subsidiaries and associates, net of cash acquired	(5,015.46)		(988.13)
Proceeds from business combination		5,010.72	0.00
Payment for acquire business			(4,306.39)
Payment for other investments	(796.51)	(1,707.70)	(34.44)

Statement of cash flows	2020 (audited)	2021 (audited)	2022 (audited)
	Million baht	Million baht	Million baht
Cash decreased from sale of investment in subsidiary			0.00
Proceeds from sale of investment in subsidiary		(21.34)	(20.04)
Proceeds from sale of investment in subsidiary		0.29	53.26
Proceeds from sale of investment in associates and joint ventures		234.86	14,551.32
Proceeds from sale of other investments	4,251.70	433.09	0.00
Proceeds from capital reduction in associates	842.34		
Acquisition of property, plant and equipment	(5,596.82)	(7,972.29)	(7,526.43)
Proceeds from sale of property, plant and equipment	26.58	438.85	27.75
Acquisition of right-of-use assets	(196.60)	(2,198.49)	(997.40)
Acquisition of intangible assets	(199.81)	(717.10)	(1,378.79)
Increase in short-term loans			(95.20)
Increase in long-term loans	(238.60)	(1,645.03)	(235.34)
Cash receipts from long-term loans	0.00	2,669.36	0.00
Interest received	239.84	226.64	238.78
Dividend received	62.34	203.23	166.14
<b>Net cash used in investing activities</b>	<b>(6,353.06)</b>	<b>(5,839.92)</b>	<b>(962.23)</b>
<b>Cash flows from financing activities</b>			
Proceeds from exercise of share options	1.38		111.36
Proceeds from increase in subsidiaries' share capital	5,149.07	1,654.87	3,990.74
Decrease in short-term loans from financial institutions	(1,075.68)	(2,719.51)	(95.33)
Proceeds from long-term loans from financial institutions	13,784.12	3,352.09	5,143.99
Repayment of long-term loans from financial institutions	(2,835.87)	(13,054.95)	(8,258.09)
Redemption of treasury shares	(73.55)		
Proceeds from short-term loan from related parties		17.24	
Repayment of short-term loan from related parties			(17.24)
Payment of lease liabilities	(1,963.46)	(1,664.95)	(2,082.73)
Proceeds from issuance of debentures	8,000.00	20,283.56	13,000.00
Redemption of debentures	(3,000.00)	(3,322.60)	(9,634.11)
Proceeds from the disposal of repurchased capital shares			275.99
Financial cost paid	(2,175.41)	(2,392.29)	(2,819.41)
Coupon payment on perpetual subordinated debentures	(501.37)	(500.00)	(500.00)
Dividend paid	(742.55)	(2,672.18)	(4,260.85)
<b>Net cash from (used in) financing activities</b>	<b>14,566.69</b>	<b>(1,018.72)</b>	<b>(5,145.67)</b>
Net increase in cash and cash equivalents, before effect of exchange rates	14,553.21	10,121.52	13,334.99
Effect of exchange rate changes on cash and cash equivalents	(177.94)	249.18	575.31
<b>Net increase in cash and cash equivalents</b>	<b>0.00</b>	<b>10,370.70</b>	<b>13,910.30</b>
Cash and cash equivalents at 1 January	7,275.81	21,651.08	32,021.77
<b>Cash and cash equivalents at 31 December</b>	<b>21,651.08</b>	<b>32,021.77</b>	<b>45,932.07</b>
<b>Non-cash transaction</b>			
Outstanding payable from purchase of property, plant and equipment	682.42	613.43	349.86
Investment in associated companies by transfer of accounts receivable			1,236.05

Statement of cash flows	2020 (audited)	2021 (audited)	2022 (audited)
	Million baht	Million baht	Million baht
(Profit) Loss on adjustment of fair value of investments	21.72	(614.37)	(9.85)

Source: BCP's Audited Consolidated Financial Statements for the year ended 31 December 2020 - 2022

## 6.4 Financial Ratios

Financial ratios	Unit	Consolidated financial statement as of December 31		
		2020	2021	2022
<b>Liquidity Ratios</b>				
Current Ratio	times	1.85	2.03	2.33
Quick Ratio	times	1.10	1.40	1.40
AR Turnover	times	18.33	26.29	26.29
Collection Period (Days)	days	20	14	14
AP Turnover	times	13.44	18.61	18.61
Payment Period (Days)	days	27	20	20
<b>Profitability Ratios</b>				
Gross Profit Margin	%	3.17	11.87	14.82
EBITDA Margin	%	3.01	12.95	14.33
Net Profit Margin	%	(4.23)	4.94	4.85
Return on Equity	%	(14.22)	15.27	21.65
Return on Assets	%	(3.90)	9.51	14.40
<b>Leverage Ratios</b>				
Debt to Equity	times	1.54	1.90	1.91
Interest bearing Debt to Equity	times	1.22	1.28	0.97
Net Interest-bearing Debt to Equity	times	0.85	0.59	0.37
Net Debt to Equity	times	0.86	0.70	0.41

Source: BCP's Annual Report 2021 and Information from the Company

## 7. Analysis of operating results and financial position

This section describes historical financial information, including financial status, performance, and past cash flows of BCP according to the audited consolidated financial statements as of and for the year ended December 31, 2020–2022, as well as the assessment of various factors that may affect the future performance of BCP.

### 7.1 Operating Results and Financial Position

Bangchak Corporation Public Company Limited ("the company" or "BCP") is a Thai energy company that operates in tandem with environmental and social responsibility. The source of the products are from foreign and within the country to be refined into finished oil that meets the standards with a maximum production capacity of 120,000 barrels per day and distributed through a network of more than 1,200 Bangchak service stations nationwide. These include expanding into the oil trading business, green power business, bio-based products business, natural resources business, and new business development. The company has the goal of creating

energy security for the country by expanding the investment into new businesses to create continuity and sustainability for the business. The revenue structure of BCP can be classified by business group into 3 main groups as follows:

1. Oil sales and supplementary business
2. Power generation business
3. Bio-based products business

#### 7.1.1 Total Revenue

The total revenue of BCP for the period of 2020 – 2022 was THB 137,731 million, THB 202,723 million, and THB 316,286 million, respectively. BCP's total revenue was mainly from the oil refining related business which is accounting for more than 70 percent of BCP's total revenue.

Operated by	% share holding	2020		2021		2022	
		Revenue (million baht)	%	Revenue (million baht)	%	Revenue (million baht)	%
Oil refining and related business group <sup>1/</sup>							
Bangchak Corporation Plc.	-	71,983	52.3	136,786	67.5	151,191	47.8
BCP Trading Pte. Ltd.	100.00	39,139	28.4	24,998	12.3	107,500	34.0
Bangkok Fuel Pipeline and Logistic Ltd.	100.00	-	-	-	-	184	-
<b>Total</b>		<b>258,875</b>	<b>111,122</b>	<b>80.7</b>	<b>79.8</b>	<b>111,122</b>	<b>258,875</b>
Marketing business group							
Bangchak Corporation Plc.	-	6,896	5.0	7,295	3.6	9,293	2.9
Bangchak Green Net Co., Ltd.	49.00	895	0.7	811	0.4	795	0.3
Bangchak Retail Co., Ltd.	100.00	748	0.5	678	0.3	907	0.3
<b>Total</b>		<b>10,995</b>	<b>8,539</b>	<b>6.2</b>	<b>4.3</b>	<b>8,539</b>	<b>10,995</b>
Power plant business group							
BCPG Group	57.19	4,230	3.1	4,668	2.3	5,405	1.7
<b>Total</b>		<b>5,405</b>	<b>4,230</b>	<b>3.1</b>	<b>2.3</b>	<b>4,230</b>	<b>5,405</b>
Bio-based products business group							
BBGI Group	45.00	12,558	9.1	14,085	7.0	13,325	4.2
<b>Total</b>		<b>13,325</b>	<b>12,558</b>	<b>9.1</b>	<b>7.0</b>	<b>12,558</b>	<b>13,325</b>
Natural Resource Business Group and New Business Development							

Operated by	% share holding	2020		2021		2022	
		Revenue (million baht)	%	Revenue (million baht)	%	Revenue (million baht)	%
OKEA ASA	45.46	-	-	10,068	5.0	23,349	7.4
BTSG Co., Ltd.	51.00	-	-	24	-	234	0.1
<b>Total</b>		<b>23,583</b>	<b>-</b>	<b>-</b>	<b>5.0</b>	<b>-</b>	<b>23,583</b>
<b>Other</b>		<b>19</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>19</b>
<b>Total revenue from sales and services</b>		<b>312,202</b>	<b>136,450</b>	<b>99.1</b>	<b>99.1</b>	<b>136,450</b>	<b>312,202</b>
Other 2/ BCP and subsidiaries		1,281	0.9	3,306	1.6	4,084	1.3
<b>Total</b>		<b>316,286</b>	<b>137,731</b>	<b>100.0</b>	<b>100.0</b>	<b>137,731</b>	<b>316,286</b>

Remark Revenues of Bangchak and its subsidiaries are net values derived from external parties.

1/ Revenue from domestic fuel sales in 2022, 2021 and 2020 accounted for 66.2%, 68.5% and 81.2% respectively.

2/ Other revenues include investment, profit from derivatives, foreign exchange profit, the share of profit from investments in associates and joint ventures using the equity method, gain on fair value adjustments of investments and profit from the disposal of investment.

Revenue from sales of goods and services by BCP was 136,450 million baht, 199,417 million baht, and 312,202 million baht for the years ended December 31, 2020, and December 31, 2022, respectively. The revenue from BCP's sales and services comes from oil sales and ancillary businesses. In 2021, BCP's revenue from sales and services increased by 62,967 million baht or 46.2% from the previous year, mainly due to an increase in revenue from OKEA. However, apart from revenue from OKEA, the Group had higher revenue from oil related business since the price of fuel increased 32% from previous year, along with higher price of crude oil and increase in demand of fuel after COVID-19. Moreover, the sales of fuel had increased by 4% compared to previous year, mainly from the export of low-sulfur fuel oil and UCO. In addition, BCPT had higher sales revenue mainly from the average selling price per unit and sales volume with third parties outside the group. Meanwhile, in 2022, BCP's sales and service income increased by 112,785 million baht, or an increase of 56.6 percent from the previous year. This is mainly due to revenue related to the oil business as an increase in the average selling price per unit and sales volume of crude oil prices and refined oil prices that increased in line with world market conditions. In addition, the natural resources business group received a positive factor from the average selling price of oil and liquefied natural gas, which increased 51 percent from the previous year.

#### 7.1.2 Other income

In 2020–2022, the company had other income of 533 million baht, 1,279 million baht, and 1,842 million baht, respectively, mainly due to delayed construction project fines received from OKEA contractors. While in

2022, other income increased steadily from 1,279 million baht in 2021 to 1,842 million baht, representing an increase of 44% from the previous year.

### **7.1.3 Gross profit**

BCP's gross profit was 4,328 million baht, 23,672 million baht, and 46,269 million baht for the years ended December 31, 2020, and December 31, 2022, respectively. In 2021, BCP's gross profit increased by 19,344 million baht, representing an increase of 446.9% from the previous year. This was mainly due to an increase in gross profit at OKEA of 36% from the previous year. Although this is excluding OKEA's gross profit, the group's gross profit also increased from oil-related businesses. Mainly for the year 2021, the group had an inventory gain of 6,700 million baht compared to the year 2020, which had an inventory loss of 4,748 million baht, and the refinery business had a base refining margin of 4.52 dollars per barrel, an increase of 1.31 from the previous year. USD per barrel due to the spread of refined oil and reference oil prices of most products increased and the crude premium decreased, while the marketing business had a net marketing margin of 14% from the previous year. This was due to the rise in finished oil, biodiesel, and ethanol prices. In addition, the government has issued measures to fix the retail price of diesel fuel, resulting in the company being unable to adjust the retail price at service stations to suit the cost of oil products. As a result, the total net marketing margin per unit decreased. Compared to the previous year, in 2022, BCP's gross profit increased by 22,596 million baht, or 95.5% from the previous year. This was mainly due to the refinery business's basic refining margin (operating GRM) of \$14.33 per barrel, an increase of \$9.81 per barrel compared to the previous year. This is mainly due to the crack spread of all products increasing according to the world market situation.

### **7.1.4 Operating and administrative expenses**

In 2020 – 2022, the company had operating and administrative expenses of 7,141 million baht, 7,153 million baht and 9,204 million baht, representing 5.2%, 3.6% and 2.9% of total revenue, respectively. The operating and administrative expenses increased by 12 million baht, representing an increase of 1.3% from the previous year. This was mainly due to an increase in OKEA's expenses of 308 million baht, while BCP's expenses in other businesses decreased due to a change in the convenience store business model. market. As a result, the overall operating and administrative expenses were similar to the previous year. In 2022, operating and administrative expenses increased by 2,050 million baht, or an increase of 22.3 percent from the previous year. This was due to an increase in line with business growth and expenses related to employees in the refinance and interest from investments in the construction of projects to promote energy efficiency and the environment, while in 2022 the cost of finance increased continuously from 2,540 million baht in 2021 to 3,977 million baht, representing an increase of 1,437 million baht or representing an increase of 56.6% as a result of the company's debenture issuance in the fourth quarter, coupled with an increase in market interest rates.

### **7.1.5 Finance cost**

In 2020 – 2022, the company had finance costs of 1,969 million baht, 2,540 million baht and 3,977 million baht, representing 1.4%, 1.3% and 1.3% of total revenue, respectively. In 2021, finance costs increased by 570 million. baht, representing an increase of 29.0 percent from the previous year. This is mainly due to refinance expenses and interest from investments in the construction of energy efficiency and environmental

promotion projects, while in 2022, finance costs have increased continuously from 2,540 million baht in 2021 to 3,977 million baht, representing an increase. increased by 1,437 million baht or an increase of 56.6% as a result of the issuance of the company's debentures in the fourth quarter together with the increase in market interest rates.

#### **7.1.6 Net profit**

In 2020–2022, the company had a net profit (loss) for the year attributable to the parent company in the amount of 6,697 million baht, 7,624 million baht, and 12,575 million baht, or a net profit (loss) margin of 5.1%, 3.8% and 4.80%, respectively. In 2021, net profit increased by 14,591 million baht from the previous year. This was mainly due to an increase in revenue that increased from the situation of the COVID-19 epidemic, which was better than the previous period, while in 2022 net profit increased from 7,624 million baht in 2021 to 12,575 million baht, representing an increase of 4,951 million baht or an increase of 65.0% from the previous year. This was a result of the sales revenue of the refinery and oil trading business group benefiting from the Russian-Ukrainian war that pushed up the price of oil.

### **7.2 Financial position**

#### **Total assets**

As of December 31, 2020 - 2022, BCP's total assets were 148,323 million baht, 201,785 million baht, and 242,344 million baht, respectively, with BCP's total assets mainly consisting of property, plant and equipment, cash or cash equivalents and inventories.

BCP's total assets in 2021 increased from 2020 by 53,463 million baht, or an increase of 36.0% from the previous year, mainly due to the increase in (1) cash or cash equivalents from an increase from OKEA's part of 7,680 million baht and (2) property, plant, and equipment from OKEA and investments in assets during the period, such as scheduled maintenance of the refinery and investment in solar power plant projects in Japan and investment in ethanol production capacity expansion, etc. While in 2022, BCP's total assets increased by 40,599 million baht, or an increase of 20.1% from the previous year, mainly due to the increase in (1) products remaining from an increase in the amount of crude oil and refined oil and the average cost per unit of crude oil and refined oil; and (2) trade and other current receivables from the increase in sales volume and average selling price of refined oil products and an increase in the amount of accrued revenue recognition.

#### **Total liabilities**

As of December 31, 2020 - 2022, BCP's total liabilities were 64,504 million baht, 98,121 million baht, and 111,114 million baht, respectively, with BCP's main total liabilities consisting of loans from financial institutions, debentures, and trade payables.

BCP's total liabilities in 2021 increased by 42,220 million baht from 2020, or an increase of 46.9% from the previous year, mainly due to the increase in long-term loans and debentures of the BCP group for business expansion, while in 2022, BCP's total liabilities continued to increase by another 26,740 million baht, or an increase of 20.2% from the previous year, mainly due to an increase in (1) trade and other current payables from an increase in the purchase volume of crude and finished oil products and an increase in the average purchase

price, and (2) a provision for dismantling costs. from an additional investment in OKEA's share of resources (Ivar Aasen, Brage, and Nova).

### **Equity**

As of December 31, 2020 - 2022, shareholders' equity of BCP was 148,253 million baht, 201,785 million baht, and 242,344 million baht, respectively.

BCP's shareholders' equity in 2021 increased from 2020 by 11,243 million baht, or an increase of 19.3% from the previous year, mainly due to an increase in net profit for the year 2021 in the amount of 9,845 million baht, while in 2021 and 2022 The shareholders' equity of BCP increased by 13,819 million baht, or a 19.9% increase from the previous year, mainly due to the increase in net profit for the year 2022 in the amount of 15,153 million baht



**Attachment 3 : Information Summary of Bangchak Treasury Center Company Limited**

**1. General information**

<b>Company Name</b>	: Bangchak Treasury Center Company Limited
<b>Type of Business</b>	: Operating as Treasury Center and International Business Center
<b>Registered capital</b>	: 10,000,000 baht
<b>Shareholding Ratio</b>	: BCP holds 100% of shares in the company.
<b>Number of Directors</b>	: There are 3 directors in total as follows: (1) Ms. Patpuri Chinkulkitniwat (2) Ms. Thipwan Boonchaeng (3) Ms. Patra Prungthanyafuk
<b>Source of Fund</b>	: Working capital of the company

**Attachment 4 : Draft of promissory note (sample)**

DO NOT CHANGE HANDS

Address \_\_\_\_\_

The promissory note number : \_\_\_\_\_

Dated: \_\_\_\_\_

1. The Promisor [•] make an unconditional promise that the amount of [•] baht ([•] baht only) will be paid to [•] hereinafter referred to as the "payee", together with interest at the rate of [•] per annum on such an amount from the date of ticket issuance until the day before, the Promisor had paid the money to the recipient until the full amount. However, in calculating the interest specified under this promissory note, it is calculated on a daily basis based on the number of days that have actually passed. If the currency is Baht, 1 (one) year has 360 (days) (three hundred and sixty) days, and the principal of such money is due on [•] ("Due Date").
2. In this regard, the Promisor agrees to pay interest on the last working day of the Bank in every quarter according to the announcement of the Bank of Thailand and pay the final interest together with the principal on the due date. By paying to the beneficiary's bank account: Bank account [•] Account name [•] Branch [•] Account number [•]
3. The Promisor agrees that if the Promisor repays all the principal or part of it under this money contract before the due date, the Promisor must notify the recipient in writing at least 2 (two) business days in advance and must pay interest on the principal to be repaid before the deadline along with the repayment of the principal before that deadline with no prepayment fee.
4. In case one of the following events occurs:
  - The Promisor in default of interest payment for any installment and/or in the event that this promissory note is due or the payee did not receive payment under the promissory note and the Promisor have not remedied such default within 3 (three) working days; or
  - The Promisor does not comply with any clause of this promissory note which is not in default on the payment of interest and/or principal and the Promisor cannot rectify within 30 (thirty) days from the date on which the payee notifies me of the event of default for rectification; or
  - The payee considers that there is any cause that may have a serious effect (a material adverse effect) on the business operation. or financial status, or my ability to pay debts under this promissory note.

It is considered that the debt under this promissory note is all due immediately and the Promisor agrees to pay the money to the recipient according to the value of the promissory note along with default interest at a percentage rate [Interest rate + 2%] per annum from the date of the breach of conditions onward until the payee receives the full amount. These include interest payable before that. In addition to default interest, the Promisor agreed to pay damages and all related expenses for defaulting on my debt including the cost of warning, claims, demands, prosecution, and being compelled to pay debts until all items are complete.

Incidentally, this promissory note, "Material Adverse Effect," means a serious negative effect on the business. The business, property, status (whether financial or otherwise) or business opportunity of the promissory note issuer, which considers the impact of any event, a combination of events, or a serious negative impact on the issuer's ability to pay debt under this promissory note.

5. The Promisor agree that if the Promisor have overdue the interest payment for not less than 1 (one) year for whatever reason and whether the payee has claimed or not, the Promisor agree to allow the payee to add the accrued interest to the principal amount owed under this promissory note and immediately charge interest on the amount that is added together. It is assumed that the interest compounded with the principal becomes the source of money that the Promisor must pay back to the payee under this promissory note.
6. The Promisor agrees to pay taxes, fees, and any expenses related to any other juristic acts related to this promissory note as well as other expenses that actually incurred including expenses incurred by the payee in contacting and demanding that investigators investigate the address and property, sue and/or take legal action to enforce the payment of debt under this promissory note, attorney's fees, and any other fees. The Promisor agrees to be the unilateral payer.
7. The Promisor agree that, in the event that any part of the agreement of this promissory note is void, unenforceable, incomplete, or unclear, whether by enacting new legislation or for any other reason, it shall be deemed that the other terms of the agreement are still in full force and effect under the law.
8. The Promisor agree that, in the event that the payee neglects to use or delays the exercise of any rights under this promissory note, that shall not be deemed a waiver of that right, and the exercise of that right only or in part does not constitute a restriction on the exercise of other rights or other parts as well, and does not constitute a grace period or obligate to compliance with any terms and conditions in this promissory note. The Promisor acknowledges that the installment is due or waive compliance with this promissory note must be made in writing by the payee only.

Signature \_\_\_\_\_ Promissory note issuer

(\_\_\_\_\_)