



**Accounting, Finance, Budget and Tax Policy**

**of**

**CK Power Public Company Limited and its Affiliated Companies**



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## Objectives:

To ensure that performance of accounting, financial, budgetary and tax works within CK Power Public Company Limited (the “Company”) and its Affiliated Companies shall achieve the same standard, efficiency, and targets of the Company, and comply with the Good Corporate Governance, laws, and relevant regulations, as well as ensuring that disclosure of material information shall be sufficient, accurate, complete for the maximum benefit of concerned stakeholders.

## Scope

1. Prepare the financial statements accurately in accordance with the Accounting Standards and the Financial Reporting Standards, by adopting and complying with the appropriate Accounting Policy regularly, reasonably, carefully and circumspectly, including disclosure of material information in a sufficient, accurate and complete manner.
2. Conduct financial management to ensure the maximum benefit, finance at low-cost and having good conditions, liquidity and stability.
3. Make budgeting in accordance with the Company’s action plan and to serve as a tool of the good internal control system and to follow up, evaluate work performance of work units in charge.
4. Conduct taxation management with commitment to proper compliance with laws and concession agreements for the benefit of concerned stakeholders.

## Definitions

Company	CK Power Public Company Limited.
Affiliated Companies	Subsidiaries and associated companies under control and supervision of the Company, which currently exist and to be established in the future.
Board of Directors	The Boards of Directors of the Company and its Affiliated Companies.
Audit Committee	The Audit Committee established by the Board of Directors of the Company which shall have composition, qualifications, and duty as stipulated by the Stock Exchange of Thailand.

Executive Committee	A sub-committee of the Company or its Affiliated Companies appointed by the Board of Directors to have duty to manage and oversee the Company's business as assigned by the Board of Directors.
Directors	Directors of the Company and its Affiliated Companies.
Managing Director	A person who is appointed by the Board of Directors to supervise and ensure proper performance of work in accordance with work rules, regulations, and have duty to approve and/or sign as assigned, as well as having power to order, establish criteria, process, and operating methods as appropriate.
Person(s) Delegated by the Board of Directors	The Audit Committee or the Executive Committee or the Managing Director.
Conceptual Frame for the Financial Reporting	The conceptual frame for the financial reporting stipulated under the Accounting Act B.E. 2543 (2000) and the Accounting Professions Act B.E. 2547 (2004) or as specified under laws relevant thereto.
Accounting Standards	The accounting principles which are generally accepted in Thailand as specified under the Accounting Act B.E. 2543 (2000) and the Accounting Professions Act B.E. 2547 (2004) or as specified under laws relevant thereto.
Financial Reporting Standards	TFRS : Thai Financial Reporting Standards and/or IFRS : International Financial Reporting Standards.
Accounting Policy	The specific Accounting Standards and methods of the use of Accounting Standards as the Company deems appropriate that they should be used for preparation of financial statements.

## Accounting Chapter

### 1. Accounting Period

The accounting period is scheduled to start from the 1<sup>st</sup> day of January and end at the 31<sup>st</sup> day of December each year.

### 2. Preparation of Financial Statements

The financial statements shall be prepared in accordance with the Accounting Standards and the Financial Reporting Standards stipulated under the Accounting Act B.E. 2543 (2000) and the Accounting Professions Act B.E. 2547 (2004) or as specified under laws relevant thereto, provided that the yearly financial statements shall be audited and certified by a certified public accountant within the period of time specified under the civil and commercial law and requirements of the Stock Exchange of Thailand or other relevant requirements.

Any material change in the Accounting Policy other than that specified shall be proposed to the Person(s) Delegated by the Board of Directors for consideration and approval prior to submission of the same to the Board of Directors' approval.

### 3. Closing Entries

The closing entries and preparation of financial statements are required to be made on a monthly, quarterly and yearly basis.

### 4. Presentation of Financial Statements

The quarterly financial statements which have been reviewed by the accountant are required to be presented to the Board of Directors' Meeting or the Person(s) Delegated by the Board of Directors for consideration and approval within 45 days from the end of each quarter. As for the yearly financial statements which have been audited by the accountant shall be presented to the Board of Directors' Meeting for consideration and approval for submission of the same to the Shareholders' Meeting for consideration and approval within 120 days from the end of the accounting period.

The yearly financial statements of the public company shall be reviewed and scrutinized by the Audit Committee prior to submission of the same to the Board of Directors' Meeting for approval

within 60 days from the end of the accounting period for submission of the same to the Shareholders' Meeting for approval.

5. Dissemination of Financial Statements

The dissemination of the financial statements shall be approved by the Board of Directors or the Person(s) Delegated by the Board of Directors.

6. Maintenance of Documents in support of Accounting Record

Accounting documents shall be managed and maintained in accordance with relevant legal provisions.

## **Finance Chapter**

1. Financing

To finance investment in new projects, business expansion, improvement of work operations to make it efficiently, by considering the necessity and appropriateness in financing to meet the demand for funds, and provide the fund sources which are appropriate, in line with the conditions of business, capital market and money market, by taking into account the financial cost and risks from such financing to ensure the maximum benefit of the Company.

2. Credit Management

To conduct credit management to ensure the maximum efficiency and benefit without incurring any debt which causes a problem or damage to the Company, provided that report shall be made to the Board of Directors' Meeting for acknowledgment.

3. Financial Liquidity Management

To manage financial risks to ensure the short-term liquidity with efficiency and set out the middle-long term plans carefully and appropriately with the work operations and investment, as well as excess money management to achieve appropriate returns which take the acceptable risks; and to reserve a short-term working capital which shall be adequate and appropriate as required for the business operations.

4. Exchange Rate Management

To conduct exchange rate management with an aim of finishing or minimizing exchange rate risks which may occur to ensure it stays at the acceptable level and without expecting to make a

profit from exchange rate, whereby the method for exchange rate management shall be altered to make it suitable for volatile situations, circumstance and economic conditions.

## Budget Chapter

### 1. Budgeting

The budget year shall be scheduled to start from the 1<sup>st</sup> day of January and end at the 31<sup>st</sup> day of December each year.

### 2. Annual Budget

It comprises an operating budget and a capital budget, provided that the annual budget shall be proposed to the Board of Directors for consideration and approval before the 1<sup>st</sup> day of January each year.

- Operating budget means an estimate of the expenses for operating activities and expenses for planned management within a period of one year, including an estimate of reserve budget for use in operating activities and business development for new projects in the future.

- Capital budget, divided into:

Project investment budget is a budget which can justify the background of utilization of capital and sources of fund on a yearly basis for investment in various projects or business acquisition throughout the period of project implementation.

Fixed asset budget is a budget for the particulars which are forecasted to pay for to have fixed assets and for job enlargement or replacement or improvement of the existing assets.

### 3. Budget Control

Report on actual expenses shall be prepared in comparison with the budget for proposal of the same to the Board of Directors on a quarterly basis. In the event that the approved budget needs to be improved or amended, the person(s) in charge shall provide justification for such matter for seeking the Board of Directors' approval.

## Tax Chapter

### 1. Tax Planning

- Require that tax management, tax planning and tax payment shall be made under guidelines prescribed by laws and concession agreements in order to obtain appropriate tax privileges and create value for concerned stakeholders to the greatest degree.

- Require that tax remittance or tax refund shall be made properly within schedule prescribed by laws or concession agreements.
- Require that tax planning, study, tax impact analysis shall be conducted for new investment projects or in case of execution of new transactions to ensure that they are consistent with the business operations and legitimate, and to obtain relevant tax privileges for the benefit of stakeholders.

2. Tax Coordination

Require that the person(s) in charge of tax matters shall be appointed to contact or coordinate with governmental tax authorities in order to mainly provide accurate and true information on the business operations and to strictly comply with relevant rules and regulations.

3. Inspection of Tax Operations

- Require that any amendments of various requirements in relation to tax laws shall be followed up to inspect and ensure that tax operations shall be carried out in accordance with applicable requirements and laws.
- Require that performance of work shall be amended, improved at the suggestions of regulatory units and/or the Internal Audit Unit.

4. Tax Consultant

Consideration shall be made to engage a proficient tax consultant(s) to provide advice or coordinate with governmental tax authorities as assigned by the Company in order to minimize tax risks and properly comply with laws.

It is hereby announced for general acknowledgment and action.

(Dr. Thanong Bidaya)

Chairman of the Board of Directors