

SOUTH EAST ASIA GATEWAY for Global Innovations and Technologies



Annual Report 2018
Demeter Corporation Public Company Limited





Annual Report 2018
(Form 56-2)
Ended December 31, 2018
Demeter Corporation Public Company Limited

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Note "Investors can find further information regarding the Company from the Annual Registration Statement (Form 56-1) which has been disclosed at www.sec.or.th or www.demetercorporation.com"

Message from the chairman

To: Shareholders of Demeter Corporation Public Company Limited

Demeter Corporation Public Company Limited determines to operate media business as the main business and yet also has minor businesses of innovation and energy. In this regard, the company has been getting prepared in term of strategies, personnel and resources by adhering to the intention to conduct business under the ethical principles and good corporate governance guidelines.

In 2018, the company changed the way of the media business proceed that had been on satellite television business which was unable to generate profits as in the past. Therefore, the company has strategically modulated the business proceeding by not extending both the broadcasting license and the contract of co-production program and subsequently changed toward concert projects. Which it has a tendency to profit in a short term, additionally, the company is planning to keep on track aiming long-term profits in the following years. As for the business of innovation, the company invested as a shareholder in the business of developing the hyper-reality digital entertainment, the Marvel Experience Thailand Project - Theme Entertainment Attraction which the project started in June 2018. Unfortunately, there was the certain factor that made a significant structural impact during that time which was deceleration of the tourism and number of Chinese tourists in Thailand. That caused problems in the project, consequently, on January 21, 2019, Hero Experience Company Limited held an Extraordinary General Meeting of Shareholders No. 1/2019, Hero Experience executives proposed the agenda of consideration regarding the cessation of the project, which the project underwent the lack of financial liquidity and the implementation of the project did not meet the plan. The meeting resolved to stop the project with 62.5 percent approval votes and 37.5 percent disagreeing votes.

In the energy business, the company still gives importance as well because we regard that energy is a fundamental public utility, therefore, considering that the energy business can grow promisingly in the long run. The company consistently study new investment projects on innovation and energy in order to support the growth and changes of the world and today's society.

Demeter Corporation Public Company Limited aims to operate the business in accordance with the goals and objectives by taking into account the best interests of shareholders and strictly pursuing business operations based on good corporate governance. As regards the ranking of Corporate Governance Report of Thai Listed Companies (CGR) in 2018 by IOD, the company has been given 4 emblems rated as "Very Good", which the company is still pursuing the highest level of 5 emblems rated as "Excellent". In addition, the company has been conducting social activities continuously by giving grants for lunch and expenses to Maha Chakri Sirindhorn Special Education Center, Nakhon Nayok Province and Office of Thummamichon Foundation for the Blind in Thailand, Nakhon Nayok Branch (Ban Ruen Suk) on October 25, 2018.

On behalf of the Board of Directors of Demeter Corporation Public Company Limited, I would like to thank to all the shareholders, business partners, financial institutions, government and private agencies involved and all customers, who have provided excellent support to the company, as well as the executives and staffs of the company who are dedicated of bringing the company forward. And I wish you all the confidence that the company will continue to be committed to conducting business in accordance with ethical principles and good corporate governance guidelines to move forward steadily forever.

Mr. Suthep Liumsirijarern

Chairman of the Board of Directors

Part 1

Business Operation

1. Policy and Overview of Business Operation

1.1 Vision, Objective Goal or Business Strategy

Demeter Corporation Public Company Limited (DCORP) ("the company") is a public company registered in the Stock Exchange of Thailand. The core business operations include media, innovation and technology, and renewable energy. For more efficient operation, the company has changed its image and restructured the organization and managed by the executive team who has expertise and experience in each business of the company.

The company has well prepared on business strategy, personnel and resources for the business expansion and committed to operate its business under ethical principles and good corporate governance together with corporate social responsibility and to create the stability and sustainability to the company and its shareholders.

With respect to its vision, apart from media which is originally its core business through continuously organizing the concerts of well-known artists both domestically and internationally, the company sets a goal to penetrate and become fully engaging in innovations and technologies as well as energy businesses, viewing that energy is a basic infrastructure. The company continues studying new potential investment projects involving innovation and energy sectors. The company has investment readiness due to no loan obligation. The company targets to engage in innovative alternative energy business of all types onshore and offshore, aiming at sustainable ones which give high return and cause no impact to the environment so as to create solid and sustainable benefits to itself and its shareholders. To achieve that goal, the company will ensure all relevant studies are in place to prepare for and support future expansion of investment in the innovation and alternative energy businesses.

1.2 The Company's History and Key Development

Demeter Corporation Public Company Limited formerly Asia Joint Panorama Public Company Limited registered to be a limited company on June 29, 1978 named Aow Kham Thai Company Limited in order to conduct the business of tin mine business in the sea and renting out tin digging ship. Later on June 9, 1994, the company registered in the Stock Exchange of Thailand. Currently, besides its media business, the company has focused on investing in potential innovation and technology businesses as well as energy business, both domestically and internationally. From the past to present, the company has the significant changes as follows.

1993 to 1997	<p>The company faced the loss from tin mine business continuously because the tin price was low around the world. This made the company to stop the tin business in the year 1994 temporarily. Later in the year 1997, the company had started the industrial rock manufacturing at Muak Lek district, Saraburi by sub-leasing 4 mine concessions from Sayam Hin Pradub Company Limited and later the company name was changed to "Sino-Thai Resources Development Public Company Limited" in order to be consistent with the operating business. In the same year, the company had been notified from the Stock Exchange on being possible to be delisted due to stopping the business and no major business operation within the specific period. The stock was SP and moved to REHABCO ((Companies under Rehabilitation) which is the registered category under the revision process).</p>
1999 to 2003	<p>In the year 1999, the company had made rehabilitation plan by specifying the plan for 5 years in order to resolve the cause of the share of the company to be considered withdrawn. In the year 2000, the Stock Exchange has changed the condition of allowing the share in the category REHABCO to resume trade, which the company has qualification according to the said criteria and has been considered from the SET to be traded in the Stock Exchange again on March 6, 2000. In the year 2003, the company proceeded the debt restructuring successfully (100 percent of the total debt of the company) which made the company to have profit from the debt repayment in the amount of THB 87.90 million and to have profit from the debt restructuring in the amount of THB 108.6 million.</p>
ปี 2547 ถึง ปี 2549	<p>In the year 2004, the company had changed the major shareholder structure from Stacon Company Limited to the group of Khun Suladda Asawapayookkul and had stopped the old business operation including tin mine business and industrial rock business. Then, the company had expanded to the business of fuel distribution. The company had operated the business of fuel trading (to be the fuel trader according to the section 10 of Fuel Oil Act, 2002) by selling to the independent fuel trader (Jobbers) inside the country.</p> <p>In the year 2005, the company had produced and sold product of lubricant in its own trademark and manufactured for others. The company had brought the asset of Apex Oil Company Limited who operates the business of producing and selling lubricants used for engines and machines.</p> <p>In the year 2006, the company had increased bio-diesel oil and glycerin and stopped the business operation of selling lubricants because the lubricant business was highly competitive and could not make the profit to the company. In the same year, the SET closed the REHABCO and moved the security that qualified under SET to trade in the normal industrial category with the NC (Non-Compliance) symbol. As the company had the qualification according to the said criteria, the SET has allowed the stock of the company to be traded in the energy and utilities sector again.</p>
2009 to 2010	<p>In the year 2009, the SET had set the symbol SP and had withdrawn the security of the company from the stock trading board and moved the security to the NPG group since June 4, 2009 because the annual financial result for the year 2008 after the adjustment entries of the company was loss in the</p>

	<p>amount of THB 1.87 million. As a result, the company appointed sub-committee to conduct the restructuring plan of the company and set up the direction for the company:</p> <p>(1) To stop the energy business (2) To sell investment, assets, liabilities</p> <p>(3) To bring new business that could be the major business of the company</p> <p>In the year 2010, the company had changed the major shareholder structure from the group of Khun Suladda Asawapayukkul to the group of Khun Amareut Klomchitcharoen and Khun Pipat Ratchakitprakarn.</p> <p>On April 21, 2010, the company had stopped the business of selling fuel oil because the selling price had been controlled by the government policy which caused the low profit. Then the company has changed its business to the satellite television business by receiving the co-production rights from M.V. Television (Thailand) Company Limited for 8 satellite television channels for the period of 10 years (from December 1, 2010 to November 30, 2020).</p>
2011 to 2012	<p>The company had increased the business operation on radio broadcasting by receiving the right to operate radio program with A.C. Records Company Limited by being the reseller of advertising and airtime through the radio station of Thailand (FM97.00 MHz) starting from August 1, 2011 to May 31, 2012. The company had stopped the business of radio media since June 1, 2012 because the operating result was not as expectation. The company has maintained only satellite television business and changed the company's name from Sino-Thai Resources Development Public Company Limited (STRD) to Asia Joint Panorama Public Company Limited (AJP) on December 6, 2012. The changes of company's name and symbol of stock on the SET system is effective on December 13, 2012.</p>
2013	<p>On April 11, 2013, the General Shareholder's Meeting No. 1/2013 approved the additional investment in the satellite television business. On June 8, 2013, the company entered into the satellite television co-production agreement with M.V. Television (Thailand) Company Limited for another 8 channels for the period of 10 years to be totaling of 16 channels (please see the details on no. 2.2). On June 4, 2013, the company submitted an application for the license of broadcasting or television business to provide the services of broadcasting network or television that was not using the national frequency level to the NBTC. The company has received the license on August 13, 2013.</p> <p>On September 11, 2013, the company is allowed from mai to be released from the cause of withdrawal and traded as "AJP" in mai.</p>
2014	<p>On April 28, 2014, the Annual General Meeting Shareholders No. 1/2014 approved the company's capital increase and the allocation of warrants for newly issued shares no. 1 (AJP-W1) in the amount of 100,000,000 units to the existing shareholders in proportion to their shareholding ("Rights Offering") at the ratio of one warrant unit for every two existing DCORP shares with no charge, with the conversion ratio to buy a share of 1:1 and the warrant price of THB 3 per share.</p>

	<p>On November 26, 2014, the Extraordinary General Meeting of Shareholders No. 2/2014 approved the capital increase of the ordinary shares Private placement: PP by issuing to shareholders of U Best Point Media Company Limited in the amount of 5,625,000 shares, to Media Agency Thai Company Limited in the amount of 46,150,000 shares, and to Mr. Thana Benchathikul in the amount of 12,000,000 shares at the offering price of THB 8 per share, together with 28,000,000 capital increase shares due to the adjustment of exercise price and ratio required in the case of newly issued shares offered at a low price. The said meeting also resolved to change the warrant exercise price and ratio to be in line with the capital increase and maintain warrant value not to be devalued throughout its valid tenor. The new exercise ratio was one warrant unit for every 1.27 ordinary shares, and the new exercise price was THB 2.36 per share. As a result, the ordinary shares of the company changed from 200,000,000 shares to 291,775,000 shares. The company had unpaid registered shares of THB 100,000,000, which was reserved for warrant certificate to purchase the ordinary shares of the company. After capital increase, total registered capital of the company was THB 391,775,000.</p>
2015	<p>On January 21, 2015, the Board of Directors' Meeting passed the resolution to set up 2 subsidiaries as follows:</p> <ol style="list-style-type: none"> 1. AJP Information Technology Limited or AJPIT, which has the registered capital of THB 10,000,000, divided into 1,000,000 shares, with the par value of THB 10 per share. The main objective is to engage in the business of information technology and related business. The company will hold 999,998 shares, equivalent to 99.99 percent of the total shares of AJPIT. 2. AJP Power Ltd or AJPP, which has the registered capital of THB 10,000,000, divided into 1,000,000 shares, with the par value of THB 10 per share. The main objective is to engage in the energy business and related business. The Company will hold 999,998 shares, equivalent to 99.99 percent of the total shares of AJPP. <p>Both companies have completed the registration on February 9, 2015.</p> <p>On February 5, 2015, according to the resolution of the Extraordinary General Meeting of Shareholders No. 2/2014, held on November 26, 2014, the company allocated capital increase shares to U Best Point Media Co. Ltd. in the amount of 5,625,000 shares, to Media Agency Thai Company Limited in the amount of 46,150,000 shares, and to Mr. Thana Benchathikul in the amount of 12,000,000 shares at the offering price of THB 8 per share. Moreover, the company increased one more channel to produce the television program under U Best Point Media Company Limited in which the company holds 100 percent. In addition, the company received the right to manage the advertisement time through 5 television channels from Media Agency Thai Company Limited</p>

	<p>On February 19, 2015, the Extraordinary General Meeting of Shareholders No. 2/2015 approved the allocation of new 263,775,000 ordinary shares with the par value of THB 1 per share to the existing shareholders in proportion to their shareholding ("Rights Offering") at the ratio of 1 new share for every 1 existing share and the offering price of THB 6 per share, leading to an increase of registered capital from THB 391,775,000 to THB 655,550,000.</p> <p>On May 14, 2015, the Annual General Meeting of Shareholders No. 1/2015 (as postponed) approved the decrease of the company's registered capital by THB 97,062,354, from THB 655,550,000 to THB 558,487,646 by cancelling the company's unsold capital shares of 97,062,354 with the par value of THB 1 per share. The meeting also approved the increase in the company's registered capital by THB 32,059,924, from THB 558,487,646 to THB 590,547,570, via an issuance of 32,059,924 new ordinary shares with the par value of THB 1 to accommodate the adjustment of exercise price and ratio for AJP-W1.</p> <p>On August 3, 2015, the Extraordinary General Meeting of Shareholders No. 3/2015 approved the change of the company's name to be Demeter Corporation Public Company Limited (DCORP). The company completed the registration on August 7, 2015.</p> <p>On August 26, 2015, the company signed an agreement for early termination of the satellite television co-production agreement with M.V. Television (Thailand) Company Limited for the 8 satellite television channels to be effective on October 31, 2015.</p> <p>On October 8, 2015, the Board of Directors' Meeting No.11/2015 passed the resolution as follows:</p> <ol style="list-style-type: none"> 1. Approved the receiving of the right to manage the advertisement time during the broadcasting of the PGA European Tour, with the total value of THB 254.79 million, from Media Agency Thai Company Limited ("MAT") without remuneration. 2. Approved the purchase of the ordinary shares of Winchai Company Limited ("WIND"), which operates the electricity business from K-Shipping Company Limited in the amount of 12,500 shares, equivalent to 25 percent of the registered capital of WIND, at the purchase price of THB 13,700 per share, totaling value of THB 171,250,000. 3. Approved the incorporation of the subsidiary of the company for engaging in the Nano-Finance business. This subsidiary shall have the registered capital of THB 50,000,000, divided into 10,000,000 ordinary shares with the par value of THB 5 per share. <p>On November 17, 2015, the company signed an agreement for early termination of the satellite television co-production agreement with M.V. Television (Thailand) Company Limited for the remaining 8 satellite television channels by gradual return of the channels.</p> <p>On February 25, 2016, the company signed an agreement for early termination of the satellite television co-production agreement (cancellation of gradual return of the channels condition) with M.V.</p>
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	Television (Thailand) Company Limited in order to terminate the remaining 8 channels within March 31, 2016.
2016	<p>On February 25, 2016, the company signed an agreement for early termination of contract (cancellation of condition on gradual return of the TV channels) with M.V. Television (Thailand) Company Limited in order to terminate the remaining eight channels by March 31, 2016.</p> <p>On February 26, 2016, the Board of Directors approved the selling of all 1,000,000 shares held by the company in Demeter ICT Company Limited, a subsidiary 99.99 percent owned by the company, with a par value and a book value as of December 31, 2015 of THB 10 and THB 6.15 per share respectively to Mr. Varanyu Suchivoraphanpong and Global ICT Company Limited who were not related to the company at the price of THB 8.10 per share, totaling THB 8,101,970.11 or 99.99 percent of the total registered capital of Demeter ICT Company Limited.</p> <p>On April 29, 2016, the Annual General Meeting of Shareholders 2016 approved the co-investment with Hainan Yingli New Energy/Resources Company Limited in manufacturing, distributing and exporting solar cell panels by investing in Lison, Yingli's subsidiary, through Demeter Power Company Limited ("DPower") which was 99.99 percent -owned subsidiary. The total investment was THB 413,691,000.</p> <p>On May 19, 2016, the company signed two agreements with the investor in Philippines for conducting a due diligence of the two companies incorporated and operating energy business in Philippines to support its decision to buy 40 percent of such two companies' shares. Share purchase agreement is currently pending, awaiting complete legal due diligence.</p> <p>On August 25, 2016, the Board of Directors of Demeter Corporation Public Company Limited ("company") No. 7/2016 approved the selling of all 25 percent shares in Winchai Company Limited ("WIND") held by the company's subsidiary, i.e. Demeter Power Company Limited Later on September 29, 2016, the company agreed to sell 25 percent ordinary shares in WIND to First Alpha Venture Company Limited , worth totaling THB 215,000,000.</p> <p>The Board of Directors' meeting no. 7/2016 resolved to register the dissolution of Demeter Capital Company Limited, the company's subsidiary which had no investment and operating income. The said registration was made with the Department of Business Development, Commercial Department on September 14, 2016. It is now in the liquidation process.</p> <p>On December 16, 2016, the Board of Directors' meeting no. 10/2016 approved the total investment of</p>

	<p>up to THB 290 million in a biogas power plant project in Suphanburi province that is operated by Akkrawat Crop Rotation Energy Company Limited (“Akkrawat”)</p> <p>On December 28, 2016, the company signed an agreement with the existing shareholder of Akkrawat for an amendment to agreements under share purchase contract. The major change arose from Akkrawat’s existing shareholder having changed shareholding structure. Hence, it would have Tanayatorn Power Plant Company Limited (“Tanayatorn”), whom earlier received transfer of partial Akkrawat shares from the existing shareholder, to further transfer shares to the company under the share purchase contract.</p> <p>On December 30, 2016, the company was transferred a first lot of 8,200 shares, or 16.40 percent of total shares in Akkrawat. The company has completely paid for the first lot in the total amount of THB 36,078,245 to Tanayatorn.</p>
2017	<p>On January 21, 2017, the company received a second share transfer of 8,619 shares, representing 17.24 percent of the total shares of Akkrawat. The company paid the share purchase price for the transfer of the second shareholding to Thanyatorn Powerplant Company Limited, with the total amount of THB 37,921,755.</p> <p>On January 26, 2017, the Board of Directors’ meeting no. 1/2017 approved the investment in Negros PH Solar Inc (“NPSI”), a solar power plant project located in Bacolod City, (Negros Occidental) Philippines. The 50 MW Solar Energy Service Contract was purchased by purchasing 10,000 ordinary shares of NPSI, representing 40 percent of NPSI’s total issued share capital from NPSI’s shareholders, totaling 600,000 USD. The transaction will take place after the approval of the shareholder’s meetings and after the completion of the conditions set forth in the share purchase agreement. Nonetheless, the transaction is scheduled to be completed by May 2017.</p> <p>On March 14, 2017, the company extended the deadline for the transaction because the Philippines parties stated that due to the change in policy, getting the construction permit has been delayed in which the Department of Energy, Ministry of Energy of the Philippines is responsible and has the authority to approve the permit. It is expected that the permit will be completed and ready for the company to make the investment within July 2017. However, the investment transaction depends on the approval of the shareholders’ meeting, in which the company will propose to the Extraordinary General Meeting of Shareholders to consider and approve the share purchase transaction in NPSI.</p> <p>On May 3, 2017, the Board of Directors’ meeting no. 4/2017 approved the entering into the conditional</p>

	<p>purchase agreement between (1) Demeter Media Company Limited (“DMedia”) (a subsidiary of the Company) and (2) Thai Trade Communication Company Limited (Share Purchase Agreement) to set terms and conditions for the investment in the application development business and website for internet transactions which is operated by Blue Finix Digital Company Limited (“Blue Finix”) by purchasing shares from existing shareholders and the acquisition of Blue Finix shares (“Share Purchase”) totaling no more than 74,370,000 shares. The details are as follows:</p> <ol style="list-style-type: none"> 1. The purchase of 28,600 ordinary shares of Blue Finix from Thai Trade Communication Company Limited, (“Thai Trade”), representing 20 percent of Blue Finix’s share capital at a price not exceeding THB 1,726.22 per share and the total value not exceeding THB 49,370,000. 2. Acquisition of ordinary shares of Blue Finix as Blue Finix will increased its registered capital from THB 14,300,000 to THB 16,350,000 by issuing 20,500 new ordinary shares with a par value of THB 100 per share, in which this is a purchase of shares at a price higher than the par value. The company will purchase additional shares at a price not exceeding THB 1,219.51 per share, totaling not more than THB 25,000,000. The details of the share purchase are as follows: <ol style="list-style-type: none"> 1) Purchase of shares at a price higher than the par value, as the company took into account the independent evaluator’s assessment of Blue Finix to be valued at THB 719,570,000 or THB 5,031.96 per share. The acquisition of shares at a price not exceeding THB 1,219.51 is considered reasonable and will give DMedia the expected return on investment. 2) From negotiating with Blue Finix, the company has made an agreement with Blue Finix, stating that DMedia must have shares of not less than 30 percent from making this investment. Therefore, DMedia will acquire all of its shares from existing shareholders of Blue Finix, in which all existing shareholders of Blue Finix have waived their rights to purchase shares in proportion to their shareholding in order for DMedia to hold 49,100 ordinary shares in the Company (when combined with shares purchased from Thai Trade 28,600 shares), accounting 30 percent of Blue Finix’s registered capital. <p>On June 8, 2017 DMedia received a share transfer of 28,600 shares, representing 20 percent of Blue Finix’s registered capital. On June 19, 2017, Dmedia received a 20,500 share capital of Blue Finix as DMedia has paid (1) the share price for the transfer of shares to Thai Trade Communications Company Limited , totaling 49,370,000 and (2) the share price for the capital increase of Blue Finix totaling THB</p>
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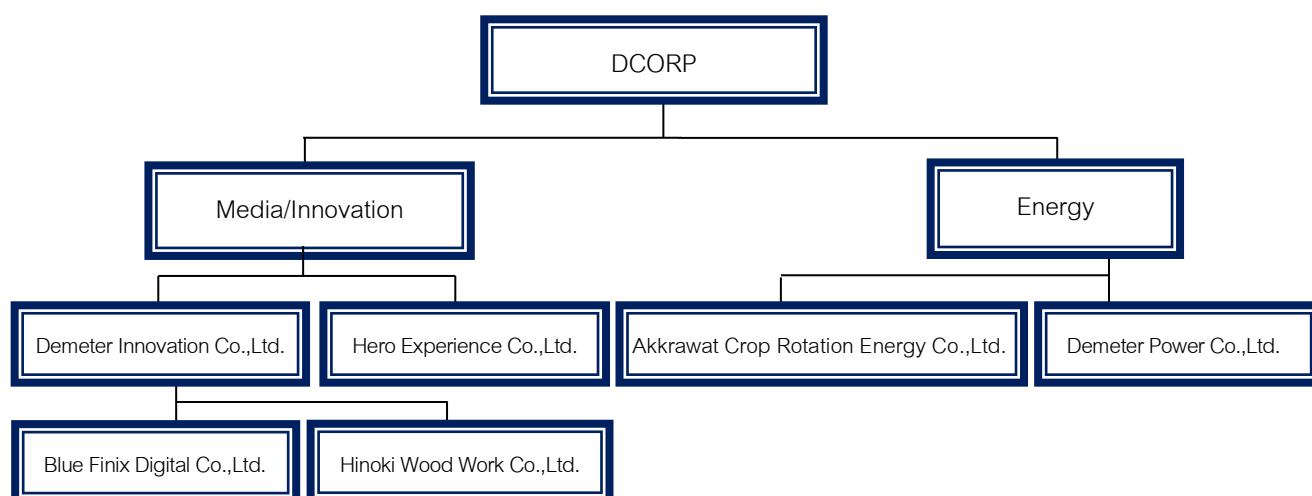
	<p>25,000,000.</p> <p>On June 15, 2017, the Board of Directors' meeting no. 3/2017 of DMedia Company Limited, a subsidiary of the company approved to change the name of Demeter Media Company Limited to Demeter Innovation Company Limited ("DIInnovation"). The name was changed at the Department of Business Development, Ministry of Commerce on June 20, 2017.</p> <p>On August 11, 2017, the company reported on the progress of getting the construction permit for NPSI project at the Philippines. The permit is still in the process of getting it approved by the Department of Energy, Ministry of Energy of the Philippines as they are reviewing the documents. NPSI expects the Ministry of Energy to complete its review of all documents by October 2017.</p> <p>On August 9, 2017, the company postponed the completion of the third trading session of 8,181 shares, representing 16.36 percent of Akkrawat's total issued shares, by October 31, 2017 as the Company and the other shareholders of Akkrawat is in the process of negotiating on business terms to be stated in the agreement between shareholders, in which it is a condition precedent of the transfer. The agreements that are in the process of negotiation include for instance the company management details to be approved by the Board of Directors and shareholders.</p> <p>On September 15, 2017, the Board of Directors' meeting no. 8/2017 passed a resolution approving the investment in the development of digital hyper-reality entertainment business The Marvel Experience Thailand: Theme Entertainment Attraction (TMX) in the company Hero Experience Company Limited ("Hero Experience"). The investment was made through the acquisition of 805,264 shares of Hero Experience, representing 30 percent of the company's total registered capital, totaling THB 270,000,000. Also, the company will purchase 67,106 shares from Hero Experience's existing shareholders at a price of THB 335.29377 per share, representing 2.5 percent of the paid-up capital of Hero Experience at THB 149.018 per share, totaling THB 10 million. The total transaction of the acquisition of shares was THB 280,000,000, accounting for 32.5 percent of the registered capital. The transaction is scheduled to be completed by October 31, 2017.</p> <p>On November 1, 2017, the company postponed the completion of the third trading session of 8,181 shares, representing 16.36 percent of the total shares of Akkrawat, as the Company and the other shareholders of Akkrawat is in the process of negotiating on business terms to be stated in the agreement between shareholders, in which it is a condition precedent of the transfer. The agreements</p>
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	<p>that are in the process of negotiation include for instance the rights and duties of each shareholders. The negotiation on the stated matter and the completion of the transaction is expected to be done by November 30, 2017.</p> <p>In addition, on the same day, the company extended the deadline in making its investment in the development of the digital hyper-reality entertainment business under The Marvel Experience Thailand: Theme Entertainment Attraction (The Marvel Experience: Theme Entertainment Attraction-TMX) project in the company Hero Experience, due to the pre-conditions stipulated in the share purchase agreement is not complete. The conditions for entering into such significant transactions, include terms such as compliance with the conditions for granting intellectual property rights in the implementation of the project thus negotiation on business terms to be defined in the agreement between shareholders. It is expected that the stated conditions and the transaction will be completed by December 2017.</p> <p>On November 10, 2017, according to the preliminary expectations that the Department of Energy, Ministry of Energy of the Philippines will take time to review the documents and approve the construction permit by October 2017, the company has agreed with NPSI and signed the amendment to the share purchase agreement to extend the transaction period from July 31, 2017 to October 31, 2017, after the construction permit has been approved. However, the Ministry of Energy is still in the process of approving the construction permit due to the changes in the policy regarding the process and procedures for obtaining a permit. The company and NPSI have sent out a letter to the Ministry of Energy of the Philippines to monitor the progress of having the permit approved but no answers were given. The company was informed that there will be no time limit for approving the construction permit. Therefore, the Board of Directors has considered that in such case, where NPSI cannot fully comply with the conditions precedent, due to the disapproval of the construction permit, the results of the legal review are not satisfactory to the company as the issue of not having a construction permit has had a significant impact on the transaction. As a result, the company sees that the project should be canceled and procedures will be made for NPSI to repay the deposit of USD 600,000 or THB approximately 21,234,000. A shareholder of NPSI has already submitted the deposit money to an Escrow Agent, in which after notifying the Escrow Agent of the breach of the terms of the Share Purchase Agreement, the company will receive a full deposit within November 30, 2017. On November 28, 2017, the company received the full deposit money of USD 600,000 from the Escrow Agent,</p>
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	<p>however the company will continue to negotiate for the rest of the deposit to be refunded as soon as possible.</p> <p>On November 16, 2017, the company reported to the resolution of the Board of Directors' Meeting no. 18/2017 held on November 7, 2017, which approved the investment in Triple CH Holdings Company Limited ("Triple CH"), a company registered under the laws of Samoa, with offices in Hong Kong and holds the rights to broadcast the English Premier League, UEFA Champions League, and the La Liga in the Philippines. The company invested in 35 percent of the total investment capital of THB 30,000,000 for the football broadcasting business in the Philippines. The company entered into the Business Collaboration and Investment Agreement on November 9, 2017 to set up mutual fund terms and conditions to share the benefits of broadcasting football matches in proportion to the investment.</p> <p>On December 12, 2017, the Board of Directors' meeting no. 13/2017 approved to amend the details of the investment in the entertainment business in the form of digital hyper-reality entertainment, The Marvel Experience Thailand: Theme Entertainment Attraction under the company, Hero Experience. The Company completed an acquisition of 939,474 shares, representing 35 percent of the company's total registered share capital, totaling THB 314,999,779.28 and the purchase of 67,106 shares from the existing shareholders, representing 2.5 percent of the registered capital of the company at THB 149.018 per share, totaling THB 10 million. The total value of investment was 1,006,580 shares, representing 37.5 percent, totaling THB 324,999.779.28 and the purchase transaction was completed on December 26, 2017.</p>
2018	<p>On February 16, 2018, the Board of Directors assigned the management of the Company to conduct a study on impacts and possible solutions regarding to the investment in the biogas power plant project of Akkrawat. The Board of Directors had opinion on the dept cost structure analysis for the investment in the biogas power plant project of Akkrawat that the Board of Directors considered additional facts and the study of the change in cost structure. Then, it has been found that the operation of the project in the same manner may result in an inability to acquire the benefits to Company and for shareholders as when the investment was previously approved. In such case, it is viewed that the executive shall explore the solutions so that the Company is least affected by the project and the Board of Directors will consider such solutions within February 2018. The Company proposed the solutions with the significant issues from the study of such solutions as follows: (1) Analysis on cost of the treatment of waste water created from the power plant using biomass energy (2) Analysis on possibility to install</p>

	<p>water treatment system (3) Analysis on movement of the location of the project to reduce the distance for raw material (Vinasses water) transportation from the Biofuel Mittrphol Factory, Dan Chang</p> <p>The Company informed that the Meeting of the Board of Directors No. 2/2018 of the Company held on 27 February 2018, resolved significant matters regarding the operation of the biogas power plant project of Akkrawat project in the same manner may result in an inability to acquire the benefits to Company and for shareholders as when the investment was previously approved. In such case, it is viewed that the Company shall terminate or sell the investment, and the Company shall, then, seek for investors who are interested in the project.</p> <p>On May 23, 2018, due to the fact that Hero Experience needs more financial support for loyalty fee, rental fee, construction fee, decoration fee, equipment fee, and other expenses relating to the Project; Hero Experience has entered into credit facilities agreements with the Siam Commercial Bank Public Company Limited with the total amount of THB 240,000,000. The loan comprises the 2 long-term loans which are THB 150,000,000 and THB 90,000,000. The Company will provide the credit guarantee for Hero Experience by means of business collateral registration as a cash deposit in the name of the Company with the amount of THB 90,000,000 based on the shareholding proportion in which the Company holds 37. percent of shares in Hero Experience. The Project was scheduled for official opening ceremony on June 27, 2018 and for commercial launch date on June 29, 2018.</p> <p>On September 3, 2018, the Resolution of the Extraordinary General Meeting of the Shareholders of DIInnovation No. 1/2008 dated September 3, 2018 resolved DIInnovation to establish a subsidiary named Hinoki Wood Work Company Limited ("Hinoki WW"), with registered capital of THB 1,000,000, by holding 99.98 percent of shares. Hinoki WW was established on September 13, 2018. As a result, Hinoki WW is an indirect subsidiary of the Company with the business objectives to processing, manufacturing and selling Hinoki wood products. In this regard, this transaction was also approved by the Investment Committee of the Company and thereafter presented and acknowledged by the Board of Directors of the Company during the Board Meeting No. 12/2018 on November 9, 2018.</p> <p>On December 6, 2018, the Resolution of the Management Committee Meeting No. 45/2018 dated December 6, 2018 to hold the Sticky Fingers Concert in Thailand (Sticky Fingers Live in Bangkok) with the budget not over THB 4,200,000</p>
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1.3 Structure of the Company's Group



The investments in subsidiaries of the company include media business, innovation business, and energy business.

Company	Business Description	% Share	Shareholder Name and No. of Shares
1. Media/Innovation business			
1.1 Demeter Innovation Company Limited	New innovation in the media business, including digital TV on mobile phones and artificial intelligence	99	1. Demeter Corporation PCL 479,998 Shares 2. Ms.Kulthida Verathaworn 1 share 3. Ms.Pichaya Ruktapongpisal 1 share <u>Total</u> 480,000 shares (Value: THB 100 per share)
1.2 Blue Finix Digital Company Limited	Website and Application Development	30	1. Demeter Innovation Co., Ltd. 49,100 Shares 2. Mr. Surasak Areesawangkit 48,392 Shares 3. Artisen Hong Kong Limited 35,006 Shares 4. Mr. Sirasongwit Jiratanasophon 12,001 Shares 5. Mr. Wiwat Wongwarawipat 7,001 Shares 6. Mr. Nitiphat Panichchaivivat 5,000 Shares 7. Mr. Paisit Wajnapakorn 5,000 Shares 8. Mr. Somyot Chairat 2,000 Shares <u>Total</u> 163,500 shares (Value: THB 100 per share)
1.3 Hinoki Wood Work Company Limited	Trade, manufacture, design, distribution, import, export, wood products	99.98	1. Demeter Innovation Co.,Ltd. 9,998 Shares 2. Mr. Sorakrit Latthitham 1 Share 3. Ms. Sawai Chaotrakarn 1 Share

Company	Business Description	% Share	Shareholder Name and No. of Shares
			<u>Total</u> 10,000 Shares (Value: THB 100 per share)
1.4 Hero Experience Company Limited	Theme Entertainment Attraction	37.5	1. Demeter Corporation PCL 1,006,580 Shares 2. Mr. Surakiat Thienthong 724,736 Shares 3. Mr. Anurak Thienthong 201,316 Shares 4. Mr. Vich Waitoonkiat 187,895 Shares 5. Mr.Akkawut Nuengchamnong 161,053Shares 6. Mr. Kovit Jirachananont 147,632 Shares 7. Ms. Sunattha Bodhinbhakdikul 127,500Shares 8. Mr. Noppadol Jason Jirasant 100,658 Shares 9. Mr. Tanat Busayapoka 26,842 Shares <u>Total</u> 2,684,212 Shares (Value: THB 100 per share)
2. Energy Business			
2.1 Demeter Power Company Limited	The company operates business related to the production of electricity from renewable energy.	99	1. Demeter Corporation PCL 3,499,998 Shares 2. Ms.Kulthida Verathaworn 1 Share 3. Ms.Pichaya Ruktapongpisal 1 Share <u>Total</u> 3,500,000 shares (Value: THB 10 per share)
2.2 Akkrawat Crop Rotation Energy Company Limited	The company operates a biogas power plant.	33.64	1. Demeter Corporation PCL 16,819 Shares 2. Thanayatorn PowerPlant Co.,Ltd. 8,181Shares 3. Mr. Tisanu Tanayatorn 17,500 Shares 4. Mrs. Niya Tanayatorn 2,500 Share 5. Miss Pakanut Tanayatorn 2,500 Shares 6. Mr. Tanapon Tanayatorn 2,500 Shares <u>Total</u> 50,000 shares (Value: THB 100 per share)

1.4 Relationships of the Company and Major Shareholders

- None -

2. Nature of Business & Performance Summary

2.1 Media Business The company has been operating the media business including:

2.1.1 Satellite television business.

2.1.2 Content business includes:

- EDGE Sport
- Eredivisie (Dutch League)
- English Premier League, UEFA Champions League and La Liga in the Philippines

2.1.3 Concert business

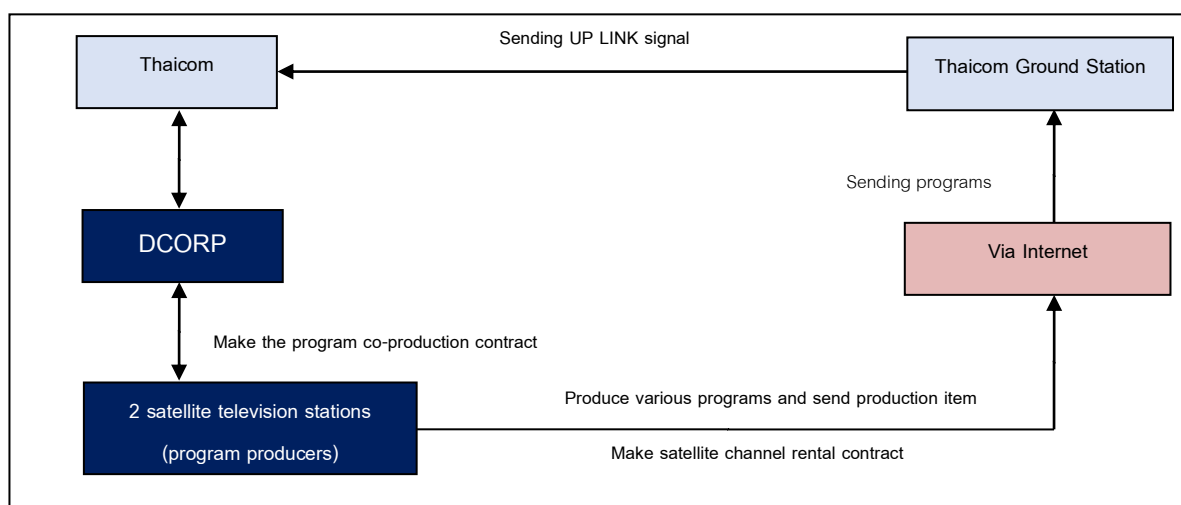
- Sticky Fingers Live in Bangkok 2019

2.1.1 Satellite Television Business Operation

2.1.1.1 Product or Service Characteristics

From January 1, 2016 to March 31, 2016, the company has operated a satellite television business, granted the right to procure and/or produce satellite television program and/or making co-production agreement with satellite television producers for remaining remaining station under the co-production agreement with First Group Company Limited. The company has allowed co-producers to produce television programs with the content that is not against the public order, tradition and good moral of people and must not be against the law and national security in order to air via satellite television.

Detailed map of the Company's Satellite TV Business:



However, the satellite television business of the company can be operated in 2 formats which are (1) satellite television production business (Production) and (2) reselling business (Resell). Initially, the company had considered the highest benefit to receive in conducting the business by finding income from providing reselling right with producers of satellite television for 2 stations.

Details and related people of satellite television business and local television cable

1) Owner of the Products: Including producers of goods and service such as beverage producers or producers of consuming and using products including Unilever, producer of soap, shampoo etc. In the past, the owner of products that needs to advertise its own product must usually use the advertising channel such as television media, radio or newspapers. However, today the advertising channel is more diverse such as Internet and satellite television. The company which owns the product would usually employ a company with knowledge and ability in doing the advertising plan and buying media so that it would be consistent with the target by employing advertising agency in planning and finding advertising so as to reach the target the most.

2) Advertising Agency: Including product agency in making advertising to buy the advertising channel and plan the advertising. The agency will plan the overall picture of the advertising via the advertising and the characteristics of the news. The examples are J. Walter Thompson and Ogilvy Company Limited. etc.

3) Content Provider: Including program producers for satellite television such as soap opera producers, music producers or movie producer. The examples of the company providing content service are GMM Grammy Public Company Limited and RS Entertainment Public Company Limited etc. Most of content provider would sell their own content to satellite television producer used in airing.

4) Satellite Television Program Producer: Including television program producers to broadcast via satellite. Satellite television program producer can compare the owner of the free TV station such as channel 3, 5, 7, 9 etc. However, satellite television is different from general free television because satellite deletion in each channel will have its own clear way and does not separate the programs like free television such as NEXT Platform- NEXT Series, Movie, Music and Wanwan which are complete entertainment programs such as movie, music, series (produced by MIC), HIT 66 will be 24-hour variety (produced by 94 Entertainment)

5) Cable Service Provider: Including provider of cable which sends general Internet signal because satellite television producer must send data (picture and sound signal) that have been produced at the land station before uplink to the example satellite. The examples are 3BB and Symphony PLC etc.

6) Land Station: Including land station with the duty to uplink data information to the satellite data. Normally, the land station would be part of the company-provided satellite service.

7) Satellite Service Provider: Including satellite service provider in communicating, sending television signal or radio signal. An example of the company that provides satellite service is Thaicom PLC.

8) **Satellite Signal Station Lease Provider:** Including satellite signal service provider which normally the satellite service provider will provide satellite signal station. An example of the satellite signal station lease provider is Demeter Corporation Public Company Limited.

9) **The Satellite Installation Service Provider:** Including the company providing the satellite installation with the consumers. The example of a satellite installation service provider is PSI Company Limited.

10) **Consumers:** General people

Company's Counterparty

Details of the 2 stations that the company entered into the co-production contract with co-producer;

No.	Station	License No. and Valid Period	Program	Contract Parties	Note: Terminated
1	N-EXT Music	B1-S21040-0113-57 25 Aug 15- 24 Aug 22	Variety	First Group Co.,Ltd.	31 July 18
2	N-EXT Wanwan	B1-S21040-0115-57 25 Aug 15- 24 Aug 22	Variety	First Group Co.,Ltd.	31 Jan 18

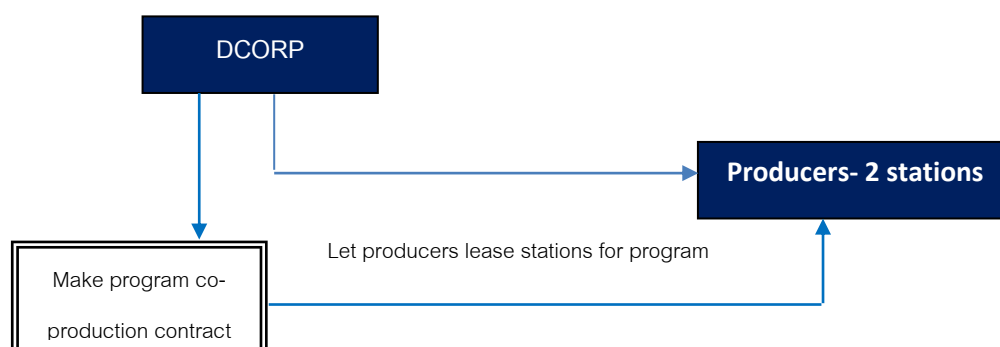
Notes: The company sent the letter no. 056/2561 dated on June 27, 2018 to NBTC, requesting to terminate the above contracts, effective from August 1, 2018.

Details of the Contract

Program co-production contract between the company and 2 program co-producers

The company ("license giver") has allowed co-producers to produce television programs with the content that is not against the public order, tradition and good moral of people and must not be against the law and national security in order to air via satellite television. The name of the programs and program characteristics and the time period of each contract or stations with the content of 5 4 minutes and can provide the advertisement for 6 minutes per 1 hour of television programs (the advertising period might be changed according to the law).

Contract Structure Chart of Related People:



2.1.1.2 Marketing Strategy and Competition

Customers are manufacturers of satellite television programs which are mostly entrepreneurs in various businesses and for distribution and distribution channels. The company will sell its products directly to customers who work in the production of television programs. The company has marketing and administration department to coordinate and supervise each customer. However, due to the increasing popularity of satellite television business over the past several years, many entrepreneurs entered into this business. At present, there are more than 100 satellite television operators in Thailand. The growth of the cable TV and satellite television industry which has been increasing in popularity from consumers across the country causes an increase in competitors. Therefore, risks are impact, higher than needs of consumers in the market.

2.1.1.3 Procurement of Products and Services

The company provided a joint production license, co-produced television programs and operated a satellite television station by complying with the Broadcasting and Television Business Act BE 2551 the Frequency Allocation Organization Act and supervising Radio Broadcasting Operations and Radio, Television and Telecommunication Business 2010 which has been strictly regulated by the Broadcasting Committee Television Business and the National Telecommunications Commission (NBTC).

2.1.1.4 Work that has not been delivered

- None -

2.1.2 Content Business

2.1.2.1 Product or Service Characteristics

Operation is under the model "The selection of the international sporting events that are popular all over the world", from selecting a type of sport, contacting a foreign agent, marketing and managing the content and distributing through TV channels. Our focus is to offer a popular international sport, incl. exotic sports in order to meet the assorted needs of consumers. Currently, the company has contents as below.

1) EDGE Sport

Background and details of project

EDGE Sport is sports action and global competition, which is the combination of fun and exciting sports in one channel. These include skate, surf boards, action sports in the snow and motorsport, and the tournament's leading and competitions in the category of sports action such as H2O Power boating, Formula Drift, ASP Surfing, TTR Snowboarding and many other quality programs.

The company entered into the Authorization on Broadcasting Right Agreement with First Group Company Limited who receives the exclusive right from the IMG COMPANY to be an owner of the content in EDGE Sport channel. FIRST is "licensor" and the company is "licensee".

Details of the Right

According to the agreement, the licensor agreed to give the broadcasting right (All Rights) with an exclusive right, and the right to allow person or corporation to sub-exercise right during the contract period of 3 years, starting from August 1, 2015 to July 31, 2018.

Managing the Right

The company entered into the Authorization on Broadcasting Right Agreement with MIC Broadcast Company Limited "MIC", which the company is "licensor" and MIC is "licensee".

Details of the Right

According to the agreement and addendum dated July 13, 2015, the "licensee" agreed to receive the right from the "licensor" to broadcast the referred "content" through the pay TV and received only non-exclusive rights.

In addition to the right to manage broadcasting right of content: EDGE Sport, according to the agreement with MIC, DCORP still has the right in the contents to generate income since EDGE Sport's contents have various and remarkable world competition programs.

2) Eredivisie (Dutch League)

Background and Details of Project

Eredivisie (Dutch League) is the highest Football League of Netherlands, founded in 1956. After the foundation of professional football club in Netherlands, currently it is the ninth of the best league in Europe. The rankings of the UEFA Champions League have 18 teams, and each team will play home team and away team. At the end of the season, the team at the bottom of the table will fall to Division 1 or Eredivisie. The winner of Division 1 will move up in this league immediately.

Nugency Company Limited is licensed and has the exclusive rights from Fox International Company Limited to own the rights to live broadcast football Eredivisie (Dutch League) for 3 seasons, 2015/16, 2016/17 and 2017/18.

The purchase of content rights to live broadcast football Eredivisie (Dutch League) is the rights purchase contract between New Agency Company Limited (right receiver), and Demeter Corporation Public Company Limited. The right receiver agreed to grant the licensee to live broadcast football Eredivisie (Dutch League) for 3 seasons, 2015/16, 2016/17 and 2017/18 to broadcast in all channels (All rights).

Details of the Project

Consecutive project (3 years contract) for 3 seasons: 2015/16, 2016/17 and 2017/18.

Details of the Right

- The right to live broadcast football Eredivisie (Dutch League) in all channels with Exclusive Rights.
- The right to live broadcast football for 3 seasons: 2015/16, 2016/17, and 2017/18.
- The number of football matches is not less than 80 matches per 1 season.
- Live broadcast through free TV, Modern 9 TV, and parallel broadcast via MCOT HD and MCOT FAMILY.
- The right to broadcast in Thailand over the contract period with unlimited number of times.

However, the company did not request to renew the agreement because the popularity of such content has diminished as there are increasing numbers of new content which seem more popular among consumers today.

3) Live Broadcast of the English Premier League, UEFA Champions League, and La Liga in the Philippines

On November 7, 2017, the company has approved a joint investment with Triple CH Holdings Company Limited, a company incorporated under the laws of Samoa and has offices in Hong Kong and holds the rights to live broadcast the English Premier League, UEFA Champions League, and La Liga in the Philippines. The company made a 35 percent joint venture investment, totaling THB 30,000,000 to conduct live football events in the Philippines. The company entered into the business collaboration and investment agreement on November 9, 2017 to set up mutual fund terms and conditions and to share the benefits of broadcasting football matches in according to the proportion of the investment.

The company will receive a share of profit from the joint investment of 35 percent, which is the share of revenue from live broadcast of football matches. After subtracting the cost of broadcasting, Triple CH has a guaranteed operating agreement for a period of 18 months from December 1, 2017, and that the revenue the company will receive will not be lower than the investment made by the company to broadcast live football matches.

Triple CH was entitled to broadcast live football, Premier League, UEFA Champions League and La Liga in the Philippines in the next season 2018/2019 on March 8, 2018, the company therefore paid the final investment amount of 10,000,000 THB to Triple CH according to the contract terms. Currently, the project is in the process of finding sponsors for the program (Sponsorship) and the results of the response to participate in sponsorship for the program.

2.1.2.2 Marketing Strategy and Competition

Customer characteristics and target customers of the company are Various TV channels, free TV, digital TV, cable TV and satellite TV. At present, many sports content has been produced continuously. Causing consumers to have more choices to watch together with an increase in digital channels and satellite channels as well as new content in order to match with the needs of various consumers. Therefore, this business has been recognized as very more competitive. Consequently, a risk in competition in this business incurred if the original content was not developed or significantly changed enough to create interest for the old consumer group.

The company will focus on a selection of quality since sports that are fun and immersive, are indeed a favorite of the audience and in demand by the various channels. Then, a variety of sports, regardless of its type, format or the style of the film, must cover all of the target audience in order to meet the different needs of the audience and / or various channels effectively.

2.1.2.3 Procurement of Products and Services

The company selected and purchased popular sport content rights in order to meet the needs of the customers who needed good quality of sport contents.

2.1.2.4 Work that has not been delivered

- None-

2.1.3 Concert Business

2.1.3.1 Product or Service Characteristics

1) Sticky Fingers Live in Bangkok 2019

By the Resolution of the Management Committee Meeting No. 45/2018 dated December 6, 2018 to hold the Sticky Fingers Concert in Thailand (Sticky Fingers Live in Bangkok) with the budget not over THB 4,200,000 with the details as follows:

- (1) Sourcing and contacting the artist to perform the concert.
- (2) Managing of the concert; for instance, the rental fee of the location where the concert will be held, the expense of the musical instrument including color and light systems regarding the concert, the remuneration for the opening band, the accommodation fee for the artists and the relevant parties, the royalty fee of the music, the expense for providing the convenience and the location management fee, etc.

Sticky Fingers is Australian rock and reggae band with a large number of people who like and follow through various channels. The famous songs are Australia Street with 14.8 million views, How to Fly with 21.6

million views and Cyclone with 18.3 million views, etc. Therefore, the Company is of the opinion that there will be enough fan club for selling the tickets to reach satisfactory investment returns. The Company has collaborated with Very TV Company Limited (“Very TV”), operated by Mr. Smitthi Pienlert, to manage the Sticky Fingers Concert in Thailand (Sticky Fingers Live in Bangkok). Very TV is a business operator who operates television and radio medias, and manages concerts for current popular artists; Their concerts have audiences around 90-100 percent of the concert capacity per concert.

The Sticky Fingers Concert in Thailand (Sticky Fingers Live in Bangkok) was scheduled to be performed on February 9, 2019 at Moon Star Studio where could accommodate the audiences around 2,500 people. The concert tickets were stand tickets with the price at THB 2,000 per ticket which was sold since December 10, 2018 via ticketmelon.com. The concert tickets were sold out. The Company recognized the revenue in February 2019. In case that Sticky Fingers Concert in Thailand (Sticky Fingers Live in Bangkok) was a success, the Company has planned to enter into the Memorandum of Understanding with Very TV to sourcing artists to perform concerts in Thailand in the long term.

2.1.3.2 Marketing Strategy and Competition

As the overall economic situation of the country is likely to slow down according to the global econom, this may affect the ability to spend on recreational activities of customers, causing the risk that the ticket sales amount may be lower than the target. Additionally, consumer product companies may have a policy to reduce the budget for supporting concerts. Another uncontrollable risk may result from more competitive markets due to conflict time schedules of other such concerts or other events which have same or similar target customers.

2.1.3.3 Procurement of Products and Services

The company selected concerts which were high quality and surely responded to the needs of the audience with clear target customers. The company engaged concert rights and sold concert tickets to customers who needed to consume the high-quality artists and then ensured organizing the operation to achieve high performing working target.

2.1.3.4 Work that has not been delivered

- None-

Income Structure of Media Business

Type of Income	Year 2016		Year 2017		Year 2018	
	mmTHB	%	mmTHB	%	mmTHB	%
1. Income from co-production	48.91	20.41	27.00	45.72	0.61	4.44
2. Income from broadcasting right	51.17	21.35	16.71	28.29	-	-
3. Income from sponsorship of sport tournament	-	-	-	-	-	-
4. Income from sale	93.27	38.91	0.01	0.02	-	-
5. Other income	46.34	19.33	15.34	25.97	13.14	95.56
Total income	239.69	100.00	59.06	100.00	13.75	100.00

Notes: 1) The company has income from satellite television on December 1, 2010.

2) The company has income from sponsorship of Golf Thailand Classic in February 2015.

3) As income of subsidiaries is less than 10 percent of total income, there is no income structure by segment presented.

3. Risk Factors of Media Business

3.1 The Risk of Media Business Operation

1) The relevant risk on revision of the law on broadcasting and television business

The operation of satellite television business of the company nowadays is under the regulation of Frequency Allocation Organization Act and Broadcasting and Television Business Act B.E. 2551. Under the said law, the NBTC which comes from the provision of the new constitution of Thailand B.E. 2550 ordered the merger of the NBC and the NCC. Even though nowadays, the NBTC committee has been established but the rules and direction in supervision and business operation of broadcasting and telecommunication business is not certain and it is likely to change in a stricter or more lenient way. In the case the stricter, it might affect the work operation of the Company because the satellite program producers who do not have qualification or advertised more than the law specified will not be able to produce programs which might affect the need of the stations. However, the company has specified program producers to comply with laws, regulations and various rules strictly. Moreover, the company has followed up the news and the progress of the said matter closely in order to prepare for the change of regulations in future.

However, the company has already requested to terminate the license after considered that returns on investment would not be as much as expected due to structural changes of nature of this business.

2) The risk of not being able to find a new producer to replace the ex producer

The risk of not being able to find a new producer if the producer of the program does not renew the contract, the company mitigated such risk by preparing to find new producers to replace that co-production program.

3) The risk that a satellite will not be able to broadcast

Generally, a satellite has the risk to have deficiency due to malfunction of the operation of the satellite itself or the sun storm, and damage from crashing between the satellite and various objects in the space. This reduces the ability in broadcasting the signal temporarily or permanently. Additionally, a satellite still has the risk on shorter useful life, which might affect users of 2 stations according to the contract that the company has made. However, THCOM has prepared a plan to support the damage result that would happen to customers. If there is severe damage to the satellite and it cannot be used. THCOM has an agreement with other satellite service provider so that users can use it instead.

4) The risk from program co-producers (station lessee) producing programs or broadcast illegal programs

Even though the conditions in program co-production contract between the company and each program co-producer specify that program co-producers need to produce television program and advertisement of goods and service that must not be against the public order, tradition, good moral of people, regulations, law, national security, and must not affect the king institution. Since the company is not a direct producer, it is difficult to control the content of the programs according to the condition of the contract. It is possible that program co-producers would broadcast illegal programs and might affect the company as the giver of the co-production right. As a result, the satellite channels that the company has leased out might be suspended or sued for the damage cost from related organization.

However, the company has a procedure of inspecting the various programs of program co-producers regularly before broadcasting. The program co-producers must send the program plan to the company to verify before broadcasting for 7 days (monthly program plan). In addition, the company has installed displays to monitor the various programs of co-producers in every station during broadcast. In the case of illegal programs are found, the company will notify to Thaicom Public Company Limited to stop the broadcasting of that co-producer. If Thaicom public Company Limited has found illegal broadcasting, they would notify the company and stop the broadcasting at the same time. The company can terminate the program co-production contract with program co-producers who broadcast the program that is against the law.

The company has the policy to increase the safety in backing up the various data of 2 stations. Previously data has been kept at Thaicom Public Company Limited for 3 months, it is changed to be backing up at the company for additional of 7 days. The company will use DVR (Digital Video Recorder), which record the visual and audio and then process those visual and audio in the memory.

5) Risk from the termination of the satellite channel rental agreement before the end of the contract which is not consistent with the contract for producing the program to the customer. This will likely be sued for damages

Cancellation of the satellite channel rental agreement before the end of the contract which is not consistent with the contract for producing the program to the customer likely results in a possibility to be sued for damages. The company has prepared mitigation plan to reduce such risks by contracting with customers in the short term for a period of not more than 1 year and customers have to be prior notified for 1-2 months and provide other satellite TV channels for customers to broadcast the original channel which will greatly alleviate the damage that has occurred.

6) Risks in the concert business

Due to the overall economic situation of the country that is likely to slow down according to the global economy, this may affect the ability to spend on recreational activities of customers, possible to cause the risk that the sales of concert tickets may be lower than the target, including the risk of declining budget of various potential sponsors to sponsor the project. The company is aware of these risk factors; therefore, focusing on selecting only the famous artists with their own target fans as well as choose a business partner who has such expertise and channels to promote the concert at the lowest cost and most importantly, able to reach the target customers directly so as to help alleviate the risk of business operations.

3.2 Risk on Investment of Shareholders

The value of the company's stock price depends on the operation of the company. The company is in the process of expanding business to other businesses in order to diversify risks of income from existing business, which is only from media and cable TV business. According to government's policy to promote the use of innovation and renewable energy as excellent alternatives, many enterprises have invested in such businesses. The Board of Directors realizes that the investment in the innovation business and renewable energy business will generate a steady income for the company, and reduce the risk of media and cable TV business, which suffered stagnation in the present.

Business Operation of Subsidiaries

In addition to media business, the company has expended to 2 businesses including innovation and renewable energy businesses, whose major shareholders are Demeter Corporation Public Company Limited, with 99 percent stakes.

Business operation of subsidiaries can be classified as follows:

1. Demeter Power Company Limited ("DPower")

General Information

Company name: Demeter Power Company Limited
Address: 191/43 CTI Tower 21st Floor, Ratchadapisek Road, Klongtoey Subdistrict
Klongtoey District, Bangkok 10110

Type of Business: Electric power generation and transmission (35101)

Registration no: 0105558024665

Registered capital: THB 35,000,000 (3,500,000 common shares at par value of THB 10 per share)

Paid-up capital: THB 35,000,000 (3,500,000 common shares at par value of THB 10 per share)

Shareholders' name list as of April 27, 2018*

No.	Shareholder Name	No. of Shares	% Shares
1	Demeter Corporation Public Company Limited	3,499,998	99.99994
2	Ms.Kulthida Verathaworn	1	0.00003
3	Ms.Pichaya Ruktapongpisal	1	0.00003
Total		3,500,000	100.00000

* Notes: List of shareholders of the company was referred from the Department of Business Development as of April 27, 2018

Details of Business Operation

Background

Demeter Power Company Limited, formerly AJP Power Company Limited, is a limited company incorporated on February 9, 2015. On August 13, 2015, the company has changed the name to Demeter Power Company Limited.

Business operation

Thailand is one of countries that considers the energy sector development both technologies and sources of energy. The government's policy is to promote the production of electricity from renewable energy continually in order to reduce the risk of dependence on fossil fuels and reduce emissions from the production of electricity. The plans for the development of renewable and alternative fuels in 10 years (B.C.2555 to 2564) or the Alternative Energy Development Plan (AEDP), Thailand has set a goal of using renewable energy to increase to 25 percent of the total energy consumption in 2021.

In addition, the company is also interested in investing in Energy Service Company (ESCO), a business that provides energy conservation services and/or renewable energy services. The service will consist of providing consultation, proposing new projects, project management, engineering design, energy analysis, equipment installation, operate in energy conservation and/or alternative energy projects and funding sources for energy projects, and etc.

Income Structure of Demeter Power Company Limited

Type of Income	Year 2016		Year 2017		Year 2018	
	mmTHB	%	mmTHB	%	mmTHB	%
Demeter Power Company Limited						
1. Income	-	-	-	-	-	-
2. Other income	21.16	100.00	2.42	100.00	0.55	100.00
Total income	21.16	100.00	2.42	100.00	0.55	100.00

Risk factors of Demeter Power Company Limited

- 1) The lack of understanding and appreciation of the importance and benefits of energy management for the service recipient is one thing to keep in mind. Energy management is like investing for long-term returns;
- 2) There are generally 3 types of energy contract forms, each of which is subject to its specific risks.
- 3) Risk responsibility in energy efficiency/equipment includes warranty for maintenance and spare parts

2. Demeter Innovation Company Limited (“DInnovation”)

The company operates under the philosophy to work creatively, intently and to select qualified items to delight consumers continuously. The company has a business goal to adapt and develop from satellite television business to various innovation business in 2018.

General Information

Company name: Demeter Innovation Company Limited

Address: 191/43 CTI Tower 21st Floor, Ratchadapisek Road, Klongtoey Subdistrict, Klongtoey District, Bangkok 10110

Type of Business: Radio broadcasting (except on-line) (60101)

Registration no: 0105552037951

Registered capital: THB 48,000,000 (480,000 common shares at par value of THB 100 per share)

Paid-up capital: THB 48,000,000 (480,000 common shares at par value of THB 100 per share)

Shareholders' name list as of April 27, 2018*

No.	Shareholder Name	No. of Shares	% Shares
1	Demeter Corporation Public Company Limited	479,998	99.96
2	Ms. Kulthida Verathaworn	1	0.02
3	Ms. Pichaya Ruktapongpisal	1	0.02
Total		480,000	100.00

* Notes: List of shareholders of the company was referred from the Department of Business Development as of April 27, 2018

Details of Business Operation

Background

Demeter Media Company Limited, formerly U Best Point Media Company Limited, is a limited company incorporated on April 20, 2009 operating Call center business. In 2013, the company has changed its business operation to satellite TV by receiving a license of broadcasting and television to provide television broadcasting services, no.B1-S21040-0389-56, for S.E.X.Y Woman TB channel from NBTC since April 22, 2014 to April 21, 2016 (previous license was from April 22, 2013 to April 21, 2014). On August 13, 2015, the company has changed the name to Demeter Media Co, Ltd. And on June 20, 2017 Demeter Media Co, Ltd. has changed the name to Demeter Innovation Company Limited for suitability of the business.

In April 2016, after the business license expired, the company ceased its operation because it is not worth the investment. However, the company is still interested in investing new innovations relating to media, as a result DInnovation has invested in Blue Finix, a company that is involved in the development of online live streaming applications (Online Live Streaming Platform) with a proportion of 30 percent of the total registered shares. However, the performance did not meet the expected target. The management of the Blue Finix therefore proposed to shut down the application services and proposed to dissolve the company. Currently, Blue Finix is in the process of liquidation.

The Resolution of the Extraordinary General Meeting of the Shareholders of DInnovation No. 1/2008 dated September 3, 2018 resolved DInnovation to establish a subsidiary named Hinoki Wood Work Company Limited ("Hinoki WW"), with registered capital of THB 1,000,000, by holding 99.98 percent of shares. As a result, Hinoki WW is an indirect subsidiary of the Company with the business objectives to processing, manufacturing and selling Hinoki wood products. In order to reach the target group as much as possible, Hinoki Wood has planned for the distribution via online, offline and its distributors. Hinoki WW has scheduled to commercial launch its first product which is the is Hinoki wood cutting board.

Income Structure of Demeter Innovation Company Limited

Type of Income	Year 2016		Year 2017		Year 2018	
	mmTHB	%	mmTHB	%	mmTHB	%
Demeter Innovation Company Limited						
1. Income	7.44	57.36	7.44	70.66	-	-
2. Other income	5.53	42.64	3.09	29.34	3.24	100.00
Total income	12.97	100.00	10.53	100.00	3.24	100.00

Risk Factors of Demeter Innovation Company Limited

1) Risk from major shareholders' influence on the policy and management of the corporate group

DInnovation is only a minor shareholder of Demeter Corporation Public Company Limited holding only 30.03 percent of the registered capital; as a result, the majority of the votes in the shareholders' meeting cannot be controlled. Therefore, it may not be possible to gather the votes to check and balance the matters proposed by the major shareholders. In addition, the major shareholders are also authorized to manage the corporate group

2) Risk from investment in new businesses in the volatile economic situation

The company plans to continue investing in new businesses to create exponential growth but needs to face with structural risk which affects unexpected revenue and profits goals. This risk is due to various factors i.e. economic conditions, rapid change of technology and changes in relevant laws and regulations. Such investment must also rely on expertise and specialized management as well as synergy among new business and current business, integration of key processes and systems and invention and development of corporate culture to be in align with new business in the future.

3. Hinoki Wood Work Company Limited

General Information

Company name: Hinoki Wood Work Company Limited
Address: 88/292 M.9 Khlong Ha, Khlong Luang, Pathum Thani 12120
Type of Business: Manufacture of other products of wood and cork, not elsewhere classified (16299)
Registration no: 0135561019979
Registered capital: THB 1,000,000 (10,000 common shares at par value of THB 100 per share)
Paid-up capital: THB 1,000,000 (10,000 common shares at par value of THB 100 per share)

Shareholders' name list as of September 17, 2018*

No.	Shareholder name	No. of Shares	% Shares
1	Demeter Innovation Company Limited	9,998	99.98
2	Mr. Sorakrit Latthitham	1	0.01
3	Miss Sawai Chaotrakarn	1	0.01
Total		10,000	100.00

* Notes: List of shareholders of the company was referred from the Department of Business Development as of September 17, 2018

Details of Business Operation

Background

Demeter Innovation Company Limited conducted a consumer survey which shows that there is health concern trend throughout the world and found that people focus on various forms of exercise, food consumption and using products that are more focused on health. DInnovation foresees that the health-related business is a highly attractive investment, therefore, conducted a study to find products that are good for the health of consumers.

From the above reasons, the Resolution of the Extraordinary General Meeting of the Shareholders of DInnovation No. 1/2008 dated September 3, 2018 resolved DInnovation to establish a subsidiary named Hinoki Wood Work Company Limited ("Hinoki WW"), with registered capital of THB 1,000,000, by holding 99.98 percent of shares. Hinoki WW was established on September 13, 2018. As a result, Hinoki WW is an indirect subsidiary of the Company with the business objectives to processing, manufacturing and selling Hinoki wood products. In this regard, this transaction was also approved by the Investment Committee of the Company and thereafter presented and acknowledged by the Board of Directors of the Company during the Board Meeting No. 12/2018 on November 9, 2018.

Hinoki wood is a soft pine tree that is very famous in Japan and a clean product which is good for the health of consumers. Since the Hinoki wood has special properties. It has oil inside its wood which can prevent fungus to grow on the wood surface. It also has no moisture and has a unique fragrance. The products are manufactured under the brandnamed WA. The first product of Hinoki WW is the Hinoki wood cutting board. In order to reach the target group as much as possible, Hinoki Wood has planned for the distribution via online, offline and its distributors.

Income Structure of Hinoki Wood Work Company Limited

Type of Income	Year 2016		Year 2017		Year 2018	
	mmTHB	%	mmTHB	%	mmTHB	%
Hinoki Wood Work Company Limited						
1. Income	-	-	-	-	-	-
2. Other income	-	-	-	-	0.01	100.00
Total income	-*	-*	-*	-*	0.01	100.00

* Notes: The company was registered on September 13, 2018.

Risk Factors of Hinoki Wood Work Company Limited

1) Risk from investment in new business

Investing in a new business may face with a risk that revenue and profits may not meet the expected goals. This risk may be due to various factors i.e. economic conditions, rapid change of technology

and changes in relevant laws and regulations. Such investment must also rely on expertise and specialized management as well as synergy among new business and current business, integration of key processes and systems and invention and development of corporate culture to be in align with new business in the future.

Business Operation of Associates

1. Blue Finix Digital Company Limited

General Information

Company name: Blue Finix Digital Company Limited

Address: 415,415/11 3rd Floor, Soi Ladprao 122 (Mahadthai 1),
Plabpla Sub-district, Wanthonglang District, Bangkok 10310

Type of Business: Web pages and networks programming activities (62011)

Registered no.: 0105559165386

Registered capital: THB 16,350,000 (163,500 common shares at par value of THB 100 per share)

Paid-up capital: THB 11,700,000 (117,000 common shares at par value of THB 100 per share)

Shareholders' name list as of April 25, 2018*

No.	Shareholder Name	No. of Shares	% Shares
1	Demeter Innovation Company Limited	49,100	30.03
2	Mr. Surasak Areesawangkit	48,392	29.59
3	Artisen Hong Kong Limited	35,006	21.41
4	Mr. Sirasongwit Jiratanasophon	12,001	7.34
5	Mr. Wiwat Wongwarawipat	7,001	4.28
6	Mr. Nitiphat Panichchaivat	5,000	3.05
7	Mr. Phaisit Vatjanapakorn	5,000	3.05
8	Mr. Somyot Chairat	2,000	1.22
Total		163,500	100.00

* Notes: List of shareholders of the company was referred from the Department of Business Development as of April 25, 2018

Details of Business Operation

Blue Finix Digital Company Limited is involved in the development of online live streaming platforms. The platform is available on every mobile operating system whether it is an IOS or Android system, as well as for computers; the use of all systems is connected to each other. The current major application is Finix TV.

Finix TV is an online live streaming system for anyone which they can register to broadcast their own shows. The system was commercially launched in June 2017 and was broadcasted live. There are 350

people running their own shows, each having a lot of followers on their social network accounts, such as there is a total of 6 million followers on Facebook and 8 million followers on Instagram.

DInnovation has invested in Blue Finix a company that is involved in the development of online live streaming applications (Online Live Streaming Platform) with a proportion of 30 percent of the total registered shares. Currently, the application was made available in the third quarter providing full version for both IOS and Android system for mobile phones as well as computer. In addition, a launch event for the application was held at Show DC Rama 9.

After Blue Finix's success in August 2017, the official press conference was held and there were celebrities attended such press conference, e.g. Professor Katha Chinnabanchon, Seksan Sukpimai, Kon-bai-krai-kriad crew members and Miss Supranational. The Company has given support and helped with the coordination. Later, executives of Blue Finix saw the opportunity to be an alliance with Electronics Extreme Company Limited, an importer of online games, to jointly use resources to achieve the best business benefits, including the proposal of work expansion plan to the leading media business group in the Republic of Vietnam in October 2017.

Nevertheless, Blue Finix was not able to increase the number of customers to achieve the revenue targeted. The Company considered that such effect may result from the lack of strategic planning and marketing operational plan. Especially, there was a lack of budget allocation and prioritizing, which adversely affect the determination of budget allocation for each marketing tools. In order to minimize the potential impact to the company and reduce the fixed cost burden that must be paid on a monthly basis, the management of Blue Finix therefore proposed to dissolve the Blue Finix by the resolution of the extraordinary shareholders' meeting of Blue Finix no. 2/2018, on September 27, 2018. Currently, Blue Finix is in the process of liquidation.

Income Structure of Blue Finix Digital Company Limited

Type of Income	Year 2016		Year 2017		Year 2018	
	mmTHB	%	mmTHB	%	mmTHB	%
Blue Finix Digital Company Limited						
1. Income	-	-	11.14	99.55	-	-
2. Other income	0.01	100.00	0.05	0.45	-	-
Total income	0.01	100.00	11.19	100.00	- *	- *

* Notes: Registered the dissolution with Department of Business Development on December 19, 2018 and is in the process of liquidation.

Risk Factors of Blue Finix Digital Company Limited

1) Risks from changes in legal requirements and regulatory criteria from the government

Currently, the online live broadcasting business in Thailand is supervised by the Ministry of Culture and Ministry of Information and Communication Technology. There may be changes or new

regulatory measures to control online live content which this may affect business, financial status and performance of the corporate group in the future.

2) Risks of competition and the rise of new online service providers

Nowadays, the competition in the online service business in Thailand and abroad has become more intense due to the increasing numbers of new service providers in the market. We can expect the market to increase as the numbers of service providers in each country and foreign service providers who are competing with domestic service providers are increasing significantly.

3) Risk from major shareholders' influence on the policy and management of the corporate group

DInnovation is only a minor shareholder of the company holding only 30.03 percent of the registered capital; as a result, the majority of the votes in the shareholders' meeting cannot be controlled. Therefore, it may not be possible to gather the votes to check and balance the matters proposed by the major shareholders. In addition, the major shareholders are also authorized to manage the corporate group by having 4 directors out of the total 8, and 1 director chosen from the shareholders. The company through DInnovation has appointed 3 directors to oversee the management and benefit of the company as well as the benefits of the minority shareholders.

2. Hero Experience Company Limited

General Information

Company name: Hero Experience Company Limited
 Address: 387 M.8 Bang Kaeo, Bang Phli, Samut Prakan 10540
 Type of Business: Activities of amusement parks and theme parks (93210)
 Registered no.: 0105559027285
 Registered capital: THB 268,421,200 (2,684,212 common shares at par value of THB 100 per share)
 Paid-up capital: THB 268,421,200 (2,684,212 common shares at par value of THB 100 per share)

Shareholders' name list as of December 7, 2018*

No.	Shareholder Name	No. of Shares	% Shares
1	Demeter Corporation Public Company Limited	1,006,580	37.50
2	Mr. Surakiat Thienthong	389,211	14.50
3	Mr. Anurak Thienthong	201,316	7.50
4	Mr. Vich Waitoonkiat	187,895	7.00
5	Mr. Akkawut Nuengchamnong	161,053	6.00
6	Mr. Kovit Jirachananont	147,632	5.50

7	Ms. Sunattha Bodhinbhakdikul	127,500	4.75
8	Mr. Noppadol Jason Jirasant	100,658	3.75
9	Mr. Tanat Busayapoka	26,842	1.00
Total		2,684,212	100.00

* Notes: List of shareholders of the company was referred from the Department of Business Development as of December 7, 2018

Details of Business Operation

Hero Experience Company Limited is a company that develops digital entertainment, The Marvel Experience: Theme Entertainment Attraction ("TMX"), alongside with Hero Venture International LLC ("HV") from the United States in order to be licensed to develop this project. The digital entertainment comes in the form of digital hyper-reality where visitors can become a part or an agent of S.H.I.E.L.D. and work alongside over 20 characters under Marvel such as Captain America, Iron Man, Spider Man, Black widow, Wolverine and the Hulk, etc. The attraction is located at MEGA Bangna and was opened in June 2018.

The rights of the Marvel characters are passed on to HE from HV International LLC ("HVI"), a subsidiary of HV, a direct licensee of the Marvel characters B.V. ("Marvel"). HE entered into a joint venture agreement with HVI to acquire this right.

The theme attraction comes in the form of digital hyper-reality where there will be 7 different domes and each dome has its own activity or attraction. Visitors must purchase passes to enter and according to the plan visitors will spend an average of 8 minutes in each dome and spanning across an area of 12,395 square meters, which can accommodate up to 10,950 tourists per day.

In carrying on TMX Business, core revenues will be generated in 4 categories:

1. Revenue from ticket sales
2. Revenue from toys and souvenir
3. Revenue from food and beverages
4. Revenue from sponsorship and other barter systems

Income Structure of Hero Experience Company Limited

Type of Income	Year 2016		Year 2017		Year 2018	
	mmTHB	%	mmTHB	%	mmTHB	%
Hero Experience Company Limited						
1. Income	-	-	-	-	119.43	85.88
2. Other income	0.10	100.00	0.10	100.00	19.64	14.12
Total income	0.10	100.00	0.10	100.00	139.07	100.00

Risks Factors of Hero Experience Company Limited

1) Risks from major shareholders' influence on the policy and management of the corporate group

The company is only a minor shareholder of Hero Experience holding 37.50 percent of the registered capital; as a result, the majority of the votes in the shareholders' meeting cannot be controlled. Therefore, it may not be possible to gather the votes to check and balance the matters proposed by the major shareholders. In addition, the major shareholders are also authorized to manage the corporate group by having 6 directors out of 9. The company has appointed 3 directors to oversee the management and benefit of the company as well as the benefits of the minority shareholders.

Other Long-term Investment

1. Akkrawat Crop Rotation Energy Company Limited

General Information

Company name:	Akkrawat Crop Rotation Energy Company Limited
Address:	99/1 M.8 Sa Krachom, Don Chedi, Suphanburi 72250
Type of Business:	Electric power generation and transmission (35101)
Registered no.:	0105551048887
Registered capital:	THB 5,000,000 (50,000 common shares at par value of THB 100 per share)
Paid-up capital:	THB 5,000,000 (50,000 common shares at par value of THB 100 per share)

Shareholders' name list as of April 27, 2017*

No.	Shareholder Name	No. of Shares	% Shares
1	Demeter Corporation Public Company Limited	16,819	33.63
2	Tanayatorn Power Plant Company Limited	8,181	16.36
3	Mr. Tisanu Tanayatorn	17,500	35.00
4	Mrs. Niya Tanayatorn	2,500	5.00
5	Miss Pakanut Tanayatorn	2,500	5.00
6	Mr. Tanapon Tanayatorn	2,500	5.00
Total		50,000	100.00

* Notes: List of shareholders of the company was referred from the Department of Business Development as of April 27, 2017

Details of Business Operation

Akkrawat Crop Rotation Energy Company Limited was incorporated on May 2, 2008 to produce and sell electricity generated from renewable energy. It signed a power purchase contract (VSPP) with Provincial Electricity Authority (PEA) with the production capacity of up to 4.9 megawatts on May 19, 2009. The

company's biogas power plant makes use of biogas produced from waste water that is released after sugar production process of the sugar plant nearby as material for electricity generation. The sugar plant had plenty of unneeded waste water and desired to sell it for electricity generation to cut its treatment expense. The waste water from sugar plant is sufficient to support the electricity generation of the company's power plant.

After obtaining the approval from the Board of Directors' meeting no. 10/2016, held on December 16, 2016, the company would acquire 25,000 ordinary shares that engages in biogas power plant business, from the existing shareholder, which account for 50 percent of total registered capital. The shares acquisition will be made in 3 times, 1) 8,200 shares by December 2016, 2) 8,619 shares or 16.32 percent of total shares by January 2017 and 3) 8,181 by July 2017, making a total of 25,000 shares which represent 50 percent of total shares. On December 30, 2016, the company was transferred the first portion of 8,200 shares or 16.40 percent after the payment of THB 36,078,245 in total to Tanayatorn. In addition, on January 12, 2017, the company received the second share transfer of 8,169 shares, representing 17.24 percent. The company has paid the share purchase price for the second transfer to Tanayatorn for a total of THB 37,921,755. However, for the third transfer of shares to happen by July 2017, the company has not yet entered into the transaction.

From the Board of Directors' meeting no. 2/2018 held on February 27, 2018, the Board of Directors has considered additional facts and the study results of the changed cost structure. It was found that the continuation of the project on the basis of the existing guidelines could result in offering no benefit to the company and the shareholders. Therefore, the management team has conducted studies to find solutions to minimize the effects of this project. The company has proposed solutions and discovered important issues.

The Meeting of the Board of Directors No. 2/2018 of the Company resolved significant matters regarding the operation of the biogas power plant project of Akkrawat in the same manner may result in an inability to acquire the benefits to Company and for shareholders as when the investment was previously approved. In such case, it is viewed that the Company shall terminate or sell the investment, and the Company shall, then, seek for investors who are interested in the project. At present, the current management, representing the existing shareholders, has been the operator to find investors. Indeed, during this operation, the current management has also made plans to improve the factory and sell electricity as well.

Income Structure of Akkrawat Crop Rotation Energy Company Limited

Type of Income	Year 2016		Year 2017		Year 2018	
	mmTHB	%	mmTHB	%	mmTHB	%
Akkrawat Crop Rotation Energy Company Limited						
1. Income	4.75	23.01	-	-	-	-
2. Other income	15.89	76.99	0.02	100.00	0.02	100.00
Total income	20.64	100.00	0.02	100.00	0.02	100.00

Risk Factors of Akkrawat Crop Rotation Energy Company Limited

1) Key materials risk

The company operates a biogas power plant, using wastewater from sugar plant nearby as a raw material for electricity generation. Such wastewater is a crucial material in production process, and the amount of produced electricity will depend on wastewater output and selling agreements.

2) Customer concentration risk for energy business

All power plant schemes have PEA as a single customer. However, since PEA is a reliable and solid government agency and there is a power purchase agreement, such risk is probably low.

3) Regulatory risk

Change of rules and regulations related to business operation may either positively or negatively affect the company's business. Such change is an external and uncontrollable factor. However, the company has kept monitoring changes in regulations and government policies. Moreover, in analysis of business investment, the company will put importance on regulatory risk and ensure flexibility in adjusting operational format in order to comply with public sector's regulations.

4. Securities and Shareholders Information

4.1 Registered and Paid-up Capital

As at December 31, 2018, the company has registered capital of THB 590,547,570 and the paid-up capital of THB 587,407,772, divided into 590,547,570 shares with the par value of THB 1 per share.

4.2 Shareholders

(1) Name lists of major shareholders

The first 10 name lists of major shareholders as at December 27, 2018* are as followings:

No.	Shareholder Name	No. of Shares	% Shares
1	Mr. Boonchai Kasemvilas	54,877,300	9.342
2	Mr. Utaipan Jirakulpongton	42,348,700	7.209
3	Mr. Nathaphol Kasemvilas	29,128,808	4.959
4	Ms. Sunun Gnamakkarakul	28,794,200	4.902
5	Ms. Sriwan Ruktapongpisal	21,920,600	3.732
6	Mr. Thanarath Thanavutwantana	21,185,800	3.607
7	Mr. Thanarath Thanavutwantana	20,010,000	3.406
8	UOB KAY HIAN PRIVATE LIMITED	20,000,000	3.405

9	Mrs.Oranuj Thanavutwantana	16,719,700	2.846
10	Ms.Nalinpas Kittisureethorn	15,534,800	2.645
Total		270,519,908	46.053

* Notes: List of shareholders of the company was referred from the Department of Business Development as of April 3, 2017

Minority Shareholders The number of minority shareholders is 2,992 or 29.92 percent.

To maintain the qualification on shareholding distribution must have the amount of minority ordinary shareholder for not less than 150 shareholders and the said shareholders must hold the shares for not less than 15 percent of all paid-up capital of the Company.

Foreign Shareholders as of December 27, 2018

The company has foreign shareholders in the amount of 7 people holding the total of 20,774,000 shares (with the par value of THB 1 per share) or 3.54 percent of the registered capital.

(2) Shareholding in subsidiaries

: Demeter Power Company Limited

Shareholders' name list as at April 27, 2018*

(Par value: THB 100 per share)

No.	Shareholder Name	No. of Shares	% Shares
1	Demeter Corporation Public Company Limited	3,499,998	99.99994
2	Ms. Kulthida Verathaworn	1	0.00003
3	Ms. Pichaya Ruktapongpisal	1	0.00003
Total		3,500,000	100.00000

* Notes: List of shareholders of the company was referred from the Department of Business Development as of April 27, 2017

: Demeter Innovation Company Limited

Shareholders' name list as at April 27, 2018*

(Par value: THB 100 per share)

No.	Shareholder Name	No. of Shares	% Shares
1	Demeter Corporation Public Company Limited	479,998	99.96
2	Ms. Kulthida Verathaworn	1	0.02
3	Ms. Pichaya Ruktapongpisal	1	0.02
Total		480,000	100.00

* Notes: List of shareholders of the company was referred from the Department of Business Development as of April 27, 2017

: Hinoki Wood Work Company Limited

Shareholders' name list as at September 17, 2018*

(Par value: THB 100 per share)

No.	Shareholder Name	No. of Shares	% Shares
1	Demeter Innovation Company Limited	9,998	99.98
2	Mr. Sorakrit Latthitham	1	0.01
3	Miss Sawai Chaotrakarn	1	0.01
Total		10,000	100.00

* Notes: List of shareholders of the company was referred from the Department of Business Development as of September 17, 2017

(3) Shareholding in Associates

: Blue Finix Digital Company Limited

Shareholders' name list as of April 25, 2018*

(Par value: THB 100 per share)

No.	Shareholder Name	No. of Shares	% Shares
1	Demeter Innovation Company Limited	49,100	30.03
2	Mr. Surasak Areesawangkit	48,392	29.59
3	Artisen Hong Kong Limited	35,006	21.41
4	Mr. Sirasongwit Jiratanasophin	12,001	7.34
5	Mr. Wiwat Wongwarawipat	7,001	4.28
6	Mr. Nitiphat Panichchaivivat	5,000	3.05
7	Mr. Phaisit Vatjanapakorn	5,000	3.05
8	Mr. Somyot Chairat	2,000	1.22
Total		163,500	100.00

* Notes: List of shareholders of the company was referred from the Department of Business Development as of April 25, 2018

: Hero Experience Company Limited

Shareholders' name list as of December 7, 2018*

(Par value: THB 100 per share)

No.	Shareholder Name	No. of Shares	% Shares
1	Demeter Corporation Public Company Limited	1,006,580	37.50
2	Mr. Surakiat Thienthong	389,211	14.50
3	Mr. Anurak Thienthong	201,316	7.50
4	Mr. Vich Waithoonkiat	187,895	7.00
5	Mr. Akkawut Nuengchamnong	161,053	6.00

6	Mr. Kovit Jirachananont	147,632	5.50
7	Ms. Sunattha Bodhinbhakdikul	127,500	4.75
8	Mr. Noppadol Jason Jirasant	100,658	3.75
9	Mr. Tanat Busayapoka	26,842	1.00
Total		2,684,212	100.00

* Notes: List of shareholders of the company was referred from the Department of Business Development as of December 7, 2018

(4) Other Long-term Investment

: Akkrawat Crop Rotation Energy Company Limited

Shareholders' name list as of April 27, 2017*

(Par value: THB 100 per share)

No.	Shareholder Name	No. of Shares	% Shares
1	Demeter Corporation Public Company Limited	16,819	33.63
2	Tanayatorn Power Plant Company Limited	8,181	16.36
3	Mr. Tisanu Tanayatorn	17,500	35.00
4	Mrs. Niya Tanayatorn	2,500	5.00
5	Miss Pakanut Tanayatorn	2,500	5.00
6	Mr. Tanapon Tanayatorn	2,500	5.00
Total		50,000	100.00

* Notes: List of shareholders of the company was referred from the Department of Business Development as of April 27, 2017

4.3 Issuance of other securities

- None -

5. Dividend Payment Policy

The Company has the policy to pay dividend in the rate of not less than 50 percent of the net profit for the year without accumulated loss. Currently the Company could not pay dividend since there is an accumulated loss.

6. General Information and other important information

6.1 General Information

Company: Demeter Corporation Public Company Limited

Address: 191/43 CTI Tower 21st Floor, Ratchadapisek Road,
Klongtoey Subdistrict, Klongtoey District, Bangkok 10110
Telephone: 0 2204 2601 Fax: 0 2204 2616
Website: www.demetercorporation.com

Registered and paid-up capital: Ordinary shares 587,407,772 shares,
par value of THB 1.00 per share, total of THB 587,407,772

Secondary Market: Market for Alternative Investment (mai)

Number of staff : As of December 31, 2018, 29 employees

Accounting period : 1 January - 31 December

Auditor

No.	Name list of auditor	CPA Registration No.	Office Name
1	Mr. Jetsada Hungsapruet	CPA Registration No. 3759	Karin Audit Co., Ltd.
2	Ms. Kannika Wipanurat	CPA Registration No. 7305	Karin Audit Co., Ltd
3	Mr. Jirote Sirirorote	CPA Registration No. 5113	Karin Audit Co., Ltd

Internal auditor : The Best Solution Partnership Limited

Share registrar : Thailand Securities Depository Company Limited

Dividend payment policy : The Company has the policy to pay dividend in the rate of not less than 50 percent of the net profit for the year without accumulated loss. However, nowadays the Company could not pay dividend since there is an accumulated loss.

6.2 Other important information

- None -

Part 2

Management and Corporate Governance

7. Management Structure

7.1 Board of Directors

Authority and duties of the Board of Directors

Duties and Responsibilities

- The duties and responsibilities of the Board of Directors are in accordance to the law, the Company's objectives, Memorandum of Association and the Articles of Association of the Company. In addition, the Board of Directors are also responsible for the following actions:
 - (1) To set policies, strategies and financial targets of the Company, and to approve the policy and direction of the management, thus responsible for overseeing and monitoring the management to ensure that they comply with such policies, strategies and financial targets. The goal is to increase economic value and wealth to shareholders. All interested parties will be considered.
 - (2) Lay out and define procedures to ensure operations within the Company complies with the Board of Director's Regulations, Shareholder's Resolutions, and Ethical Standards. All of this should be done in good faith and with caution.
 - (3) Lay down the structure and procedures to ensure there is a risk management system, supervision and investigation, and appropriate internal controls.
 - (4) Monitor and evaluate the performance of the managements being done to ensure that they are achieved according to the strategy as well as being under the budget that has been approved by the Board of Directors.
 - (5) Set the criteria and evaluate the performance of the Chief Executive Officer and Senior Managers at least once a year.
 - (6) To maintain accounts, to keep accounts and related documents, and to disclose appropriate information to shareholders.
 - (7) Review the succession plan of the Chief Executive Officer and Senior Managers on a regular basis.
 - (8) Supervision and operation are adhered to the ethics of the directors.
 - (9) Set Corporate Governance and Social Responsibility Policy

Component and appointment

(1) **Components** consist of

- (1) 5 independent directors
- (2) 5 directors:
 - 1 Executive Directors
 - 4 Non-Executive Director

By having

- Chairman of Board of Directors: **Mr. Suthep Liumsirijarern**
- Chief Executive Officer: **Mr. Prachuab Ujjin**

(2) **Appointment** The shareholders meeting shall elect directors according to the guidelines and procedures as follows.

- (1) One shareholder would have the voting rights equally to the number of shares held
 - (2) Each shareholder will use all voting rights according to (1) to elect one or more people as directors but could not give the voting rights to any person.
 - (3) Person who receives the highest vote in sequent will be elected as directors equally to the number of directors which will have or will be elected in that time. In the case that elected persons in the next order with the same voting score have more than the number of directors would have or would be elected in that time. The chairman in that meeting will have a decisive vote
- The maximum number of directors
 - Not less than 5 people but not specify the maximum number of directors and not less than half of all directors must have address in the kingdom.
 - Ratio of directors who are representative of shareholders
 - Not specify.
 - Rights of minor shareholders in appointing directors
 - According to the guidelines of appointing directors of the company

No.	Name list	Position
1	Mr. Suthep Liumsirjarern	Independent Director and Chairman
2	Mr. Numchai Lowattanatakul	Independent Director, member of The Audit Committee, Vice-Chairman and Chairman of The Human Resource and Remuneration Committee
3	Mr. Krisada Hutaserani	Independent director and Chairman of The Audit Committee
4	Mr. Sorasak Saensombat	Independent director, member of The Audit Committee, and member of The Corporate Governance and Social Responsibility Committee
5	Mr. Prachuab Ujjin	Director, Chairman of The Investment Committee, Chairman of The Risk Management Committee and Chief Executive Officer
6	Pol.Maj.Gen. Prayont Lasua	Director, member of The Human Resource and Remuneration Committee and member of The Risk Management Committee
7	Mr. Thanarath Thanavutwatthana	Director and member of The Risk Management Committee
8	Mr. Chotiphun Tiaviwat	Director and member of The Investment Committee

Authorized directors who oblige the Company regarding to the Company's affidavit are Mr. Prachuab Ujjin or Pol.Maj.Gen. Prayont Lasua, or Mr. Thanarath Thanavutwatthana, 2 of 3 sign and affix Company's seal.

Chief Executive Officer

The Board of Directors decided to appoint Mr. Prachuap Uchchin to be the Chief Executive Officer, starting from 2018 July 1 by the qualifications of the position of Chief Executive Officer.

Scope of duties

- According to the scope and objectives specified by the Board of Directors

Duties and responsibilities

(1) Responsibilities to the Board of Directors

- To be responsible and to create confidence towards the Board of Directors in ensuring that they will receive the necessary information for supervision and decision-making.
- Report on the Company's performance to the Board of Directors regularly, as well as to propose various options to the Board of Directors for consideration.

(2) Stockholder Relations

- To be responsible for good relationship and cooperation between the Company and shareholders to ensure that the operations are in line with the stated objectives.

(3) Strategic and Operational Planning

- Prepare an annual business plan that is in line with the strategies approved by the Board of Directors. Prepare an annual budget to be in line with the business plan.
- Coordinate and cooperate with the Board of the Directors to set the Company's vision and goals, as well as related policies.
- Develop a system to monitor the implementation of the plan.
- Devise a plan to develop future leaders within the organization to support the expansion

(4) General Management Responsibilities

- Create corporate culture that reflect corporate values and to encourage work to be done with good standard and quality.
- Supervise the management of human resources and ensure that it is efficient in order to improve the quality of human resources
- Supervise the operation of the Company in accordance with the policies assigned by the Company's Board of Directors and in compliance with the law.
- Organize resources efficiently and create harmony within the organization; this includes rewards and punishments.
- Define and improve the current operating system for better efficiency and control, as well as to create effective communication system within the organization

7.2 Executives

Scope of duties

- According to the scope and objectives specified by the Board of Directors.

Duties and responsibilities

- (1) Support and provide advice to the board of directors.
- (2) Support and provide advice to the management team.
- (3) To be assigned and authorized of duties from the board of directors.
- (4) To operate in the necessary matter related to the business operation

Name list of the management team

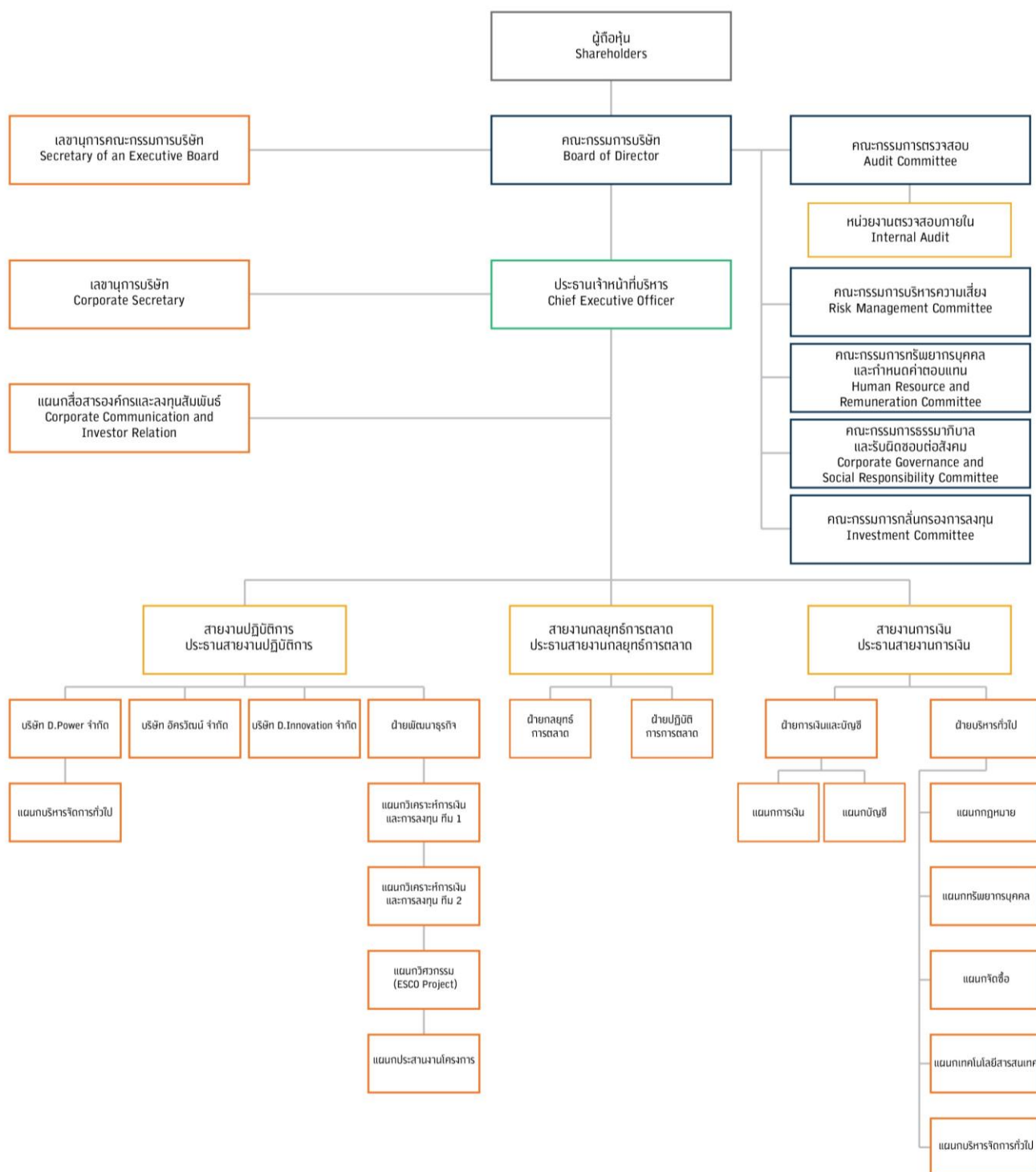
Information as of March 4, 2019

No.	Name List	Position	Share (%)
1	Mr. Prachuab Ujjin	Chief Executive Officer	1. <u>Individual</u> None 2. <u>Spouse</u> None 3. <u>Minor Child</u> None
2	Mr. Cholapan Vongsing	Chief Operating Officer and Acting Chief Financial Officer	1. <u>Individual</u> None 2. <u>Spouse</u> None 3. <u>Minor Child</u> None
3	Ms. Sorrakrit Lathitham	Chief Marketing Strategy Officer	1. <u>Individual</u> None 2. <u>Spouse</u> None 3. <u>Minor Child</u> None
4	Ms. Kulthida Verathaworn	Business Development Director and Company Secretary	1. <u>Individual</u> None 2. <u>Spouse</u> None 3. <u>Minor Child</u> None
5	Mr. Thaworn Pornpanussri	Finance and Accounting Director	1. <u>Individual</u> None 2. <u>Spouse</u> None 3. <u>Minor Child</u> None
6	Mr. Ekkawit Kaewwichian	Senior Manager of Legal Department	1. <u>Individual</u> None 2. <u>Spouse</u> None 3. <u>Minor Child</u> None

Directors and management team of the Company have specified as follows.

- (1) To have complete qualifications and not be a person with prohibited qualities according to the Securities and Exchange Act or according to the criteria that the SEC has specified.
- (2) Not be a person violating the regulation, rules, announcement, order of the board's resolution or the agreement of the registration on the SET which might have serious impact to the benefits or decision-making of the shareholders and investors or the change in the price of the security.
- (3) Never an employee or a partner with the external auditing company that the company has used for the past 2 years.

Organization Chart



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7.3 Company Secretary

The board of director passed the resolution to appoint Ms. Kulthida Verathaworn as the company secretary since September 1, 2016. The qualification of the company secretary is shown in the attachment 1

7.4 Remuneration of directors and executives

1) Remuneration in cash

The Company pays the remuneration for the directors and executives which include director meeting allowance and salary of executives. The details of the remuneration are as follows.

- (1) Director meeting allowance from January 1, 2018 to December 31, 2018 was in the amount of THB 2,010,466.67 and each director received the remuneration as follows.

No.	Name	Amount (THB)	The number of attendance/The number of meeting	Appointment Date (Resignation Date)
1	Mr. Suthep Liumsirjarern	264,000	12/12	13/11/2015
2	Mr. Numchai Lowattanatakul	204,000	12/12	26/2/2016
3	Mr. Krisada Hutaserani	204,000	12/12	13/7/2016
4	Mr. Chainoi Puankosoom	204,000	12/12	12/12/2017 (18/1/2019)
5	Mr. Anit Osathanugrah	12,466.67	1/12	4/9/2014 (23/1/2018)
6	Mr. Sorasak Saensombat	204,000	12/12	10/11/2017
7	Mr. Teerawit Charuwat	102,000	6/12	13/7/2016 (30/6/2018)
8	Mr. Prachuab Ujjin	204,000	12/12	15/5/2017
9	Pol. Maj. Gen Prayont Lasua	204,000	12/12	23/8/2017
10	Mr. Thanarath Thanavutwatthana	204,000	12/12	15/5/2017
11	Mr. Chotiphun Tiaviwat	204,000	12/12	13/8/2014 (1/5/2017), 10/11/2017
	Total	2,010,466.67		

Note: The Company has the policy on the remuneration directors and audit committee clearly and transparently, and also has received the approval from the shareholders' meeting.

- (2) The salary of executives from January 1, 2017 to December 31, 2017 was in the amount of THB 18,392,315.13.

- (3) The meeting allowance of The Audit Committee

From January 1, 2018 to December 31, 2018, the 7 members of the audit committee received the remuneration as meeting allowance from the Company in the amount of THB 297,000.00 with the details as follows:

No.	Name	Amount (THB)	The number of attendance/The number of meeting	Appointment Date (Resignation Date)
1	Mr.Krisada Hutaserani	110,000	5/5	13/7/2016
2	Mr.Numchai Lowattanatakul	51,000	3/5	3/11/2017
3	Mr.Chainoi Puankosoom	68,000	4/5	12/12/2017 (18/1/2019)
4	Mr.Sorasak Saensombat	68,000	4/5	10/11/2017
	Total	297,000.00		

Note: The Company has the policy on the remuneration directors and audit committee clearly and transparently, and also has received the approval from the shareholders' meeting.

(4) The meeting allowance of The Human Resource and Remuneration Committee

From January 1, 2018 to December 31, 2018, the 3 members of The Human Resource and Remuneration Committee received the remuneration as meeting allowance from the Company in the amount of THB 112,000.00 with the details as follows:

No.	Name	Amount (THB)	The number of attendance/The number of meeting	Appointment Date (Resignation Date)
1	Mr. Numchai Lowattanatakul	44,000	2/2	10/11/2016
2	Pol. Maj. Gen Prayont Lasua	34,000	2/2	23/8/2017
3	Mr. Chainoi Puankosoom	34,000	2/2	12/12/2017 (18/1/2019)
	Total	112,000		

Note: The Company has the policy on the remuneration directors and audit committee clearly and transparently, and also has received the approval from the shareholders' meeting.

(5) The meeting allowance of The Corporate Governance and Social Responsibility Committee

From January 1, 2018 to December 31, 2018, the 3 members of Corporate Governance and Social Responsibility Committee received the remuneration as meeting allowance from the Company in the amount of THB 202,000.00 with the details as follows:

No.	Name	Amount (THB)	The number of attendance/The number of meeting	Appointment Date (Resignation Date)
1	Mr. Numchai Lowattanatakul	66,000	3/3	10/11/2017
2	Mr. Prachuab Ujjin	51,000	3/3	10/11/2017
3	Mr. Sorasak Saensombat	51,000	3/3	10/11/2017
4	Mr. Teerawit Charuwat	34,000	2/3	10/11/2017 (1/7/2018)
	Total	202,000		

Note: The Company has the policy on the remuneration directors and audit committee clearly and transparently, and also has received the approval from the shareholders' meeting.

(6) The meeting allowance of The Risk Management Committee

From January 1, 2018 to December 31, 2018, the 3 members of The Risk Management Committee received the remuneration as meeting allowance from the Company in the amount of THB 202,000.00 with the details as follows:

No.	Name	Amount (THB)	The number of attendance/The number of meeting	Appointment Date (Resignation Date)
1	Mr. Prachuab Ujjin	44,000	2/2	10/11/2017
2	Pol. Maj. Gen Prayont Lasua	34,000	2/2	23/8/2017
3	Mr. Thanarath Thanavutwatthana	34,000	2/2	1/7/2018
	รวม	112,000		

Note: The Company has the policy on the remuneration directors and audit committee clearly and transparently, and also has received the approval from the shareholders' meeting.

2) Other remuneration that is not money

- None -

7.5 Personnel

The Company has the total personnel of 35 people. From January 1, 2018 to December 31, 2018, the Company has paid to the employees in the amount of THB 23,571,803.64 including salary, overtime, provident fund, social security fund and post-employment benefits

- 1) The employee's salaries are the remuneration that is allocated to employees according to their performance and job position.
- 2) The provident fund is provided as a welfare to motivate employees to perform and work with the company for a long time. The company will pay employee contributions at the rate of 5% of the employee salaries.
- 3) The social security fund is provided by the company under the Labor Protection Act, and post-employment benefits are provided as retirement compensation.

The number of employees and remuneration

January 1, 2018 to December 31, 2018	DCORP	DPower	DInnovation	Hinoki wood work	Blue Finix Digital	Hero Experience	Akkrawat
Executives	6	0	0	0	0	0	0
Staffs	23	0	0	0	0	0	0
Total (people)	29	0	0	0	0	0	0
Remuneration (THB)	23,571,803.64	0	0	0	0	0	0

- 4) Other remuneration that is not money

- None -

The Company has no significant change on the number of employees and there is no labor dispute in the past 3 years. The Company has the policy on career development by supporting on training and practicing the skill regularly every year.

8. Corporate Governance

8.1 Corporate Governance Policy

Demeter Corporation Public Company Limited establishes good corporate governance practices in accordance with the international principles of the Organization for Economic Cooperation and Development. (Organization for Economic Co-operation and Development: OECD) including guidelines of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand which covers the main practices in 8 main points as follows:

- (1) Recognizing the roles and responsibilities of the Board of Directors as the leader of organizations that creates value for the organization (establish clear leadership role and responsibilities of the board).
- (2) Determine the objectives and main goals of the sustainability business (define objective that promote sustainable value creation).
- (3) Strengthen Board's effectiveness.
- (4) Nomination and development of senior management and personnel management (ensure effective CEO and people management).
- (5) Promote innovation and responsible business operation (nurture innovation and responsible business).
- (6) Ensure that there is a proper risk management and internal control system (strengthen effective risk management and internal control)
- (7) Maintain financial credibility and information disclosure (Ensure Disclosure and Financial Integrity)
- (8) Support participation and communication with shareholders (Ensure Engagement and Communication with Shareholders)

Good corporate governance in accordance with the Company's guidelines is a good corporate governance for creating value for sustainable business apart from creating confidence for investors which the Board of Directors should supervise the organization for governance (at least the following)

- (1) Able to compete and have good performance, taking into account the long-term results (Competitiveness and performance with long-term perspective).
- (2) Conduct business with ethics, respect the rights and have responsibility to shareholders and stakeholders (Ethical and responsible business).

(3) Be beneficial to society and develop or reduce environmental impacts (Good corporate citizenship).

(4) Can be adjusted under the corporate resilience.

In addition, the company has established a policy related to corporate governance in accordance with Attachment 4

Responsibilities of the Board

Board of Directors will comply with good practices for directors of listed companies According to the guidelines of the Stock Exchange of Thailand. The Board of Directors must understand and know their roles, duties and responsibilities and must perform duties in accordance with the laws, objectives and regulations of the company as well as the resolutions of the shareholders' meeting with honesty. It is important to consider the benefits of the company and shareholders

Board structure

1. Board of Directors

(1) Independence and impartiality of directors

The Board of Directors performs duties and uses independent discretion in making decisions on various matters from both the management and the major shareholders. Each director has a duty and is free to ask questions, comment or objecting in the event of a conflict of interest that affects the interests of shareholders or stakeholders.

(2) Diversity of directors

Board of Directors determines the policy of diversity of the directors which must be recruited for those who will perform duties as directors by considering the skills that are still lacking in the board; including the profession specialized without limiting sexes. The person will perform the duty as a director in any way to make the board more robust.

(3) Qualifications of directors

Director must be knowledgeable the ability and readiness to perform duties which should have at least the following qualifications:

- (1) Is a person who has no prohibited characteristics as specified in the Public Limited Company Act and in accordance with the Notification of the Securities and Exchange Commission.
- (2) Having knowledge, expertise and long-term or specific work experience which depends on the suitability of the situation and the company during that time.
- (3) Being able to devote time fully to the company, especially important decisions for the benefit of the company.

- (4) Being a moral and ethical person and other features that may be added as appropriate.

(4) Qualifications of independent directors.

The Board of Directors defines independence which is used as the qualification of independent directors by using the criteria set by the SEC as the minimum criteria and additional requirements to be consistent with the nature of the company as follows:

- (1) Holding not more than 1% of the total shares with voting rights of the company, holding company, subsidiary company, associate company, major shareholder or the person having control of the company, including the shareholding of the related person of that independent director.
- (2) Not being or having been a director of the Company who is involved in management, employee, staff, advisor who receives a regular salary or controlling person of the company, holding company, subsidiary company, associated company, same-level subsidiary major shareholder or the controlling person of the company unless he has been terminated for not less than 2 years before the date of submission of the application to the SEC. It is not included the case that the independent director used to be a government official or consultants of government agencies which are major shareholders or the controlling person of the company.
- (3) Not being a person with a blood relationship or legal registration in the form of father, mother, spouse, sibling, and child, including spouse of the child of the executive, major shareholder, controlling person or the person who will be offered as an executive or controlling person of the company or subsidiary.
- (4) Not having or having a business relationship with the company, holding company, subsidiary company, associate company, major shareholder or the controlling person of the company in a manner that may interfere with his independent judgment; including not being or having been a significant shareholder or the person who has control over the person who has business relationship with the company, parent company, subsidiary company, associate company, major shareholder or the controlling person of the company unless he has been terminated from the aforementioned characteristics for at least 2 years before the date of submission of the application to the SEC. These business relationships include normal commercial transactions to operate the rental business or renting real estate, list of assets or services or granting or receiving financial assistance by accepting or lending guarantees, provide assets as collateral for liabilities Including other similar circumstances which results in the company or the counterparty having a debt obligation to be paid to the other party from 3 percent of the net tangible assets of the company or from 20 million THB or more, whichever amount is lower according to the method of

calculating the value of connected transactions based on the Notification of the Capital Market Supervisory Board on Rules on Connected Transactions but in considering such debt burden, the debt burden incurred during one year before the date of business relationship with the same person.

- (5) Not being or having been an auditor of the company, holding company, subsidiary company, associate company, major shareholder or the controlling person of the company and not being a significant shareholder or controlling person or partner of the audit office which has the auditor of the company, the holding company, subsidiary company, associate company, major shareholder or the controlling person of the company unless he or she has been terminated for not less than 2 years before the date of submission of the application to the SEC.
- (6) Not being or having been a professional service provider which includes providing services as a legal advisor or financial advisor received a service fee of more than 2 million THB per year from the company, holding company, subsidiary company, associated company, major shareholder or the controlling person of the company; and not being a significant shareholder or controlling person or a partner of that professional service provider unless he or she has been terminated for not less than 2 years before the date of submission of the application to the SEC.
- (7) Not being a director appointed as a representative of the company's directors, major shareholders or shareholders who is related to the major shareholder.
- (8) Not operating a business with the same condition and is a significant competition with the business of the company, subsidiary or not a significant partner in the partnership, being a director who is involved in the administration or holding more than 1% of the total voting rights of other companies which operates in the same condition and is a significant competition with the business of the company or subsidiary.
- (9) Not having any other characteristics that make him or her unable to give independent opinions about the operations of the company.
- (10) Not being a director of the Company assigned by the Board of Directors to make decisions on the operation of the Company, its subsidiaries, associated companies, major shareholder of same-level subsidiaries or the controlling person of the company.
- (11) The term of office of the independent director shall not exceed 6 years or more than 9 years without conditions.

2. Composition of the Board of Directors

The company requires 5 - 12 directors appropriate with the business size that contain with Chairman of the Board, Vice Chairman of the Board of Directors and Directors with truly independent directors from the

management and without business relationship, or any other relationship that may influence the use of independent judgment at least 1 in 2 of the total number of directors and not less than 3 persons in this number, requiring at least 1 independent director who is a woman, which the shareholders' meeting appoints the director to have a term of 3 years

- 1) There is a new director appointed for the remaining term of the previous director with approval from the Board of Directors.
- 2) Each director is able to hold the position of director of other listed companies, not more than 3 or more than 5 places without conditions with approval from the Board of Directors
- 3) Executive Directors are able to hold the position of director of other listed companies, not more than 2 places, with approval from the Board of Directors.
- 4) Chief Executive Officer is able to hold no more than 3 other directors' positions with approval from the Board of Directors.
- 5) Director, Chief Executive Officer and senior management must not be an employee or partner of an external audit company that the company has been using for the last 2 years.
- 6) There is more than two-thirds of non-executive directors of the total number of directors, or more than 66 percent and have at least 1 person with work experience related to the business of the company.
- 7) Board of Directors requires the Chairman of the Board of Directors to be a different person with the Chief Executive Officer to independently check and balance the work of the management by separating duties and responsibilities as follows:

- **Chairman of the Board of Directors Is an independent director with the duties:**

- (1) Being a leader in policy, set vision and supervise the work of senior management.
- (2) Being the Chairman of the Board of Directors meeting.
- (3) Casting votes in the event that the meeting of the Board of Directors has a vote and two votes are equal.
- (4) Calling the meeting of the Board of Directors and
- (5) Acting as the chairman of the shareholders' meeting.

- **Chief Executive Officer**

- (1) Scope of duties - in accordance with the scope and objectives set by the Board of Directors
- (2) Duties and responsibilities

- (2.1) Responsibilities to the Board of Directors

- Being responsible and confident in the Board of Directors to receive the information / information needed to be used in management, supervision and decision making.
- Reporting on the company's performance to the Board of Directors regularly and offers various alternative approaches to the Board of Directors for consideration

(2.2) Responsibility to shareholders

- Being responsible for providing cooperation and good and constructive relationships between companies and shareholders in order to ensure that the operation of the company is done successfully, achieving the stated objectives

(2.3) Responsibility for strategic planning and implementation plan

- Establishing an annual business plan in line with the strategies approved by the Board of Directors, coordinating with Deputy Managing Director of Accounting and Finance to create an annual budget in line with business plan
- Coordinating and cooperating with the Board of Directors to determine the vision and goals of the company as well as other associated policies.
- Developing a mechanism to be used to track the implementation of the plan.
- Creating guidelines for future leaders' development within the organization to support the expansion.

(2.4) Responsibilities for general management

- Creating a culture in the organization that reflects the organization's values, support for good work quality and the products which have been standardized.
- Supervising to have the effective human resource management in order to develop the quality of the company to drive the policy that has been assigned to achieve the objectives.
- Supervising the operation of the company in accordance with the policies assigned by the Board of Directors and in accordance with the law.
- Allocating resources within the organization effectively and create unity within the organization which includes placing a reward and punishment system.

- Determining and improving the current operating system to be more efficient for control including creating effective communication systems within the organization in both ways.

8) The Board of Directors appoints a company secretary.

person holding the position of company secretary will perform the following functions:

- (1) Perform duties as prescribed in Section 89/15 and Section 89/16 of the Securities and Exchange Act (No. 4) BE 2551, which is effective on August 31, 2008 with responsibility, carefulness and honesty; including complying with laws, objectives, company regulations, Board resolution as well as the resolutions of the shareholders' meeting. The legal duties of the company secretary are as follows:
 - (1.1) Prepare and keep the following documents
 - Director registration.
 - Notice of the Board of Directors Meeting Minutes of the Board of Directors Meeting and annual report.
 - Notice of shareholders' meeting and meeting minutes of shareholders.
 - (1.2) Keeping reports of interest reported by directors or executives and submit a copy of the report of interest under Section 89/14 to the Chairman of the Board and the Chairman of the Audit Committee within 7 working days from the date the company received the report.
 - (1.3) Other operations as announced by the Capital Market Supervisory Board.
- (2) Performing other duties as the company (or the Board of Directors) assigned as follows:
 - (2.1) Providing the associated legal and regulatory advice and guidelines for supervision in the activities of the Board of Directors in accordance with the law.
 - (2.2) Performing duties in organizing the Board of Directors 'meetings and shareholders' meetings.
 - (2.3) Coordinating with supervisory agencies such as the Stock Exchange of Thailand, supervising the disclosure of information and information reports to the public regulatory agencies to be completely correct according to the law.
 - (2.4) Providing orientation and giving advice to newly appointed directors.
 - (2.5) Other duties as assigned by the company, such as being the compliance unit.

8.2 Sub-committees

The Board of Directors appoints a sub-committee in order to assist in overseeing the company's business; the Board of Directors assigns each committee to have a term of 3 years and may be re-appointed as follows:

1. Audit Committee:

Consisting of at least 3 independent directors, having a meeting at least 4 times a year and at least there is 1 person who graduated in accounting.

There are duties and responsibilities according to the Charter of the Audit Committee, namely:

(1) The Audit Committee has the authority to conduct or inspect various matters under the scope of responsibility and has the power to do the following

- (1.1) Considering the decision in case that the management and the auditor have a disagreement about the financial report.
- (1.2) Considering the operation other than the auditing work of the auditor who performed for the company.
- (1.3) Considering and giving opinions to the Board of Directors regarding the appointment, transfer, dismissal, determination of remuneration and considering the annual merit of the head of the internal audit office.
- (1.4) Giving opinions for consideration of the budget and manpower of the internal audit unit.
- (1.5) Reviewing and approving the internal audit charter inspection plan and the budget of the internal audit unit.
- (1.6) Providing external consultants or professional experts in giving advice or assisting in the audit work by using the cost of the company.
- (1.7) Requesting information and cooperation from relevant employees and related third parties.
- (1.8) Meeting with executives, auditors, internal auditors and external consultants as necessary and appropriate.
- (1.9) Monitoring and ensuring the compliance with relevant laws, regulations, orders and policies

(2) The Audit Committee has duties as assigned by the Board of Directors of the company as following

- (2.1) Reviewing the Company's financial reporting to be accurate and adequate.
- (2.2) Reviewing if the Company has an appropriate and effective internal control system and internal audit.

- (2.3) Reviewing the Company's compliance with the law on securities and exchange, SET regulations or other laws related to the business of the company
- (2.4) Considering, selecting, proposing, appointing, terminating and proposing remuneration for the auditor of the company
- (2.5) Considering the disclosure of company information in case that the connected transactions or items that may have conflicts of interest to be accurate and completed
- (2.6) Preparing a report on the corporate governance of the Audit Committee by disclosing in the annual report of the company which the report must be signed by the Chairman of the Audit Committee.
- (2.7) Performing any other acts as assigned by the Board of Directors with the approval of the Audit Committee.

Name List of The Audit Committee

Information as of March 4, 2019

No.	Name	Term of Position Holding	Position
1	Mr. Krisada Hutaserani	13/7/2016 - Present	Independent director and Chairman of The Audit Committee
2	Mr. Numchai Lowattanakul	3/11/2017 - Present	Independent director and member of The Audit Committee
3	Mr. Chainoi Puankosoom	12/12/2018 - 18/1/2019	Independent director and member of The Audit Committee
4	Mr. Sorasak Saensombat.	10/11/2017 - Present	Independent director and member of The Audit Committee

Note:

- Audit committee No. 1 has sufficient knowledge and experience in order to review the reliability of the financial statement
- Audit committee has the position term of 3 years

2. Human Resources and Remuneration Committee:

Consisting of at least 3 directors. The chairman is an independent director. The remaining directors are independent directors, or more than 50 percent of the board, have meetings at least 2 times a year.

Duties and responsibilities are in accordance with the Charter of the Human Resources and Remuneration Committee

(1) Recruitment performance

- (1.1) Being responsible for considering the structure of the Board of Directors in terms of the number of committees that are appropriate to the size, type and complexity of the business qualifications of each director; and in terms of skills, experience, specific abilities related to the main business or industry in which the company operates.

- (1.2) Considering the qualifications of the person who will be an independent director to be suitable for the specific characteristics of the company which at least must be in accordance with the rules set by the SEC.
- (1.3) Determining the criteria and procedures for recruiting persons to hold positions as directors to suit the specific characteristics of the company.
- (1.4) Considering, selecting, and proposing an appropriate person to be the director of the company who has completed the term and/ or has had a vacant position and/ or has been appointed additionally.
- (1.5) Ensuring that the company provides the orientation and distributing the documents and information that are useful to the performance of duties of directors.
- (1.6) Preparing and reviewing development plans for managing directors and senior executives in order to prepare for a continuous plan to have a successor in case that the managing director or senior management in that position is retired or unable to perform duties so the management of the company can proceed continuously.

(2) Compensation performance

- (2.1) Reviewing the policy, form and criteria for determining the remuneration and benefits of the directors and Chief Executive Office, the senior management of the company to be appropriate.
- (2.2) Providing the recommendations to the Board of Directors to propose remuneration for directors, Chief Executive Officer and the senior management of the company to the Board of Directors meeting and/ or the shareholders' meeting for approval. The Board of Directors will approve the remuneration and benefits of the Chief Executive Officer and senior management for compensation and benefits of the directors. The Board of Directors will propose to the shareholders' meeting for approval.

Name List of The Human Resource and Remuneration Committee

Information as of March 4, 2019

No.	Name	Term of Position Holding	Position
1	Mr. Numchai Lowattanatakul	10/11/2016 - Present	Independent director and Chairman of The Human Resource and Remuneration Committee
2	Pol.Maj.Gen.Prayont Lasua	23/8/2017 - Present	Director and member of The Human Resource and Remuneration Committee
3	Mr. Chainoi Puankosoom	12/12/2018 - 18/1/2019	Independent director and member of The Human Resource and Remuneration Committee

3. Corporate Governance and Social Responsibility Committee

The scope of duties and responsibilities to the Board of Directors are as follows:

- (1) Propose good corporate governance practices to the Board of Directors.
- (2) To advise the Board of Directors with regard to good corporate governance.
- (3) To supervise the performance of directors and management in order to comply with the principles of good corporate governance.
- (4) Review good corporate governance principles by comparing with international practices and then propose the recommendations to the Board of Directors.
- (5) Provide good corporate governance policy to the good corporate governance working committee.
- (6) Provide policies and guidelines for the implementation of Sustainability Management: SM which includes Corporate Social Responsibility: CSR.
- (7) The company policy must allow minor shareholders to nominate candidates to become the company's directors as well as to be able to propose the agenda for the Shareholder's Annual General Meeting.
- (8) Follow up the SM and report to the Board of Directors.
- (9) Establish a framework for monitoring anti-corruption practices.

Name List of The Corporate Governance and Social Responsibility Committee

Information as of March 4, 2019

No.	Name	Term of Position Holding	Position
1	Mr. Numchai Lowattanakul	10/11/2017 - Present	Independent director and Chairman of The Corporate Governance and Social Responsibility Committee
2	Mr. Prachuab Ujjin	10/11/2017 - Present	Director and member of The Corporate Governance and Social Responsibility Committee
3	Mr. Sorasak Saensombat.	10/11/2017 - Present	Independent director and member of The Corporate Governance and Social Responsibility Committee

4. Risk Management Committee:

Consisting of 3 directors.

Duties and responsibilities according to the Charter of the Risk Management Committee are:

- (1) Establishing the risk management policies and structures in regard to the overall risk management of the company which covers the important types of risks such as financial risks, investment risk,

marketing risk, liquidity risk, operational risks and risks that affect the reputation of the business, etc., to be presented to the Board of Directors for approval – in accordance with and in accordance with the risk management guidelines of the Stock Exchange of Thailand.

- (2) Formulating strategies and guidelines for risk management of the company based on the risk management policy in order to be able to evaluate, monitor and control each type of risk of the company to the appropriate level by allowing various agencies to participate in risk management and control.
- (3) Supervising and monitoring compliance with risk management policies under the guidelines and policies approved by the Board of Directors.
- (4) Establishing the risk measurement criteria and risk limits that the company will accept.
- (5) Establishing the measures to be used to manage risks appropriately to the situation.
- (6) Assessing risk at the organizational level and determining how to manage that risk to an acceptable level; including controlling the risk management according to the specified method.
- (7) Reviewing the adequacy of policies and risk management systems; including the effectiveness of the system and the compliance with the specified policy
- (8) Having the authority to call the relevant person to clarify or appoint and assign roles for all levels of staff to manage risks as appropriate and report to the Risk Management Committee in order to achieve risk management objectives.
- (9) Reporting on the management, operations and risk status of the company and other different changes; including giving suggestions on what needs to be improved to the Audit Committee to regularly submit to the Board of Directors
- (10) Preparing a manual risk management.
- (11) Identifying various risks and analyzing and assessing the potential risks; including the trends that affect the company.
- (12) Preparing a plan to prevent or reduce risk.
- (13) Evaluating and preparing risk management reports.
- (14) Performing other tasks as the Board of Directors deems appropriate and the Risk Management Committee directly responsible to the Board of Directors

Name List of the Risk Management Committee

Information as of March 4, 2019

No.	Name	Term	Position
1	Mr. Prachuab Ujjin	10/11/2017 - Present	Chairman of the Risk Management Committee
2	Pol.Maj.Gen.Prayont Lasua	23/8/2017 - Present	Member of The Risk Management Committee
3	Mr. Thanarath Thanavutwatthana	1/7/2018 - Present	Member of The Risk Management Committee

5. Investment Committee

The duties and responsibilities of the Investment Committee are as follows:

- (1) Determine the strategy and goal of the investment plan, investment budget and the return on investment.
- (2) Review any investment and to ensure that it correlates with the policy and the company's investment plan goals by considering the return on investment and all associated risk factors.
- (3) Track the status and progress of the approved projects and report to the Board of Directors for acknowledgment and evaluation.

Name List of the Investment Committee

Information as of March 4, 2019

No.	Name	Term of Position Holding	Position
1	Mr. Prachuab Ujjin	10/11/2017 - Present	Chairman of the Investment Committee
2	Mr. Chotiphun Tiaviwat	1/7/2018 - Present	Member of the Investment Committee
3	Mr. Cholaphan Vongsing	10/11/2017 - Present	Member of the Investment Committee

6. Management Committee

To achieve maximum efficiency in the management of the Company according to the direction, policies and objectives set and assigned by the board of directors as well as the stability and sustainability of the business, the board of directors has approved the establishment of the Management Committee, which qualify under the Public Limited Companies Act 2535 and the regulation of Securities and Exchange Commission, to supervise and be responsible for the various activities under the scopes assigned by the Board of Directors.

No.	Name	Position
1	Mr. Prachuab Ujjin	Chairman of the Management Committee
2	Mr. Cholaphan Vongsing	Member of the Management Committee
3	Mr. Sorrakrit Lathitham	Member of the Management Committee
4	Mr. Thaworn Pornpanussri	Member of the Management Committee
5	Ms. Kulthida Verathaworn	Member of the Management Committee
6	Mr. Ekkawit Kaewwichian	Member of the Management Committee

Roles, duties and responsibilities of the Board of Directors

- (1) The Board of Directors has a role to supervise and ensure that the operations of the company are in accordance with various laws and regulations. There is a responsibility of shareholders about the business operations of the company and supervising the management according to policies, guidelines and goals that will bring maximum benefits to shareholders within the framework of good ethics and taking into account the interests of all stakeholders.
- (2) The duties and responsibilities of the Board of Directors are prescribed by law, company objectives, memorandum of Association, articles of Association and resolutions of the shareholders' meeting which includes the following actions:
 - (2.1) Determining policies, strategies and financial goals for the company; including considering and approving the policies and directions of operations proposed by the management. Supervising and controlling the management to comply with such policies, strategies and financial goals with the goal to increase economic value and the highest wealth for shareholders by taking into account all stakeholders concerned.
 - (2.2) Setting up the structure and determining the process to ensure that the operations are in accordance with the regulations of the Board of Directors, resolution of the shareholders' meeting and ethical standards in good faith and with caution.
 - (2.3) Setting up the structure and determining the process in order to have a risk management system to supervise, inspect and control the internal as appropriate.
 - (2.4) Monitoring and evaluating the results of the management functions in order to achieve the strategies and under budget approved by the Board of Directors.
 - (2.5) Establishing the norms and assessing the performance of the Chief Executive Officer and senior manager at least once a year.
 - (2.6) Ensuring the preparation of accounting and keeping accounts and related documents, including the disclosure of appropriate information to shareholders.
 - (2.7) Reviewing the succession plan of the Chief Executive Officer, senior manager consistently and continuously.

- (2.8) Monitoring and ensuring that the ethics of directors are observed.
- (2.9) Establish corporate governance and social responsibility policies.
- (3) Determining the vision, mission, and strategy of the company by reviewing it once per year.
- (4) Arranging for review of the scope of roles and responsibilities of the Board and sub-committees at least once per year.
- (5) Preparing the corporate governance policy of the company in writing. There is an evaluation of policy compliance and reviewing the policy at least once per year.
- (6) Preparing a business ethics manual in writing so that directors, executives and employees can use as guidelines in the operation with disciplinary action in the event of a violation and reviewing the policy at least once per year.
- (7) Regarding the transactions with conflicts of interest, the Board of Directors will carefully consider with stakeholders as having no part in making decisions and supervise to comply with the requirements regarding procedures and information disclosure to be accurate and completed.
- (8) Arranging for an internal audit unit with freedom to perform duties; reporting directly to the Audit Committee and being responsible for checking the operational control system, Financial report and the compliance. The Board of Directors has reviewed and evaluated the adequacy of the internal control system at least once per year.
- (9) Providing risk management covering the entire organization by reporting to the Board of Directors regularly as well as reviewing and evaluating the effectiveness of risk management once per year.
- (10) Arranging for the company to join as a coalition of Thai private sector in anti-corruption.

In addition, the Company has prepared a business ethics manual as per attachment 4.

Meeting of the Board of Directors

- 1) The Company arranges for the meeting of the Board of Directors in advance for the whole year to inform each committee.
- 2) The Board of Directors arranges the Board of Directors meeting more than 6 times per year. Each director must attend the Board of Directors meeting not less than 80% of the Board of Directors meeting. All includes the meetings of the sub-committees.
- 3) Determining the minimum number of quorum as the Board of Directors will vote in the Board of Directors meeting that requires not less than 2 in 3 of the total number of directors.
- 4) Chairman of the Board and/ or Chief Executive Officer will consider the selection of the agenda of the Board of Directors' meeting. Each director is free to propose matters to the agenda.

- 5) Each meeting of the Board of Directors with a clear agenda has to have the sufficient and complete meeting documents and deliver to the Board of Directors 7 days in advance in order for the Board to have sufficient time to study the information before attending the meeting.
- 6) The Chairman of the Board of Directors will allocate the sufficient time for the meeting that the management will propose matters. And directors will discuss important issues carefully with a written record of the meeting and this can be stored for directors and related parties to check.
- 7) All directors have the access to the necessary information more than the Chief Executive Officer, Company Secretary or other management.
- 8) The company has a policy that non-executive directors have a chance to meet among themselves to discuss various problems about the management which are interesting with no management team at least once per year and inform the Chief Executive Officer of the meeting results.
- 9) The Board of Directors has appointed a company secretary to act to support the preparation of the agenda, make a meeting invitation, oversee and manage the meetings, document storage of meetings and prepare the minutes of the meeting, request the approval from the Chairman of the Board before proposing to the meeting to consider approving the minutes.
- 10) The Board of Directors encourages the senior executives of the company to attend a meeting with the board.

Self-assessment of directors

- 1) The Board of Directors determines the performance evaluation of the directors every year by dividing the assessment into 3 types as follows:
 - (1) Self-assessment of the entire Board
 - (2) Individual self-assessment
 - (3) Self-evaluation of sub-committees
- 2) Rules and procedures for self-assessment
 - (1) Self-assessment criteria: consists of the structure and qualifications of the Board of Directors/ Roles, duties and responsibilities of the Board of Directors/ Board meetings/ Performance of directors and other opinions which are useful for management/ relations with the management/ self-development of the director and executive development.
 - (2) Self-assessment process: (1) The Board of Directors is an approved self-assessment form (2) self-assessment committee to express opinions and (3) the company secretary will summarize and analyze of the results of self-assessment along with preparing improvement plans to propose to the Board of Directors for acknowledgment.

Remuneration for directors and executives

- 1) The company has determined remuneration for directors and executives at the appropriate level and at a level comparable to companies in the same industry. The factors that will be considered include experience, duties, scope of roles and responsibilities. Remuneration of directors must be approved by the shareholders' meeting of the company.
- 2) Remuneration for executives will be in accordance with the principles and policies set by the Board of Directors which will consider from the duties and responsibilities, the performance of each executive together with the operating results of the company. In addition, the company has a policy to grant rights to executives in the purchase of the company's securities. Determining the exercise price that is higher than the market price at the time that the rights are allocated and (3) there is no concentration greater than 5% by considering the rights as appropriate with the company's current situation.

Development of Directors and Executives

- 1) The Board of Directors has a policy to promote and facilitate the training and education for those who are involved in the corporate governance system of the company; including directors, executives and company secretary in order to continuously improve the operations, especially the training program of the Thai Institute of Directors Association (IOD) in which directors are encouraged to participate in training for more than 75 percent of the total number of directors and encourage at least 1 director from the previous year to attend the training.
- 2) The Board of Directors has assigned the management to introduce new directors to know the company by inviting to attend the meeting together and listening to briefings on the nature of the business and business practices of the company and subsidiaries.
- 3) The Board of Directors encourages the meeting between directors and senior management by organizing seminars on various topics to exchange ideas with each other.
- 4) Directors always have self-improvement by attending the seminar / training / meeting with the Thai Institute of Directors Association, The Stock Exchange of Thailand Securities and Exchange Commission Thai Listed Companies Association National Corporate Governance Committee King Prajadhipok's Institute and other institutions in order to continuously improve the operation and bring the gained knowledge to the business. When there is a change of new directors, the company will organize an orientation and prepare a handbook for new directors, information of documents that are beneficial to the performance of duties of directors and lectures about the business operations of the company

In 2018, the Board of Directors has been admitted to the Thai Institute of Directors Association and other institutions in the Director Certification Program (DCP) as follows

Name	Program
1. Mr. Thanarath Thanavutwatthana	● Director Certification Program (DCP) 255 th /2018
2. Mr. Krisada Hutaserani	● Director Certification Program (DCP) 258 th /2018

The Company has organized the training and seminar activities for directors, executives and employees in order to have knowledge to understanding of participation, push and practice for greater collaboration in work; including providing knowledge about the management and team building methods to be strong under changes in the digital age which is included the business administration according to good governance principles to create the sustainability for organization.

The company arranges an orientation for new directors to create the understanding about the business of the company; including relevant information such as capital structure, company structure, Shareholder structure, Performance and other information related to the company including laws, regulations, as well as roles, duties and responsibilities of directors in order to prepare for the performance of duties as a director and receive the director's handbook contained:

- 1) Organization structure
- 2) Board manual (laws, regulations and related regulations)
 - 1) Company regulations
 - 2) Public Company Limited Act, BE 2535
 - 3) Securities and Exchange Act BE 2535
 - 4) Listed company manuals
 - 5) Director's Manual for Listed Companies
 - 6) Board rules
 - 7) Corporate Governance Policy
 - 8) Good practice policy for directors of listed companies
 - 9) Good Corporate Governance Principles for Listed Companies 2012
 - 10) Good corporate governance principles for listed companies 2017
- 3) Risk management manual
- 4) Internal control manual
- 5) Good Corporate Governance Handbook
- 6) Annual report
- 7) Annual registration statement

8.3 Nomination of Directors and Senior Executives

Setting criteria for nomination of directors as follows:

- 1) The company provides the opportunities for minority shareholders to nominate persons with appropriate qualifications, or to consider individuals from the Directors or consider existing directors to propose to continue the position or for each director to nominate the appropriate person.
- 2) Selecting and screening qualified persons as directors by considering the appropriateness of knowledge, experience, and specific competencies that are consistent with the company's business strategy which is based on the skills required for recruiting a board (Skill Matrix).
- 3) Checking the history of the names of persons who are nominated, qualified according to the laws and regulations of regulatory agencies such as the Securities and Exchange Act BE 2535, etc.
- 4) Directors' dedication is considered with a vested interest or conflict of interest that may have with the company in case of being the same director to be re-elected for another term, it will need to consider the performance during the term of office, giving suggestions, useful comments, participation in various activities of the directors, including the number of companies that each director will serve to ensure that performance is not reduced.
- 5) In case of appointing independently, directors have to consider the qualifications of the person who holds the position of an independent director to be independent in accordance with the rules prescribed by the SEC.
- 6) List of names that the Human Resources and Remuneration Committee has considered and screened with qualifications and reasons for selection in order for the Board of Directors to nominate to the general meeting of shareholders for election on an individual basis, taking into account the results of previous directors' performance

Determine the process of appointing directors through the shareholders' meeting. There are the following criteria and methods:

- 1) Each shareholder has the votes equal to the number of shares he holds.
- 2) Each shareholder will use all of the existing votes according to elect one or several persons as directors but cannot divide the votes for any person.
- 3) Persons who receive the highest votes in descending order will be elected as directors equal to the number of Directors that should have or should be elected at that time. In the event that the persons elected in the next order have equal votes, exceeding the number of directors to be elected or will be elected at that time, the chairman of the meeting shall have a casting vote.
- 4) In the event that the position of the director is vacant due to reasons other than the expiration of the term, the board may elect a qualified person which has no prohibited characteristics as

specified in this regulation. The Human Resources and Remuneration Committee will be the primary consideration in order to have a variety in the structure of the board, such as professional skills, sexual expertise, etc., can be used as a replacement in the vacancy at the next board meeting. Unless the term of the director vacates office is less than two months, the replacement director will be in the position for only the remaining term of the director that he replaces.

- 5) The resolution of the appointment of committee shall consist of votes of not less than three-fourths (3/4) of the remaining directors.

Recruitment of senior executives

In recruiting the senior management positions, the Human Resources and Remuneration Committee will be the primary consideration in screening for the selection of qualified persons who has knowledge, ability, skills and experience which are beneficial to the operation of the company and understand the business of the company as well as able to manage the work to achieve the objectives set by the Board of Directors and propose to the Board of Directors for approval.

The Board of Directors has set up a plan to develop the potential of executives at the Chief Executive Officer level and senior management by assigning the Human Resources and Remuneration Committee to create a succession plan and report to the Board of Directors.

8.4 Supervision of Operations of Subsidiaries, Associates and Other Long-Term Investment

8.4.1 Relation in subsidiaries, associates and other long-term investment

The relevance of the management in the subsidiary's board of directors

Information as of March 4, 2019

Company	No.	Name	Position
Demeter Power Co., Ltd.	1	Mr. Cholapan Vongsing	Director
	2	Ms. Kulthida Verathaworn	Director
	3	Mr. Thaworn Pornpanussri	Director
Demeter Innovation Co., Ltd.	1	Mr. Cholapan Vongsing	Director
	2	Mr. Sorrakrit Lathitham	Director
	3	Mr. Thaworn Pornpanussri	Director
Hinoki Wood Work Co., Ltd.	1	Mr. Sorrakrit Lathitham	Director
	2	Mr. Ekkawit Kaewwichian	Director
	3	Ms. Pichaya Ruktapongpisal	Director

The relevance of the management in the associate board

Information as of March 4, 2019

Company	No.	Name	Position
Blue Finix Digital Co., Ltd.	1	Mr. Teerawit Charuwat	Chairman (resigned)*
	2	Mr. Wiwat Wongwarawipat	Vice-Chairman
	3	Mr. Surasak Areesawangkit	Director and Chief Executive Officer
	4	Mr. Sorrakrit Lathitham	Director
	5	Mr. Apiwich Pansiriphokkul	Director
	6	Mr. Nitiphat Panichchaivivat	Director
	7	Mr. Ekkawit Kaewwichian	Director
	1	Mr. Teerawit Charuwat	Chairman (resigned)*
Hero Experience Co., Ltd.	1	Mr. Surakiat Thienthong	Chairman
	2	Mr. Noppadol Jason Jirasant	Director and Chief of Executive Officer
	3	Mr. Vich Waitoonkiat	Director
	4	Mr. Prachuab Ujjan	Director
	5	Mrs. Sunattha Bodhinbhakdikul	Director
	6	Ms. Kulthida Verathaworn	Director
	7	Mr. Paween Sakunee	Director
	8	Mr. Cholapan Vongsing	Director
	9	Mr. Anurak Wisawawong	Director

* Note: The company proposed the name of Mr. Thaworn Pornpanasri to take the position of Mr. Teerawit Charuwat, who resigned due to another mission but the management of Blue Finix Digital Company Limited has not yet submitted the name list to the Ministry of Commerce.

The relevance of the management in the business, other long-term investment

- NONE -

Information as of March 4, 2019

Company	No.	Name	Position
Akkrawat Crop Rotation Energy Company Limited	1	Ms. Niya Tanayatorn	Director
	2	Ms. Pakanut Tanayatorn	Director

The power to manage the company, subsidiaries, associated companies and related companies

Information as of March 4, 2019

Name	Company	Subsidiaries			Associates		Other Long-Term Investment
		DPower	DInnovation	HinokiWW	Blue Finix	Hero Experience	Akkrawat
Mr. Prachuab Ujjin	2,3	-	-	-	-	2	-
Mr. Cholaphan Vongsing	-	2,3	2,3	-	-	2	-
Mr. Sorrakrit Lathitham	-	-	2,3	2,3	2	-	-
Ms. Kulthida Verathaworn	-	2,3	-	-	-	2	-
Mr. Thaworn Pornpanussri	-	2,3	2,3	-	2*	-	-
Mr. Ekkawit Kaewwichian	-	-	-	2	2	-	-
Ms. Pichaya Ruktapongpisal	-	-	-	2,3	-	-	-

Note: 1 = Chairman of the Board 2 = Director 3 = Executive Director

* The company proposed the name of Mr. Thaworn Pornpanussri to take the position instead of Mr. Teerawit Charuwat, who resigned due to another mission but the management of Blue Finix Digital Company Limited has not yet submitted the name list to the Ministry of Commerce.

8.4.2 Evaluation of the Board's performance Sub-committee And Chief Executive Officer

1) Performance evaluation of the committee and sub-committee

The company has evaluated the performance of the board of directors according to the principles and guidelines of good corporate governance which requires the evaluation of the performance of the Board of Directors; including the principles of good corporate governance for listed companies 2012 of the Stock Exchange of Thailand which requires the Board of Directors and sub-committees to conduct self-assessment at least once per year by allowing the Board to make a self-assessment form to be used as a framework for checking the performance of duties of the Board on a regular basis in accordance with good practices and apply the results to improve the performance effectively.

In 2018, the company conducted an evaluation of the performance of the board and specialized directors in the form of self-assessment once, the company has prepared a form for evaluating the performance of the board and specifying committees according to the guidelines and formats of the Stock Exchange of Thailand as follows

- Board

Type 1 Board Evaluation

Type 2 Individual Assessment

- Sub-committee
- Type 1 Board Evaluation
- Type 2 Individual Assessment
 - Individual assessment form
 1. Outstanding Competency in Knowledge (Core Competency)
 2. Independence (Independence)
 3. The readiness of the mission (Preparedness)
 4. Attention to duties and responsibilities (Practices as a Director)
 5. Performing duties in the Committee Activities
 6. Having a vision to create long-term value for the business (Vision to Create Long-Term Value)
 - Faculty evaluation form
 1. Structure and qualifications of the Board of Directors
 2. Roles, duties and responsibilities of the Board of Directors
 3. Relationship of the Board of Directors and the Management
 4. Directors' duties
 5. Board meeting
 6. Self-development of the board and executive development
 - Score processing (both types)
 - 90 percent or more with excellent performance
 - 80 percent or more with good performance
 - 70 percent or more with normal work efficiency
 - Less than 70 percent, with performance in the criteria Lower than normal

Self-assessment of the Board has set objectives and goals to be used as a framework to monitor the performance of directors from time to time and evaluate the results to improve and develop the work to be effective and efficient with the following process:

To the Board of Directors to review the evaluation form. To be accurate, completed in accordance with the criteria set by the regulatory agency

The summary of the evaluation of the performance of the Board of Directors in 2018 is as follows:

Self-Assessment	Average Percentage	Performance
1. Individual	96	Excellent
2. Group	91.13	Excellent

For the results of the evaluation of the performance of specific committees, including 4 faculties, it can be summarized as follows:

Self-Assessment	Individual		Group	
	Average Percentage	Performance	Average Percentage	Performance
1. The Audit Committee	96.97	Excellent	95	Excellent
2. The Human Resource and Remuneration Committee	100	Excellent	100	Excellent
3. The Corporate Governance and Social Responsibility Committee	98.30	Excellent	96.88	Excellent
4. The Risk Management Committee	93.18	Excellent	92.59	Excellent

The evaluation results will be beneficial to all directors who will be informed of their duties and the results of teamwork; including to improve the point that is not completed

2) Performance evaluation of the Chief Executive Officer

Human Resources and Remuneration Committee is considered to propose their opinions to the Board of Directors in determining the criteria used to evaluate the annual performance of the Chief Executive Officer. The criteria must be consistent with the company's goals in both short and long term

8.4.3 Communication with management

The Board of Directors encourages the executives at the Chief Executive Officer level and senior management to attend a meeting with the Board of Directors by being a presenter of the agenda that he is responsible to the Board of Directors to get information and opinions from executives responsible for direct work. At the same time, executives have the opportunity to learn and understand the views of the Board of Directors.

The Board of Directors encourages attending the meeting and exchange of opinions between directors and senior executives on other occasions apart from the Board of Directors meeting so that the directors have the opportunity to get acquainted with the top executives of the company.

Directors can communicate with each executive directly without being an intervention or insertion of the operations of the management but should inform the Chief Executive Officer in advance.

8.4.4 Supervision for compliance and review

The Board of Directors will ensure that directors, executives and employees follow the best practices of the manual. "Corporate Governance Policy" is strictly and continuously upgrade and improve the quality of corporate governance of the company to create stability and sustainability for the organization, shareholders and all groups of stakeholders.

The Board of Directors requires the manual review "Corporate Governance Policy" every year.

8.4.5 Disclosure and transparency

The Board of Directors commits to ensuring compliance with laws, regulations and regulations relating to information disclosure and transparency as follows:

- 1) Publishing various information of the company in accordance with the principles of good corporate governance through the channels of the Stock Exchange of Thailand Annual registration statement (Form 56-1) and annual report (Form 56-2) as well as through the company website in both Thai and English.
- 2) Determining the period of preparation and dissemination of the annual registration statement (Form 56-1) within 3 months from the end of the accounting period; and the annual report (Form 56-2) within 4 months from the end of the accounting period
- 3) The Board of Directors reports on the compliance with the prescribed corporate governance policy along with the reasons in the case that it has not been done in the annual information form (Form 56-2).
- 4) Disclosing the financial information and other information related to the business and results of operations as being true, complete, adequate, and timely. The financial statements must be reviewed or audited by the auditor that they are in accordance with generally accepted accounting standards and approved by the Audit Committee And the Board of Directors before publishing to the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand, shareholders and related agencies every quarter.
- 5) Disclosing the shareholding information of directors and senior executives both directly and indirectly; including changes in the holding of company shares of directors and senior executives by showing the number of shares held at the beginning of the year, the end of the year and which are traded during the year in the annual registration statement (Form 56-1) and annual report (Form 56-2).
- 6) Disclosing the list of names, history and roles and duties of the Board and sub-committees, number of meetings, number of times that each director attended the meeting; information on the development and training of each director in the annual registration statement (Form 56-1) and the annual report (Form 56-2).
- 7) Disclosing the policy and criteria for remuneration for directors by specifying the type of compensation that each director receives; including disclosing the amount and type of compensation that each director receives individually which are shown in the annual information form (Form 56-1) and the annual report (Form 56-2).

- 8) Disclosing the policy and criteria for remuneration for high-level executives; including disclosing details of the remuneration of the Chief Executive Officer in the Annual Registration Statement (Form 56-1) and the annual report (Form 56-2).
- 9) Arranging to report the responsibility of the Board of Directors to the financial report presented along with the auditor's report and providing a report on the performance of all sub-committees in the annual information form (Form 56-1) and the annual report (Form 56-2).
- 10) Disclosing the internal control system and risk management system that have been considered by the Board of Directors and disclosing opinions on the adequacy of the internal control system and risk management system from the Audit Committee; including revealing guidelines for dealing with major risks in the annual information disclosure form (Form 56-1) and the annual report (Form 56-2)
- 11) Providing an investor relation or assigning a person to act as an investor relation in particular to provide information to shareholders, meeting analysts, institutional investor's conference including creating a newsletter that presents the company's financial position.

8.5 Controlling the Use of Inside Information

The Company particularly focused on the use of inside information of the Company by following the principles of corporate governance and complying with related regulation. The Company has specified that directors, executives and staff need to focus on keeping confidential information; for example, inside information that has not been disclosed to the public, or information that has an impact on the business or share price. The guidelines are as below.

- 1) Directors, executives and staff must not use inside information of the Company to get personal benefit and to operate in competing with the Company or operating related businesses
- 2) Directors, executives and staff must not use non-publicly disclosed information that could have an impact on share price (insider information) and must refrain from transactions on the shares of the company 1 month before the financial result or important information is announced publicly in accordance with the policy. In addition, the internal information should not be given to any other person for the share trade benefits. Related persons include spouses and children of directors, management and employees of the Company. Anyone who violates shall be punished as defined.
- 3) Directors, executives and staff must not disclose business confidential of the Company to external persons especially the Company's competitor despite after the resignation of the director, executive or staff of the company.

8.6 Remuneration of the Auditor

The Company has auditors who have been approved from the SEC and the SET to be auditors of the company for the year 2018 as followings

No.	Name of Auditor	Registration No.	Name of Audit Company
1	Mr. Jadesada Hungsapruet	CPA Registration No. 3759	Karin Audit Co., Ltd.
2	Ms. Kannika Wipanurat	CPA Registration No. 7305	Karin Audit Co., Ltd.
3	Mr. Jirote Sirirorote	CPA Registration No. 5113	Karin Audit Co., Ltd.

The remuneration the Company and subsidiaries have paid to Karin Audit Co., Ltd. are detailed as attachment 4

8.7 Anti-corruption policy

Company and subsidiaries manages by adhering to the principles of good corporate governance and formulate anti-corruption policies in all forms that may arise from work and contact with stakeholders, which the company requires directors, executives and employees of the company and subsidiaries Strictly abide by.

Definition according to the anti-corruption policy

Corruption means bribery, whether in any form by proposing to the contract to make a commitment to demand or receive money, property or other benefits which are inappropriate to government officials, Government Sector Private agency or the person having the duty, whether directly or indirectly to allow that person to act or ignore the duty which is to obtain or maintain business benefits or recommend business to a particular company or to obtain or maintain any other benefits that are not suitable for business; except in the case of laws, regulations, notifications, regulations, local traditions or trade tradition that it can be done.

Policies and practices against corruption

Directors, executives and employees are prohibited from conduct or accept corruption in all forms, either directly or indirectly which covers all businesses in all countries and all relevant agencies to regularly review the compliance with this anti-corruption policy as well as review the guidelines and procedures to be in line with changes in the economic, political and social environment in business operations as well as regulations and legal requirements.

Responsibilities

- (1) The Board of Directors has the duty and responsibility to set policies and supervise to have a system that supports effectively anti-corruption in order to ensure that the management has realized and focused on anti-corruption and instilled in the organization culture.
- (2) Audit Committee has the duty and responsibility to review the financial and accounting reporting system, internal control system, internal audit system and other processes related to anti-corruption measurement to ensure that it meets standards effectively.
- (3) Executives have the duty and responsibility to set up a system and to promote and support anti-corruption policies to communicate to all employees and related parties to provide the training for employees about the knowledge of policies and practices in anti-corruption; including reviewing

the suitability of the system and various measures to comply with business changes, regulations and legal requirements.

- (4) Internal Audit has a duty and responsibility to review the assessment of corruption risk and the operation to ensure that it is in accordance with the policy, practice, authority regulations, laws and regulatory requirements in order to ensure that there is a control system that is appropriate and sufficient for potential corruption risks and report to the Audit Committee.

Anti-corruption action

- (1) Directors, executives and employees at all levels must comply with the anti-corruption policy and the code of conduct of the company which must not go directly or indirectly about corruption.
- (2) Company's employees should not be ignored or ignored when witnessing actions that are related to corruption related to the company. All must notify the supervisor or the responsible person and cooperate in examining various facts. If there are any questions or inquiries, consult with the supervisor or the person designated to perform the responsibility through various channels specified by the company.
- (3) The company will provide fairness and protect employees who refuse to corruption or report corruption related to the company by using protection measures for the complainant or those who cooperate in reporting corruption as specified in the Whistle blower policy.
- (4) Those who commit corruption which is a violation of the Company's Code of Ethics must be considered disciplinary punishment according to the regulations set by the company. In addition, those may be punished according to law if the action is illegal.
- (5) The company is aware of the importance of disseminating knowledge and understanding with others who have to perform duties related to the company or may affect the company in the matter that must be complied with this anti-corruption policy.
- (6) The company is committed to creating and maintaining a corporate culture that adheres to corruption as unacceptable both transactions with the government and / or the private sector.

Terms of operation

- (1) Anti-corruption policy covers the personnel management process from recruiting or selecting personnel promotion, training, evaluation of employee performance, compensation and punishment for employees by assigning supervisors at all levels to communicate with employees in business activities that are in responsibility and supervise the operations to be effective.
- (2) For clarity in the implementation of high risk and corruption issues, directors, executives and employees in every level must be treated with caution in the following matters:

- Gifts, entertainment and expenses for giving or receiving gifts to be in accordance with the company's regulations.
- Charitable donations or support to give or receive donations must be transparent and legal by ensuring that donations or support funds not being used as an excuse for bribery.

Business relations and procurement with the government do not give or receive bribes in any kind of business, company operations and dealing with the government must be transparent, honest and must comply with relevant laws.

9. Corporate Social Responsibility: CSR

Demeter Corporation Public Company Limited has placed importance to the social responsibility of the organization by determining to operate the activities and various projects for the society continuously. By realizing the responsibility of the overall society, there are several projects that provide help and support activities that are useful to society.

In the past, the Company has operated an activity on promoting and supporting the treatment of patients who lack of money and also has supported and donated money and stuffs to less fortunate people in rural area. In addition, the Company focuses on cultivating a good value to employees so that they would have a volunteer mind and to be responsible for the society of the business organization. The Company has promoted employees to participate in the CSR activity and to publicize a good image of an organization to the public.

The various activities operated inside and outside the organization according to the policy, it is an important to have cooperation of employees because employees of the Company is an important key that helps the projects achieve as the specified objective.

Activity for society in the year 2018, the Company has arranged an activity as follows.

On October 25, 2018, the company donated money to help with operations and lunch to 2 places

- 1) **Special Education Center, Maha Chakri Sirindhorn Nakhon Nayok Province** is a special education center (for the disabled) in the province to be an educational institution to manage education in the form of an initial assistance center and prepare for the disabled, support teaching and learning, media arrangement, facilities, services and related assistance, teachers for disabled people and educational institutions which coordinate with relevant agencies in educational service areas Rehabilitation therapy and proceed in the forwarding system, school, co-learning and specialized schools.
- 2) **The Office of the Sikh Foundation for the Blind in Thailand, Nakhon Nayok Branch (Ban Ruen Suk) / The Center for the Development of the Blind, Disabled Persons with Disabilities Royal patronage** was establish to provide foster care rehabilitation and development of potential for blind children with multiple disabilities which is a residential service parenting unit, skills training for the

development of blind children with multiple disabilities to develop and practice life skills in social, emotional, educational and professional skills that are consistent with the remaining abilities. In addition, it is a place to train parents, relatives and related persons the rehabilitation techniques as well as raising a blind child with multiple disabilities.

This was honored by Mr. Natthaphong Siriachai, Governor of Nakhon Nayok Province which presided over the donation ceremony. The amount of donations from the company including executives and employees which is donated to 2 homes, totaling 151,400 THB. In addition, there are essential items and consumables given to the center. Previously, on June 6, 2018, the company was honored by the governor of Nakhon Nayok when taking a visit to both homes and was informed of the operations of the center as well as exchanging opinions to support the organization.

CSR in Employee' Perspective

The Company has realized that all employees are the most important resource of the Company. Therefore, the Company gives an importance on the personal development, remuneration and opportunity in career path by supporting the development of the knowledge and ability of employees continuously.

10. Internal Control and Risk Management

Internal control system of the Company

The Company has realized the importance of efficient and effective internal control by preparing operating procedure in written. Moreover, the board has placed an importance on internal control system and risk management continuously by assigning to the audit committee which includes independent directors to review the assessment of internal control system. An outsourcing internal audit, which is independent from the management, reports to the audit committee and review the work operation of all departments according to the annual audit plan that has been approved from the audit committee. The objectives are to ensure that the work operation is efficient and effective, and to have the review on the efficiency of the internal control system regularly on quarterly basis. The Committee of Sponsoring Organizations of the Treadway Commission: COSO defines the 5 necessary factors of internal control including:

- (1) Control Environment
- (2) Risk Assessment
- (3) Control Activities
- (4) Information & Communication
- (5) Monitoring Activities

As the board of directors' meeting no. 3/2018 held on March 19, 2018 passed the resolution to appoint The Best Solution Partnership Limited to audit the internal control of the Company for the year 2018. The Best Solution Partnership Limited has evaluated and verified the internal control of the Company on the inspection

and the evaluation of the internal control in the organizational level, and the inspection and the evaluation of the internal control in an operating level which covers the main business activities of the Company such as purchasing transaction, selling transaction, cash received transaction and payment transaction etc.

In addition, in the case that the Company has expanded its business to grow as same as the current business in the future. The internal control system is still sufficient since the reporting transactions of the Company is not complicated. Also, the Audit Committee of the Company is responsible for the review on the appropriation of Company's internal control system and internal audit. There is a segregation of duty clearly between the accounting and finance department.

Company risk management

The company has guidelines for risk management, with the framework of risk management practices of The Committee of Sponsoring Organizations of the Treadway Commission: COSO, which defines the key elements necessary for risk management, covering 4 areas:

- 1) Strategic (Strategic)
- 2) Operation (Operation)
- 3) Financial and
- 4) Compliance with regulations (Compliance)

The company has developed a corporate risk management manual and has performed twice per year in order to monitor the risks that have already occurred and emerging risks with the goal of providing the risks that occur in the organization at an acceptable level.

11. Related Transactions

11.1 The Company has no conflict of interest according to the rules stipulated by the Capital Market Commission

Related transactions have been conducted in a fair manner, value and at arm's length. The Company has accounting transactions with persons and related companies in a fair and at arm's length for the period ended December 31, 2018 as follows:

Summary of related transactions of the Company with persons who may have conflict of interest for the period ended December 31, 2018

Company/ Related Parties	Relation	Description	Amount 2016 (THB)	Amount 2017 (THB)	Audit Committee's Opinion Rationale and Necessity
Demeter Innovation Company Limited (DInnovation)	A subsidiary. Shareholding of the Company and co- directors are as followings:	Short-term loans and interest receivable			
	1. Demeter Corporation Public Co., Ltd.	- Principal	74,370,000	74,370,000	
	No. of shareholding 479,998 shares	- Interest	-	829,786	
	% of shareholding 99.9996	receivable			
	2. Ms. Kulthida Verathaworn	Interest income	0	829,786	Contrast date 3/5/2017
	No. of shareholding 1 share				Amount THB 74,370,000
	% of shareholding 0.0002				And charge interest at 2 percent per annum.
	3. Ms. Pichaya Ruktapongpisal				
	No. of shareholding 1 share				
	% of shareholding 0.0002				

Company/ Related Parties	Relation	Description	Amount 2016 (THB)	Amount 2017 (THB)	Audit Committee's Opinion Rationale and Necessity
Akkrawat Crop Rotation Energy Company Limited ("Akkrawat")	A subsidiary. Shareholding of the Company and co- directors are as followings:	Short-term loans and interest receivable			The interest income is from the loan of the contract dated on July 24, 2017. Total of the loan amount is not more than THB 2,000,000 by installment loan with the interest rate as 7 percent per year. On March 3, 2018, the amount of loan was THB 300,000. The amount of loan on May 9, 2018 was THB 450,000.
	1. Demeter Corporation PLC				
	No. of shareholding 16,819 shares				
	% of shareholding 33.638	- Principal	300,000	450,000	
	2. Mr. Tisanu Tanayatorn	- Interest	7,968	20,885	
	No. of shareholding 17,500 shares				
	% of shareholding 35.000	Interest income	7,968	12,917	
	3. Ms. Niya Tanayatorn				
	No. of shareholding 2,500 shares				
	% of shareholding 5.000				
	4. Ms. Pakanut Tanayatorn				
	No. of shareholding 2,500 shares				
	% of shareholding 5.000				
	5. Mr. Tanapon Tanayatorn				
	No. of shareholding 2,500 shares				
	% of shareholding 5.000				
	6. Tanayatorn Power Plant Co., Ltd.				
	No. of shareholding 8,181 shares				
	% of shareholding 16.362				

Audit Committee's Opinion

The Audit Committee considered the related transactions of the Company and its subsidiaries with persons who may have conflict of interest. The Audit Committee gave the opinion that the related transactions are in line with normal commercial terms. Such transactions are reasonable and there is no benefit sharing between the Company, its subsidiaries and any persons who may have conflict of interest.

11.2 The guideline of the company in the case there is a related transaction in the future

Nowadays, the Company has no policy on entering into any related transaction in the future in written. However, the Company has complied with the Security and Exchange Act and regulation, announcement, order or specification of the Capital Market Supervision Commission and Stock Exchange of Thailand including the compliance on disclosing related transactions of the Company according to the accounting standard specified by the Federation of Accounting Professions.

Moreover, in the past few years in the case there was a related transaction between the Company and people who might have conflict of interest or might have conflict of the interest in the future, the audit committee will consider and provide opinion on a necessity and rational in entering into a transaction. In addition, the suitability on the price and conditions must be according to the normal business operation characteristics in the industry and there is a price comparison of outsiders or the market price before proposing to the Company's board of directors or the shareholder meeting of the Company. If the audit committee has no expertise in considering a related transaction that might happen, the Company shall arrange for an independent expert who would provide opinions on the said transaction in order to be used in the decision-making of the audit committee, the board of directors and the shareholder meeting. The directors or executives who have conflict of interest will not have the voting rights in the said transaction.

The Company will disclose the related transactions in the Annual Registration Statement, the Annual Report, and notes to financial statements that has been audited or reviewed by an auditor of the Company.

Part 3

Financial Status and Operational Performance

12. Financial Highlights

Audit summary

Combined Financial Statement and Subsidiaries Financial Statement for the year 2016 at year end on 31st December 2016

The Combined Financial Statement and Subsidiaries Financial Statement is audited by Karin Audit Company Limited by Mr. Jiroj Sirirorj who is a Certified Public Accountant No. 5113. The auditor has the opinion that the Financial Statement of the company had presented the Combined Statement of Financial Position and Subsidiaries Statement of Financial Position for the year ended on December 31, 2016, Combined Operating Performance and Subsidiaries Operating performance, and Combined Cash Flow and Subsidiaries Cash Flow for the same year end fairly in all material respects and in accordance with Financial Reporting Standards.

Highlights information and event

Not to be presumed as conditional opinion, please see the Note to Financial Statement clause 13.2. The company had invested in ordinary share of Akkrawat Crop Rotation Energy Company Limited on the December 30, 2016. The company is in the process of assessment the business fair value and had assigned independent appraiser for the undertaking. As on the day of approval of this Combined Financial Statement, the appraisal of the business above is still ongoing and thus the fair value of the assets and liabilities acquired are only estimates on the day of taking over and maybe subject to change.

Combined Financial Statement and Subsidiaries Financial Statement for the year 2017 at year end on 31st December 2017

The Combined Financial Statement and Subsidiaries Financial Statement is audited by Karin Audit Company Limited by Mr. Jesada Hangsaparuek who is a Certified Public Accountant No. 3759. The auditor has the opinion that the Financial Statement of the company had presented the Combined Statement of Financial Position and Subsidiaries Statement of Financial Position for the year ended on December 31, 2017 and Combined Operating Performance and Subsidiaries Operating performance for the same year end fairly in all material respects and in accordance with Financial Reporting Standards.

Highlights information and event

Without changing the opinion above, please see:

- (1) Note to the Financial Statement clause 10 – on December 31, 2017, the company is during the process of appraising the fair value of the business. The directors had appointed independent appraiser to appraise the fair value of the business. As on the day of approval of this Combined Financial Statement, the appraisal of the business above is still ongoing and thus the fair value of the assets and liabilities acquired are only estimates on the day of taking over and maybe subject to change. Also, by the 3rd Financial Reporting Standards, the directors are required to appraise the fair value of the business acquired on the day of taking over within one year of the date of acquire. The buyer shall retroactively amend the previous estimates to reflect the new value accurately. Fair value of the business acquired in 2017 is determined by final purchase price and the dividend from purchase price.
- (2) As mentioned in Note to Financial Statement clause 11.1, the group had hired an independent appraiser to appraise the value of electricity generation station of an associate company. The appraisal uses income approach to determine the fair value and adjusted cashflow to current value as mentioned by the independent appraiser dated 13th February 2018. The fair value of such project is THB 161.20 million. On this note, the appraiser used the following special assumption to determine the fair value; length of project is 20 years, construction takes 1 year from appraisal, the station will generate power for 19 years from the completion of construction, THB 260.6 million investment, Able to build Biogas system, pipe line, gas filter, electricity generation, and so on. The group acknowledged loss due to depreciation at THB 20.73 million in Combined Financial Statement and 29.18 in Subsidiaries Financial Statement for the year 2017 by the appraised value of electricity station business mentioned. Over more, in the meeting of directors 2/2018 on 27th February 2018, the directors decided to terminate or amortize this by looking for prospective buyer.
- (3) Note to Financial Statement clause 10, 11, 16, and 28, pertaining group company, companies investing in various projects, and their development.

Combined Financial Statement and Subsidiaries Financial Statement for the year 2018 at year end on 31st December 2018

The Combined Financial Statement and Subsidiaries Financial Statement is audited by Karin Audit Company Limited by Mr. Jesada Hangsaparuek who is a Certified Public Accountant No. 3759. The auditor was unable to express his opinion on the Combined Financial Statement and Subsidiaries Financial Statement of the company for the year 2018 at year end on 31st December 2018 due to the matter mentioned under criteria for withholding opinion.

Criteria for withholding opinion

Inability to find sufficient evidence to base audit opinion

As mentioned under Note to Financial Statement clause 11 dated 31st December 2018, the amount of investment acknowledged by equity method is THB 124.21 million. The company acknowledged the share of loss from an associate company at THB 86.90 million as appear on the Combined Financial Statement whereas the company has investment in the associate company by equity method at THB 325 million and allocation for allowance for impairment at THB 200.80 million as appear on the Subsidiaries Financial Statement. The company had acknowledged the investment and profit share from such investment based on Financial Statement made by the directors of associate company. From the data received by auditor of the associate company, many creditors, total value of THB 59.50 million, were demanding/suing the associate company to collect debt with interest and penalty fee. The data indicated that the acknowledgment of share of loss did not take into account the interest and penalty fee accrued from such debt. The associate company is expected to be able to pay debt after April 2019. In January and February of 2019, the associate company had laid off some employee and cause the associate company to be liable to pay severance compensation for THB 1.2 million. On January 21, 2019, the associate company hold extraordinary shareholder meeting 1/2019 and propose a motion to terminate the project due company's financial circumstances and lackluster performance of the project. The motion to terminate the project is carried by 62.50percent vote in agreement and 37.50 percent on opposition. The director of associate company determined the date of project termination to be on January 29, 2019. The project will provide last round of service at 18.00 hr. of that day. The company as a shareholder of 37.50percent of the associate company will consult with major shareholder on how to proceed with the management of associate company's asset carefully to mitigate negative impact on the company performance. In addition, under the loan agreement of a certain bank with the company dated May 23, 2018, the company had pledged THB 90 million of its saving deposit as a security for loan guarantee for the associate company. In the extraordinary meeting of shareholder no.1/2019, the associate company had unanimously passed a resolution to use such security to settle loan debt with the bank in questioned, agreeing that the bank may deduct the guarantee by THB 3 million per month. Currently, the associate company is looking for new business model and new estimate of expected performance which requires further development in legal case. With these reasons, the expected value of return investment in associate company and deposit under loan obligation depends on the performance of the associate company to be developed. The auditor will not be able to use any other method of review to produce satisfying evidence for basing opinion. Thus, the auditor will not be able to identify the items that needed later adjustment.

With the gravity of situation above, the auditor is limited by circumstantial context and is unable to conclude whether there will be any required adjustment to related statement.

Highlights information and event

Not to be presumed as conditional opinion, please see the Note to Financial Statement clause 11, 12, 20, and 30 pertaining group company, companies investing in various projects, and their development

Table Summarizing Statement of Financial Position, Statement of Comprehensive Income for the year 2016-2018, and Statement of Cash Flow for the year 2016-2018

Demeter Corporation Public Company Limited and Subsidiaries

Statement of Financial Position

Statement of Financial Position	Combined Financial Statement/Audited					
	On December 31, 2016 (adjusted)		On December 31, 2017		On December 31, 2018	
	mmTHB	percent	mmTHB	percent	mmTHB	percent
Assets						
Current asset						
Cash and cash equivalent	17.85	1.83	9.55	1.18	12.96	3.08
Interim investment	582.40	89.64	184.19	22.75	23.20	5.52
Trade receivable and other current receivable	75.94	7.78	60.43	7.47	62.62	14.90
Product in store	-	-	-	-	12.96	3.08
Short-term lending to related company	-	-	-	-	-	-
Short-term lending	-	-	10.76	1.33	-	-
Other financial current asset	-	-	13.49	1.67	-	-
Income tax asset for current year cycle	2.80	0.29	1.32	0.16	0.24	0.06
Other current asset	0.59	0.06	0.61	0.08	1.23	0.29
Total current asset	679.57	69.59	280.31	34.63	113.20	26.93
Non-current asset						
Deposit with pledge obligation	-	-	-	-	90.00	21.41
Investment in associate company	-	-	321.04	39.67	124.21	29.55
Other long-term investment	-	-	-	-	45.46	10.82
Trade receivable and other non-current receivable	85.89	8.80	-	-	-	-
Land, building, and equipment	40.97	4.20	34.52	4.26	19.32	4.60
Real estate investment	24.55	2.51	21.63	2.67	19.07	4.54
Goodwill	34.01	3.48	51.20	6.33	-	-
Intangible asset	38.94	3.99	-	-	-	-
Other financial non-current asset	-	-	73.03	9.02	-	-
Other non-current asset	72.54	7.43	27.63	3.41	9.04	2.15
Total non-current asset	296.91	30.41	529.05	65.37	307.11	73.07
Total asset	976.47	100.00	809.36	100.00	420.31	100.00

Demeter Corporation Public Company Limited and Subsidiaries

Statement of Financial Position (Continue)

Statement of Financial Position	Combined Financial Statement/Audited					
	On December 31, 2016 (adjusted)		On December 31, 2017		On December 31, 2018	
	mmTHB	percent	mmTHB	percent	mmTHB	percent
Liability and shareholder's equity						
Current liability						
Trade payable and other current payable	43.28	4.43	15.68	1.94	10.80	2.57
Part of long-term loan due within one year	1.92	0.20	1.89	0.23	0.95	0.23
Short-term loan	5.11	0.52	4.88	0.60	47.96	11.41
Other current liability	-	-	-	-	0.07	0.02
Total current liability	50.31	5.15	22.44	2.77	59.78	14.22
Non-current liability						
Long-term loan	2.94	0.30	1.05	0.13	0.11	0.03
Employee's benefit estimate	1.50	0.15	2.65	0.33	2.06	0.49
Other non-current liability	2.83	0.29	2.83	0.36	2.83	0.67
Total non-current liability	7.27	0.74	6.54	0.81	5.00	1.19
Total liability	57.58	5.90	28.98	3.58	64.78	15.41
Shareholder's equity						
Share Capital						
Issued and paid share						
Ordinary share: 549,749,896 at 1.00 THB/share	549.75	56.30				
Ordinary share: 587,407,772 at 1.00 THB/share			587.41	72.58	587.41	139.76
Share premium	1454.61	148.97	1,487.41	183.78	1,487.41	353.89
Share discount for convertible debt	(6.60)	(0.68)	(6.60)	(0.82)	(6.60)	(1.57)
Share discount	(39.60)	(4.06)	(39.60)	(4.89)	(36.60)	(9.42)
Profit (loss) accumulated						
Appropriated-reserved	13.00	1.33	13.00	1.61	13.00	
Unappropriated	(1,062.80)	(108.84)	(1,269.38)	(156.84)	(1,686.09)	(401.16)
Other component of equity	-	-	1.79	0.22	-	-
Total shareholder's equity	908.36	93.02	774.02	95.63	355.53	84.59
Noncontrolling interest	10.53	1.08	6.35	0.78	-	-
Total shareholder's equity	918.89	94.10	780.38	96.42	355.53	84.59
Total liability and shareholder's equity	976.47	100.00	809.36	100.00	420.31	100.00

Demeter Corporation Public Company Limited and Subsidiaries

Statement of Comprehensive Income

Statement of Comprehensive Income	Combined Financial Statement/Audited					
	On December 31, 2016 (adjusted)		On December 31, 2017		On December 31, 2018	
	mmTHB	percent	mmTHB	percent	mmTHB	percent
Income from program co-producing	48.91	25.30	27.00	61.76	0.61	100.00
Income from program broadcasting license	51.17	26.46	16.71	38.22	-	-
Income from sale	93.27	48.24	0.01	0.01	-	-
Total income	193.36	100.00		100.00	0.61	100.00
Cost of program co-producing	(18.60)	(9.62)	(7.20)	(16.47)	-	-
Cost of program licensing	(48.73)	(25.20)	(15.19)	(34.75)	-	-
Cost of sale	(77.08)	(39.86)	-	-	-	-
Total Cost	(144.41)					
Gross income	48.94	25.31	21.32	48.78	0.61	100.00
Profit from amortization of investment in associate company	19.80	10.24	-	-	-	-
Other income	26.53	13.72	15.34	35.08	13.14	2,154.10
Profit (loss) before expense	95.28	49.28	36.66	83.86	13.75	2,254.10
Administrative expense	(108.96)	(56.35)	(105.23)	(240.72)	(47.78)	(7,832.79)
Loss from impairment of intangible asset	(41.44)	(21.43)	(16.87)	(38.59)	-	-
Loss from impairment of joint investment	-	-	-	-	(29.81)	(4,4886.89)
Doubtful account	-	-	-	-	(88.23)	(14,463.93)
Loss from impairment of goodwill	-	-	(20.73)	(47.43)	(51.20)	(8,393.44)
Loss from investment in associate company	-	-	(65.33)	(149.45)	(107.79)	(17,670.49)
Director's remuneration	(29.98)	(15.50)	(24.06)	(55.05)	(18.68)	(3,062.30)
Financial cost	(0.53)	(0.27)	(0.41)	(0.94)	(0.69)	(113.11)
Share of loss from associate company	(0.67)	(0.35)	(13.00)	(29.73)	(89.50)	(14,672.13)
Total expense	(181.59)	(93.91)	(245.63)	(561.92)	(433.68)	(71,095.08)
Loss before income tax	(86.30)	(44.63)	(208.97)	(478.05)	(419.93)	(68,840.98)
Income tax	-	-	-	-	-	-
Net loss for the year	(86.30)	(44.63)	(208.97)	(478.05)	(419.93)	(68,840.98)
Profit (loss) of the year	0.57	0.30	-	-	1.11	181.97
Total comprehensive loss	(85.73)	(44.34)	(208.97)	(478.05)	(418.82)	(68,659.02)

Demeter Corporation Public Company Limited and Subsidiaries

Statement of Cash Flow

Statement of Cash Flow	Combined Financial Statement/Audited	
	December 31, 2017 mmTHB	December 31, 2018 mmTHB
Cash flow from business activity		
Net loss before income tax	(208.97)	(419.93)
Adjustment that will impact profit (loss) in cash receivable (payable)		
Net cash flow receive from/ (spent) on operation		
Interest payable	0.29	0.66
Interest receivable	(6.49)	(3.41)
Trade receivable and other current receivable (increase) decrease	15.84	0.86
Increase in product in store	-	(12.96)
Increase in other current asset	(0.04)	(0.61)
Other current asset (increase) decrease	1.45	(0.21)
Trade payable and other current payable decrease	(27.61)	(3.37)
Increase in current liability	-	0.07
Depreciation	9.66	8.10
Intangible asset amortization	15.19	-
Uncollectible deposit amortization	8.63	-
Profit from fair value adjustment	(0.47)	(1.24)
Loss from unrealized foreign exchange rate	4.51	-
Allowance for doubtful account increase (reverse)	(0.96)	83.46
Allowance for short-term lending doubtful account	-	-
Allowance for uncollectible deposit	29.59	-
Income tax amortized	0.67	0.21
Employee's benefit expense	1.16	0.82
(Profit) loss from amortization and property sell	(0.00)	(0.00)
Loss from impairment of investment	-	-
Loss from impairment of investment in subsidiaries	-	-
Allowance for impairment of joint investment	-	29.81
Allowance for impairment of intangible asset	23.75	-
Profit from turning noncontrolling interest	-	(0.39)
Loss from impairment of goodwill	20.73	51.20
Loss from impairment of investment in associate company	65.33	107.78
Part of share loss from associate company	13.00	89.50
Adjustment from loss reconciliation	(37.74)	69.57

Demeter Corporation Public Company Limited and Subsidiaries

Statement of Cash Flow (Continue)

Statement of Cash Flow	Combined Financial Statement/Audited	
	On 31 st December 2017	On 31 st December 2018
	Million THB	Million THB
Net cashflow receive (spent) on operation		
Interest cash payment	(0.29)	(0.15)
Employee's benefit cash payment	-	(0.29)
Income tax return	2.80	-
Income tax paid	(1.26)	(0.24)
Net cashflow spent on operation	(33.50)	(70.35)
Cash flow from investment activity		
Saving with limited withdrawal condition	-	(90.00)
Net cash spent to acquire subsidiaries from receivable cash	(37.92)	(0.45)
Cash receive from capital reduction in subsidiaries	-	-
Cash spent to acquire noncontrolling interest	(399.37)	-
Decrease in short-term investment cash	398.70	162.20
Cash spent for short-term lend to related company	-	-
Cash receive from short-term lend to related company	-	-
Cash receive from short-term lend to other company	-	10.00
Cash spent for short-term lend to other company	(10.76)	-
Cash spent from joint investment	-	(10.00)
Cash receive from interest	6.49	4.17
Cash spent to acquire land, building, and equipment	(0.49)	(0.12)
Cash receive from selling land, building, and equipment	-	0.01
Net Cash Flow receive from/ (spent) in investment activity	(43.35)	75.81
Cash from financial sourcing activity		
Cash receive from issuing capital stock	70.46	-
Cash that lessor spent to reduce debt from financial lease	(1.91)	(1.89)
Net Cash Flow receive from/ (spent) in financial sourcing activity	68.54	(1.89)
Net cash and cash equivalent increase (decrease)	(8.31)	3.57
Net cash and cash equivalent on first the day of the year	17.85	9.55
Net cash and cash equivalent of subsidiaries on the day of changing control	-	(0.16)
Net cash and cash equivalent on the end date of the year	9.55	12.96

Financial Ratio

	Combined Financial Statement/Audited		
	2016	2017	2018
Liquidity ratio (times)	13.66	12.49	1.89
Quick ratio (times)	12.04	11.93	1.65
Receivable turnover ratio (times)	1.97	0.45	0.42
Average collection period (days)	183	192	853
Payable turnover ratio (times)	14.59	31.99	-
Average payment period (days)	26	11	-
Gross income (loss) ratio (percent)	25.31	48.78	100.00
Net profit (loss) ratio (percent)	(44.63)	(478.05)	(686.59)
Shareholder dividend (percent)	(9.31)	(24.60)	(73.74)
Return on asset (percent)	(8.77)	(25.82)	(99.65)
Debt-to-equity ratio (times)	0.06	0.04	0.18

13. Analysis and explanation from management

13.1 Financial Position

13.1.1 Asset

For the year 2016, 2017, and 2018, the company had THB 976.47 million, THB 809.36 million, and THB 420.31 million of total asset respectively.

On the year end of 2016, the combined asset of the company decreased from 2015 by THB 82.22 million or 7.77percent. Major decline in asset are due from the following.

- (1) Decrease of investment in associate company by THB 171.18 million. Demeter Power Company Limited (subsidiary) had amortized ordinary share of Winchai Company Limited in whole to First Alpha Venture Company Limited for THB 215 million on the 29th September 2016.
- (2) Decrease of trade receivable and other receivable net by THB 23.30 million. These accounts comprise of allocation for allowance for doubtful account of EDGE SPORT broadcasting license trade receivable for THB 15.43 million and trade receivable from program co-producing for THB 3.58 million.
- (3) Decrease of intangible asset by THB 89 million from amortization during 2016 by THB 47.50 million and acknowledgement of impairment of EDGE SPORT broadcasting license for THB 41.44 million.

However, the company gained the following asset.

- (1) Short-term investment increase by THB 13.98 million. This account is from outstanding amount from increased capital appropriation during 2015. The company also invested in Short-term Fixed Income Fund to seek short-term interest that yield more return than bank saving and low risk. On 31st December 2016, the company had temporary investment in 1 Fund which is expressed in fair value under Financial Statement as TMB Thanaplu Fund for THB 307.71 million and investment in other securities for trading managed by SCB Securities Company Limited for THB 208.34 million.
- (2) Increase of investment in subsidiary by THB 32.61 million from buying ordinary share of Akkrawat Crop Rotation Energy Company Limited, a company operating electricity generation and distribution business for 8,200 shares or 16.40percent of registered capital on 16th December 2016.
- (3) Increase of other non-current assets by THB 64.31 million or THB 0.59 million increase from 2015 on 31st December 2016. Other significant non-current assets comprise of share

reserve deposit in the share of Akkrawat Crop Rotation Energy Company Limited for THB 37.92 million and deposit for electricity substation land rent in the Philippines for THB 22.40 million.

- (4) Increase of receivable by financial lease contract by THB 85.89 million from selling lighting system and air-conditioning. The company will receive payment obligated under contract in monthly instalment for 84 installments.

On the year end of 2017, the total asset of the company decreased from 2016 by THB 167.11 million or 17.11percent. Major decline in asset are due from the following.

- (1) Decrease of temporary investment by THB 398.24 million from investment amortization during the year to invest in Hero Experience Company Limited for THB 325.0 million. The investment was 37.5 percent of the registered capital which is expressed at investment in associate company.
- (2) Decrease of intangible asset by THB 38.94 million from amortization during 2017 by THB 15.19 million and allocation for allowance for impairment of broadcasting license by THB 23.75 million.

However, the company gained the following asset.

- (1) Increase of short-term lending by THB 10.76 million. The account is due to lending to non-related company for THB 10.00 million with pending interest of THB 0.76 million with interest rate at 15percent for 7-month period.
- (2) Increase of investment in associate company. Demeter Corporation Public Company Limited invested in Hero Experience Company Limited for THB 325.0 million. The investment is 37.5 percent of registered capital. The Demeter Innovation Company Limited (Subsidiary) invested in Blue Finix Digital Company Limited for THB 74.37 million. The investment is 30.0percent of registered capital. Investment in associate company was acknowledged in Combined Financial Statement by equity method for THB 321.04 million.

On the year end of 2018, the total asset of the company decreased from 2017 by THB 389.05 million or 48.07percent. Major decline in asset are due from the following.

- (1) Decrease of temporary investment by THB 160.94 million from investment amortization during the year to deposit with a bank to secure loan for associate company for Hero Experience Company Limited for THB 90.0 million and the remaining for operation.
- (2) Decrease of investment in associate company by THB 196.83 million from acknowledgement of loss from impairment of investment of recognized in the book of

associate company by THB 107.79 million and share of loss from associate company for THB 89.50 million.

- (3) Decrease of goodwill by THB 51.20 million due to acknowledgement of loss from impairment of goodwill of the investment in Akkrawat Crop Rotation Energy Company Limited

However, the company gained the following asset.

- (1) Increase of product in store by THB 12.96 million. The account is due the increase of product in store of Hinoki Wood Work Company Limited, which is the subsidiary operating wooden product processing and distribution which was registered in 2018.
- (2) Increase of bank deposit with obligation by THB 90.0 which is due from account opening of Hero Experience Company Limited, an associate company.

13.1.2 Liability

For the year 2016, 2017, and 2018, the company had THB 57.58 million, THB 28.98 million, and THB 64.78 million of total liability respectively.

On the year end of 2016, the total liability of the company decreased from 2015 by THB 51.74 million or 47.33percent. The decline is due to reduction of THB 47.57 million in trade payable, THB 16.91 million in acknowledgement of expense for compensation of early termination of licensing contract, and THB 24 million in compensation of damage due to premature contract termination.

On the year end of 2017, the total liability of the company decreased from 2016 by THB 28.60 million or 49.67percent. The decline is due to reduction of advanced income by THB 21.78 million, payment of short-term loan to Akkrawat Crop Rotation Energy Company Limited (Subsidiary) for THB 0.30 million, and payment of long-term loan for THB 1.92 million.

On the year end of 2018, the total liability of the company increased from 2017 by THB 35.80 million or 123.53percent. The increase is due to short-term loan of THB 42.6 million to invest long-term elsewhere.

13.1.3 Shareholder's equity

For the year 2016, 2017, and 2018, the company has total shareholder's equity of THB 918.89 million, THB 780.38 million, and THB 355.53 million respectively.

On the year end of 2016, the shareholder's equity of the company decreased from 2015 by THB 30.48 million or 3.21percent. The total accumulated loss of the company increased from the end of 2015 by THB 85.73 million or 8.77percent from total loss for the year 2016 of THB 86.30 million.

On the year end of 2017, the shareholder's equity of the company decreased from 2016 by THB 138.51 million or 15.07percent from issuing paid capital twice for THB 70.46 million. However, the total

accumulated loss of the company increased from the end of 2016 by THB 206.58 million or 19.44 percent from total loss for the year 2017 of THB 208.97 million.

On the year end of 2018, the shareholder's equity of the company decreased from 2017 by THB 424.85 million or 54.44 percent. The total accumulated loss of the company increased from the end of 2017 by THB 416.71 million or 32.83 percent from total loss for the year 2018 of THB 419.93 million.

13.2 Analysis of performance

13.2.1 Income

Total income from company's operation for the year 2016, 2017, and 2018 were THB 193.36 million, THB 43.71 million, and THB 0.61 million respectively.

For 2016, the total income of the company decreased from 2015 by THB 35.48 million or 15.50 percent. The decline is due to decrease of income from sport event sponsorship for THB 86.43 million, income for program co-producing for THB 59.38 million due to cancellation of contract. However, the company has income from selling electricity, lighting system, and air-conditioning system during the year for THB 93.27 million.

For 2017, the total income of the company decreased from 2016 by THB 149.68 million or 77.39 percent. The decline is due to decrease of income from program production and broadcast license rights for THB 56.37 million, income for program co-producing and from selling electricity and lighting and air-conditioning for THB 93.27 million.

For 2018, the total income of the company decreased from 2017 by THB 43.10 million or 98.60 percent. The decline is due to decrease of income from program production and broadcast license rights for THB 43.10 million as the company proceed to terminate contracts since 2016 until completion in 2018.

13.2.2 Cost and gross income

The total cost of company's operation in 2016, 2017, and 2018 were THB 144.41 million, THB 22.39 million, and THB – million respectively, or 74.69 percent, 51.22 percent, and -percent for total operating.

For 2016, the total cost of the company decreased from 2015 by THB 213.56 million or 59.66 percent. The decline is due to decrease of cost from sport event sponsorship for THB 85.83 million, cost for program co-producing for THB 214.36 million. The company allocated allowance for impairment of broadcasting license covering whole amount.

For 2017, the total cost of the company decreased from 2016 by THB 122.02 million or 84.50 percent. The decline is due to decrease cost for program co-producing and broadcasting license for THB 44.94 million, and decrease of sale cost of in electricity, lighting and air-conditioning system for THB 77.08 million.

For 2018, as the company proceed to terminate contracts since 2016 until completion in 2018 and the amount already takes into consideration the allowance for impairment of rights to control broadcasting, the account of cost become nil.

Gross income

For 2016, the company accrued THB 48.94 million of gross income or 25.31 percent of total income from business operation. The gross income amount comprised of THB 30.31 million from program co-producing, THB 2.44 million from broadcasting license, and THB 16.19 Million from sale of electricity, lighting system, and air-conditioning system.

For 2017, the company accrued THB 21.32 million of gross income or 48.78 percent of total income from business operation. The gross income amount comprised of THB 19.80 Million from program co-producing and THB 1.52 million from broadcasting license.

For 2018, the company accrued THB 0.61 million of gross income or 100percent of total income from business operation. The gross income amount comprised of program co-producing. The company accrued no cost of license to program co-produce due to the allocation of allowance for impairment of intangible asset for the whole amount.

13.2.3 Administrative expense

For the year 2016, 2017, and 2018, the total expense of the company was THB 181.59 million, THB 245.63 million, and THB 433.68 million respectively.

For 2016, the company accrued THB 108.96 million in administrative expense, a reduction from 2015 by THB 81.31 million or 42.73 percent. Important expense accounts comprised of THB 12.26 million from employee's salary and benefit, THB 13.90 million from substation rent, THB 5.16 million from special examination fee, THB 3.57 million from office and service rent, THB 8.72 million from service contractor fee, THB 2.88 million from internal audit fee, THB 7.57 million from consultant fee, THB 4.31 million from other applicable fee, THB 5.15 million from impairment of asset, and THB 19.78 million from doubtful account.

Allowance for doubtful account was accrued from EDGE SPORT broadcasting license trade receivable for THB 15.43 million and co-producing trade receivable for THB 4.35 million. Over more, the company allocated allowance for impairment of intangible asset for THB 41.44 million. This is due to the allocation of allowance for doubtful account of EDGE SPORT broadcasting license trade receivable and director's remuneration for THB 29.98 million.

For 2017, the company accrued THB 105.23 million in administrative expense, a reduction from 2016 by THB 3.73 million or 3.42 percent. Important expense accounts comprised of THB 11.13 million from employee's salary and benefit, THB 21.41 million from impairment of asset and amortization, THB 10.81 million from professional service fee, and THB 4.31 million from office rent and service fee.

Other expense including:

- (1) Acknowledged impairment of intangible asset for THB 16.87 million from contract termination.
- (2) Acknowledged loss from impairment of goodwill for THB 20.73 million from fair value appraisal of electricity substation from biogas in Suphan Buri operated by Akkrawat Crop Rotation Energy Company Limited (Subsidiary).
- (3) Acknowledged loss from impairment of investment in associate company by equity method for THB 65.33 million from investment by Demeter Corporation Public Company Limited in Hero Experience Company Limited and Demeter Innovation Company Limited (Subsidiary) investment in Blue Finix Digital Company Limited
- (4) Director's remuneration for THB 24.06 million

For 2018, the company accrued THB 47.78 million in administrative expense, a reduction from 2017 by THB 57.45 million or 54.59 percent. Important expense accounts comprised of THB 11.62 million from employee's salary and benefit, THB 5.26 million from depreciation, THB 9.01 million from professional service fee, and THB 3.76 million from office rent and service fee.

Other expense including:

- (1) Loss from impairment of joint investment for THB 29.81 million
- (2) Doubtful account of sale of electricity, lighting system, and air-conditioning system trader receivable for THB 88.23 million.
- (3) Loss from impairment of goodwill for THB 51.20 million of Akkrawat Crop Rotation Energy Company Limited
- (4) Loss from impairment of investment in associate company for THB 107.79 million from investment by Demeter Corporation Public Company Limited in Hero Experience Company Limited for THB 105.70 million and Demeter Innovation Company Limited (Subsidiary) investment in Blue Finix Digital Company Limited for THB 2.09 million.
- (5) Director's remuneration for THB 18.68 million
- (6) Financial cost for THB 0.69 million
- (7) Share of loss in associate company by equity method for THB 89.50 million from Demeter Corporation Public Company Limited acknowledgements of share of loss from Hero Experience Company Limited for THB 86.90 million and Demeter Innovation Company

Limited (Subsidiary) acknowledgement of share of loss from Blue Finix Digital Company Limited for THB 2.60 million.

13.2.4 Net profit (loss)

In 2016, the company accrued THB 86.30 million of loss. These accounts were comprised of allocation for allowance for impairment of intangible asset (EDGE SPORT) for THB 41.44 million and administrative expense and director's remuneration that exceeded profit in the year of 2016. However, the company accrued profit from amortization of investment in associate company for THB 19.80 million as Demeter Power Company Limited (Subsidiary) made share sale contract to sell 25percent ordinary share of WIND to First Alpha Venture Company Limited ("FAV"). On the September 29, 2016, the company signed the contract transferring the share of WIND for 1,000,000 shares or 25percent of registered capital for the total price of THB 215 million. The combined Financial Statement recognized profit from this transaction at THB 19.80 million and FAC was successfully register in the shareholder's registration of WIND with the Ministry of Commerce on the October 20, 2016, completing the sale contract. The subsidiary received payment for the sale of share for THB 215,000,000 on the October 25, 2016.

In 2017, the company accrued THB 208.97 million of loss. These accounts were comprised of THB 21.32 million of gross income and THB 105.23 million of administrative expense, allocation of allowance for impairment of intangible asset for THB 16.87 million, loss from impairment of goodwill for THB 20.73 million, loss from impairment of investment in associate company for THB 65.33 million, director's remuneration for THB 24.06 million, and acknowledgement of share of loss for THB 13 million.

In 2018, the company accrued THB 419.03 million of loss. These accounts were comprised of THB 0.61 million of gross income and THB 47.78 million of administrative expense, loss from impairment of intangible asset for THB 29.81 million, doubtful account for THB 88.23 million, loss from impairment of goodwill for THB 51.20 million, loss from impairment of investment in associate company for THB 107.79 million, director's remuneration for THB 18.68 million, financial cost for THB 0.69 million, and acknowledgement of share of loss for THB 89.50 million.

13.2.5 Analysis of liquidity

At the end of 2016, the company accrued THB 72.86 million of cash and cash equivalent decrease. THB 42.94 million was cash flow from financial activity whereas THB 44.72 million were cash from capital increase and THB 1.78 million expenditure for payment of liability from rent contract.

However, the company accrued THB 206.72 million of cash flow spent on business activity due to the following.

- (1) Loss from business operation for THB 8.10 million from future energy project consultant service.

(2) Increase of asset under rent contract by THB 98.20 million from sale of electricity, lighting system, and air-conditioning system. The company will receive sale contract payment in 84 installments for each contract.

(3) Increase of non-current asset by THB 64.31 million from deposit of land rent for energy project in the Philippines for THB 22.40 million and advance payment of share to Akkrawat Crop Rotation Energy Company Limited for THB 37.92 million (8,619 shares). The portion of share will be transferred in January 2017.

In addition, the company accrued THB 152.85 million of cash flow from investment activity, THB 215 million from sale of investment in Winchai Company Limited, and THB 57.88 million from sale of investment in subsidiaries. However, the company had made investment Akkrawat Crop Rotation Energy Company Limited in for THB 34.36 million.

At the end of 2017, the company accrued THB 8.31 million of cash and cash equivalent decrease. THB 68.54 million was cash flow from capital increase and THB 1.92 million expenditure for payment of liability from rent contract.

However, the company accrued THB 33.50 million of cash flow spent on business activity due to the decrease of business activity from net loss and other reconciliation that did not impact cash such as depreciation, amortization of intangible asset, and allowance for impairment.

In addition, the company accrued THB 43.35 million of cash flow from decreasing investment activity. Cash flow from investment activity were from spending to Akkrawat Crop Rotation Energy Company Limited (Subsidiary) for THB 37.92 million, spending to acquire Hero Experience Company Limited and Blue Finix Digital Company Limited (Associate company) for THB 339.37 million, cash spent for short-term lending THB 10.76 million, and cash receivable from sale of short-term investment for THB 398.70 million.

At the end of 2018, the company accrued THB 3.57 million of cash and cash equivalent increase, THB 1.89 million of which were from spending in financial activity, an expenditure for payment of liability from rent contract.

In addition, the company accrued THB 70.35 million of cash flow spent in business activity. The decrease of cash flow in business activity were from net loss and other reconciliation that did not impact cash such as depreciation, amortization of intangible asset, and allowance for impairment.

However, the company accrued THB 75.81 million of cash flow from increase of investment activity. The increase of cash flow in investment activity was due to the decrease of spending of deposit with limited withdrawal condition for THB 90.0 million, increase in cash spend on joint investment for THB 10.0 million, net receivable from temporary investment for THB 162.60 million, and receivable from short term lending for THB 10.0 million.

13.2.6 Financial Ratio

Liquidity ratio of the company in 2016, 2017, and 2018 was 13.66 times, 12.49 times, and 1.89 times respectively. The company has experienced a decline in liquidity ratio from the following. In 2016, the company had THB 582.40 million in temporary investment due to receivable from sale of investment in associate company. On the other hand, the current liability also decreased from the reduction of trade payable and other payable from 2015, resulting in the decrease of debt-to-equity ratio from 0.12 times in 2015 to 0.06 times.

In 2017, the company had THB 184.16 million in temporary investment due to receivable from sale of investment in associate company. On the other hand, the current liability also decreased from the reduction of trade payable and other payable from 2016, resulting in the decrease of debt-to-equity ratio by 0.06 times in 2016 to 0.04 times.

In 2018, the company had THB 23.20 million in temporary investment due to receivable from sale of investment in associate company. On the other hand, the current liability also increased from the increase of short-term loan in 2017, resulting in the increase of debt-to-equity ratio from 0.04 times in 2017 to 0.18 times in 2018.

Receivable turnover ratio of the company in 2016, 2017, and 2018 was 1.97 times, 0.45 times, and 0.42 times respectively. The company has experienced a decline in receivable turnover ratio due to the fact that the trade receivable of the company was experiencing severe competition in digital television broadcasting and television program, causing the average collection period to be 183 days, 792 days, and 853 days respectively. However, the company had already allocated the allowance for doubtful account for this amount in advance.

In 2016, the company experienced an increase in gross income (loss) ratio from (56.43 percent) to 25.31 percent. This number was attributable to the cancellation of television satellite broadcasting business by early termination of co-producing license contract and moving to investment in energy business, operating sale of electricity, lighting system, and air-condition system which yielded higher return. This in turn led to the increase in profit (loss) ratio, dividend ratio, and return-to-asset ratio comparing to 2015.

In 2017, the company experienced an increase in gross income (loss) ratio from 25.31 percent to 48.78 percent. This number was attributable to the cancellation of television satellite broadcasting business by early termination of co-producing license contract, effectively reducing income and cost but still gain higher gross income comparing to 2016.

In 2018, the company experienced an increase in gross income (loss) ratio from 48.78 percent to 100 percent. This number was attributable to the cancellation of television satellite broadcasting business by early termination of co-producing license contract, effectively reducing income. However, the company no longer had amortization cost due to allocation of allowance for impairment covering whole amount.

13.2.7 Subsidiary's performance

The performance of all 3 subsidiaries for the year ended on December 31, 2016 are summarized as follows.

Account (Unit: Million THB)	Financial Statement		
	DPower	DInnovation	Hinoki Wood Work
Income	-	-	-
Cost	-	-	-
Gross income	-	-	-
Other income	0.55	3.24	-
Administrative expense	(0.40)	(8.06)	(0.62)
Director's remuneration	-	-	-
Financial cost	-	(2.62)	(0.10)
Net profit (loss) for the year	0.15	(7.44)	(0.72)

Remark:

- (1) As the company and its subsidiary only operates in Thailand, other income from other source in other region does not amount to 10percent of combined income and so it was detailed in financial information as disclosed under Note to Financial Statement clause 28.
- (2) The company's control over Akkrawat Crop Rotation Energy Company Limited had been lost on the May 25, 2018 and so the financial statement of Akkrawat Crop Rotation Energy Company Limited was not included since May 25, 2018. The investment in such entity is categorized as general investment and was expressed in other long-term investment.

Subsidiary

- (1) Demeter Power Company Limited was registered as company limited on the February 9, 2015. 100percent of shares were held by Demeter Corporation Public Company Limited. The company main business were joint investment, generation and distribution of electricity, construction of electricity facility, and other renewable energy and installation of electricity system.
- (2) Demeter Innovation Company Limited (previously known as Demeter Media Company Limited) 100percent of shares were held by Demeter Corporation Public Company Limited since February 5, 2015. The company main business were satellite television and related service.
- (3) Hinoki Wood Work Company Limited was registered as company limited on September 13, 2018. 99.98percent of shares were held by Demeter Corporation Public Company Limited. The company main business was wood product processing and distribution.

13.2.8 Liability and liability not disclosed in Financial Statement

- (1) Liability and debt by contract with debt payment condition under broadcasting license contract ("Debt payment condition contract") by December 31, 2018 were THB 299.45 million which comprised of the following.

- a. Outstanding debt by debt restructure contract on the 31st December 2018 for THB 72.01 million (including VAT)

Details	(Unit: Million THB)
Debt by debt restructure contract	98.16
Deduct debt payment	(26.15)
Debt by debt restructure contract on the 31 st December 2018	72.01

- b. Outstanding amount by Debt payment condition under broadcasting license contract for THB 227.44 million (excluding VAT)

Details	(Unit: Million THB)
Fair value of broadcasting license appraised by financial consultant	254.79
Deduct debt payment	(27.35)
Debt by debt payment condition contract the 31 st December 2018	227.44

The company considered the fact and believe it is appropriate not to acknowledge income occurred from contract in the Financial Statement whereas the company shall acknowledge accounting income only whence the payment above is received (cash account).

- (2) The company had rent office space with a non-related company for 3 years period which will end on the November 30, 2020 at the rate of THB 174,250 per month.

The company had made a service contract with a non-related company for 3 years period which will end on November 30, 2020 at the rate of THB 139,400 per month for the first year, THB 156,825 per month for the second year, and THB 174,250 per month for the third year.

13.3 Summary of performance and factor of significant change

The directors considered the situation and holds the opinion that business operation in satellite television no longer yield viable return due to the disruption of technology which has significant impact to business structure and increase of cost. With this reason, the directors need to find a solution to mitigate future loss. The most effective way to reduce cost burden is by terminating such business operation to save cost in the future. Thus, the company did not acquire broadcasting license and co-producing license as such business was no longer beneficial to the company. On this note, the company complied with all applicable regulation under Broadcasting and Television Businesses Act and Organization to Assign Frequency Waves and to Regulate the Radio Broadcasting, Radio Television and Telecommunications Services Act under National Broadcasting and Telecommunication Commission (NBTC).

As the company has policy to manage asset and performing license to expand revenue channel and seek new business opportunities and wish to create more value for the organization and optimal benefit for shareholder, the company saw an opportunity to invest in innovation and renewable energy sector due to continual increase of energy demand in the country. In addition, the government also has policy to support renewable energy to mitigate the risk of dependency on fossil fuel and to reduce pollution from electricity generation. The business also generates stable revenue with lower risk level due to purchase contract from government sector and clear technology requirement. However, in the era of rapid technological change, the company realized that requirement of risk management overall is higher due to business diversification. This is especially true for investment in new technology that is expected to create leaping development for the company. For the year 2018, the company aim to for active development and enter into innovation business with focus on sustainable project with minimal environment impact and high return to create stability and sustainability for company and shareholder.

The year 2018 was the year that company focused on innovative business as a result of director's meeting 13/2017 on December 12, 2017 which passed a resolution to invest in Hyper Reality Entertainment business The Marvel Experience: Theme Entertainment Attraction – TMX ("The project") in Hero Experience Company Limited by acquiring the share of such company by 37.5percent of registered capital for the total value of THB 324,999,779.28.

The company had engaged independent appraiser company Sims Property Consultants Co., Ltd. "Sims" to perform due diligence and appraise the asset of Hero Experience Company Limited. Sims Property Consultants Co., Ltd. use Discounted Cash Flow Approach: DCF in the assessment of fair value, assuming that the project will operate for 9 years which is the project land rent period – 3 years for initial term of operation license and 3 years renewal depending on the performance of the project. The assumption of daily visitors was 3,000 or THB 1.2 million annually, generating the minimal income of THB 1,000,000,000. The project situates on the land area of 12,935 sq.m., capable of accommodating 10,950 visitors daily. The

project locates in Mega Bangna shopping complex which is the largest shopping complex in Bang Na region – having more than 40 million visitors per year and 10percent number of visitors growth annually. Mega Banga also plan to develop into “Mega City” by increasing parking space, entertainment zone, leisure zone, sport zone, education zone, and hotel, all which will be a supporting factor of the project to become a holistic entertainment complex.

The transaction mentioned was an acquisition that was reasonable in price which will help the company to gain expected return from investment. The share premium will become the asset for Hero Experience Company Limited to be used in the construction of the project and revolving investment for project operation. The major expenditure are 1) construction and operation equipment and software for THB 500,000,000 , 2) other expenditure during operation for THB 80,000,000 and 3) revolving investment for operation for THB 20,000,000.

Operation revenue of TMX are from 4 main channel; 1) ticket sale, 2) merchandise sale, 3) food and beverage sale, 4) sponsorship and barter system.

On May 23, 2018, the director of Hero Experience Company Limited had necessity to raise more fund for license rights, land rent, construction, improvement, decoration, equipment, and other expense and so had entered into loan contract with Siam Commercial Bank Public Company Limited for THB 240,000,000, comprising of 2 long-term loan for THB 150,000,000 and THB 90,000,000. The company secure this loan for the Hero Experience Company Limited by pledging THB 90 million of saving deposit under the company's name as loan guarantee for its 37.5 percent of share held. The project set official launch date as June 27, 2018 and will operating commercially on June 29, 2018. The director of Hero Experience Company Limited had undergone promotion campaign and sale activity continually to reach the target number of visitors.

However, on January 21, 2019 Hero Experience Company Limited had called for extraordinary shareholder meeting 1/2019 to consider the motion to terminate project operation as Hero Experience Company Limited is experiencing lack of liquidity and under performance of the project. The shareholder meeting of Hero Experience Company Limited passed a resolution to terminate the operation of the project with 62.5percent of vote in favor and 37.5percent not in favor. On this note, the director of Hero Experience Company Limited determined that the project will cease operation on January 29, 2019.

As the holder 37.5 percent share of Hero Experience Company Limited, the company will further discuss with the major shareholder of Hero Experience Company Limited on how to proceed with asset management for optimal benefit and mitigate negative impact.

Attachment

1. Details on Directors, Executives, Authorized Persons and Company Secretary

Name-Surname/ Position/Appointed date (Resigned date)	Age (years)	Educational Qualification	Shareholding in the Company (%)	Family Relationship among the Management	Work Experience in the Last 5 Years		
					Time Period	Position	Corporate Name/ Company/Business Industry
1. Mr. Suthep Liumsirijarern - Independent director and Chairman of Board of Directors - Appointed as director on November 13, 2015 - Appointed as Chairman of Board of Directors on April 1, 2016	64	- 1989 Post-Graduate Diploma, Hydraulic Engineering, Delft, Netherlands - 1978 B.Sc. in Civil Engineering, Chiang Mai University - DAP 96/2012 - ACP 39/2012	1. <u>Self</u> -None- 2. <u>Spouse</u> - None- 3. <u>Minor</u> -None- <u>child</u>	None	<u>Listed Company</u>	Chairman of Board of Directors Chairman of Board of Directors Management Committee Management Committee Advisor Permanent Secretary Vice President of Energy Policy and Planning Office	Demeter Corporation Public Co., Ltd PTT Exploration and Production Public Company Limited SK Shop Co.,Ltd. B Plus Enterprises Co.,Ltd Office of the Prime Minister Ministry of Energy Ministry of Energy
					November 13, 2015-Present		
					2014		
					<u>Non-listed companies</u> <u>/Organizations</u>		
					2015 2014 2013 2011		
2. Mr. Numchai Lowattanakul - Independent director, Audit Committee, Vice Chairman of Board of Directors, Chairman of the Corporate Governance and Social Responsibility	63	- 2004 Master of Business Administration, Kasetsart University - 2001 Diploma of Mini MBA, Kasetsart University - 1986-1987 Diploma of	1. <u>Self</u> -None- 2. <u>Spouse</u> - None- 3. <u>Minor</u> -None- <u>child</u>	None	<u>Listed Company</u>	Chairman of Board of Directors	Demeter Corporation Public Co., Ltd
					February 26, 2016 -Present <u>Non-listed companies</u> <u>/Organizations</u>		

Name-Surname/ Position/Appointed date (Resigned date)	Age (years)	Educational Qualification	Shareholding in the Company (%)	Family Relationship among the Management	Work Experience in the Last 5 Years		
					Time Period	Position	Corporate Name/ Company/Business Industry
Committee and Chairman of the Human Resource Remuneration Committee - Appointed as director on February 26, 2016 - Appointed as independent director and , Vice Chairman of Board of Directors on April 1, 2016 - Appointed as Chairman of the Human Resource Remuneration Committee on November 10, 2016 - Appointed as member of Audit Committee on November 3, 2017 - Appointed as Chairman of the Corporate Governance and Social Responsibility Committee on November 10, 2017		Mains Operation & Maintenance Training, Germany - 1978 Bachelor of Engineering Program in Electrical Engineering, Chulalongkorn University - DCP 140/2010			2012-2015 2011	Governor Deputy Governor (Planning and System Development)	Provincial Electricity Authority Provincial Electricity Authority
3. Mr. Krisda Hutaserani - Independent director and Chairman of The Audit	64	- M.S. Economics (Honors) from School of Economics, University of	1. <u>Self</u> -None- 2. <u>Spouse</u> - None-	None	<u>Listed</u> <u>Company</u>	Independent director and	

Name-Surname/ Position/Appointed date (Resigned date)	Age (years)	Educational Qualification	Shareholding in the Company (%)	Family Relationship among the Management	Work Experience in the Last 5 Years		
					Time Period	Position	Corporate Name/ Company/Business Industry
Committee - Appointed on July 13, 2016 (an audit committee who has an experience on reviewing the financial statements and was appointed as Chairman of the Audit Committee of SMC Power Co., Ltd.)		the Philippines (under Rockefeller Foundation Scholarship) - B.A.Economics (Quantitative Economics), Chulalongkorn University Bangkok - DAP 126/2016 - DCP 258/2018	3. <u>Minor</u> -None- <u>child</u>		July 13, 2016- Present 2009-2014 1995-2001 <u>Non-listed</u> <u>companies</u> <u>/Organizations</u> Present	Chairman of The Audit Committee Chairman Executive Vice President Director and Chairman of Advisory Board Chairman	Demeter Corporation Public Co., Ltd Adamas Incorporation Public Co., Ltd SCIB Public Co., Ltd SCMB Co., Ltd Lanna Thai Concepts Company Limited
4. Mr. Chainoi Puankosoom - Independent director, member of audit committee and member of the Human Resource Remuneration Committee - Appointed on December 12, 2017	69	- Master of Management, Sasin Graduate School of Business Administration Chulalongkorn University - Bachelor Degree in Higher Accounting California College of Commerce, U.S.A. - The Role of Chairman in Leading Strategic Risk Oversight 2017	1. <u>Self</u> 0.56 2. <u>Spouse</u> 0.03 3. <u>Minor</u> -None- <u>child</u>	None	<u>Listed</u> <u>Company</u> December 12, 2017-Present Present	Independent director, member of audit committee and member of the Human Resource Remuneration Committee Chairman of Board of Directors and Chairman of The Audit Committee Director	Demeter Corporation Public Co., Ltd Ticon Industrial Connection Public Co., Ltd Nature of business:

Name-Surname/ Position/Appointed date (Resigned date)	Age (years)	Educational Qualification	Shareholding in the Company (%)	Family Relationship among the Management	Work Experience in the Last 5 Years		
					Time Period	Position	Corporate Name/ Company/Business Industry
		- RCP 33/2014 - FGP 3/2011 - DAP 63/2007			2016-Present	Chairman of Board of Directors	Industrial and Warehouse for Rent Tipco Asphalt Public Co., Ltd
					2016-Present	Independent Director and Audit Committee Director	Golden Land Property Development Public Co., Ltd
					2012-Present	Independent Director and Audit Committee Director	Nature of business: Property development National Power Supply Public Co., Ltd Nature of business: Manufacture and distribution of electricity and steam
					<u>Non-listed companies /Organizations</u>		
					2016-Present	Director	The Comptroller General's Department Petroleum Institute of Thailand
					2015-Present	Independent Director Independent Director	Prima Marine Public Co., Ltd

Name-Surname/ Position/Appointed date (Resigned date)	Age (years)	Educational Qualification	Shareholding in the Company (%)	Family Relationship among the Management	Work Experience in the Last 5 Years		
					Time Period	Position	Corporate Name/ Company/Business Industry
							Nature of business: Operator of petroleum and chemicals tanker
5. Mr. Sorasak Saensombat - Independent Director Audit Committee and Corporate Governance and Social Responsibility Director - Appointed on November 10, 2017	62	- Master of Engineering (Traffic Systems Engineering and Transport), Chulalongkorn University - Bachelor of Engineering (Civil Engineering), Chiang Mai University - DCP 223/2016 - RCL 3/2016	1. <u>Self</u> 0.04 2. <u>Spouse</u> - None- 3. <u>Minor</u> -None- <u>child</u>	None	<u>Listed Company</u> November 10, 2017- Present <u>Non-listed companies /Organizations</u> 2016-2017 2014-2016 2012-2014 2010-2012	Independent Director, member of audit committee and Corporate and Social Responsibility Director Director of Marine Department Inspector Director of Marine Department Deputy Permanent Secretary (Transport Group Leader)	Demeter Corporation Public Co., Ltd Ministry of Transport Ministry of Transport Ministry of Transport Ministry of Transport

Name-Surname/ Position/Appointed date (Resigned date)	Age (years)	Educational Qualification	Shareholding in the Company (%)	Family Relationship among the Management	Work Experience in the Last 5 Years		
					Time Period	Position	Corporate Name/ Company/Business Industry
6. Mr. Teerawit Charuwat - Director, Risk Management Director, Corporate Governance and Social Responsibility Director, and Chief Executive Director: CEO - Appointed as Director on July 13, 2016 - Appointed as Risk Management Director on May 15, 2017 - Appointed as CEO on September 7, 2017 - Appointed as Corporate and Social Responsibility Director on November 10, 2017 (Authorized Signatory Director)	61	- Ph.D (Ph.D. Candidate) in Development Administration (International Program), Major in Policy and Management, National Institute of Development Administration (NIDA) - 2003 Master of Finance (International Program) (MIF), Thammasat University - 1993 Master of Business Administration (MBA), Chulalongkorn University - 1985 Master of Energy Management and Policy), University of Pennsylvania, USA (under the US Government Scholarship) - 1979 Bachelor of Engineering in	1. <u>Self</u> -None- 2. <u>Spouse</u> - None- 3. <u>Minor</u> -None- <u>child</u>	None	<u>Listed</u> <u>Company</u> September 7, 2017-Present 2003-2004 2003-2004 <u>Non-listed</u> <u>companies</u> <u>/Organizations</u> July 3, 2017- Present 2016-Present 2013-2016 2007-2008 2006	CEO (resign) CEO CFO Chairman of Board of Directors (resign) Lay Judge Director Executive Committee and Acting President Chairman	Demeter Corporation Public Co., Ltd TOT Public Co., Ltd MCOT Public Co., Ltd Blue Finix Digital Co., Ltd. The Central Intellectual Property and International Trade Court Ratchaburi Electricity Generating Co., Ltd. Software Industry Promotion Agency (Public Organization) (SIPA) ACT Mobile Co., Ltd.

Name-Surname/ Position/Appointed date (Resigned date)	Age (years)	Educational Qualification	Shareholding in the Company (%)	Family Relationship among the Management	Work Experience in the Last 5 Years		
					Time Period	Position	Corporate Name/ Company/Business Industry
		Mechanical Engineering, Chulalongkorn University - RCP 41/2017 - RML 3/2016 - DCPU 4/2015 - CDC 10/2015 - ACP 11/2006 - DAP 43/2005 - DCP 67/2005 - IOD Chartered Director					
7. Mr. Prachuab Ujjin - Director, Corporate Governance and Social Responsibility Director, Chairman of Risk Management Committee, and Chairman of Investment Committee - Appointed as Director on May 15, 2017 - Appointed as Chairman of Risk Management Committee	68	- Master of Engineering (Electrical Engineering), University of Missouri- Columbia University, USA, 1976 - Bachelor Degree in Electrical Engineering, Chulalongkorn University, 1973 - Advanced Diploma Management Program, Harvard Business School, Boston, MA, USA, 2004 - Senior Diploma Executive	1. <u>Self</u> -None- 2. <u>Spouse</u> - None- 3. <u>Minor</u> -None- <u>child</u>	None	<u>Listed</u> <u>Company</u> 2018-Present 2014-2015 <u>Non-listed</u> <u>companies</u> <u>/Organizations</u> 2014-2016 2013-2014	CEO Director Chairman of Board of Directors Directors	Demeter Corporation Public Co., Ltd Ratchaburi Electricity Generating Holding Public Co., Ltd Ratchaburi Power Co., Ltd Electricity Generating Authority of Thailand

Name-Surname/ Position/Appointed date (Resigned date)	Age (years)	Educational Qualification	Shareholding in the Company (%)	Family Relationship among the Management	Work Experience in the Last 5 Years		
					Time Period	Position	Corporate Name/ Company/Business Industry
on May 15, 2017 - Appointed as Chairman of Investment Committee on August 23, 2017 - Appointed as Corporate Governance and Social Responsibility Director on November 10, 2017 (Authorized Signatory Director)		Program Institute, Sasin Graduate School of Business Administration, Chulalongkorn University - RMP 1/2013 - DCP 73/2006			2012	Chairman of Board of Directors and Director	Ratch O&M Co., Ltd
8. Pol.Maj.Gen. Prayont Lasua - Director, Human Resource and Remuneration Director, and Risk Management Director - Appointed as Director on August 23, 2017 - Appointed as Human Resource and Remuneration Director on August 23, 2017 - Appointed as Risk Management Director on August 23, 2017	65	- Master of Public and Private Management, National Institute of Development Administration (NIDA) - Master of Political Science, Chulalongkorn University - Bachelor of Public Administration, Royal Police Cadet Academy (Pol. Cdt. 31) - DAP 144/2018	1. <u>Self</u> 0.17 2. <u>Spouse</u> - None- 3. <u>Minor</u> -None- <u>child</u>	None	<u>Listed Company</u> 23 Aug. 2017-Present <u>Non-listed companies /Organizations</u> 2012-2014 2009-2012	Director Commander of the Metropolitan Police Bureau Commander of the Investigation Division	Demeter Corporation Public Co., Ltd Royal Thai Police Royal Thai Police

Name-Surname/ Position/Appointed date (Resigned date)	Age (years)	Educational Qualification	Shareholding in the Company (%)	Family Relationship among the Management	Work Experience in the Last 5 Years		
					Time Period	Position	Corporate Name/ Company/Business Industry
(Authorized Signatory Director)					2004-2009	Provincial Police Region 3 Deputy Commander of the Crime Suppression Division	Royal Thai Police
9. Mr. Thanarath Thanavutwatthana - Director - Appointed as Director on May 15, 2017 (Authorized Signatory Director)	33	- Bachelor's Degree in Communication Arts, Bangkok University - Holmes College Certificate, International Business Management, Melbourne, Australia - DAP 143/2017 -DCP 255/2018	1. <u>Self</u> 0.002 2. <u>Spouse</u> - None- 3. <u>Minor</u> -None- <u>child</u>	None	<u>Listed</u> <u>Company</u> 15 May 2017- Present <u>Non-listed</u> <u>companies</u> <u>/Organizations</u> 2016-Present 2015-Present 2013-Present 2011-2013	Director Director Chairman of Board of Directors Online Marketing Advisor Marketing	Demeter Corporation Public Co., Ltd PTC Supplement Co., Ltd TDC Digital Co., Ltd PFO Food Co., Ltd. GT Group Co., Ltd.
10. Mr. Chotiphun Tiaviwat - Director - Appointed as Director on November 10, 2017	31	- Master of Arts, Business and Managerial Economics (First Class Honors), Chulalongkorn	1. <u>Self</u> 4.26 2. <u>Spouse</u> - None- 3. <u>Minor</u> -None-	None	<u>Listed</u> <u>Company</u> November 10, 2017-Present	Director	Demeter Corporation Public Co., Ltd

Name-Surname/ Position/Appointed date (Resigned date)	Age (years)	Educational Qualification	Shareholding in the Company (%)	Family Relationship among the Management	Work Experience in the Last 5 Years		
					Time Period	Position	Corporate Name/ Company/Business Industry
		University - Bachelor of Economics, Chulalongkorn University - DAP 114/2015	<u>child</u>		2014-2017 <u>Non-listed companies /Organizations</u> 2012-2016 2010-2014 2009-2011	Vice Chairman of Board of Directors Finance Director Assistant Manager Advisor to the Managing Director	Demeter Corporation Public Co., Ltd Sugar Hill Global Capital Co., Ltd DBS Vickers Securities (Thailand) Co., Ltd Premisiri Development Co., Ltd
18. Ms. Kulthida Verathaworn - Director of Business Development and Company Secretary - Appointed as Company Secretary on September 1, 2016 - Appointed as Director of Business Development on November 10, 2016	33	- Master of Arts, International Economics and Finance, Chulalongkorn University - Bachelor of Economics, Major: Quantitative Economics, (First Class Honors) Chulalongkorn University	1. <u>Self</u> -None- 2. <u>Spouse</u> - None- 3. <u>Minor</u> -None- <u>child</u>	None	<u>Listed Company</u> 2016-Present 2015-2016	Director of Business Development and Company Secretary Project Coordinator, coordinate the collaboration in the Myanmar energy initiatives extended to the MOU on Energy Cooperation, signed	Demeter Corporation Public Co.,Ltd Myanmar Joint Venture Asset Department at PTTEP PLC

Name-Surname/ Position/Appointed date (Resigned date)	Age (years)	Educational Qualification	Shareholding in the Company (%)	Family Relationship among the Management	Work Experience in the Last 5 Years		
					Time Period	Position	Corporate Name/ Company/Business Industry
						between Myanmar and Thailand Ministries of Energy in 2015. Representatives of PTT Group in Myanmar to accomplish Country Master Plan, network building, to enhance synergy, extended to PTT Group	
					<u>Non-listed companies /Organizations</u>		
					2016-Present	Director	Demeter Corporation Public Co.,Ltd
					2016-Present	Director	Hero Experience Co., Ltd
					2014-2015	Prepare, coordinate, convey key message and communicate with public media to ensure that the news release and speeches provide the status, integrity and good image of the Minister	Ministry of Energy

Name-Surname/ Position/Appointed date (Resigned date)	Age (years)	Educational Qualification	Shareholding in the Company (%)	Family Relationship among the Management	Work Experience in the Last 5 Years		
					Time Period	Position	Corporate Name/ Company/Business Industry
					2012-2014	<p>Monitor and coordinate Myanmar business intelligence, analysis and business development activities, across business value chain, to ensure alignment and collaboration as well as business support, with PTT Group, extended to the Office of Minister of Energy</p> <p>Attached to the Minister.</p> <p>Receive and respond promptly to invitations to the Minister for official and social engagements as directed. Coordinate with stakeholders to gather data as well as indicate feedback so as to achieve collaborative goal</p> <p>Prepare and develop policy tracking for</p>	Ministry of Energy

Name-Surname/ Position/Appointed date (Resigned date)	Age (years)	Educational Qualification	Shareholding in the Company (%)	Family Relationship among the Management	Work Experience in the Last 5 Years		
					Time Period	Position	Corporate Name/ Company/Business Industry
					2011	Minister to view a big picture of country's energy policies for decision making as well as draft statements/speeches for the Minister's public speaking engagements Manage and coordinate the Minister's program of work and ensure that briefing notes and speeches are well researched and written in a manner that reflects the status, dignity and good image of the Minister with timely and efficient delivery of service to the Minister Business Development	PTT International Company Limited (A company of PTT Group)

* Information as at March

Duties and Responsibilities of Company Secretary

The company secretary shall perform his or her duties in accordance with section 89/15 and section 89/16 of Securities and Exchange Act (No.4) B.E. 2551, which come into force on August 31, 2008. The company secretary shall perform his or her duties with responsibilities, care, and honesty in compliance with laws, Article of Association and objective of the Company, resolution of the Board of Directors, and resolution of the shareholders' meeting. In performing this duty, the company secretary has the following duties and responsibilities:

1. Preparing and keeping the following documents of the Company:

- Register of the Company's directors
- Meeting notification letter and minutes of the Board of Directors meeting including annual reports
- Meeting notification letter and minutes of the shareholders meeting.

2. Keep reports on stake holding submitted by directors or executives according to section 89/14 and submit to the chairman of the board and chairman of Audit Committee within 7 working days from the date receiving such report by the Company.

3. Perform other duties as specified by the Capital Markets Supervisory Board.

Additionally, the company secretary has duties assigned by the Company (or the board) as follows:

- Provide preliminary advice and recommendations pertaining to legal, regulatory, and governance issues and practices related to the Board and Board Committees.
- Organize the meetings of Shareholders, the Board of Directors.
- Liaise with regulatory agencies such as the Stock Exchange of Thailand and be responsible for the disclosure and report information to the public and regulatory agencies with accuracy, complete and in accordance with laws.
- Arrange new director orientation.
- Perform other duties as assigned by the Company.

2. Details on the Directors of Subsidiaries, Associates and Other Long-term Investment

The power to manage the company, subsidiaries, associated companies and related companies

Information as of March 4, 2019

Name	Company	Subsidiaries			Associates		Other Long-Term Investment
		DPower	DInnovation	HinokiWW	Blue Finix	Hero Experience	Akkrawat
Mr. Prachuab Ujjin	2,3	-	-	-	-	2	-
Mr. Cholaphan Vongsing	-	2,3	2,3	-	-	2	-
Mr. Sorrakrit Lathitham	-	-	2,3	2,3	2	-	-
Ms. Kulthida Verathaworn	-	2,3	-	-	-	2	-
Mr. Thaworn Pornpanussri	-	2,3	2,3	-	2*	-	-
Mr. Ekkawit Kaewwichian	-	-	-	2	2	-	-
Ms. Pichaya Ruktapongpisal	-	-	-	2,3	-	-	-

Note: 1 = Chairman of the Board 2 = Director 3 = Executive Director

* The company proposed the name of Mr. Thaworn Pornpanussri to take the position instead of Mr. Theerawit. Jaruwat, who resigned due to another mission but the management of Blue Phoenix Digital Company Limited has not yet submitted the name list to the Ministry of Commerce.

3. Details of Internal Auditor and Supervision of the Work Operation of the Company

Head of the audit agency

Juristic people : The Best Solution Partnership Limited

Name : Mrs. Chinanan Sukjit

Position : Senior internal auditor

Educational qualification/working history: Bachelor, Bangkok University, Faculty of Accounting

Experience :

- Manager of the Best Solution Partnership Limited
(February 2014 - nowadays)
- Senior internal auditor of Quantum Point Consulting Co., Ltd
(June 2011 - January 2014)
- Senior internal auditor of APJM Coaching Co., Ltd
(August 2005-May 2011)
- Manager of the accounting department of Bathroom Design Co., Ltd
(November 2003 - July 2005)
- Accounting official of Jafra Inter National (Thailand) Co., Ltd
(August 2000- October 2003)
- Assistant of a licensed auditor of Sahakarnbanchee PKF Co., Ltd
(August 1998 - July 2000)

Training

: has been trained from the outside of an organization in the following matters

- *Thai tax association*
The course of accounting standard and auditing standard
- *Federation of Accounting Professions Under The Royal Patronage of His Majesty The King*
Course of internal work operating, course 2
- *Unique Seminar and Training Co., Ltd*
Course Dispute settlement with the Revenue Department: Increase a strong point and get rid of a weakness of Thai accountant

: has received the training inside an organization on the following matter

- Internal audit standard
- Internal control system standard
- Technique and tools in primary audit
- Working paper and supporting documents
- Audit work management and technique of being the head of the audit team
- Development of the audit program for business transactions
- Technique and tools of audit for a manager
- Assessment of the quality of the internal audit

4.1 The Audit Committee's Report Year 2018

The Audit Committee's Report

To: The shareholders of Demeter Corporation Public Company Limited

The Audit Committee of Demeter Corporation Public Company Limited was appointed by the Board of Directors of the Company comprising of four independent directors, who were qualified according to the Regulation and Best Practice Guidelines of the Securities and Exchange Commission and the Stock Exchange of Thailand, including Mr. Krisda Hutaserani, Audit Committee Chairman, Mr. Numchai Lowattanatakul, Mr. Sorasak Saensombat and Mr. Chainoi Puankosoom, Audit Committee Members, and Mr. Thirapong Charadphokin, acting for the secretary of the Audit Committee.

The Audit Committee fulfilled the responsibilities according to the scope, duties and responsibilities assigned by the Board of Directors that complied with the Regulation of the Stock Exchange of Thailand. In 2018, there were 5 Audit Committee meetings and the meeting with the management executives, external auditors, and internal auditors when appropriate, pertaining to the following issues.

1. Review the interim and annual financial statements for the year 2018, by questioning and listening to the clarification of the external auditor and Vice President of Accounting Department, concerning the accuracy and completeness of the financial statements and the adequacy of information disclosure, and acknowledged the issues and recommendations from the external auditor for the year 2018. The Audit Committee had the same opinion as the external auditor that the financial statements were presented fairly, in all material respects, and in accordance with Thai Financial Reporting Standards.

2. Review of internal control system to evaluate the appropriateness and effectiveness of the internal control system, which encouraged the operation to achieve the specified objective, by reviewing the internal audit's report for the year 2018 according to the approved plan, which covered the significant operations of the Company.

3. Review of internal audit work to evaluate the effectiveness of the internal control unit by considering scopes of work operation, duties and responsibilities, independence, manpower and budget of internal audit unit as well as reviewing the internal audit charter to be updated and to comply with the internal control practice of the Stock Exchange of Thailand, and approved the annual audit plan of the internal auditor. The Audit Committee had the opinion that the Company had an adequate, appropriate and effective internal audit system and also had the development of audit's quality both in personnel and operational inspections to ensure compliance with international standards continuously.

4. Review compliance with the Securities and Exchange Acts, Regulations of the Stock Exchange of Thailand (SET), and any other relevant laws, including the compliance with the Company requirement and

obligations to external parties. The Audit Committee did not find any significant incompliance to the law, Regulations and the Company obligations to external parties.

5. Review and give opinion to connected transactions or transactions that may have conflict of interests, and information disclosure of such transactions to comply with Regulation of the Stock Exchange of Thailand (SET), and the Office of the Securities and Exchange Commission (SEC). The Audit Committee had the same opinion as the external auditor that the significant transactions with the connected persons were disclosed and shown in the Financial Statements and Note to Financial Statements accurately and completely.

6. Consider appointing the external auditors and their remuneration to propose to the Board of Directors to seek for the approval of the Annual Shareholder Meeting, which the Audit Committee considered the performance, independence and remuneration and concluded to propose appointing Mr. Jadesada Hungsapruet (Certified Public Accountant No.3759 and/or Ms. Kannika Wipanurat (Certified Public Accountant No. 7305) and/or Mr. Jirote Sirirorote (Certified Public Accountant No. 5113) of Karin Audit Co., Ltd to serve as the Company external auditor for the year 2018. The Audit committee had the opinions regarding the external auditors as follows:

- The external auditors had no relation with the Company and its subsidiaries.
- Based on last year, the external auditors performed their duties with knowledge, professional competency, and gave recommendation regarding internal control system and various risks, and also had independence in performing their duties.
- The proposed remuneration was appropriate.

In conclusion, the Audit Committee had fulfilled the responsibilities of the Audit Committee Charter that was approved by the Board of Directors and found that the Company disclosed financial and operational information correctly, had appropriate and effective internal control and audit, complied with laws, regulations and obligations, disclosed the connected transactions correctly, performed duties incompliance with the Good Corporate Governance principles, with adequacy, transparency and reliably, and also developed the operation systems to be more qualified and fit with the changing business environment on a continuing basis.

Yours Sincerely,

Krisda Hutaserani

(Mr. Krisda Hutaserani)

Chairman of the Audit Committee

4.2 Auditor's Remuneration

(Audit Company Logo)

Karin Audit Company Limited
 72 CAT Telecom Tower , Floor 24, Charoen Krung Road,
 Bang Rak, Bangkok 10500 Thailand Tel: 0-2105-4661 Fax:
 0-2026-3760
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Verification Form for Auditor Professional Fee
 For year ended on 31st December 2018

Audit Fee

Item	Payer's name	Auditor	Fee
1	Demeter Corporation PCL	Mr. Jesada Hangsapruet	1,720,000
2	Demeter Power Co.,Ltd.	Mr. Jesada Hangsapruet	300,000
Total auditor fee			2,020,000

Non-audit fee (none)

Item	Payer's name	Non-audit service	Service Provider	Non-audit fee	
				Expense during accounting year	Future expense
Total non-audit fee					

Above information

☒ has been verified. I hereby certify that there was no other service fee receivable for the service I rendered, or for audit company I served, or other related entity that I know of and disclosed above.

☐ is incomplete:.....

Once amended (if any) . I hereby certify that the information contained within this form is the total representation of fee receivable for the service I rendered, or for audit company I served, or other related entity.

Signed.....-Signature-.....

(Mr. Jesada Hangsapruet)

Karin Audit Company Limited

Auditor of Demeter Corporation PCL

4.3 Corporate Governance's Related Policies

4.3.1 Policies and guidelines for safety, occupational health and work environment

The company is concerned about life. Health of all employees including the environment and the community, so to be clear in the implementation and used as a guideline for safety, occupational health and environment operations for maximum benefit. Therefore, we establish policies and guidelines for safety, occupational health and environment in the workplace as following:

1. Safety, health and environment is the responsibility of employees at all levels that must be followed seriously.
2. Communicate and disseminate information supporting operation on safety, health and environment, in order to create the correct understanding of the workers, people involved and the public.
3. Comply with laws Regulations strictly on safety, health and environment by being considered as part of the work and is everyone duties in participating in safety operations.
4. Take steps to ensure that all operations are safe and have a good working environment which is suitable for employees, partners and communities.
5. Strengthen good relationships with communities and stakeholders (people who have right to get or give) both inside and outside the organization.

Past performance:

In 2018, the company had no accident, loss of organs, disability or death. And there is no accident that has stopped work.

4.3.2 Policies and guidelines for recruitment, compensation, welfare management, development and employees treatment

The company is confident that the employees of the company is a valuable resource and is one of the main factors that will lead to goals and success. The company therefore treats employees fairly on the basis of human rights principles and bringing the needs of the employees into consideration in order to create a good relationship between employees and the company. Company aims is to support the development of knowledge, skills and abilities continuously enhancing the potential of employees at all levels, while also managing to ensure the stability and career advancement of the employees. Therefore, the company has formulated the following policies and guidelines:

1. Perform recruitment with a selection system and have conditions for effective employment. Equality and fairness in order to obtain qualified employees with quality and honesty to meet the standards that the company wants.

2. Evaluate performance and manage remuneration by considering the appropriateness of each roles, duties and responsibilities and the ability of individual employees. Company providing appropriate welfare for employees including supervising and improving to be appropriate in the current situation (time) according with the company's performance both in the short term according to the profitability of each year and the long term, such as the offering of securities (realty) to the employees (ESOP-employee stock ownership plan), etc. as well as in accordance with the economic, social and employment conditions in the same industry.

3. Providing development of all employees, at all levels and all professions on the basis and appropriateness of each roles, duties and responsibilities. As well as instilling employees to be conscious of moral issues, volunteering, nature conservation, community and environment and anti-corruption in all forms.

4. Promote and support the culture of working together as a team to create unity and solidarity of the organization as well as instilling and creating consciousness for employees to have work discipline.

5. Cultivate employees with consciousness and encourage employees to work safely and hygienically. Create a good atmosphere and work environment to allow employees to work happily as if they were in the same family and able to manage the balance between working life and personal life appropriately.

6. Manage to comply with the standards of occupational health and safety management systems. Company also provide an environmental management system to comply with international standards for the quality of life of employees.

7. Providing equal and fair treatment for employees, respecting and protecting the rights and freedoms of employees to be violated Supporting the right to express and staff comments in considering and honouring different opinions.

8. Provide a complaint system and various channels for informing the clues of behaviours that are inconsistent with the company ethics or any form of corruption behaviour. Company also provide a system to protect employees or complainants not to be harassed, punished or suffered from complaints (Whistle Blower Policy).

9. Promote and provide various channels to disseminate information and news to employees so that employees have information, knowledge and understanding in business operations and get to usually know the business results of the company.

Past performance:

In 2018, compensation and welfare benefits were paid to employees according to the policy set And the number of employee development training hours in 2018, a total of 918.5 hours, average / person / year, 30.62 hours, of which this is an environmental training, including 0 hours average / person / year 0 hours.

4.3.3 Human rights policies and practices

The company respects the honour of employees in the workplace of the company and will proceed to ensure that the employees of the company will have personal safety right. As well as having the right to have a safe workplace, clean and hygienic. The company has set up policies and guidelines on human rights. The details are as follows:

1. Policy and practice guidelines for forced labour

"The company does not act or support forced labour in all forms and will not claim or receive insurance money, identity cards, or any identification documents from employees, regardless of when they enter work or get into work, neither in condition for admission to work unless the law is excluded. Including not using physical punishment or the threat of violence or other forms of physical, sexual, mental or verbal abuse as a measure of discipline or control."

2. Policy and practice on child labour

"The company will not hire or support the employment of children under the age of 15 and will not give or support child labour to work that is harmful to health or in an environment that may cause health and safety hazards(problem)."

3. Policy and practice on female labour

"The company must not allow female employees to work which is harmful to health or body as required by law, including the arrangement for female employees who are pregnant to work in an environment that is not harmful to health and safety for pregnancy. The company will not lay off, reduce positions or reduce the benefits of female employees because of pregnancy."

4. Policy and Practice on Discrimination

"The company will not commit or encourage discrimination in employment, paying wages, compensation for work and welfare and also opportunity to receive training and development, promotion consideration or position Termination or retirement. Company will not interrupt or get into or do anything which affects the activities of exercising rights or practices of employees due to reasons for differences in nationality, religion, language, age, gender, marital status, personal attitudes about sex, disability, HIV infection, being AIDS patient, Union membership, Being an employee director or political parties or other personal concepts".

5. Policy and guideline on freedom of association and negotiation

"The company will respect employee rights in association, even negotiation selection or election representative, will be treated as equal to other employees".

6. Policy and practice on social responsibility and labour

"The company is committed to conducting every employee of the company to perform standard work under protection and fair treatment on a social basis. In accordance with the provisions of labour laws on labour protection, Labour welfare, Labour relations and safety, Occupational health, working environment and related regulations, which will be reviewed develop and improve appropriately".

7. Policy and guideline for employee responsibility regarding being detained and sexually abused including violence against women

"The company has measures to prevent employees of the company being threatened and sexually abused by expressing words, gestures, physical contact or in any other way, including violence against women. An employee is under control and or being sexually abused, the Company will consider disciplinary action against those who violate the regulations regarding the work of the company strictly"

8. Policy and practice guidelines for compensation

"The company will pay wages and compensation for work or exceed the normal working hours for employees, not less than the law required and will allow the employee to know all information about wages and compensation received in each period in writing and can understand the details of the various components and will not deduct wages in any case. Unless the law is excluded".

Past performance:

In 2018, the company did not have any disputes in human rights.

4.3.4 Policies and guidelines for customers, partners, service providers and competitors

The company has policies and guidelines for customers, business partners, service providers and competitors with equality, fairness and transparency. By adhering to various conditions strictly as follows:

Policies and guidelines for customers

1. Strictly comply with the conditions that the customers have and provide quality and reliable services.
2. Provide services that are in compliance with the standard set effectively.
3. Provide advice to customers in using the service efficiently and economically.

Policy and guideline for selection of service provider partners

1. Follow the law with ethical standards of society and pay attention and consider Society human rights and Environment.
2. Good business conditions with stable financial status. Company establishments that can be checked and have a trusted history. No history trading due to fraud action or job abandonment history or in the list of banned companies of government and private sectors.
3. Have satisfactory results in terms of quality, price, delivery schedule and service.
4. Can deliver regularly and can respond flexibly to changes.

Policies and guidelines for trade competitors

The company will comply with the rules of good competition. Company will not seek confidential information of competitors through dishonest or inappropriate methods, such as paying wages to employees of competitors, etc. and not destroying the reputation of competitors by malicious accusations.

Past performance:

In 2018, the company did not have any disputes with customers, suppliers, service providers and competitors.

4.3.5 Policies and guidelines for creditors

The company has a policy and guidelines for creditors with equality, fairness and transparency. By adhering to various conditions strictly as follows:

1 . The company has treated equitably, fairly and transparently without taking advantage of the creditors of the company.

2 . Do not use fraud methods or conceal (hide) any information or important facts that may cause creditors to be damaged.

3 . Comply with various contract terms that has been done with all types of creditors strictly, correct, straightforward especially about conditions of guarantee Capital management and in the event of default.

4. Repay the loan with interest to all types of creditors and in accordance with the agreed schedule.

Past performance:

In 2018, the company did not have any disputes with the creditors.

4.3.6 Policies and practices on intellectual property

The company has a clear policy and practice that will not do anything that would be a violation of intellectual property whether it is copyright, patents or trademarks. The company has a clear guideline for operations such as copyright, Company have policy in order to use the program (software) with the correct right to use in according the copyright. The Company has established the following policies and guidelines:

1. Remove some software programs from the employee's computer.

2. Explore and improve the number of various software packages in the company's information system to be sufficient, appropriate and consistent with the Company's transactions.

In order to ensure that all computers of the company only use the software that is purchased correctly according to the copyright by the company.

The company does not encourage employees to use / use the software program that violates copyright on the company's computer which is considered a serious offense under the law and may cause damage to the organization in the future. If any employee violates the copyright infringement program used in the company's work that employee must be disciplined (punish) by the company and personally responsible if the copyright owner has taken any legal action.

Past performance:

In 2018, the company did not have any disputes that is a violation of intellectual property.

4.3.7 Policies and guidelines for preventing conflicts of interest

In order to prevent conflicts of interest, the Company therefore does not have transactions with major shareholders, directors, executives or related persons. In addition, the Board of Directors carefully supervises if there are transactions that may have conflicts of interest. The Audit Committee will be informed of transactions that have conflicts of interest and connected transactions to consider carefully as appropriate. In order to comply with the rules of the Stock Exchange of Thailand including the case of a connected (related) transaction that is required to disclose information or request approval from the shareholders. Prior to the transaction, the company will disclose details and reasons for making the transaction to shareholders before making the transaction. Value (price) and conditions as if making transactions with third parties and must disclose details, value, transaction, contract, reason / necessity in the annual report and Form 56-1 and must be disclosed to the financial statements in the topic of accounting transactions with related persons. Including consideration of related party transactions in the business group which must be less than 25 percent of the total income and expenditure in order to prevent conflicts of interest that may occur, except in the case of normal business transactions and in the case of transactions with subsidiaries or associates that do not have a connected (related) person holding more than 10%.

In addition, the policy and guideline for directors and executives to notify about the trading of the Company's shares at least 1 day in advance before trading to the Audit Committee via the company secretary and must report the stock trading / holding of the Company's securities to the Board of Directors every time. Including submitting a report of interest to the company secretary every 6 months and the company secretary must submit a copy of this stakeholder report to the chairman of the audit committee.

Past performance:

In 2018, the company did not have any disputes in conflict of interest.

4.3.8 Policies and practices against corruption

The Company and its subsidiaries manage by adhering to the principles of good corporate governance and formulating anti-corruption policies in all forms that may arise from the work and contact with stakeholders. The company requires the directors, executives and employees of the company and subsidiaries strictly abide by the policy.

Definition according to the anti-corruption policy

Corruption means bribery, whether in any form. By proposing to the contract to give, a promise, to demand, or receive money, property or other benefits which are not appropriate to government officials, Government Sector, Private agency or the person having the duty, whether directly or indirectly. Allowing such person to act or ignore the duty which is to obtain or maintain business benefits or recommend business to a particular company or to obtain or maintain any other benefits that are not suitable for business. Except in the case of laws, regulations, notifications, regulations, local traditions or trade tradition allow to do.

Policies and practices against corruption

Directors, executives and employees are prohibited from conduct or accept corruption in all forms, either directly or indirectly, which covers all businesses in all countries and all relevant agencies. Company regularly review compliance with this anti-corruption policy as well as reviewing guidelines and procedures to be in line with changes in the economic, political and social environment in business operations as well as regulations and legal requirements.

Responsibilities

1. Board of Directors has a duty and responsibility to set policies and supervise the system that supports effective anti-corruption. In order to ensure that the management has realized and focused on anti-corruption and instilled in the organization culture.

2. Audit Committee has a duty and responsibility to review the financial and accounting internal control system and internal audit system. Also other processes related to anti-corruption measures to ensure that it meets standards and effective.

3. The executive has a duty and responsibility to set up a system and to promote and support anti-corruption policies. To communicate to all employees and related parties provide training for employees to get knowledge about policies and practices in anti-corruption. Including reviewing the suitability of the system and various measures to comply with business changes, regulations and legal requirements.

4. Internal Audit has a duty and responsibility to review the assessment of corruption risk and review the operation to ensure that it's in accordance with the policy, practice, authority Regulations and laws that requires. In order to ensure that, there is a control system that is appropriate and sufficient for potential corruption risks and report to the Audit Committee.

Anti-corruption action

1. Directors, executives and employees of the company at all levels must comply with the anti-corruption policy and the code of conduct of the company, which must not go directly or indirectly about (to) corruption.

2. Company employees should not ignore when witnessing actions that are in line with the corruption associated with the company, must notify to the supervisor or the person responsible. Cooperate in examining various facts if there are any questions or inquiries and consult with the supervisor or the person design to take responsibility through various channels specified by the company.

3. The company will provide fairness and protect employees who refuse to corrupt or report corruption related to the company. By using protection measures for the complainant or those who cooperate in reporting corruption as specified by the company in the Whistle blower policy.

4. Those who commit corruption is a violation of the Company's Code of Ethics which must be considered disciplinary punishment according to the regulations set by the company. In addition, may be punished by law if the action is illegal.

5. The company is aware of the importance of disseminating knowledge and understanding with others who must perform duties related to the company. Or may affect the company in the matter that must be complied with this anti-corruption policy.

6. The company is committed to creating and maintaining a corporate culture that adheres to corruption and is unacceptable for both transactions with the government and / or the private sector.

Terms of operation

1. Anti-corruption policy to cover the personnel management process from recruiting or selecting personnel, promotion, training, evaluation of employee performance and compensation and punishment for employees. By assigning supervisors at all levels to communicate with employees to use in business activities that are in responsibility and supervise the operations to be effective.

2. Clarity in the implementation of high-risk issues with corruption. Directors, executives and employees in every level must be treated with caution in the following matters.

- Gifts, entertainment and expenses for giving or receiving gifts reception is to be in accordance with the company's regulations.

- Charitable donations or support giving or receiving donations or support funds must be transparent and legal by ensuring that donations or support funds not being used as an excuse for bribery.

- Business relations and procurement with the government, do not give or receive bribes in any kind of business. Company operations and dealing with the government must be transparent, honest and must comply with relevant laws.

Past performance:

In 2018, the company promoted and supported all forms of anti-corruption.

4.3.9 Policies and practices on social and environmental responsibility

The company is committed to conduct business under good corporate governance and adhering to the principles of ethical practices in parallel with caring for the environment and society. With real social responsibility regard to stakeholders related both inside and outside the organization. From shareholders, employees, customers, communities as well as a wide range of societies in order to lead to sustainable business development for Corporate Social Responsibility (CSR) activities, the company believes that strong communities and sustainable development are very important as a contributing factor to the business. In addition, the company aims to create products that are beneficial to the business and must be environmentally friendly and being a good citizen of the world. That is a business that is environmentally friendly, therefore, the company has policies and practices on social and environmental responsibility as follows:

Social responsibility

1. The company will explore and monitor the surrounding community and society in both near and far areas. Whether being negatively impacted by the business operations or projects that will be implemented in the future to be used to consider, edit / improve operations not to cause negative effects and damage to communities and society both directly and indirectly

2. The company will support the volunteer activities related to community and social development.

3. The company will jointly maintain the environment in the community and society to be livable.

4. The company will support the community and society to have sufficient infrastructure.

5. The company will support and participate in public service.

Environmental

1. The company will create products that are not toxic to the world.

2. The company will adjust the production process to minimize the impact on the environment.

3. The company will promote the use of recycled materials.

4. The company will share environmental information and support various activities both inside and outside the country which is beneficial to the environment

5. The company will improve the environmental management system seriously and continuously.

Past performance:

In the past, the company has undertaken activities to promote and support medical care for patients who are in need of financial resources, and the company has supported and donated money and things to help disadvantaged people in remote areas. The importance of campaigning to cultivate good values for employees

with a volunteer spirit to be responsible for the society of the business organization by encouraging employees to participate in CSR activities and promoting good image of the organization to the public.

The various activities both internal and external according to the company's policy need to rely on the company's staff to participate in most activities, because employees are the key to the organization to make various projects, to achieve the objectives of the company.

Social Activities in 2016 The Company has organized the following activities:

On March 6, 2016, the company cooperated with other agencies to donate 100 bikes and 100 blankets to the patronage of Phra Achan Phobchok Tissawangsoh, the abbot of Huai Pla Kang Temple, Rim Kok Subdistrict, Muang District, Chiang Rai

Social Activities in 2017 The Company has organized the following activities:

On December 21, 2017, the company joined with PEA Ncom International Company Limited, a subsidiary of Provincial Electricity Authority. Sponsored 815 LED energy-saving lamps for schools under the Royal Initiative Project HRH Princess Maha Chakri Sirindhorn HRH through Mr. Natthaphong Sirichana, the Governor of Nakhon Nayok Province by the purpose of the project. The energy saving lamp LED is part of the energy management business that the company has operated by working together in both the public and private sectors in order to maximize energy use and reduce the cost of using electricity

Social Activities in 2018 The Company has organized the following activities:

On October 25, 2018, the company donated money to help with operations and lunch to 2 foster home.

1. Special Education Center, Maha Chakri Sirindhorn, Nakhon Nayok Province is a special education center (for the disabled) in the province to be an educational institution to manage education in the form of an initial assistance centre and preparing for the disabled Support teaching and learning, media arrangement, facilities, services and related assistance. Teaching teachers for disabled people and educational institutions coordinate with relevant agencies in educational service areas rehabilitation therapy and proceeding in the forwarding system, school, co-learning and specialized schools.

2. Office of the Thummamichon Foundation for the Blind in Thailand, Nakhon Nayok Branch (Ban Ruen Suk) / Centre for the Development of Blind, Disabled Persons, in Nakhon Nayok. Royal patronage established to provide foster care rehabilitation and development of potential for blind children with multiple disabilities is a residential service unit parenting, skills training for the development of blind children with multiple disabilities. Develop Practice life skills in social, emotional, educational and professional skills that are consistent with the remaining abilities. In addition, it is a place to train parents, relatives and related persons the rehabilitation techniques as well as raising a blind child with multiple disabilities.

This was honoured by Mr. Natthaphong Sirichaana, Governor of Nakhon Nayok Province presided over the donation ceremony which the amount of donations from the company including executives and employees

to donate to 2 foster homes, totalling 151,400 baht. In addition, there are essential items and consumables also given to the foster home. Previously, on June 6, 2018, the company was honoured by the governor of Nakhon Nayok who took a visit to both homes and was informed of the operations of the foster home as well as exchanging opinions to support the organization

Social responsibility - towards employees. CSR in Employee 'Perspective

The company also realized that every employee is the most valuable resource of the company. Therefore, focus on the development of potential rewards and opportunities for employee advancement by continuously supporting the development of knowledge and skills of employees.

4.3.10 Energy conservation policies and practices

Due to the present, Thailand is experiencing energy problems which is an important problem affecting life and the overall economy of the country. Therefore, the company aims to contribute to save energy and conducting renewable energy and doing businesses throughout the past period. Energy conservation is important and it's the duty of all employees to cooperate and manage energy continuously and always.

Therefore, the company has established policies and guidelines for energy conservation. To be used as a guideline for energy operations, promote energy efficiency and to maximize the benefits as follows:

"The company will support and promote energy conservation, in order to achieve energy efficiency and benefit the organization. Company support standards laws as required along with cultivating consciousness for employees to understand and contribute to sustainable energy management of the organization ".

Past performance:

In 2018, the company conducted energy conservation in which the process is to save electricity and intended to reduce the electricity costs of the company. To help conserve energy in the country by aiming to reduce the company's electricity cost per month by 5%.

4.3.11 Policy and guideline for protection and fairness for employees who report information or provide clues about corruption or not complying with laws, rules, regulations, company regulations and code of conduct (Whistle blower policy)

Policies and guidelines for reporting clues

The Company and its subsidiaries have formulated policies and guidelines for reporting clues. That is a measure of protection and fairness for employees, directors and other persons in informing or giving clues about corruption or not complying with the law and company regulations in order to be effectively revised.

Clues that should be reported

1. Corruption and / or fraudulent acts.
2. The use of power in dislikes.
3. The use of money, property and / or facilities of the company without approval.
4. Relate to conflicts of interest and / or business opportunity positions.
5. Non-compliance with rules and regulations and / or business ethics of the Company.
6. Relating to politics and other dangerous and / or illegal acts.
7. Neglect and / or corruption against duty.
8. Illegal acts.
9. Disclosure of company information without permission.
10. Security risks and security in property, facilities and / or employees of the company.
11. Actions that are not professional standards.
12. Concealing the above information
13. Acts that threaten the members of the Board of Directors, executives or employees of the Company.

Clues that should not be reported

1. False and unreasonable information.
2. Information that is slander.
3. Information without sufficient criteria and evidence.

Guidelines for reporting clues

1. Types of corruption or unusual actions.
2. Name of the person concerned.

3. Time, location and date of corruption.
4. Procedures for conducting corruption.
5. Those who are witnesses of corruption.
6. Documents or related evidence.

Complainant

1. Employees and / or those who witnessed actions that violate laws, regulations, company regulations or business ethics of the company.
2. Employees who are harassed, threatened, subjected to disciplinary punishment, such as salary cuts, suspended work, leaving work or being discriminated against in ways that are not related to employment conditions. Due to the fact that he has made a complaint to provide information or to provide information to help in the investigation process or collecting facts for the recipient of the complaint. Including prosecution, witnessing, giving statements or any cooperation to the court or government agency

Complaint recipient

1. Supervisors that they trust at all levels
2. Company Secretary
3. Director

Complaint method

Complain to any one of the complaints recipients. By the following methods:

1. Complain directly by verbal or written
2. E-mail address of the recipient of the complaint
3. Report through website of the company
4. Report by mail
5. In the case that complainant chooses to not disclose the name, must specify sufficient detailed, facts or evidence. To shows the reason to believe an act that violates the law, rules and regulations of the company or business ethics of the company.

The complaint will be considered the most confidential and the complainant can file more than one complaint and does not need to disclose the identity of the complainant. In the case of a self-disclosure complaint, the company will report the operation result or additional details in the complaint.

Scrutiny process

1. The recipient of the complaint will send the report to committee and consider the complaint as the inspector. Gathering facts or may assign a person or trusted agency to inspect the fact.

2. The Committee received the complaint and / or the delegates, have the authority to invite any employee to provide information or request to send any documents related to the investigation of facts.

3. If checked and found the truth, the company will proceed as follows.

- In the case that the complaint is on the company violating the law, rules, regulations or ethics of the company. The matter will be present with comments and establish guidelines for correct action to the authorized person in the company to consider taking action. In the case of important matters, such as matters that affect the reputation, image or financial position of the company conflict with the company's business policy or relating to high-level executives, etc., to propose matters to the Audit Committee or the Board of Directors for consideration.

- In the case that a complaint causes damage to one person will propose appropriate and fair relief methods for the damage person.

Protecting those who report or give clues

1. The complainant can choose not to reveal himself if he sees that disclosure may cause damage to himself. But must specify sufficiently detailed facts or evidence that shows reasonable cause to believe that there is an act that violates the law, rules and regulations of the company. In case code of business conduct of the company occurs. However, if choosing to disclose yourself will make the recipient of the complaint to proceed more quickly.

2. Relevant information of the company is considered confidential and will disclose as necessary with regard to safety and damage of the reporter, source of information or the person concerned. The person responsible for every step must keep the information that is recognized in the highest confidential level and not disclose to others. Violating it is considered a breach of discipline.

3. In the case that the complainant sees that he or she may be unsafe or may cause damage, the complainant can request the company to take appropriate protection or company may prescribe protection measures by the complainant without request. If it is seen as a matter that is likely to cause damage or insecurity.

4. Employees who treat other people with unfair methods, discriminate with inappropriate methods or causing damage to other persons, which has an incentive from the other person's complaint has notified complaints or provided clues. About corruption or non-compliance with laws, rules, regulations or business ethics of the Company. Including the fact that other persons are prosecuting as witnesses, giving statements or providing any cooperation. To the court or government agency considered to be a criminal offense that must be punished and may be punished as required by law if such action is considered a criminal offense.

5. Those who have suffered damage will receive relief from damage through appropriate and fair procedures or procedures.

6. Any person who acts in retaliation or threatening the whistle blowers will be treated appropriately. Including being prosecuted under the law.

E-Mail Address of the recipient of the complaint

1. Mr. Suthep Liumsirijarern, Chairman of the Board of Directors E-Mail: suthep@demetercorporation.com

2. Mr. Krisada Hutaserani, Chairman of the Audit Committee, E-Mail: krisda@demetercorporation.com

3. Miss Kulthida Verathaworn, Company Secretary E-Mail: kulthida@demetercorporation.com

Company address

Demeter Corporation Public Company Limited

No. 191/43, CTI Tower, 21st Floor, Ratchadapisek Road

Khlongtoey Sub-district, Khlongtoey District, Bangkok 10110

4.3.12 Policy for succession plan

Board of Directors realizing the importance of business operations efficiency continuously, therefore assigned the human resources and remuneration. To manage position succession plan and to recruit and prepare high-level executives and develop those with the potential to inherit important positions in management and business operations. The objective, relevant person, regulations and rules are as follows:

Objective:

1. To examine the readiness that the organization has qualified personnel (Qualifications) and how high the ability of the company is (Competencies).
2. To be able to proactively plan and recruit personnel in advance by planning for recruitment and development from personnel in organizations that have potential in the position of chief level or above or personnel from outside.
3. To plan for replacement and succession of jobs to retire or job positions that are the mark of the market / competitors.
4. To reduce the rate of loss of personnel with knowledge, ability and experience.
5. In order to motivate and maintain employee who have ability and potential. In order to plan for replacement and succession of positions with the opportunity to develop and adjusting to higher positions.

Related person

1. The Human Resources and remuneration Committee and / or the appointed committees are responsible for policy in the succession plan that has been implemented to work correctly.
2. Human Resources Department.
3. All employees in the company and subsidiaries with skills, abilities and readiness.

Rules and regulations of Succession Plan

The company has regulations and guidelines for selecting personnel to be responsible for the important management positions of the company. To be appropriate and transparent to ensure that the company get executives with qualifications, skills, experience and professional abilities. Through the Human

Resources and Remuneration, Committee and / or the appointed committee in recruitment / selection and succession planning. According to the employee level as follows:

1. Chief Executive Officer level

Considering recruitment / selection and succession planning with the Human Resources and Remuneration committee to manage of succession plan for the executive level of the company. To propose to the Board of Directors to consider for recruiting, selecting persons to take up the position of executive of the company. Human Resources and Remuneration committee, has provided a follow-up of the succession plan, when the position of the Chief Executive Officer is vacant or the person in the position cannot perform his or her position. Secondary level, acting as a supervisor until the recruitment and selection of persons with qualifications in accordance with the criteria set by the company and must be visionary, knowledge, ability, experience and suitability for the corporate culture by considering the Human Resources and Remuneration Committee as a recruiter to present to the Board of Directors to consider and approve the appointment of those who are suitable to continue with the replacement.

The preliminary qualifications of the Chief Executive Officer are as follows:

1.1 Education not lower than the bachelor's degree level

1.2 Having experience in the management of the department of director

1.3 Have leadership and have a broad vision

1.4 Have the ability to plan strategies and organization management

1.5 Have discretionary and problem-solving decisions, taking into account the best interests of the organization.

2. C-Suit level

When the position of the C-Suit is vacant or the person who is in a position unable to perform their duties in the position. The Company will present the successor to the selection of the Human Resources and Remuneration Committee and / or the appointed committee. The company plan succession position in the level of the C-Suit is as follows:

2.1 Analyse the business situation of the company with strategy, company policy, investment plan, and expansion plan,

2.2 Assess the readiness of manpower to be in line with the Company's strategy. Both short and long term.

2.3 Determine the plan to create readiness of manpower. By developing work or recruiting employees to prepare to replace employees who leave the company

2.4 Create a recruitment plan (Recruitment) and develop employee training and development in advance before the employee retires or leaves the position ahead of time.

2.5 Determine Potential (Qualifications) and ability (Competencies) which means knowledge, skills, personality and desirable attitudes of employees in that position and create an Individual Development Plan.

2.6 Selecting, evaluating and evaluate the potential of employees to consider suitability.

2.7 Identify successors from assessing and analysing the potential of the employee's performance by informing employees in advance to prepare, receive and learn the job and determine the successor to the reserve position.

2.8 Develop and evaluate employees who are expected to be successors that can be developed and create real results as expected. If not as expected, proceed as follows:

2.8.1 Performing a selection and planning for a new succession or

2.8.2 Develop a successor to a replacement position (if any) or

2.8.3 Recruiting and selecting from outsiders

When the successor qualifies for the position that has a higher responsibility and has a vacant position or having a new job position higher. To propose a promotion and acting (Promotion & Acting) according to the company's regulation or has been approved by the Board of Directors and Chief Executive Officer.

4.4 Business Ethics Guide

General chapter

Demeter Corporation Public Company Limited ("The company") is committed to conducting business based on legitimacy and commit to create additional value for the shareholders, including treating all the stakeholders as fair parties. The company has therefore prepared a business ethics handbook (ethics booklet) to be a good practice by assigning the directors to take duties and responsibilities. All the executives and employees must acknowledge and comply with the policy or practices specified rules in the business ethics manual (handbook) strictly, to create confidence for shareholders or stakeholders and to achieve business goals that will enable the company to grow sustainably.

Define

Director	means the director of the company appointed by the board of directors and / or the shareholders' meeting.
The executive	means the person who holds the position from the department manager upwards, including the Chief Executive Officer.
Employees	mean employees in accordance with the regulations regarding the work of the company.

Category 1

Business ethics and ethics

To make the business of the company grow professionally which is based on morality and ethics, the company has therefore set good practices for directors, executives and employees as follows:

1.1 Honesty

Directors, executives and employees should have honesty and integrity in the persons involved and do not cause deliberate misunderstandings or deceive others by misrepresenting or exaggerating information and choose to practice some rule or ignore the practice or by other methods.

1.2 Morality

Directors, executives and employees should express their virtues and have the courage to follow what they believe by doing what they think is right although there is a pressure to do the opposite.

A person who adheres to the principles respectfully and upright should fight for his beliefs and refuse to abandon the principles for any purpose once one of the objects becomes deceived or without virtue.

1.3 Trustworthy

Directors, executives and employees should disclose and provide relevant information and correct the misunderstandings from the truth. Executives should try in a proper way to achieve their commitments and should not use tools in the wrong way or use inappropriate legal interpretations as a cause not to cooperate or avoid the agreement laid down.

1.4 Loyalty

Directors, executives and employees should show their loyalty to the company by helping and devoting their duties, should not use or disclose the confidential information for personal gains. All should maintain the ability to make independent professional decisions by avoiding inappropriate in conflict of interest. All must be honest with the company and colleagues, In addition, if the directors, executives and employees intend to resign, it should be appropriately informed in advance; include respecting the company's information and not taking the advantage from the position of the original work.

1.5 Justice

Directors, executives and employees should be fair and moral to those involved. Does not use power arbitrary and does not use methods of cheating or improper methods to obtain or maintain benefits or advantages from misunderstanding or from the suffering of others. Fairness should be disclosed in order to be considered and treated to everyone equally. All must be opened-mind to accept discrepancies, willing admit when being wrong and ready to change the existing positions and beliefs to the right things.

1.6 Others sympathy

In accordance with the principle, directors, executives and employees should be attentive, compassionate and hopeful to others in treating others the way they would like to be treated back.

1.7 Respect for international human rights principles

Directors, executives and employees should respect the individual's honor, independence and privacy with the legitimate rights under the law and human rights. Regarding to the benefits of the related parties, the decision of the directors, executives and employees should be neutral. Everyone must be treated equally without any discrimination of sex, class or ethnicity. All must strictly abide by the

principles of the human rights which are considered as a part of the operation and not support any activities that violate the international human rights.

1.8 Good performance

Directors, executives and employees should follow their duties well. This means they must have the knowledge, preparation, aim and expertise in order to be able to handle all matters under responsibility.

1.9 Leadership

Directors, executives and employees should be aware of their responsibilities and circumstances as leaders. They should provide the appropriate form of practice for the benefits of themselves and the organization. Directors, executives and employees should create an environment that is important to ethical principles and decisions.

1.10 Reputation and virtue

Directors, executives and employees should find ways to build a reputation for the company and create morals among employees or associates without any actions which may destroy the relationship between the company and employees. On the other hand, employees must collaborate to take any necessary actions to correct or prevent inappropriate behavior of others.

1.11 Responsibility according to duty

Directors, executives and employees should be aware and be responsible for their duties in regards to ethics used for decision making and to ignore something for the company, yourself, co-workers and the community.

Category 2

Ethics and business ethics to stakeholders

The company is committed to conducting business to grow professionally. This is based on morality and ethics including respecting to the good practices for all stakeholders. For this reason, the Board of Directors and

executives therefore set good practices for stakeholders to guide work properly and perform the following duties with ethics:

2.1 Shareholders

The company is committed to being a good representative of shareholders in business operations. To create the maximum satisfaction for shareholders and to strengthen the business, it must be focusing and taking into account the growth of the company value in the long term with good and continuous returns, including the equitable treatment of shareholders, accounting practice, internal information use and conflict of interest. The operation is based on the transparent information disclosure and reliable to shareholders.

2.2 Customer creditors

The company conducts business with creditors and partners on the basis of fairness and honesty. It must not bring to the detriment of the company's reputation or contrary to any law, but based on the equality in business operations and mutual benefits. The selection of partners must be done fairly.

2.3 Customers

The company is well aware of the importance of customers and is confident that various trade conditions are fair with general trade standards. Customers' information should be kept confidential and used in business only. It cannot be disclosure except for legal enforcement regulations or the consent from the owner of the information including marketing issues, pricing, service details, quality and safety of service.

2.4 Competitors

The company operates under the framework of good competition rules. Do not destroy the reputation of the competitors by accusing the competitors with information that is not true, including not accessing confidential information of competitors through dishonest or unethical methods.

2.5 Employees

The company realizes that employees are part of the success factor of the company's business and therefore determines the method of employment. There must be the equality in employment opportunities, security and career advancement, including other principles related to employees and employment. Employees are ensured to have the knowledge and expertise necessary for business operations, including understanding the code of conduct, relevant standards of the established guidelines and agreements to improve knowledge and ability to make the development in the same direction as industry trends in the future.

2.6 Community and society

The company is well aware of the responsibility to the community and society; including supporting community activities and caring for the impact on those around them more than is defined in the law and trying to gradually absorb the social responsibility.

Category 3

Compliance with relevant laws and regulations

The company is committed to complying with the law. Rules and regulations related to business operations for directors Executives and employees are as follows:

- 3.1 must comply with the rules, regulations and respect of the customs of the country in which the company operates. Must comply with the requirements of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.
- 3.2 must comply with the company regulations strictly.
- 3.3 must not help or support avoiding non-compliance with laws or various regulations.
- 3.4 must cooperate with the supervisory authorities and report information about violations or non-compliance with various laws or regulations to those involved.

Category 4

Conflict of interest

The Company attaches importance to activities that may cause conflicts of interest and good transactions connected with the guidelines for directors, executives and employees as follows:

- 4.1 Avoiding transactions that are related to individual. That may cause conflicts of interest with the company.
- 4.2 In the event of necessary transactions, think about the benefits of the company to make those transactions same as making with third parties, whereby directors, executives, employees or interested parties in such transactions must not participate in the approval process.
- 4.3 In case that it is considered a connected transaction under the announcement of the Stock Exchange of Thailand, it must strictly comply with the rules, procedures and disclosure of connected transactions of listed companies.
- 4.4 In case that directors, executives, employees or family members are involved or are shareholders, businesses that compete with the business of the company or any business that may cause conflicts of interest with the company, must notify the Board of Directors meeting in writing.
- 4.5 In case that the directors, executives or employees are directors, partners or consultants in the company or other business organizations, the position must not disrupt the interests of the company and performing direct duties in the company.

Category 5

Keeping confidential information

The Company attaches great importance to the use of the Company's information by complying with good corporate governance principles and in accordance with various regulations which the company has assigned the Department Executives and employees to pay attention to keep the company's confidential information, such as internal information that has not been disclosed to the public, or information that affects business operations or stock prices, etc. which have the following guidelines:

- 5.1 Directors, executives and employees must not use the Company's internal information in seeking personal benefits and in the business of competing with the company or related businesses.

- 5.2 Directors, executives and employees must not use information that is not disclosed in general, which may affect the share price (Internal information) and must refrain from conducting transactions about the company's stock during the period when this important information will be published according to the policy. In addition, the internal information of the company must not be given to other people for the benefit of trading the company's shares.
- 5.3 Directors, executives and employees must not disclose the company's business secrets to outsiders, especially the competitors of the company even after leaving the status of being a director, executive or employee of the company.

Category 6

Protecting company assets

The company expects directors, executives and employees to have the responsibility to protect the company's assets and use the assets efficiently to maximize the benefits and not to use the company's assets for the individual benefit or others, with the following guidelines:

- 6.1 Executives and employees must use the company's assets and resources very economically and beneficially to the company.
- 6.2 Executives and employees must see and maintain the company's assets to not be lost.
- 6.3 Establish guidelines for prevention of risks that occur to the Company's assets. That may occur from operations such as natural disasters, accidents, etc.

Category 7

Receiving - giving gifts and compensation

The company requires directors, executives and employees to follow the guidelines for giving and receiving gifts and assets or other benefits as follows:

- 7.1 Executives and employees are prohibited from requesting for any benefits from partners and/ or those who do business with the company.
- 7.2 Executives and employees are prohibited from offering any benefits to any external parties to motivate them to behave in a wrong way.
- 7.3 Executives and employees should avoid giving or receiving gifts or other compensation from business partners and/ or those who do business with the company, except on the occasions that are festive and not related to business commitments.

Category 8

Non-infringement of intellectual property

The company requires directors, executives and employees of the company have to be prudent and cautious in intellectual property work and must respect the copyrights of intellectual property owners.

Category 9

Prevention of Corruption and Bribery

The company requires directors, executives and employees to have guidelines for fraud prevention and bribery as follows:

- 9.1 The Company has established guidelines for accepting or giving benefits or any other benefits that may create incentives for making unrighteous decisions by stipulating that conditions should be implemented correctly, frankly and must ensure that the operation will not cause frustration or cause the company bad reputation.
- 9.2 Procurement must be carried out according to the procedures specified by the company. It must be fair to those involved with the decision to consider the reasonableness of the price, quality and services received; including having to be able to be examined in a transparent manner.
- 9.3 In the transaction with the government or government agencies, the company must avoid actions that may motivate the state or state employees to act improperly. However, creating a good relationship between each other or any actions that are appropriate and that is customary can be done, such as congratulating or giving flowers on various occasions etc.

Category 10

Use of internal information and securities trading

Directors, executives and employees must not use the internal information of the company that is significant and has not been disclosed to the public to use and/or publish both directly and indirectly for the benefit of themselves or others.

10.1 Do not use the information obtained from being a director, executive or employee of the company for personal gain or for others.

10.2 Do not use internal clauses for their own benefit in trading the Company's shares or providing information to other persons for the purpose of trading the Company's shares.

10.3 It is prohibited to disclose the company's business secrets to external parties, especially competitors.

Section 11

Anti-corruption

Directors, executives and employees of the company are involved in anti-corruption and corruption by co-creating a consciousness that motivates honesty and fairness under a strong work system. There is an effective internal control system which is important and to comply with the anti-corruption policy.

Category 12

Monitoring

All directors, executives and employees of the company must strictly abide by the ethics and business ethics of the Company. If found to be in violation or to do anything that is contrary to the ethics and business ethics, the company will consider punishing the nature of the offense as it should be the case by extending the penalty from the regulations regarding the work of the company as the main criteria. The company will provide opportunities for company employees to learn about the ethics and business ethics of the company through

various learning media and organization methods. Monitoring to ensure compliance with ethics and business ethics is the duty of every executive at all levels which is considered a part of the main responsibility.

Category 13

Review

The ethics and business ethics are reviewed every year. However, there may be a review based on an appropriate period if there is any significant change or cancellation.

Announced on 13 November 2015

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Mr. Patsak Osathanugrah

Chairman of the board



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CORPORATION

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