



DEMETER
CORPORATION

MEDIA SOLUTION

INNOVATION

AND TECHNOLOGY

Annual Report 2019

Demeter Corporation Public Company Limited



Annual Report 2019

(Form 56-2)

Ended December 31, 2019

Demeter Corporation Public Company Limited

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Message from the Chairman

To: Shareholders of Demeter Corporation Public Company Limited

In 2019, a year in which the overall economy of Thailand faces many challenges, both due to fluctuations in the global economy and the situation from increasing the trade barrier in retaliation between the United States of America and the People's Republic of China which affects the economy at large, including domestic factors such as interest rates, trends in agricultural product prices, exports and the post-election political situation including other factors which will affect the purchasing power and consumer confidence causing the business sector to adjust investment plans in accordance with the situation.

Demeter Corporation Public Company Limited is not reluctant to develop a business model to comply with the aforementioned changes in which the company emphasizes on the development of the product innovation, services and work processes that can meet the needs of consumers in the digital age, in order to make sure they have easier access while also conducting business under the principles of ethics, good corporate governance and also participation in environmental management to meet the needs and expectations of societies, communities more efficiently in order to achieve sustainable development in every dimension.

Although The Marvel Experience: Theme Entertainment Attraction – TMX Thailand project had ceased the operation on January 29, 2019 with the exigency as informed earlier. The company, who is the 37.5% shareholder of Hero Experience Company Limited, will jointly and carefully discuss with a group of major shareholders regarding the asset managements of Hero Experience Company Limited in order to prevent any negative impact to the company.

The company's management is still progressing in conducting business in the field of media and innovation which have alliances and networks in action such as organizing concerts for foreign artists and also famous artists from within the country which can continuously generate profits in a short period of time. Consideration of investing and seeking opportunities and studying the feasibility of investing in the business of managing audio advertising in stores in the form of Smart-Radio will help secure the expansion of the company's business to a rapid growth in 2020.

For energy related business according to the board of directors meeting no. 12/2019, on 4 December 2019 which has approved to sign the contract to buy and sell the shares of Akkrawat Crop Rotation Energy Company Limited in the amount of 16,819 shares held by the company to a company at a price of 14,000,000 Baht. Which has been processed successfully.

Demeter Corporation Public Company Limited aims to operate the business in accordance with the goals and objectives that have been set by also considering the best interest of the shareholder and always focusing on conducting business in accordance with good corporate governance as usual.

The company is aware of the importance of nature and the environmental issues which are becoming more intense day by day, nowadays. Therefore, this is the responsibility of everyone, every sector to help each other reduce such environmental problems including energy conservation and environmental preservation as much as possible. On 19 September 2019, the company organized activities "DCORP Ruamjai Rak Join the environmental protection" by organizing activities in accordance with the royal initiative in the conservation program "Two hands Return life to Nature" in which both the management and employees of the company attended the training on energy and environment conservation and also releasing of aquatic species in order to help increase the amount of aquatic animals in nature and return life to the sea at the Energy for Environment Center Sirindhorn International Environmental Park, Rama VI Camp, Cha-Am District, Phetchaburi Province. The center is a learning and training center on natural resource rehabilitation and conservation of the environment including energy conservation, creative innovation connecting science and technology and local knowledge in order to achieve the goal of sustainable rehabilitation and conservation of natural resources.

In this regard, on behalf of the Board of Directors of Demeter Corporation Public Company Limited, I would like to thank the Shareholders, Business partners, Financial institution, related government and private agencies, as well as all customers who has always provided great support to the company, including the executives and employees of the company who are dedicated and motivated, who joined hands to push the company forward to be able to work according to the operation plan. May all of you be assured that the company will continue to strive in business making, under ethics and good corporate governance guidelines in order to move forward steadily and sustainably forever.

Best regards,

Mr. Suthep Liumsirjarern

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., the initials of DCORP Securities (the "Company") are listed on the stock exchange of Thailand. The company's core businesses are Media, Innovation and Technology. The company has now scaled its strategy and structure to support future changes in the global market and the company, with short-term plans that the company has placed as proactive, focused on flexible, streamlined and fast operations. Principles of Good Governance Transparency and able to audit, as well as implement under good corporate governance guidelines alongside social responsibility, stability and sustainability for companies and shareholders. Proactive planning is divided into 2 key areas: personnel development and development and expansion of investment in the business sector. For personnel, the company has restructured its entire organization to support future businesses, and has created a serious and ongoing personal development plan to ensure that these personnel will be a major force for the future. Focus of proactive development are 3 key skills. This includes thinking skills, learning skills and technology skills, because the company believes that all three skills are necessary to drive organizations in today's world. If any organization has these important skilled personnel, it will allow the organization to adapt and change rapidly, ready to grow forward and steadily. In another part of the proactive planning section, the business development plan and the company's recent investment expansion has merged with N. E. X. T. It makes the largest in-store audio media in Thailand. It also produces events, including a major national concert to strengthen the company in the media business, with the company plans to continue to expand its in-store media investment to develop the company's to become No.1 in-store media in the market. This is just the beginning of a restructuring of companies in many ways to support the change in the world today. Even though the company's core business is the Media Business, what the company is studying, focusing and preparing to plan a strategy is technology to help develop companies in many other ways. The company is preparing a new vision, strategy and strategy of the organization to get us back to understand who we are. What are we doing? What resources can we use to maximize benefits or what are the strengths and weaknesses of the organization, as well as study the future world trends and which way it's going, and the trend is likely to change rapidly (Disruption). When a company sees a clearer vision, the future forecasts are uncertain, and the closest reality to the business will ensure investors and shareholders in the long run, most of course, that every operational plan that the company is developing and expands investment will have to go in the trend direction of the entire future. The company's current media business has grown dramatically and creates a huge number of opportunities in the future to become a modern company that is ready to make

changes and adapt quickly. It does not adhere to the limitations of the existing business at present and more importantly, can expand their abroad based customer effectively in both Asia and Europe. In the end, all visions and businesses of the company continue to focus on social responsibility policies to ensure that the company's business is operating, helping to grow society sustainably at the same time.

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.

In addition to the media business, in present, the company has a clear policy to focus on innovation, technology and energy in Thailand and Internationally. In the past to the present, the Company has changed and developed important things as follows:

1993 to 1997	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 Co., Ltd. and later the company name was changed to "Sino-Thai Resources Development Public Co., Ltd." 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).
1999 to 2003	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% 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.
ปี 2547 ถึง ปี 2549	In the year 2004, the company had changed the major shareholder structure from Stacon AMC Co., Ltd. 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

	<p>(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 Co., Ltd. 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 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) Co., Ltd. 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 Co., Ltd. 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 Co., Ltd. (STRD) to Asia Joint Panorama Public Co., Ltd. (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</p>

	<p>co-production agreement with M.V. Television (Thailand) Co., Ltd. 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 Co., Ltd. in the amount of 5,625,000 shares, to Media Agency Thai Co., Ltd. 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 % 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 % 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 Co., Ltd 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 Co., Ltd. in which the company holds 100 %. In addition, the company received the right to manage the advertisement time through 5 television channels from Media Agency Thai Co., Ltd.</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) Co., Ltd. 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 Co., Ltd. ("MAT") without remuneration. 2. Approved the purchase of the ordinary shares of Winchai Co., Ltd. ("WIND"), which operates the electricity business from K-Shipping Co., Ltd. in the amount of 12,500 shares, equivalent to 25 % of the registered capital of WIND, at the purchase price of THB 13,700 per share, totaling value of THB 171,250,000.
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	<p>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> <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) Co., Ltd. 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. Television (Thailand) Co., Ltd. in order to terminate the remaining 8 channels within March 31, 2016.</p>
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) Co., Ltd. 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 Co., Ltd., a subsidiary 99.99% 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 Co., Ltd. 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% of the total registered capital of Demeter ICT Co., Ltd.</p> <p>On April 29, 2016, the Annual General Meeting of Shareholders 2016 approved the co-investment with Hainan Yingli New Energy/Resources Co., Ltd. in manufacturing, distributing and exporting solar cell panels by investing in Lison, Yingli's subsidiary, through Demeter Power Co., Ltd. ("Demeter Power") which was its 99.99%-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% 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% shares in Winchai Co., Ltd. ("WIND") held by the company's subsidiary, i.e. Demeter Power Co., Ltd. Later on September 29, 2016, the company agreed to sell 25% ordinary shares in WIND to First Alpha Venture Co., Ltd., worth totaling THB 215,000,000.</p> <p>The Board of Directors' meeting no. 7/2016 resolved to register the dissolution of Demeter Capital Co., Ltd., 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,</p>

	<p>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 up to THB 290 million in a biogas power plant project in Suphanburi province that is operated by Aukkrarawat Plants Renewable Energies Co., Ltd. ("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 Co., Ltd., 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% 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 Power Plant Co., Ltd.</p>
2017	<p>On January 21, 2017, the company received a second share transfer of 8,619 shares, representing 17.24% of the total shares of Akkrawat. The company paid the share purchase price for the transfer of the second shareholding to Thanyatorn Powerplant Co., Ltd., 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% 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 purchase agreement between (1) Demeter Media Co., Ltd. ("DMedia") (a subsidiary of the Company) and (2) Thai Trade Communication Co., Ltd. (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 Co., Ltd. ("Blue Finix") by purchasing shares from existing shareholders and the acquisition of Blue Finix shares ("Share Purchase") totaling no more than</p>

	<p>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 Co., Ltd., ("Thai Trade"), representing 20% 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% 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% of Blue Finix's registered capital. <p>On June 8, 2017 DMedia received a share transfer of 28,600 shares, representing 20% 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 Co., Ltd. Totaling 49,370,000 and (2) the share price for the capital increase of Blue Finix totaling THB 25,000,000.</p> <p>On June 15, 2017, the Board of Directors' meeting no. 3/2017 of DMedia Co.,Ltd., a subsidiary of the company approved to change the name of Demeter Media Co., Ltd. To Demeter Innovation Co., Ltd. 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% of Aukkrarawat's total issued shares, by October 31, 2017 as the Company and the other shareholders of Aukkrarawat is in the process of negotiating on business</p>
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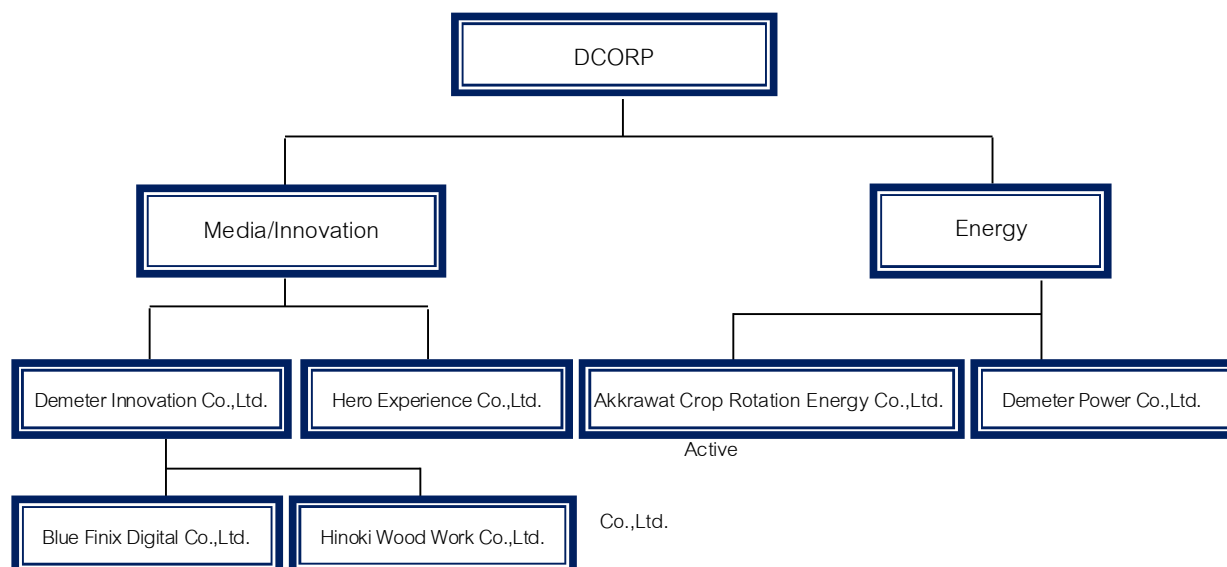
	<p>terms to be stated in the agreement between shareholders, in which it is a condition precedent of the transfer. The agreements that are in the process of negotiation include for instance the company management details to be approved by the Board of Directors and shareholders.</p> <p>On September 15, 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 Co., Ltd. (Hero Experience). The investment was made through the acquisition of 805, 264 shares of Hero Experience, representing 30% 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% 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% 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% of the total shares of Aukkrarawat, as the Company and the other shareholders of Aukkrarawat 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 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 Co., Ltd., 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</p>
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	<p>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, 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% or 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 Co., Ltd. The Company completed an acquisition of 939,474 shares, representing 35% 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% 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%, 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 Aukkrarawat. The Board of Directors had opinion on the dept cost structure analysis for the investment in the biogas power plant project of Aukkrarawat that the Board of Directors considered</p>

	<p>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 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 Mitraphol 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 Aukkrarawat 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 mean 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 37.5% 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 D Innovation No. 1/2008 dated September 3, 2018 resolved D Innovation 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</p>
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	the budget not over THB 4,200,000
Year 2019	<p>On January 21, 2019, Hero Experience held the Extraordinary General Meeting of Shareholders no.1/2019, proposing a hearing on the implementation of Hero Experience. Since Hero Experience has suffered a lack of financial liquidity and the implementation of the unplanned project, the shareholders' meeting of Hero Experience has resolved to stop the project, scheduled to stop the project on January 29, 2019.</p> <p>On 26 April 2019, the Resolutions of the Annual General Meeting of Shareholders No. 1/2019 approved the increase of the company's registered capital of 1,174,815,544 baht from the original registered capital of 587,407,772 baht to registered capital of 1,762,223,316 baht. The offering of ordinary shares to the company's existing shareholders at the same shareholding (Rights Offering) is the offering of no more than 1,174,815,544 shares with a par value of Baht 1 per share to the company's existing shareholders at the same shareholding (Right Offering). Not exceeding 200% of the total number of ordinary shares issued and sold by the Company.</p> <p>The Company has successfully registered changes in paid-up capital from Baht 587,407,772 to Baht 1,430,416,192 per Department of Business Development, Ministry of Commerce, on 14 June 2019 as a result of the allocation of newly issued ordinary shares to shareholders based on the proportion of shares held by each shareholder (Right Offering). On 7 May 2019, as at the 2019 Annual General Meeting of Shareholders held on 26 April 2019, the Company had paid-up capital of Baht 1,430,416,192, divided into 1,430,416,192 ordinary shares with a par value of Baht 1 per share.</p> <p>On November 11, 2019, the Board of Directors' Meeting No. 11/2019 approved the investment in the audio advertising business in the store area in smart-radio and event services business and other Concerts. In investing in N.E.X.T. company limited, by acquiring all ordinary shares from the existing shareholders group ("Seller") and the acquisition of N.E.X.T. newly issued ordinary shares (collectively as "transactions").</p>

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. Mr. Cholaphan Vongsing 1 share 3. Mr. Ekkawit Kaewwichian 1 share <u>Total</u> 480,000 shares (Value: THB 100 per share)
1.2 Blue Finix Digital Company Limited	Web pages and networks programming activities	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 Panichchaivat 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)

Company	Business Description	% Share	Shareholder Name and No. of Shares
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. Cholaphan Vongsing 1 share 3. Mr. Ekkawit Kaewwichian 1 share <u>Total</u> 10,000 Shares (Value: THB 100 per share)
1.4 Hero Experience Company Limited	Activities of amusement parks and Theme parks	37.5	1. Demeter Corporation PCL 1,006,580 Shares 2. Mr. Surakiat Thienthong 724,736 Shares 3. Mr. Noppadol Jason Jirasant 288,553 Shares 4. Mr. Anurak Thienthong 201,316 Shares 5. Mr. Vich Waitoonkiat 187,895 Shares 6. Mr. Kovit Jirachananont 147,632 Shares 7. Ms. Sunattha Bodhinbhakdikul 127,500 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. Mr.Ekkawit Kaewwichian 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. Mr. Tisanu Tanayatorn 17,500 Shares 2. Demeter Corporation PCL 16,819 Shares 3. Thanayatorn PowerPlant Co.,Ltd. 8,181 Shares 4. Mrs. Niya Tanayatorn 2,500 Shares 5. Mr. Tanapon Tanayatorn 2,500 Shares 6. Miss Pakanut 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. Characteristics of the Business Operation

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

2.1.1 Concert Exhibition Business

- Sticky Fingers Concert
- Daniel Caesar Concert
- Snow Patrol Concert

(A) Product or Service Characteristics;

1) Concert in Thailand

Concerts details in action as the following:

- (1) Process in finding and contacting artists to perform;
- (2) The concert management operation includes the rent of the venue for the event. Musical instruments costs, including lighting systems and sounds associated with concerts. Artist wages, who open the event, the cost of the accommodation of artists and related parties, music royalties, facility fees and management fees.

Details of the 2019 concert sequence

1. Sticky Fingers Live in Bangkok with a budget of up to 4.2 million Baht, Sticky Fingers is an Australian rock band with a combination of reggae. The concert was on display on 9 February 2019 at 7 pm at Moon Star Studio, which can accommodate about 2,500 visitors.
2. Daniel Caesar Live in Bangkok with a budget of up to 13,020,000 Baht, Daniel Caesar, who won the 2019 Grammy Awards at best R&B Performance Concert on July 25, 2019 at 7 pm at Thunderdome, MuangThong Thani, which can accommodate about 8,000 visitors.
3. Snow Patrol Acoustic Live in Bangkok with a budget of up to 4,579,600 Baht, concert on display on August 27, 2019 at 7 pm at Moon Star Studio, which can accommodate about 2,600 visitors.

2.2 Marketing and Competitiveness

As the country's overall economy is likely to slow in line with the global economy, this could affect the ability to spend in the leisure areas of the customer group. This raises the risk that the sale of tickets for the show may be lower than the target, and there may be a policy of reducing the cost of supporting concerts from sponsors. In addition, the market may be more competitive due to the period of such concerts, which may match other concerts or other events with similar customers (lead) groups. This is an uncontrollable risk.

2.3 Product sourcing and service

The company has selected quality concerts and meets the needs of the audience. There is a clear lead group. The concert was purchased and distributed tickets to customers who wanted quality work to be presented to the audience and complete the concert.

2.4 Work that has not been delivered

- None-

Income Structure of Media Business

Type of Income	Year 2017		Year 2018		Year 2019	
	mmTHB	%	mmTHB	%	mmTHB	%
1. Income from co-production	27.00	45.72	0.61	4.44	-	-
2. Income from broadcasting right	16.71	28.29	-	-	-	-
3. Income from Concert business	-	-	-	-	38.84	70.55
4. Income from sale	0.01	0.02	-	-	2.08	3.78
5. Other income	15.34	25.97	13.14	95.56	14.13	25.67
Total income	59.06	100.00	13.75	100.00	55.05	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% of total income, there is no income structure by segment presented.

3. Risk Factors of Media Business

1) Risk in concert exhibit business

As the country's overall economy is likely to slow in line with the global economy, this could affect the ability to spend in the leisure areas of the customer group. As well as the risk of a reduction in the budget, sponsorship fees from sponsors, the company has realized these risk factors, focusing only on the selection of famous artists in their target audiences and choosing expert business partners and promoting low-cost concert exhibits. Access to customers at target, to reduce the risk of business operations.

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 99.99% stakes.

Business operation of subsidiaries can be classified as follows:

1. Demeter Power Company Limited (“D Power”)

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 February 7, 2020*

No.	Shareholder Name	No. of Shares	% Shares
1	Demeter Corporation Public Company Limited	3,499,998	99.99
2	Mr. Cholaphan Vongsing	1	0
3	Mr. Ekkawit Kaewwichian	1	0
Total		3,500,000	99.99

* Notes: List of shareholders of the company was referred from the Department of Business Development as of February 7, 2020

Details of Business Operation

Background

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

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 % 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 2017		Year 2018		Year 2019	
	mmTHB	%	mmTHB	%	mmTHB	%
Demeter Power Company Limited						
1. Income	-	-	-	-	-	-
2. Other income	2.42	100.00	0.55	100.00	0.45	100.00
Total income	2.42	100.00	0.55	100.00	0.45	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 ("D Innovation")

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 February 7, 2020*

No.	Shareholder Name	No. of Shares	% Shares
1	Demeter Corporation Public Company Limited	479,998	99.96
2	Mr. Cholaphan Vongsing	1	0.02
3	Mr. Ekkawit Kaewwichian	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 February 7, 2020

Details of Business Operation

Background

Demeter Media Co., Ltd., formerly U Best Point Media Co., Ltd., 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 Co., Ltd. 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 Demeter Innovation Co., Ltd. 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.

On September 3, 2018, D Innovation established a subsidiary named Hinoki Wood Works Co., Ltd. with a registered capital of 1,000,000 Baht by D Innovation holding a 99.98% stake in the processing, production and distribution of Hinoki wood products, which are planned for distribution channels in both online and offline channels. It plans to launch an official product: Hinoki Wood Butcher.

Income Structure of Demeter Innovation Company Limited

Type of Income	Year 2017		Year 2018		Year 2019	
	mmTHB	%	mmTHB	%	mmTHB	%
Demeter Innovation Company Limited						
1. Income	7.44	70.66	-	-	-	-
2. Other income	3.09	29.34	3.24	100.00	2.75	100.00
Total income	10.53	100.00	3.24	100.00	2.75	100.00

Risk Factors of Demeter Innovation Co., Ltd.

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 Co., Ltd. holding only 30.03% 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 ("Hinoki Wood Work")

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 February 7, 2020*

No.	Shareholder name	No. of Shares	% Shares
1	Demeter Innovation Company Limited	9,998	99.98
2	Mr. Cholaphan Vongsing	1	0.01
3	Mr. Ekkawit Kaewwichian	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 February 7, 2020

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 D Innovation No. 1/2018 dated September 3, 2018 resolved D Innovation to establish a subsidiary named Hinoki Wood Work Company Limited ("Hinoki Wood Work"), with registered capital of THB 1,000,000, by holding 99.98 percent of shares. Hinoki Wood Work was established on September 13, 2018. As a result, Hinoki Wood Work 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 Wood Work 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 2017		Year 2018		Year 2019	
	mmTHB	%	mmTHB	%	mmTHB	%
Hinoki Wood Work Company Limited						
1. Income	-	-	-	-	1.67	99.40
2. Other income	-	-	0.01	100.00	0.01	0.60
Total income	-*	-*	0.01	100.00	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 ("Blue Finix")

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 February 26, 2020*

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 February 26, 2020.

Details of Business Operation

Blue Finix Digital Company Limited ("Blue Finix") 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 Digital Co., Ltd, a company that is involved in the development of online live streaming applications (Online Live Streaming Platform) with a proportion of 30% 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 Co., Ltd., 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 2017		Year 2018		Year 2019	
	mmTHB	%	mmTHB	%	mmTHB	%
Blue Finix Digital Company Limited						
1. Income	11.14	99.55	-	-	-	-
2. Other income	0.05	0.45	-	-	-	-
Total income	11.19	100.00	-*	-*	-	-

* Notes: The company registered the dissolution with the 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 provider 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 ("Hero Experience")

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 February 28, 2019*

No.	Shareholder Name	No. of Shares	% Shares
1	Demeter Corporation Public Company Limited	1,006,580	37.50
2	Mr. Surakiat Thienthong	724,736	27.50
3	Mr. Noppadol Jason Jirasant	288,553	10.75
4	Mr. Anurak Thienthong	201,316	7.50
5	Mr. Vich Waithoonkiat	187,895	7.00
6	Mr. Kovit Jirachananont	147,632	5.50
7	Ms. Sunattha Bodhinbhakdikul	127,500	4.75
Total		2,684,212	100.00

* Notes: List of shareholders of the company was referred from the Department of Business Development as of February 28, 2019.

Details of Business Operation

Hero Experience Company Limited ("Hero Experience") 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 will be located at MEGA Bangna and was opened in June 29, 2018.

The rights of the Marvel characters are passed on to Hero Experience 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 2017		Year 2018		Year 2019	
	mmTHB	%	mmTHB	%	mmTHB	%
Hero Experience Company Limited						
1. Income	-	-	119.43	85.88	11.33	56.65
2. Other income	0.10	100.00	19.64	14.12	8.67	43.35
Total income	0.10	100.00	139.07	100.00	20.00	100.00

On January 21, 2019, Hero Experience held the General Meeting of Shareholders No. 1/2019,

It proposes a hearing on the implementation of Hero Experience because the hero experience has suffered a lack of financial liquidity and the implementation of the unplanned project, with the shareholders' meeting of Hero Experience resolved to stop the project, which is scheduled to stop the project on January 29, 2019.

However, the Board of Directors has the opinion that new businesses should be found by the Management Department to find guidelines to change business operations and have sold assets in existing businesses that have not been exploited. The company has now transformed its main business into renting and renting a range of properties such as: Property, building, building area, building parking spaces, as well as the acquisition of such real estate, to be a commercial establishment. Commercial Locations government office or for any other related purpose.

At present, a company has leased a portion of the building space to conduct business on the services of the Scientific Learning Center.

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 Company Limited holding only 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 the total 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.

Business Operation of 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 30, 2019*

No.	Shareholder Name	No. of Shares	% Shares
1	Mr. Tisanu Tanayatorn	17,500	35.00
2	Demeter Corporation Public Company Limited	16,819	33.63
3	Tanayatorn Power Plant Co., Ltd.	8,181	16.36
4	Mrs. Niya Tanayatorn	2,500	5.00
5	Mr. Tanapon Tanayatorn	2,500	5.00
6	Miss Pakanut 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 30, 2019

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 will acquire 25,000 ordinary shares of Aukkrarawat Plants Renewable Energies Co., Ltd. ("Akkrawat") that engages in biogas power plant business, from the existing shareholder, which account for 50% of Akkrawat's total registered capital. The shares acquisition will be made in three times, first 8,200 shares by December 2016, second 8,619 shares or 16.32% of total shares by January 2017 and third 8,181 by July 2017, making a total of 25,000 shares which represent 50% of total shares in Akkrawat. On December 30, 2016, the company was transferred the first portion of 8,200 shares or 16.40% of total Akkrawat shares after the payment of Baht 36,078,245 in total to Tanayatorn Power Plant Co., Ltd. In addition, on January 12, 2017, the company received the second share transfer of 8,169 shares, representing 17.24% of Akkrawat's total shares. The company has paid the share purchase price for the second transfer to Tanayatorn Power Plant Co., Ltd. for a total of Baht 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 who have approved the investment. 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 from the study of such solutions.

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 Aukkrarawat 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. At present, the current management, representing the existing shareholders, has been the operator to find investors who are

interested in the project. Indeed, during this operation, the current management has also made plans to improve the factory and sell electricity as well.

Therefore, at the Board of Directors' Meeting No. 11/2019 on December 4, 2019, the board of directors approved the agreement to sell shares of Akkrawat Crop Rotation Energy Company Limited of 16,819 shares, Shares held for a company. At a total price of Baht 14,000,000 and the Company has received the payment of such shares on 28 January 2020.

Income Structure of Akkrawat Crop Rotation Energy Company Limited

Type of Income	Year 2017		Year 2018		Year 2019	
	mmTHB	%	mmTHB	%	mmTHB	%
Akkrawat Crop Rotation Energy Company Limited	-	-	-	-	-	-
1. Income	0.02	100.00	0.02	100.00	0.02	100.00
2. Other income						
Total income	0.02	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 electric current production process, and the amount of produced electricity will depend on the sugar plant's 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, 2019, the company has registered capital of Baht 1,762,223,316 and the paid-up capital of Baht 1,430,416,192, divided into 1,762,223,316 shares with the par value of Baht 1 per share.

4.2 Shareholders

(1) Name lists of major shareholders

The first 10 name lists of major shareholders as at December 31, 2019* are as followings:

No.	Shareholder Name	No. of Shares	% Shares
1	Mr. Boonchai Kasemvilas	54,877,300	9.3400
2	Mr. Utaipan Jirakulpongton	42,348,700	7.2100
3	Mr. Nathaphol Kasemvilas	29,128,808	4.9900
4	Ms. Sunun Gnamakkarakul	28,794,200	4.9000
5	Ms. Sriwan Ruktapongpisal	26,266,600	4.4700
6	Mr. Tawat Thanavutwatthana	20,412,700	3.4800
7	Mr. Thanarath Thanavutwatthana	20,010,000	3.4100
8	UOB KAY HIAN PRIVATE LIMITED	20,000,000	3.4000
9	Ms. Oranuj Thanavutwatthana	16,719,700	2.8500
10	Ms. Nalinpas Kittisureethorn	15,534,800	2.6400
Total		274,292,808	46.6900

* Notes: List of shareholders of the company was referred from the Department of Business Development as of May 7, 2019.

Minority Shareholders The number of minority shareholders is 2,442 or 16.61 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 November 13, 2019.

The company has foreign shareholders in the amount of 6 people holding the total of 237,300 shares (with the par value of Baht 1 per share) or 0.02 percent of the registered capital.

(2) Shareholding in subsidiaries

: Demeter Power Company Limited

Shareholders' name list as at February 7, 2020*

(Par value: THB 100 per share)

No.	Shareholder Name	No. of Shares	% Shares
1	Demeter Corporation Public Company Limited	3,499,998	99.99
2	Mr. Cholaphan Vongsing	1	0
3	Mr. Ekkawit Kaewwichian	1	0
Total		3,500,000	99.99

* Notes: List of shareholders of the company was referred from the Department of Business Development as of February 7, 2020.

: Demeter Innovation Company Limited

Shareholders' name list as at February 7, 2020*

(Par value: THB 100 per share)

No.	Shareholder Name	No. of Shares	% Shares
1	Demeter Corporation Public Company Limited	479,998	99.96
2	Mr. Cholaphan Vongsing	1	0.02
3	Mr. Ekkawit Kaewwichian	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 February 7, 2020.

: Hinoki Wood Work Company Limited

Shareholders' name list as at February 7, 2020*

(Par value: THB 100 per share)

No.	Shareholder Name	No. of Shares	% Shares
1	Demeter Innovation Company Limited	9,998	99.98
2	Mr. Cholaphan Vongsing	1	0.01
3	Mr. Ekkawit Kaewwichian	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 February 7, 2020.

(3) Shareholding in Associates

: Blue Finix Digital Company Limited

Shareholders' name list as of February 26, 2020*

(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 February 26, 2020.

: Hero Experience Company Limited

Shareholders' name list as of February 28, 2019*

(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	724,736	27.50
3	Mr. Noppadol Jason Jirasant	288,553	10.75
4	Mr. Anurak Thienthong	201,316	7.50
5	Mr. Vich Waithoonkiat	187,895	7.00
6	Mr. Kovit Jirachananont	147,632	5.50
7	Ms. Sunattha Bodhinbhakdikul	127,500	4.75
Total		2,684,212	100.00

* Notes: List of shareholders of the company was referred from the Department of Business Development as of February 28, 2019.

(4) Other Long-term Investment

: Akkrawat Crop Rotation Energy Company Limited

Shareholders' name list as of April 30, 2019*

(Par value: THB 100 per share)

No.	Shareholder Name	No. of Shares	% Shares
1	Mr. Tisanu Tanayatorn	17,500	35.00
2	Demeter Corporation Public Company Limited	16,819	33.63
3	Tanayatorn Power Plant Co., Ltd.	8,181	16.36
4	Mrs. Niya Tanayatorn	2,500	5.00
5	Mr. Tanapon Tanayatorn	2,500	5.00
6	Miss Pakanut 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 30, 2019

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 1,430,416,192 shares,
par value of THB 1.00 per share, total of THB 1,430,416,192

Secondary Market: Market for Alternative Investment (mai)

Number of staff : As of December 31, 2019, 35 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 % 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. Managing 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:
- 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.
- 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.
- Lay down the structure and procedures to ensure there is a risk management system, supervision and investigation, and appropriate internal controls.
- 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.
- Set the criteria and evaluate the performance of the Chief Executive Officer and Senior Managers at least once a year.
- To maintain accounts, to keep accounts and related documents, and to disclose appropriate information to shareholders.
- Review the succession plan of the Chief Executive Officer and Senior Managers on a regular basis.
- Supervision and operation are adhered to the ethics of the directors.

- Set Corporate Governance and Social Responsibility Policy.

Component and appointment

1. Components consist of

- 5 independent directors
- 5 directors:
 - 1 Executive Director
 - 4 Non-Executive Directors

By having

- Chairman of Board of Directors: **Mr. Suthep Liumsirijarem**
- Chief Executive Officer: **Ms. Sureeporn Udompolvanich**

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

- One shareholder would have the voting rights equally to the number of shares held
- 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
- 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	Liumsirijarern	Independent Director and Chairman
2	Mr. Numchai	Lowattanatakul	Independent Director, member of The Audit Committee, Vice-Chairman, Chairman of The Corporate Governance and Social Responsibility Committee and Chairman of The Human Resource and Remuneration Committee
3	Mr. Krisada	Hutaserani	Independent director and Chairman of The Audit Committee (resigned)
4	Mr. Poonsuk Tochanakarn		Independent director and Chairman of The Audit Committee
5	Mr. Sorasak	Saensombat	Independent director, member of The Audit Committee, and member of The Corporate Governance and Social Responsibility Committee
6	Mr. Prachuab	Ujgin	Director, Member of The Corporate Governance and Social Responsibility Committee, Chairman of The Risk Management Committee, Chairman of The Investment Committee and Member of The Human Resource and Remuneration Committee
7	Pol.Maj.Gen. Prayont	Lasua	Director, Member of The Human Resource and Remuneration Committee and Member of The Risk Management Committee
8	Mr. Thanarath	Thanavutwatthana	Director and Member of The Risk Management Committee
9	Mr. Chotiphun	Tiaviwat	Director and Member of The Investment Committee
10	Mr. Sunun Keeratiwattapisarn		Independent director
11	Ms. Sureepom Udompolvanich		Director and Chief Executive Officer

Authorized directors who oblige the Company according to the Company's affidavit are Ms. Sureepom Udompolvanich or Pol. Maj. Gen. Prayont Lasua, or Mr. Thanarath Thanavutwatthana, two out of three sign and affix the Company's seal.

Chief Executive Officer

The Board of Directors decided to appoint Ms. Sureeporn Udompolvanich to be the Chief Executive Officer, starting from August 1, 2019 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

- 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.
- Stockholder Relations
 - To be responsible for good relationship and cooperation between the Company and shareholders to ensure that the Company's operations are in line with the stated objectives.
- Strategic and Operational Planning
 - Prepare an annual business plan that is in line with the strategies approved by the Board of Directors. Coordinate with the Accounting and Finance Manager to 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 of work.
- 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

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

Name list of the management team

Information as of November 29, 2019

No.	Name List	Position	Shareholding in the company (%)
1	Ms. Sureeporn Udompolvanich	Chief Executive Officer	1. Self -None- 2. Spouse -None- 3. Minor child -None-
2	Mr. Cholapan Vongsing	Chief Financial Officer	1. Self -None- 2. Spouse -None- 3. Minor child -None-
3	Ms. Montira Kiatsunthorn	Director of Legal Department and Company Secretary	1. Self -None- 2. Spouse -None- 3. Minor child -None-
4	Mr. Thaworn Pornpanussri	Finance and Accounting Director	1. Self -None- 2. Spouse -None- 3. Minor child -None-
5	Mr. Ekkawit Kaewwichian	Senior Manager of Legal Department	1. Self -None- 2. Spouse -None- 3. Minor child -None-

Note: No. (1) – (5) is the executives according to the definition of the SEC

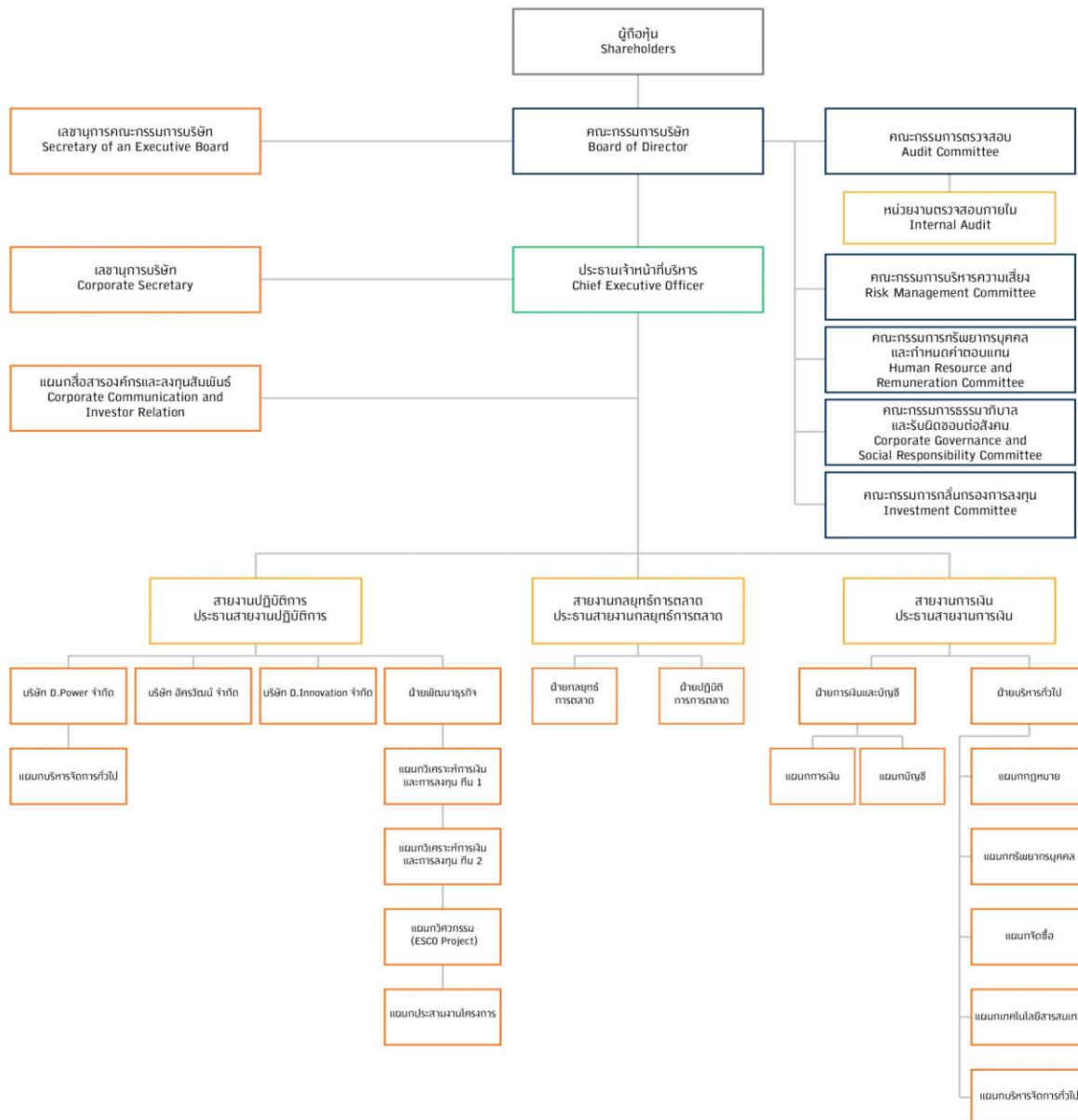
Directors and management team of the Company have specified as follows.

- 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.
- 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.
- Never an employee or a partner with the external auditing company that the company has used for the past 2 years.

Organization Chart



Organization Chart



*Information as of November 29, 2019

7.3 Company Secretary

In year 2019, The board of director passed the resolution to appoint Ms. Montira Kiatsunthorn as the company secretary since August 1, 2019. 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, 2019 to December 31, 2019 was in the amount of Baht 1,889,000 and each director received the remuneration as follows

No.	Name	Amount (Baht)	The number of attendance/The number of meeting	Appointment Date (Resignation Date)
1	Mr. Suthep Liumsirjarern	240,000	11/12	13/11/2015
2	Mr. Numchai Lowattanatakul	204,000	9/12	26/2/2016
3	Mr. Krisada Hutaserani	85,000	5/12	13/7/2016 (26/04/2019)
4	Mr. Chainoi Puankosoom	17,000	1/12	12/12/2017 (18/1/2019)
5	Mr. Sorasak Saensombat	204,000	10/12	10/11/2017 (23/1/2561)
6	Mr. Prachuab Ujjin	204,000	10/12	15/5/2017
7	Pol. Maj. Gen Prayont Lasua	204,000	10/12	23/8/2017
8	Mr. Thanarath Thanavutwatthana	204,000	10/12	15/5/2017
9	Mr. Chotiphun Tiaviwat	204,000	10/12	13/8/2014 (1/5/2017), 10/11/2017
10	Mr. Sunun Keeratiwattapisarn	119,000	3/12	14/5/2019
11	Mr. Poonsuk Tochanakarn	119,000	5/12	14/5/2019
12	Ms. Sureeporn Udompolvanich	85,000	4/12	1/8/2019
	Total	1,889,000		

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) The salary of executives from January 1, 2019 to December 31, 2019 was in the amount of Baht 9,387,100.45.

(3) The meeting allowance of The Audit Committee

From January 1, 2019 to December 31, 2019, the 6 members of the audit committee received the remuneration as meeting allowance from the Company in the amount of Baht 319,000 with the details as follows:

No.	Name	Amount (Baht)	The number of attendance/The number of meeting	Appointment Date (Resignation Date)
1	Mr.Krisada Hutaserani	66,000	3/6	13/7/2017 (27/4/2019)
2	Mr.Numchai Lowattanatakul	90,000	5/6	3/11/2017
3	Mr.Chainoi Puankosoom	17,000	1/6	12/12/2017 (18/1/2019)
4	Mr.Sorasak Saensombat	102,000	6/6	10/11/2017
5	Mr. Poonsuk Tochanakarn	44,000	2/6	14/5/2019
6	Ms. Sureeporn Udompolvanich	-	-/6	14/5/2019 (2/9/2019)
	Total	319,000		

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.

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

From January 1, 2019 to December 31, 2019, the 5 members of The Human Resource and Remuneration Committee received the remuneration as meeting allowance from the Company in the amount of Baht 195,000 with the details as follows:

No.	Name	Amount (Baht)	The number of attendance/The number of meeting	Appointment Date (Resignation Date)
1	Mr. Numchai Lowattanatakul	110,000	5/5	10/11/2016
2	Pol. Maj. Gen Prayont Lasua	68,000	4/5	23/8/2017
3	Mr. Chainoi Puankosoom	17,000	1/5	12/12/2017 (18/1/2019)
4	Mr. Sunun Keeratiwattapisarn	0	-/5	14/5/2019 (2/9/2019)
5	Mr. Prachuab Ujjin	0	-/5	4/10/2019
	Total	195,000		

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, 2019 to December 31, 2019, the 3 members of Corporate Governance and Social Responsibility Committee received the remuneration as meeting allowance from the Company in the amount of Baht 56,000 with the details as follows:

No.	Name	Amount (Baht)	The number of attendance/The number of meeting	Appointment Date (Resignation Date)
1	Mr. Numchai Lowattanatakul	22,000	1/1	10/11/2017
2	Mr. Prachuab Ujjin	17,000	1/1	10/11/2017
3	Mr. Sorasak Saensombat	17,000	1/1	10/11/2017
	Total	56,000		

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, 2019 to December 31, 2019, the 3 members of The Risk Management Committee received the remuneration as meeting allowance from the Company in the amount of Baht 0 with the details as follows:

No.	Name	Amount (Baht)	The number of attendance/The number of meeting	Appointment Date (Resignation Date)
1	Mr. Prachuab Ujjin	0	0	10/11/2017
2	Pol. Maj. Gen Prayont Lasua	0	0	23/8/2017
3	Mr. Thanarath Thanavutwatthana	0	0	1/7/2018
	รวม	0		

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, 2019 to December 31, 2019, the Company has paid to the employees in the amount of Baht 22,951,294.05 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, 2019 to December 31, 2019	DCORP	D Power	D Innovation	Hinoki wood work	Blue Finix Digital	Hero Experience	Aukkarawat
Executives	8	0	0	0	0	0	0
Staffs	27	0	0	0	0	0	0
Total (people)	35	0	0	0	0	0	0
Remuneration (Baht)	22,951,294.05	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 7.

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 baht 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 baht 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 the 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.

The 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 November 29, 2019

No.	Name	Term of Position Holding	Position
1	Mr. Poonsuk Tochanakarn	14/5/2019 - Present	Independent director and Chairman of The Audit Committee
2	Mr. Numchai Lowattanatakul	3/11/2017 - Present	Independent director and member of The Audit Committee
3	Mr. Sorasak Saensombat.	10/11/2017 - Present	Independent director and member of The Audit Committee
4	Mr. Sunun Keeratiwattapisarn	14/5/2019 – 2/9/2019	Independent director and member of The Audit Committee
5	Mr. Krisada Hutaserani	13/7/2016 – 27/4/2019	Independent director and Chairman of The Audit Committee
6	Mr. Chainoi Puankosoom	12/12/2017 – 18/1/2019	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.

(1.5) 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 November 29, 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

No.	Name	Term of Position Holding	Position
3	Mr. Prachuab Ujjin	4/10/2019 - Present	Director and member of The Human Resource and Remuneration Committee
4	Mr. Sunun Keeratiwattanasarn	14/5/2019 - 2/9/2019	Independent director and member of The Human Resource and Remuneration Committee
5	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:

- Propose good corporate governance practices to the Board of Directors.
- To advise the Board of Directors with regard to good corporate governance.
- To supervise the performance of directors and management in order to comply with the principles of good corporate governance.
- Review good corporate governance principles by comparing with international practices and then propose the recommendations to the Board of Directors.
- Provide good corporate governance policy to the good corporate governance working committee.
- Provide policies and guidelines for the implementation of Sustainability Management: SM which includes Corporate Social Responsibility: CSR.
- 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.
- Follow up the SM and report to the Board of Directors.
- Establish a framework for monitoring anti-corruption practices.

Name List of The Corporate Governance and Social Responsibility Committee

Information as of November 29, 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 November 29, 2019

No.	Name	Term of Position Holding	Position
1	Mr. Prachuab Ujjin	10/11/2017 - Present	Director and Chairman of the Risk Management Committee
2	Pol.Maj.Gen.Prayont Lasua	23/8/2017 - Present	Director and Member of The Risk Management Committee
3	Mr. Thanarath Thanavutwatthana	1/7/2018 - Present	Director and 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 November 29, 2019

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

Name List of the Management Committee

Information as of November 29, 2019

No.	Name	Position
1	Ms. Sureeporn Udompolvanich	Chairman of the Management Committee
2	Mr. Cholaphan Vongsing	Member of the Management Committee
3	Mr. Thaworn Pornpanussri	Member of the Management Committee
4	Ms. Montira Kiatsunthorn	Member of the Management Committee
5	Mr. Ekkawit Kaewwichian	Member of the Management Committee
6	Mr. Prachuab Ujjin	Chairman of the Management Committee (until 1/8/2019)
7	Ms. Kulthida Verathaworn	Member of the Management Committee (until 15/9/2019)
8	Mr. Sorrakrit Lathitham	Member of the Management Committee (until 1/6/2019)

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 8.

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.

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 has arranged 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 general investments

8.4.1 Relation in subsidiaries, associates and general investments

The relevance of the management in the subsidiary's board of directors Information as of January 9, 2020

Company	No.	Name	Position
Demeter Power Co., Ltd.	1	Mr. Cholapan Vongsing	Director
	2	Mr. Thaworn Pornpanussri	Director
	3	Ms. Kulthida Verathaworn (resigned 15/9/2019)	Director

Company	No.	Name	Position
Demeter Innovation Co., Ltd.	1	Mr. Cholapan Vongsing	Director
	2	Mr. Thaworn Pornpanussri	Director
	3	Mr. Thanarath Thanavutwatthana	Director
	4	Mr. Sorrakrit Lathitham (resigned 1/6/2019)	Director
Hinoki Wood Work Co., Ltd.	1	Mr. Cholapan Vongsing	Director
	2	Mr. Thaworn Pornpanussri	Director
	3	Mr. Ekkawit Kaewwichian	Director
	4	Mr. Sorrakrit Lathitham (resigned 1/6/2019)	Director
	5	Ms. Pichaya Ruktapongpisal (resigned 31/5/2019)	Director

The relevance of the management in the associate board

Information as of October 9, 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. Somyos Chairatna	Director
	8	Mr. Ekkawit Kaewwichian	Director
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	Ms. Sureeporn Udompolvanich	Director
	5	Mrs. Sunattha Bodhinbhakdikul	Director
	6	Ms. Montira Kiatsunthorn	Director
	7	Mr. Paween Sakunee	Director
	8	Mr. Cholapan Vongsing	Director
	9	Mr. Anurak Wisawawong	Director

* Note: The company proposed the name of Mr. Thavorn Pornpanasri to take the position of Mr. Thirawit 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.

The relevance of the management in the business, general investments

- None -

Information as of November 29, 2019

Company	No.	Name	Position
Aukkarawat Plant Renewable Energies Co., Ltd.	1	Ms. Niya Tanayatorn	Director
	2	Ms. Pakanut Tanayatorn	Director

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 Self - Assessment

- Sub-committee

Type 1 Board Evaluation

Type 2 Individual Self – Assessment

- Individual self - 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)

- Board 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 2019 is as follows:

Self-Assessment	Average Percentage	Performance
1. Individual	95.45	Excellent
2. Group	87.67	good

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	95.45	Excellent	98.75	Excellent
2. The Human Resource and Remuneration Committee	93.18	Excellent	94.74	Excellent
3. The Corporate Governance and Social Responsibility Committee	93.18	Excellent	93.75	Excellent
4.The Risk Management Committee	95.45	Excellent	94.44	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.

- 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
- 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.

- 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 2019 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 Wipaturat	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 6](#)

8.7 Anti-corruption policy

Company and subsidiaries managed 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 Co., Ltd 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 2019, the Company has arranged an activity as follows.

The company is aware of the importance of nature and the environment. At present Environmental problems are increasing day by day. Whether in term of pollution, energy or natural resources, etc. It is the responsibility of everyone, every sector to help reduce the environmental problems mentioned, including energy conservation and environmental preservation as much as possible

For this purpose, the company has organized activities "DCORP Ruamjai Rak Join the environmental protection" on September 19, 2019 by carrying out activities in accordance with the royal initiative of the conservation program "Two hands Return Life to Nature". In this activity, the management and employees of the company attended the training on energy and environment conservation at the Energy for Environment Center Sirindhorn International Environmental Park, Rama VI Camp, Cha-Am District, Phetchaburi Province. The center is a learning and training center in the rehabilitation and conservation of natural resources and environment including energy conservation, creating innovations that connect science, technology, and local wisdom towards the goal of sustainable rehabilitation and conservation of natural resources and environment.

At the same opportunity the executives and employees of the company have released aquatic species which is a part of the activities at the Sirindhorn International Environmental Park In order to help increase the amount of aquatic animals in nature and return life to the sea and also to raise awareness about the importance and benefits of natural resources that are worth keeping and preserving.

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. 3/2019 held on March 11, 2019 passed the resolution to appoint The Best Solution Partnership Limited to audit the internal control of the Company for the year 2019. 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) Strategy
- 2) Operation
- 3) Finance
- 4) 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

Inter-company 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, 2019 as follows:

Summary of related transactions of the Company with persons who may have conflict of interest for the period ended December 31, 2019

Company/ Related Parties	Relation	Description	Amount 2018 (Baht)	Amount 2019 (Baht)	Audit Committee's Opinion Rationale and Necessity
Demeter Innovation Co., Ltd. (D Innovation)	A subsidiary. Shareholding of the Company and co- directors are as followings: 1. Demeter Corporation Public Co., Ltd. No. of shareholding 479,998 shares % of shareholding 99.9996 2. Ms.Kulthida Verathaworn No. of shareholding 1 share % of shareholding 0.0002 3. Ms.Pichaya Ruktapongpisal No. of shareholding 1 share % of shareholding 0.0002	Short-term loans and interest received - Principal - Interest receivable Interest Income	74,370,000 829,786 829,786	61,000,000 - 1,040,670	The period ended December 31, 2019 Principal repaid THB 13,370,000 Contract date 3/5/2017 Amount THB 74,370,000 And charge interest at 2.25 percent per annum End of contract date 2/5/2020
Aukkarawat Plant Renewable Energies Co., Ltd.	A subsidiary. Shareholding of the Company and co- directors are as followings: 1. Demeter Corporation Public Company Limited	Short-term loans and interest received - Principal	450,000 20,885	450,000 20,885	

Company/ Related Parties	Relation	Description	Amount 2018 (Baht)	Amount 2019 (Baht)	Audit Committee's Opinion Rationale and Necessity
	No. of shareholding 16,819 shares	- Interest			
	% of shareholding 33.638	receivable	12,917	-	
2. Mr. Tisanu Tanayatorn		Interest Income			
	No. of shareholding 17,500 shares				
	% of shareholding 35.000				
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 of the year 2017 end on December 31, 2017

The Combined Financial Statement and Subsidiaries Financial Statement is audited by "Karin Audit Co., Ltd." by Mr. Jesada Hangspruek 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, 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.

Highlighted Information and event

Not to be presumed as conditional opinion

- (1) Note 10, of the financial statements as at 31 December 2017, the Company is considering the fair value of the business, with the management appointing an independent appraisal to assess the fair value. However, as at the date of which the financial statements have been approved. The company's financial statement is still under consideration for such information. The fair value of acquired assets and liabilities is estimated at the date of purchase of the business and may be updated in accordance with the Financial Reporting Standards no. 3. During the valuation period, which cannot exceed one year from the date of purchase. Buyers must adjust the estimated value at the date of purchase to reflect the results of additional information received on the facts and circumstances that exist as of the purchase date. The fair value of the business purchased during 2017 depends on the final purchase pricing and the effect of the purchase price allocation.
- (2) As discussed in note 11.1 financial statements, the joint venture has hired an independent valuation company. To provide a fair valuation of the business value of a subsidiary's electricity plant. Using income approach method and calculating cash flow reduction stake to the current value. According to the company's report, the independent appraisal company was dated February 13, 2018, the estimated

business fair value is 161.20 million baht. In this regard, the independent assessors have made special assumptions to determine key value: the total project period of 20 years, construction period approximately 1 year from the date of the assessment and the 19-year electricity generation period from the date of construction project completion of 260.6 million baht. There is sufficient construction of biogas systems, pipeline systems, gas filtration systems, electricity generation systems, etc., and the joint venture recognizes impairment losses on goodwill of 20.73 million baht. In the consolidated financial statements and recognize impairment losses of investments in subsidiaries of 29.18 million baht in the business annual financial payment in 2017, according to the valuation of the power plant business of such subsidiaries. In addition, at the Board of Directors' Meeting no. 2/2018 held on February 27, 2018, the board of directors resolved to cancel the investment or the sale of investments by the Company to continue to find investors interested in the project.

- (3) Financial statement, note: 10, 11, 16 and 28, joint venture and its investment companies in various projects and report the progress of each major project.

Combined Financial Statement and Subsidiaries Financial Statement of the year 2018 end on December 31, 2018

The Combined Financial Statement and Subsidiaries Financial Statement is audited by "Karin Audit Co., Ltd." by Mr. Jesada Hangspruek 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 as of December 31, 2018. As the above standards of not allowing to comment the auditor also not allow to adequately find sufficient evidence of the appropriate auditing, as a basis for commenting on the consolidated and separate financial statements.

Criteria for withholding opinion

Inability to find sufficient evidence to base audit opinion

As mentioned in the notes to the financial statements note no. 11 as at 31 December 2018 was invested in equity method stake amounting to 124.21 million baht and in 2018, the company recognized the share of the loss of such associates 86.90 million baht, as shown in the consolidated financial statements. The company has investments in associates under the cost method of 325 million baht and allowance for impairment of 200.80 million baht. As shown in the company's specific financial statements, the company recorded investments and share of the profit from such investments using the joint management's financial statements. The information from the auditor of the company has shown the creditors associates with the company totaling baht 59.50 million. The lawsuit has been filed and/or submitted a notice of outstanding debt payment with interest, as well as delayed

fines. The financial information received from the associates used to recognize the share of the above losses. Interest and delayed fines were not included, and on February 14-15, 2019. The joint venture has already convened a mediation and clarification of some of its repayment plans, with the joint company expected to repay the debt after April 2019, and in January and February 2019, the joint company dismissed some employees, resulting in the joint to pay a damage to the termination of 1.20 million baht. On 21 January 2019, the joint venture held an Annual General Meeting of shareholders no. 1/2019, proposing an agenda of the termination of the joint company's operations as the joint venture has faced a lack of financial liquidity and the implementation of non-planned projects. The shareholders' meeting of the joint venture voted to stop the project with 62.50% of the vote and the vote disagreed 37.50% the joint management is scheduled to stop the project on January 29, 2019, with the project service finish around 6pm on the day. The company, as a shareholder of 37.50% of the company, will carefully consider the major shareholders' group on the management of the joint company's assets to limit the negative impact on the company. In addition, under a loan agreement between a bank and a joint company dated May 23, 2018, the company secured a contract to secure a repayment of Baht 90 million to the associate, and at the Extraordinary General Meeting of shareholders no. 1/2019, the joint company unanimously voted to use such collateral in an unpaid loan payment with the bank, allowing the bank to process a deduction of collateral at a rate of 3 million baht per month. At present, the company is considering a new business approach and the projection of the results of the new business operation. This must be clear in the plan and the conclusion of the lawsuit. The expected value of investments in associates and fixed deposits with collateral. This depends on the success of the company's new business practices, and the auditor cannot use other inspection methods to be satisfied with the list. Therefore, the auditor could not determine whether any improvements might be needed.

Due to the impact of the situation as described above, the auditor is limited to the extent of the situation, so it cannot be concluded that any improvements required to the above accounts.

Highlighted 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.

Combined Financial Statement and Subsidiaries Financial Statement of the year 2019 end on December 31, 2019

The Combined Financial Statement and Subsidiaries Financial Statement is audited by "Karin Audit Co., Ltd." 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, 2019, 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.

Highlighted Information and event

- (1) As mentioned in the notes no.10.3B of the financial statements on 31 December 2019, the Company recognized the share loss in the joint venture which ended 31 December 2019 amounting to 107.17 million baht. As shown in the consolidated financial statements, the company has invested in associates in accordance with the net cost method, the record allowance for impairment of investments in associates to 107.17 million baht as shown in the company's specific financial statements.

On 21 January 2019, the joint venture held a 2019 Annual General Meeting of Shareholders No. 1/2019, proposing an agenda of the termination of the joint company's operations as the joint venture has faced a lack of financial liquidity and the implementation of non-planned projects. At the General Meeting of Shareholders, the Joint Venture resolved to stop the project in which 62.50 has agreed and 37.50% disagree. The joint venture is scheduled to stop the project on January 29, 2019, with the project running around 6pm of the day as a final, and in January and February 2019, the joint company dismissed some employees, resulting in the joint termination of 1.20 million baht.

In addition, under a loan agreement between a bank and a joint venture dated May 23, 2018, the company secured a contract to guarantee the repayment of the company's fixed deposit of 90 million baht to the associate, and at the Extraordinary General Meeting of shareholders No. 1/2019, the joint venture unanimously voted to use such collateral in an unpaid loan payment with the bank, allowing the bank to process a deduction of collateral at a rate of 3 million baht per month. Subsequently, the loan payment terms were changed so that the bank deducted the loan payment from the fixed deposit account in accordance with the new terms, as of September 30, 2019. The Bank deducted the loan payment from the account as mentioned total of 72 million baht. As a result, the joint venture has a duty to repay the company based on the amount that the bank has already deducted from such deposit accounts.

However, such associates have stopped operating and lacked liquidity, so the company considers setting up allowance for doubtful accounts.

As of January 28, 2020, the joint management of the associated, press reported information about the lawsuit, stating that as of date, the joint company was sued by 21 creditors (22 cases), totaling 77,266,805.19 baht, which is divided into 73,737,034.58 baht and interest of 3,529,770.61 baht. However, three creditors have withdrawn the lawsuit and consented to the debt reduction to the associates, which the associated company has successfully repaid. In addition, 15 creditors agree to the joint venture in accordance with the conditions

prescribed by creditors and a lawsuit with 3 creditors. The associated company is still in the process of preparing the information to use in the lawsuit for the submission of statements. To request an appointment for further examination and mediation.

In this regard, the management of the joint venture has been working on debt payments to creditors as follows: since the associates are planning new projects from the 2019 Annual General Meeting of the associated on April 24, 2019, the Company's management has already reported plans to conduct negotiations with new investors. The plan will be in the form of renting areas to sell goods and services, as well as the share of revenue from sales of tenants and space rental to organize events for customers who want to organize small to medium-sized events. The joint venture already arranged the areas available for the project.

The company has now signed an area lease agreement with major tenants with leases of areas with large amounts of space in the project and is in the process of contracting with some tenants, as well as negotiating with new tenants in line with the business model of each tenant, which the associates will contact creditors to inform the progress of the plan and repayment plans. If it complies with the plan, the joint venture will be able to share the cash received from each month's operations to pay off the debt to creditors and partly for operating cash flow.

- (2) Not to be presumed as conditional opinion, The auditor asked to observe. Note no. 10, 11, 19 and 29, the joint venture and its investment companies in various projects and also report the progress of each major project.

Table Summarizing Statement of Financial Position, Statement of Comprehensive Income for the year 2017-2019 and Statement of Cash Flow statement 2018-2019

Demeter Corporation Public Company Limited and Subsidiaries

Statement of Financial Position.

Statement of Financial Position	Combined Financial Statement /Audited					
	On December 31, 2017.		On December 31, 2018 (Restated)		On December 31 2019	
	Million: Baht	Percent	Million: Baht	Percent	Million: Baht	Percent
Assets						
Current assets						
Cash and cash equivalents	9.55	1.18	12.96	3.21	7.86	1.47
Current investments	184.16	22.75	23.20	5.75	393.39	73.81
Trade and other current receivables	60.43	7.47	62.62	15.53	94.38	17.71
Inventories	-	-	12.96	3.21	12.23	2.29
Short-term loan to related parties	-	-	-	-	-	-
Short-term loan	10.76	1.33	-	-	-	-
Other financial current assets	13.49	1.67	-	-	-	-
Current tax assets	1.32	0.16	0.24	0.06	0.29	0.05
Other current assets	0.61	0.08	1.23	0.30	1.11	0.21
Total current assets	280.31	34.63	113.20	28.07	509.26	95.55
Non-current assets						
Deposit pledged as collateral	-	-	90.00	22.32	-	-
Investments in associates	321.04	39.67	107.17	26.58	-	-
Other long-term investments	-	-	45.46	11.27	-	-
Trade and other non-current receivables	-	-	-	-	-	-
Leasehold Building, Improvements and equipment	34.52	4.26	19.32	4.79	14.75	2.77
	21.63	2.67	19.07	4.73	-	-
Investment property	51.20	6.33	-	-	-	-
Goodwill	-	-	-	-	-	-
Intangible asset	73.03	9.02	-	-	-	-
Other non-current financial assets	27.63	3.41	9.04	2.24	8.97	1.68
Other non-current assets						
Total non-current assets	529.05	65.37	290.07	71.93	23.72	4.45
Total assets	809.36	100.00	403.27	100.00	532.98	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, 2017.		On December 31, 2018 (Restated)		On December 31 2019	
	Million: Baht	Percent	Million: Baht	Percent	Million: Baht	Percent
Liabilities and shareholders' equity						
Current liabilities						
Trade and other current payables	15.68	1.94	10.80	2.68	10.15	1.90
Current position of long-term liabilities	1.89	0.23	0.95	0.24	0.25	0.05
Short-term borrowing	4.88	0.60	47.96	11.89	2.17	0.41
Other current liabilities	-	-	0.07	0.02	29.04	5.45
Total current liabilities	22.44	2.77	59.78	14.82	41.61	7.81
Non-current liabilities						
Long-term borrowing	1.05	0.13	0.11	0.03	0.56	0.11
Non-current provisions for employee benefit	2.65	0.33	2.06	0.51	0.95	0.18
Other non-current liabilities	2.83	0.35	2.83	0.70	2.83	0.53
Total non-current liabilities	6.54	0.81	5.00	1.24	4.34	0.81
Total liabilities	28.9	3.58	64.78	16.06	45.95	8.62
Shareholders' Equity						
Share capital						
Issued and paid-up						
1,430,416,192 common shares of Baht 1.00 each					1,430.42	268.38
587,407,772 common shares of Baht 1.00 each	587.41	72.58	587.41	145.66		
Share premium	1,487.41	183.78	1,487.41	368.84	1,487.41	279.07
Share discount	(39.60)	(4.89)	(39.60)	(9.82)	(461.10)	(86.51)
Share discount for convertible debts	(6.60)	(0.82)	(6.60)	(1.64)	(6.60)	(1.24)
Retained earnings (Deficit)						
Appropriated- statutory reserve	13.00	1.61	13.00	3.22	13.00	2.44
Unappropriated	(1,269.38)	(156.84)	(1,703.13)	(422.33)	(1,976.10)	(370.76)
Other components of shareholders' equity	1.79	0.22	-	-	-	-
Total shareholders' equity	774.02	95.63	338.49	83.94	487.03	91.38
Non-controlling interests	6.35	0.78	-	-	-	-
Total shareholders' equity	780.38	65.37	338.49	83.94	487.03	91.38
Total liabilities and shareholders' equity	809..36	100.00	403.27	100.00	532.98	100.00

Demeter Corporation Public Company Limited and Subsidiaries

Statement of Comprehensive Income

Statement of Comprehensive income	Combined Financial Statement /Audited					
	On December 31, 2017.		On December 31, 2018 (Restated)		On December 31 2019	
	Million; Baht	Percent	Million; Baht	Percent	Million; Baht	Percent
Income from program co-production	27.00	61.76	0.61	100.00	-	-
Income from program broadcasting license	16.71	38.22	-	-	-	-
Income from Concert	-	-	-	-	38.84	94.92
Sales income	0.01	0.01	-	-	2.08	5.08
Total revenues	43.71	100.00	0.61	100.00	40.92	100.00
Cost of program co-production	(7.20)	(16.47)	-	-	-	-
Cost of program licensing	(15.19)	(34.75)	-	-	-	-
Cost of Concert	-	-	-	-	(41.40)	(101.17)
Cost of sales	-	-	-	-	(1.35)	(3.30)
Total costs	(22.39)	(51.22)	-	-	(42.75)	(104.47)
Gross profit (loss)	21.32	48.78	0.61	100.00	(1.83)	(4.47)
Other incomes	15.34	35.08	13.14	2,154.10	14.13	34.53
Profit (loss) before expenses	36.66	83.86	13.75	2,254.10	12.30	30.06
Administrative expenses	(105.23)	(240.72)	(47.78)	(7,832.79)	(40.45)	(98.85)
Loss from impairment of intangible assets	(16.87)	(38.59)	-	-	-	-
Allowance for impairment of venture capital	-	-	(29.81)	(4,886.89)	-	-
Doubtful accounts	-	-	(88.23)	(14,463.93)	(90.99)	(222.36)
Loss from Impairment of goodwill	(20.73)	(47.43)	(51.20)	(8,393.44)	-	-
Administrative of litigations	-	-	-	-	(29.04)	(70.97)
Loss from impairment of general investments	-	-	-	-	(2.86)	(6.99)
Loss from impairment of investments in associates	(65.33)	(149.45)	(107.79)	(17,670.49)	(0.08)	(0.20)
Management benefit expense	(24.06)	(55.05)	(18.68)	(3,062.30)	(14.54)	(35.53)
Finance costs	(0.41)	(0.94)	(0.69)	(113.11)	(0.14)	(0.34)
Share of loss from associates	(13.00)	(29.73)	(89.50)	(14,672.13)	(107.17)	(261.90)
Total expenses	(245.63)	(561.92)	(433.68)	(71,095.08)	(285.27)	(697.14)
Loss before income tax expenses	(208.97)	(478.05)	(419.93)	(68,840.98)	(272.97)	(667.08)
Income tax expenses	-	-	-	-	-	-
Loss for the years	(208.97)	(478.05)	(419.93)	(68,840.98)	(272.97)	(667.08)
Other comprehensive income (loss) for the years	-	-	1.11	181.97	-	-
Total comprehensive income for the years	(208.97)	(478.05)	(418.82)	(68,659.02)	(272.97)	(667.08)

Demeter Corporation Public Company Limited and Subsidiaries

Statements of Cash Flows

Statement of Cash Flow	Combined Financial Statement /Audited	
	On December 31, 2018	On December 31, 2019
	Million; Baht	Million; Baht
Cash flows from operating activities		
Loss before income tax	(419.93)	(272.97)
Adjustments to reconcile profit(loss) to net cash received(paid)		
Net cash flow derived from (used in) operating activities		
Interest expenses	0.66	0.12
Interest income	(3.41)	(8.46)
Trade and other current receivables (increase) decrease	0.86	(118.96)
Inventories (increase) decrease	(12.96)	0.73
Other current assets (increase) decrease	(0.61)	0.12
Other non-current assets (increase) decrease	(0.21)	1.01
Trade and other current payable decrease	(3.37)	(1.65)
Other current liabilities increase	0.07	28.97
Depreciation	8.10	5.99
Gain or Revolution of fair value	(1.24)	(5.09)
Allowance for doubtful account	83.46	84.59
Amortization off of income tax	0.21	0.43
Employee benefit expenses	0.82	0.10
(Profit) Loss for write off and sale of fixed assets	(0.00)	0.77
Allowance for impairment of joint venture reversal	29.81	(0.57)
Loss on impairment of general investment	-	2.86
Loss on impairment of investments in subsidiaries	-	-
Profit from non-controlling interests	(0.39)	-
Loss from impairment of goodwill	51.20	-
Loss from impairment of investments in associates	107.78	0.08
Share of loss from associates	89.50	107.17
Total adjustments from reconciliation	(69.67)	(174.75)

Demeter Corporation Public Company Limited and Subsidiaries

Statement of Cash Flow (Continue)

Statement of Cash Flow	Combined Financial Statement /Audited	
	On December 31, 2018	On December 31, 2019
	Million; Baht	Million; Baht
Net cash flow derived from (used in) operating activities		
Cash paid for interest	(0.15)	(0.12)
Cash paid employee benefits	(0.29)	(1.21)
Income tax paid	(0.24)	(0.29)
Net cash flow used in operating activities	(70.35)	(176.37)
Cash flows from investing activities		
Deposits pledged as collateral (increase) decrease	(90.00)	90.00
Cash paid for purchase of investment in subsidiaries	(0.45)	-
Cash paid for purchase of investment in associates	-	(0.08)
Current investments (increase) decrease	162.20	(365.10)
Cash received from short-term borrowing to other company	10.00	-
Cash paid for short-term borrowing to other company	-	-
Cash paid for joint ventures	(10.00)	-
Cash received from interest income	4.17	8.46
Cash paid for purchase of leasehold building, improvements and equipment	(0.12)	(0.03)
Proceeds from sale of leasehold building, improvements and equipment	0.01	0.01
Proceeds from sales of investment properties	-	17.66
Net cash flows provided by (used in) investing activities	75.81	(249.08)
Cash flows from financing activities		
Cash received from increase in share capital	-	421.50
Payment of finance lease liabilities	(1.89)	(1.16)
Net cash flow provided by (used in) financing activities	(1.89)	420.35
Net increase (decrease) in cash and cash equivalents	3.57	(5.10)
Cash and cash equivalents at the beginning of the year	9.55	12.96
Cash and cash equivalents of subsidiary at date to change power control	(0.16)	-
Cash and cash equivalents at ending of years	12.96	7.86

Financial Ratio

	Combined Financial Statement /Audited		
	Year 2017	Year 2018	Year 2019
Liquidity Ratio (times)	12.49	1.89	12.24
Quick ratio (times)	11.93	1.65	11.91
Receivable turnover ratio (times)	0.45	0.42	5.57
Average collection period (days)	792	853	65
Payable turnover ratio (times)	31.99	-	-
Average payment period (days)	11	-	-
Gross income (loss) ratio (percent)	48.78	100.00	(4.48)
Net profit (loss) ratio (percent)	(478.05)	(686.59)	(667.08)
Shareholder dividend (percent)	(24.60)	(73.74)	(66.13)
Return on assets (percent)	(25.82)	(99.65)	(51.22)
Debt-to-Equity Ratio (times)	0.04	0.18	0.09

13. Analysis and explanation from Management

13.1 Financial Position

13.1.1 Assets

In 2017, 2018 and 2019, the company had total assets of 809.36 million baht, 403.27 million baht and 532.98 million baht.

At the end of 2017, the company had total assets decreased from the end of 2016 in the amount of 167.11 million baht or decreased by 17.11 percent. Most of the decreasing of the transaction are as follows

- (1) Temporary investment decreased 398.24 million baht due to the company incurred investments during the year. A portion was invested in Hero Experience Company Limited in the amount of 325.0 million baht. The above investment accounts for 37.5 percent of the registered capital which is presented as investment within associates.
- (2) Net decrease in intangible assets of 38.94 million baht due to the write-off during the year 2017 which was worth 15.19 million baht, and allowance for distribution of broadcasting rights in movie programs amount of 23.75 million baht.

However, the company has increased assets as follows:

- (1) An increase in short-term loans of 10.76 million baht which was a loan to an unrelated company in the amount of 10.00 million baht, including accrued interest of 0.76 million baht. The interest rate is 15% and with a period of 7 months.
- (2) Increase of the amount of investment in the company jointly by Demeter Corporation Public Company Limited investing in Hero Experience Company Limited in the amount of 325.0 million baht. The aforementioned investment accounts for 37.5 percent of the registered capital. Demeter Innovation Company Limited (subsidiary) invested in Blue Phoenix Digital Company Limited in the amount of 74.37 million baht. The above mentioned investment accounts for 30.0% of the registered capital. Investments in associated companies are presented in the consolidated financial statements by the equity method in the amount of 321.04 million baht.

At the end of 2018, the company had total assets decreased from the end of 2017 in the amount of 406.09 million baht or a decrease of 50.17 percent, most of which are decreases as follows.

- (1) Reduction of temporary investment in the amount of 160.96 million baht happened due to investments during the year in which part of the money was deposited with a bank as collateral for loan from an associated company like Hero Experience Company Limited in the amount of 90.0 million baht and partly for use in the company's operations.
- (2) Reduction in investment in an associated company in the amount of 213.87 million baht caused by the company having additional investment of 0.46 million baht. It was caused by the loss from impairment of investment from the book value of the associated company in the amount of 107.79 million baht. It occurred from the recognition of share of operating results of associated companies using the equity method in the amount of 89.50 million baht and there is a retrospective adjustment of the year 2018 financial statements in order to recognize an increase in share of operating losses of associates by the equity method in the amount of 17.04 million baht.
- (3) Decrease in goodwill in the amount of 51.20 million baht happened because the company recognizes the loss from sales and goodwill of investments in Akkrawat Crop Rotation Energy Company Limited.

However, the company has increased assets as follows:

- (1) The increase of inventories in the amount of 12.96 million baht increased from the inventories of Hinoki Wood Works Company Limited, which is a subsidiary company engaging in the business of processing and selling of wood products. That company was registered in 2018.
- (2) An increase in the restricted deposit of 90.0 million baht by opening a fixed deposit account as collateral for loans of Hero Experience Company Limited, which is an associated company.

At the end of 2019, the company had total assets increased from the end of 2018 in the amount of 129.71 million baht or an increase of 32.16 percent, most of which are increases as follows:

- (1) The increase of temporary investment in the amount of 370.19 million baht which is the remaining money received from the allocation of the newly issued ordinary shares of the company during the year 2019 that the company has invested in investment units for short-term returns that are higher than bank deposits and have low risk back while waiting to consider investing in the project.
- (2) Increase in trade and other current receivables in the amount 31.76 million baht caused by the company having receivables resulting from income from the unpaid concert arrangement.

However, the company has decreased assets as follows

- (1) Reduction of the restricted deposit of 90.0 million baht, decreased due to the bank deducting deposits pledged as collateral for payment of Hero Experience Company Limited's loans which is an associated company.
- (2) Decrease in investment in an associated company in the amount of 107.17 million baht caused by the company recognizing loss sharing from operation results of Hero Experience Company Limited which is an associated company under the equity method.
- (3) Reduction of other long-term investments in the amount of 45.46 million baht happened as the company recognizes loss from impairment of general investment in the amount of 2.86 million baht and the cancelation of the trading of shares in a company, which is classified as general investment in the amount of 42.60 million baht.
- (4) Decrease in investment properties in the amount of 19.07 million baht arose from the fact that the company has sold investment property of Demeter Innovation Company Limited which is a subsidiary company.

13.1.2 Liabilities

In 2017, 2018 and 2019, the company had total liabilities of 28.98 million baht, 64.78 million baht and 45.95 million baht.

At the end of 2017, the company had total liabilities decreased from the end of 2016 in the amount of 28.60 million baht or 49.67 percent decrease which is a decrease of 21.78 million baht in advance received. During the year, short-term loans of Akkrawat Crop Rotation Energy Company Limited (a subsidiary company) were repayable in the amount of Baht 0.30 million and pay long-term loans in the amount of 1.92 million baht.

At the end of 2018, the company had total liabilities increased from the end of 2017 in the amount of 35.80 million baht or 123.53 percent increase. It was an increase of short-term loans in the amount of 42.60 million baht for investment in other long-term investments.

At the end of the year 2019, the company had total liabilities decreased from the end of 2018 in the amount of 18.83 million baht or 29.07 percent decrease. Which is a decrease in short-term loans in the amount of 45.46 million baht. The reason was that the company canceled the trading of shares in a company which is classified as general investment and canceled short-term loans in the amount of baht 42.60 million.

However, in the year 2019, the company has set up an estimate of the cost of debt burden in accordance with the judgment due to the lawsuit of a creditor of baht 29.04 million.

13.1.3 Shareholders' equity

In 2017, 2018 and 2019, the company had total shareholders' equity of 780.38 million baht, 338.49 million baht and 487.03 million baht.

At the end of 2017, the company had total shareholders' equity decreased from year 2016 by 138.51 million baht or 15.07% decrease from the increase of paid-up capital twice totaling 70.46 million baht. However, the company has a cumulative loss of baht 206.58 million or an increase of 19.44% from the end of 2016 from the total loss for the year 2017 of 208.97 million baht.

At the end of 2018, the company had total shareholders' equity decreased from the year 2017 by 441.89 million baht or 56.62%. The company has accumulated losses increased from the end of 2017 by 433.75 million baht or 32.83 percent from the total loss for the year 2018 of 419.93 million baht.

At the end of the year 2019, the company had total shareholders' equity increased from year 2018 by 148.54 million baht or 43.88 percent because the company has increased capital in the amount of 843.00 million baht, and offered to sell shares at a par value of 1 baht at a price of .50 baht per share, resulting in an increase in the discounted share value of 421.50 million baht. Also, the company has a total accumulated loss increased from the end of 2018 by 272.97 million baht from the total loss for the year 2019.

13.2 Analysis of performance

13.2.1 Income

Total revenue from operations of the company for 2017, 2018 and 2019 is equal to 43.71 million baht, 0.61 million baht and 40.92 million baht respectively.

In 2017, the company's total revenue decreased from 2016 in the amount of 149.65 million baht or 77.39 percent, which is a decrease in program co-production income and broadcasting right of 56.37 million baht due to the cancelation of the co-production contract and a decrease in revenue from sales of lighting, electrical and air conditioning systems in the amount of 93.27 million baht.

In 2018, the company's total revenue has decreased from 2017 by 43.10 million baht or 98.60%. Which is a decrease in program co-production income and broadcasting income of 43.10 million baht since the company has gradually terminated the contract since 2016 until all the joint contract is terminated in 2018.

In 2019, the company had total revenue increased from 2018 by 40.31 million baht or 6,608.20 percent, which is an increase in revenue from business operations which increased in the year 2019 consisting of revenue from organizing concerts of 38.84 million baht and sales revenue of 2.08 million baht.

13.2.2 Cost and gross income

The total cost of the company for the year 2017, 2018 and 2019 is equal to 22.39 million baht - million baht and 42.75 million baht respectively. Accounting for 51.22 percent - and 104.47 percent of total revenue from operations respectively.

In 2017, the company had total costs reduced from 2016 by 122.02 million baht or 84.50 percent which is a decrease in the cost of co-production and broadcasting rights of 44.94 million baht and the decrease in cost of sales of lighting, electrical and air conditioning systems in the amount of 77.08 million baht.

In 2018, the company has gradually terminated the contract since 2016 until all the joint contract cancellation and the company has set up full allowance for impairment of intangible assets causing the total amount to be gradually amortized.

In the year 2019, the company had total costs increased from the year 2018 by 42.75 million baht or 100% increase which is an increase in the cost of business operation in 2019 consisting of the cost of organizing the concert in the amount of 41.40 million baht and the cost of sales of 1.35 million baht.

Gross income

In 2017, the company had gross profits of 21.32 million baht or 48.78 percent of total revenue from operations, which is gross profit from the production cost of the program in the amount of 19.80 million baht, broadcasting rights of 1.52 million baht.

In year 2018, the company had gross profit of 0.61 million baht or 100.00% of total revenue from operations, which is the gross profit from the production cost of the program and there is no cost of joint production rights since the Company has set up full allowance for impairment of intangible assets.

In the year 2019, the company has gross profit (loss) in the amount of (1.83) million baht or equal to (4.47) of the total operating income. It is the gross profit (loss) from the revenue from the concert arrangement in the amount of (2.56) million baht and the sales revenue 0.73 million baht.

13.2.3 Administrative expenses

2017, 2018 and 2019, the company had expenses totaling 245.63 million baht, 433.68 million baht and 285.27 million baht respectively.

In 2017, the company had total administrative expenses of 105.23 million baht, decreased from the year 2016 by 3.73 million baht or 3.42 percent. Major expenses consist of salary and employee benefits of 11.13

million baht, price's compensation and amortization of 24.41 million baht, professional fee of 10.81 million baht, rental and office service fees 4.31 million baht.

As well as other expenses consisting of:

- (1) Impairment recording of intangible assets in the amount of 16.87 million baht from contract cancellation.
- (2) The loss of goodwill is recorded in the amount of 20.73 million baht, which is the result of the appraisal of the Biogas power plant project in SuphanBuri province, which is operated by Akkrawat Crop Rotation Energy Company Limited (subsidiary).
- (3) The recording of impairment losses on investments in associates from the equity method of 65.33 million baht from investments in associates by Demeter Corporation Public Company Limited, investing in Hero Experience Company Limited and Demeter Innovation Company Limited (a subsidiary company), investing in Blue Phoenix Digital Company Limited.
- (4) Executive compensation in the amount of 24.06 million baht.

In the year 2018, the company had total administrative expenses in the amount of 47.78 million baht, a decrease of 57.45 million baht from 2017, representing 54.59 percent. Major expenses consist of salaries and employee benefits of 11.62 million baht, depreciation of 5.26 million baht, professional services of 9.01 million baht, and rental and office services of 3.76 million baht

And with other expenses consisting of:

- (1) Impairment loss of joint venture in the amount of 29.81 million baht.
- (2) Doubtful debt in the amount of 88.23 million baht of the receivables from sales of electricity system lighting and air conditioning systems.
- (3) Loss from impairment of goodwill in the amount of 51.20 million baht of Akkrawat Crop Rotation Energy Company Limited.
- (4) Loss from impairment of investment in an associated company in the amount of 107.79 million baht from investment in an associate by Demeter Corporation Public Company Limited. Recorded loss from impairment of investment in Hero Experience Company Limited in the amount of 105.70 million baht and Demeter Innovation Company Limited (subsidiary). Recorded loss from impairment of investment in Blue Phoenix Digital Company Limited in the amount of 2.09 million baht.

- (5) Executive compensation in the amount of 18.68 million baht.
- (6) Financial cost of 0.69 million baht.
- (7) Share of losses in associates from recording of share of losses in associates by the equity method of 89.50 million baht from investments in associates by Demeter Corporation Public Company Limited. A recorded loss sharing in Hero Experience Company Limited, amount of 86.90 million baht and Demeter Innovation Company Limited (subsidiary). Recorded share of loss in Blue Phoenix Digital Company Limited in the amount of 2.60 million baht.

In 2019, the company had total administrative expenses in the amount of 40.45 million baht, decreasing from 2018 by 7.33 million baht or 15.34 percent. Major expenses consist of salaries and employee benefits of 10.23 million baht, depreciation of 5.34 million baht, professional services by 7.22 million baht, rental and office services amounting to 3.99 million baht, advertising and sales promotion 1.69 million baht.

And with other expenses consisting of:

- (1) The doubtful debt of 90.99 million baht is an expense arising from the allowance for doubtful accounts, receivables and accrued interest receivable from Hero Experience Company Limited, an associated company.
- (2) The debt burden charge from litigation in the amount of 29.04 million baht is the estimated cost of the debt burden in accordance with the judgment of the lawsuit of a company.
- (3) Loss from Impairment of General investment in the amount of 2.86 million baht from the recording of impairment loss of investment in Akkrawat Crop Rotation Energy Company Limited.
- (4) Impairment loss from investments in associates of 0.08 million baht due to the recording of impairment losses of investments in Blue Phoenix Digital Company Limited, an associated company.
- (5) Executive compensation in the amount of 14.54 million baht.
- (6) Financial cost of 0.14 million baht.
- (7) Share of losses from associates from recording of share of losses in associates by the equity method of 107.17 million baht from investments in Hero Experience Company Limited, an associated company.

13.2.4 Net profit (loss)

In 2017, the company had a net loss of 208.97 million baht. The main reason was due to the company's gross profit of 21.32 million baht and administrative expenses of 105.23 million baht, allowance for impairment of intangible assets in the amount of 16.87 million baht, loss from goodwill impairment of 20.73 million baht, loss from impairment of investment in an associated company in the amount of 65.33 million baht, executive compensation in the amount of 24.06 million baht, and recognized loss sharing in an associated company of 13 million baht.

In the year 2018, the company had a net loss of 419.93 million baht, mainly due to the company's profit before expenses of 13.75 million baht and administrative expenses of 47.78 million baht. Impairment loss from joint venture in the amount of 29.81 million baht. Doubtful debt in the amount of 88.23 million baht. Impairment of goodwill in the amount of 51.20 million baht. Impairment of investment in associates of 107.79 million baht. Executive compensation is 18.68 million baht, financial cost is 0.69 million baht and share of loss in associates is 89.50 million baht.

In the year 2019, the company had a net loss of 272.97 million baht, mainly due to the company's profit before expenses of 12.30 million baht and administrative expenses of 40.45 million baht. Doubtful debt in the amount of 90.99 million baht. Litigation expenses in the amount of 29.04 million baht. Loss on general investment impairment of 2.86 million baht. Loss from impairment of investment in associates of 0.08 million baht. Compensation to executives in the amount of 14.54 million baht. Financial cost in the amount of 0.14 million baht and recognized the share of loss in the associated company in the amount of 107.17 million baht.

13.2.5 Analysis of Liquidity

In the end of 2017, the company had a net decrease of cash and cash equivalents of 8.31 million baht, which was the cash flow from financing activities in the amount of 68.54 million baht. It was a cash received from the capital increase in the amount of 70.46 million baht and cash paid from the financial lease liabilities in the amount of 1.92 million baht.

However, the company has net cash flow used in operating activities in the amount of 33.50 million baht. The decrease in cash flow from operating activities is a result of net loss and various reconciliation items that do not affect cash, including depreciation, amortization of intangible assets, and allowance for impairment. In addition, the company had cash flow from investing activities decreased in the amount of 43.35 million baht. The decrease in cash flow from investing activities is a net result of the payment for investment in Akkrawat Crop Rotation Energy Company Limited (subsidiary) in the amount of 37.92 million baht. Paid for investment in Hero Experience Company Limited and Blue Phoenix Digital Company Limited (associate) in the amount of 399.37 million baht.

Cash paid for short-term loans to other companies in the amount of 10.76 million baht and cash received from the sale of temporary investments in the amount of 398.70 million baht.

In the of 2018, the company had a net increase of cash and cash equivalents of 3.57 million baht, which was a net result of cash flows used in financing activities in the amount of 1.89 million baht, which was cash paid for liabilities under financial lease agreements.

In addition, the company had net cash flow used in operating activities in the amount of 70.35 million baht. The decrease in cash flow from operating activities was a result of net loss and various reconciliation items that do not affect cash, including depreciation, amortization of intangible assets and allowance for impairment.

However, the company had cash flows from investing activities increased by 75.81 million baht. The increase in cash flows from investing activities was a net result of the decrease in the use of deposits with restrictions on the use of 90.0 million baht, cash paid for additional investments of 10.0 million baht, net of proceeds from the sale of temporary investments in the amount of 162.20 million baht and short-term loans the company amounted to 10.0 billion baht.

At the end of the year 2019, the company had a net decrease of cash and cash equivalents of 5.10 million baht, which was a net result of cash flows from financing activities in the amount of 420.35 million baht, which was cash received from the capital increase of 421.50 million baht and cash paid for liabilities under financial lease agreements in the amount of 1.16 million baht.

The company had net cash flow used in operating activities in the amount of 176.37 million baht. The decrease in cash flow from operating activities was a result of net loss and various reconciliation items that do not affect cash, including depreciation, allowance for doubtful accounts, and share of losses in associates.

And the company has cash flow used in investing activities in the amount of 249.08 million baht. The decrease in cash flow used in investing activities is a net result from the decrease in the use of deposits with use restrictions of 90.0 million baht. Cash used in temporary investments of 365.10 million baht, cash received from interest of 8.46 million baht and cash received from the sale of investment property 17.66 million baht.

13.2.6 Financial Ratio

The liquidity ratio of the company in 2017, 2018 and 2019 which was at 12.49 times, 1.89 times and 12.24 times, the company has a liquidity ratio at the increasing rate criteria. As a result of the year 2017, the company has temporary investments in the amount of 184.16 million baht from the sale of some temporary investments. While current liabilities decreased because trade and other current payables decreased from 2016, resulting in the debt to equity ratio in 2017 decreased from 0.06 times in 2016 to 0.04 times. And in the year 2018,

the company had temporary investments in the amount of 23.20 million baht from the sale of some temporary investments in 2018, while the current liabilities increased because of short-term loans increased from 2017, resulting in the debt to equity ratio of shareholders in 2017 increased from 0.04 times in 2017 to 0.18 times in 2018 and in 2019 the company had temporary investments of 393.39 million baht from investments in temporary capital increase in 2019. While current liabilities decreased from short-term loans decreased from 2018, resulting in debt to equity ratio decreased from 0.18 times in 2018 to 0.09 times in 2019.

The company has turnover ratio of trade receivables between 2017, 2018, and year 2019 at 0.45 times, 0.42 times and 5.57 times respectively. In 2018, the trade receivables turnover ratio has decreased continuously. As the company's customers are affected by the digital TV channels and the high competition in the television business affecting the average collection period increased to 792 days and 853 days respectively. The company has considered setting up an allowance for doubtful accounts for a long time. However, in the year 2019, the company has a concert business and the sale of Hinoki wood products reduced the average collection period to just 65 days.

In 2017, the company's gross profit margin increased from 2016 at 25.31 percent to 48.78 percent, mainly due to the fact that the company has terminated the satellite television business by canceling the co-production rights agreement before the due date. Resulting in reduced revenue and costs. However, there is still a higher gross profit from 2016.

In 2018, the company had gross profit margin increase from 2017 at 48.78 percent to 100.00 percent, mainly due to the fact that the company has terminated the satellite television business by canceling the co-production right agreement before the due date. However, the company has no cost of joint amortization because the company has set up a full allowance for impairment.

In 2019, the company had gross profit margin (loss) decreased from the year 2018 at 100.00 percent to (4.48 percent) mainly due to the company operating the business from organizing concerts. But there is a loss from the concert arrangement.

13.2.7 Subsidiaries' performance

The results of operations of 3 subsidiary companies for the year ended 31 December 2019 are summarized as follows:

Account (Unit: Million Baht)	Financial statements		
	Demeter Power	Demeter Innovation	Hinoki Wood Work
Income	-	-	1.67
Cost	-	-	(1.35)
Gross Profit	-	-	0.32
Other incomes	0.45	2.76	-
Administrative expenses	(23.00)	(7.89)	(0.85)
Finance costs	-	(1.99)	(0.35)
Net profit (loss) for the year	(22.55)	(7.12)	(0.88)

Note:

- (1) As the company and its subsidiaries operate in one geographical area, namely in Thailand. As for other businesses, the company still has income from such business not more than 10% of total revenue. Therefore, no financial information by segment is disclosed as disclosed in Note 27 to the financial statements

Subsidiary

- (1) Demeter Power Company Limited was incorporated as a limited company on February 9, 2015, holding 100 percent of shares by Demeter Corporation Public Company Limited. The company is principally engaged in the joint ventures, production, transmission and distribution of electricity. Construction of electrical power production facilities or other alternative energy including the installation of electricity transmission systems.
- (2) Demeter Innovation Company Limited (Formerly Demeter Media Company Limited) was 100% owned by Demeter Corporation Public Company Limited since February 5, 2015. The company operates satellite television business.
- (3) Hinoki Wood Work Company Limited, held 99.98% by Demeter Innovation Company Limited (a subsidiary), registered to establish a company with the Ministry of Commerce on 13 September 2018. The company engaged in the business of processing and selling products from woods.

13.2.8 Liability and liability not disclosed in Financial Statement

(1) Commitments and liabilities under the agreement stipulate repayment methods under the agreement to buy air time management rights. ("Settlement Agreement"), as of 31 December 2019, remaining in the amount of 299.45 million baht, consisting of the following items

- a. The receivables under the outstanding debt restructuring agreement as of 31 December 2019 are in the amount of 72.01 million baht (including VAT), with the following details:

Details	(Unit: Million Baht)
Debt by Debt restructuring contract	98.16
Deduct debt payment	(26.15)
Debt by Debt restructuring contract as at 31 December 2019	72.01

- b. The contract value determines the method of repayment under the Airtime Management Rights Purchase Agreement in the amount of 227.44 million baht (excluding VAT), with the following details:

Details	(Unit: Million Baht)
Fair value of broadcasting license appraised by financial consultant	254.79
Deduct debt payment	(27.35)
Debt by Debt restructuring contract as at 31 December 2019	227.44

The company considers it appropriate not to have the revenue recognized as contracted in the financial statements. Which the company will recognize revenue via accounting, when the company has received payment under the above contract. (Recorded as cash basis)

- (2) The Company entered into a contract to lease building space from an unrelated company. The contract is scheduled for 3 years, expiring on 30 November 2020 with the rental fee of 174,250 baht per month.

The company entered into a service contract with an unrelated company. The rental period is set for 3 years, expiring on 30 November 2020, with the 1st year service fee of 139,400 baht, 2nd year 156,825 baht and 3rd year 174,250 baht.

13.3 Summary of operations and factors of major changes

The management considered that satellite television business may not be a business that can generate profits like in the past due to the rapid technological change that currently affects structural changes in business significantly affecting the cost increase management, therefore needs to find ways to reduce future damage. The guidelines that will make the company have the least burden of expenses are the termination of the said business in order to reduce the future cost burden. Therefore, the company does not proceed with the broadcasting license of the station and the co-production agreement. As it may not bring the maximum benefit to the company. In this regard, the company has complied with the broadcasting and Television business act and the act on Frequency Allocation and Radio Broadcasting Business Operations and television and telecommunications under the supervision of the Broadcasting Commission Television business and the National Telecommunications Commission (NBTC)

The company has a policy to manage assets and copyrights that generate income. To continually expand the means of generating revenue including finding new business opportunities in which the company aims to create added value for the organization and maximize benefits for shareholders. The company therefore sees opportunities for growth in the innovation and alternative energy businesses. Since the demand for electricity in the country tends to increase every year. The government therefore has a policy to promote the production of electricity from renewable energy continuously to reduce the risk of dependence on fossil fuels and reduce pollution from electricity production. Electric power is considered as an important basic utility for living and economic development to meet the growth of the population including the nature of this business with a fixed income with low risk because there is a contract to buy electricity from the government and have clear technology. However, in an era of rapid change and adjustment of technology, there is a constant and rapid adjustment the company foresaw, that the overall business operations of the company require increased risk management by investing in a variety of businesses. Especially in the new innovative business that is expected to create a leap forward growth for the company. Therefore, in 2018, the company aims to focus on developing and penetrating into the innovation business by focusing on sustainable projects that do not cause adverse effects on the environment and high returns in order to create stability and sustainability for the company and shareholders.

2018 is the year that the company focuses on investment in the innovation business following the board of directors meeting No. 13/2017 on December 12, 2017, which has approved the investment in entertainment

development business in the form of Digital Hyper Reality, The Marvel Experience Thailand Project: The Marvel Experience: Theme Entertainment Attraction (TMX) ("Project") in Hero Experience Limited by purchasing the capital increase of Hero Experience and buying shares from existing shareholders, the company will hold shares in Hero Experience which accounts for 37.5 percent of the total registered capital, the total value of all share purchase transactions of 324,999,779.28 baht.

In this regard, the company hired an independent appraiser, namely Sims Property Consultant Company Limited ("Sims Company"), to check the financial status. And valuation of Hero Experience assets, which Sims uses the net present value method of cash flows (Discounted Cash Flow Approach: DCF) in the valuation using the assumption that the project operates for a total of 9 years, which is the period from the lease agreement of the project. According to the term of the rights granted to operate the project is 3 years and the contract is renewed every 3 years. Depending on the results of the project. By using the assumption that there are approximately 3,000 users per day or about 1.2 million people per year, it is expected to be able to generate income no less than 1,000,000,000 baht for the location in an area of 12,935 square meters. It will be able to accommodate up to 10,950 tourists per day in the area of Mega Bangna, the largest shopping mall in the area of Bangna, with more than 40 million people using the service at the center each year and continuously increasing by an average of 10% every year. Mega Department Store Bangna plans to develop a shopping mall to be "Mega City" by adding a parking lot, Entertainment, Leisure, Sport, Education and Hotel Zone, which will help promote the project to become a more complete tourist attraction.

The aforementioned shares purchase transaction is a transaction at a reasonable price, which will allow the company to get the expected return on investment. The premium on the stock price is an asset in Hero Experience to be used as construction costs and as a revolving investment to carry out the project, which the main expenses are divided into 1) Building construction costs operating equipment and software systems approximately 500,000,000 baht. 2) Other expenses approximately 80,000,000 baht during operation and 3) working capital approximately 20,000,000 baht

In TMX business, main revenue comes from 4 areas, which are 1) Revenue from ticket sales, 2) Sales of toys and souvenirs, 3) Sales of food and beverages, and 4) Income from sponsors (Sponsorship) and barter system (Barter System)

On 23 May 2018, Hero Experience executives had a need to find additional funding to support royalties. Rental fees, construction costs, decoration fees, equipment fees and any other expenses related to the project. Therefore entered into a loan agreement with Siam Commercial Bank Public Company Limited totaling

240,000,000 baht. It consists of 2 parts of long-term loans which are 150,000,000 baht and 90,000,000 baht. The company has guaranteed the credit facilities for Hero Experience by registering business collateral in the type of deposit on behalf of the company in the amount of 90,000,000. According to the Hero Experience, shareholding ratio of 37.5 percent and the project was officially scheduled for the opening on June 27, 2018, and the commercial service was scheduled on June 29, 2018. The management of Hero Experience has promoted the project and constantly offers sales promotions to increase the number of users according to the target.

However, on January 21, 2019, Hero Experience organized the Extraordinary General Meeting of shareholders no. 1/2019 by proposing the consideration agenda regarding the suspension of the Hero Experience project due to the fact that the company experienced a lack of financial liquidity and project implementation that was not according to the plan. The shareholders' meeting of Hero Experience resolved to stop the project with 62.5% of the votes and 37.5% of the votes. The management of Hero Experience came to a conclusion that the project is scheduled to close on 29 January 2019.

The company, which holds 37.5 percent of Hero Experience will make an agreement with a group of major shareholders regarding the management of Hero Experience assets to get the most benefit in order to limit the negative impact to the company.

The company inquired about the management of the Hero Experience to the creditors' status and the way of repaying the debt. The management of Hero Experience has reported progress on April 5, 2019 that Hero Experience with a total of 10 creditors who have prosecuted the Hero Experience and notify debt repayment including interest and including late penalties which is divided into principal of 32.36 million baht and late payment of 1.24 million baht, totaling 33.60 million baht including interest at the rate of 7.5 - 15.0 percent per annum of the said balance from the date. After the filing day onwards until the debt is completed, where Hero Experience has fully recorded the financial statement and list of liabilities to creditors except for the late payment of fine and interest at the rate of 7.5 - 15.0 percent per annum as stated above. In the beginning, Hero Experience has appointed attorneys to be responsible for these lawsuits and assigned lawyers to negotiate with all 10 creditors, which has already been done and notified future operations policies including the payment plan of the company. The lawyers on both sides made an appointment to mediate and reconcile the debt according to the policy as explained to the creditors again on the date specified in the summons.

The management of the Hero Experience has proceeded the management and managed ways to pay off debt to various creditors as follows: Hero Experience planning for a new project operation from the board meeting of the company no. 2, 2019, on April 19, 2019, Hero Experience management have reported plans to conduct negotiations with new investors which will be in the form of space rental for goods and services sales. Including revenue sharing from sales of various tenants and space rental for organizing activities for small to medium-sized

customers. Hero Experience has already allocated space to support the said operation and for the space improvement plan, Hero Experience is still in the process of negotiating with various tenants to be in line with the business model of each tenant, in which the company will contact creditors to inform the progress of the said action plan and debt repayment plan, in which according to the plan the project renovation is expected to be completed and able to open a new project in October 2019. The Hero Experience will share the cash it receives from each month of operations, partly to repay the creditors and partly used as operating cash flow. It is expected that all debt will be able to be completed within the 4th quarter of 2020.

However The Board of Directors is of the opinion that new business should be sought by allowing the management to find a way to change the business and sell assets in the old business that has not been utilized. Currently, the company changed the main business to rent sublease of various real estate such as land, buildings, buildings' areas, parking areas, including parts of those properties to be a business establishment, commercial location, government offices or other related purposes.

At present, a company came to rent a part of the building in order to conduct business relating to the provision of scientific learning centers.

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 Liumsirijarem - 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	66	- 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> November 13, 2015-Present 2014 <u>Non-listed</u> <u>companies</u> <u>/Organizations</u> 2015 2014 2013 2011	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
2. Mr. Numchai Lowattanakul - Independent director, Audit Committee, Vice Chairman of Board of Directors, Chairman of the Corporate Governance	64	- 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> February 26, 2016 -Present <u>Non-listed</u> <u>companies</u> <u>/Organizations</u>	Chairman of Board of Directors	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
and Social Responsibility 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

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
3. Mr. Krisda Hutaserani - Independent director and Chairman of The Audit 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.) (resigned April 26,2019)	65	- M.S. Economics (Honors) from School of Economics, University of the Philippines (under Rockefeller Foundation Scholarship) - B.A.Economics (Quantitative Economics), Chulalongkorn University Bangkok - DAP 126/2016 - DCP 258/2018	1. <u>Self</u> -None- 2. <u>Spouse</u> -None- 3. <u>Minor child</u> -None-	None	<u>Listed Company</u> July 13, 2016- April 26,2019 2009-2014 1995-2001 <u>Non-listed companies /Organizations</u> Present	Independent director and 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 (resigned January 18,2019)	70	- 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	1. <u>Self</u> 0.56 2. <u>Spouse</u> 0.03 3. <u>Minor child</u> -None-	None	<u>Listed Company</u> December 12, 2017- January 18,2019 Present	Independent director, member of audit committee and member of the Human Resource Remuneration Committee Chairman of Board of Directors and Chairman	Demeter Corporation Public Co., Ltd Ticon Industrial

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
		Leading Strategic Risk Oversight 2017 - RCP 33/2014 - FGP 3/2011 - DAP 63/2007				of The Audit Committee Director	Connection Public Co., Ltd Nature of business:
					2016-Present	Chairman of Board of Directors	Industrial and Warehouse for Rent
					2016-Present	Independent Director and Audit Committee Director	Tipco Asphalt Public Co., Ltd Golden Land Property Development Public Co., Ltd Nature of business:
					2012-Present	Independent Director and Audit Committee Director	Property development National Power Supply Public Co., Ltd Nature of business:
					<u>Non-listed</u> <u>companies</u> <u>/Organizations</u> 2016-Present		Manufacture and distribution of electricity and steam
						Director	The Comptroller General's Department
						Independent Director	

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
					2015-Present	Independent Director	Petroleum Institute of Thailand Prima Marine Public Co., Ltd 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	63	- 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</u> <u>Company</u> November 10, 2017- Present <u>Non-listed</u> <u>companies</u> <u>/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	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
						Deputy Permanent Secretary (Transport Group Leader)	
6. Ms. Sureeporn Udompolvanich - Member of Board of Directors and Chief Executive Officer - Appointed on Aug 1, 2019. (Authorized Signatory Director)	36	- High School, Rajinibon School - Bachelor of Political Science, Business Management, Thammasat University	1. <u>Self</u> -None- 2. <u>Spouse</u> -None- 3. <u>Minor</u> -None- <u>child</u>	None	<u>Register</u> <u>company</u> 1 Aug 2019- Present 1 Aug 2019- Present <u>Non-listed</u> <u>companies</u> <u>/Organizations</u> 2017-2019 2004-2017	Chief Executive Officer Director Chief Executive Officer Marketing manager, Human resource manager, General manager, Director, Chief Executive Officer	Demeter Corporation PLC Demeter Corporation PLC Life A Car Service Company Limited TSL Auto Corporation Company Limited
7. Mr. Prachuab Ujjin - Director, Corporate Governance and Social Responsibility Director, Chairman of Risk	69	- Master of Engineering (Electrical Engineering), University of Missouri- Columbia University, USA, 1976	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> 2018-1 July 2018	Chief Executive Officer	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
Management Committee, and Chairman of Investment Committee - Appointed as Director on May 15, 2017 - Appointed as Chairman of Risk Management Committee on May 15, 207 - 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)		- Bachelor Degree in Electrical Engineering, Chulalongkorn University, 1973 - Advanced Diploma Management Program, Harvard Business School, Boston, MA, USA, 2004 - Senior Diploma Executive Program Institute, Sasin Graduate School of Business Administration, Chulalongkorn University - RMP 1/2013 - DCP 73/2006			2014-2015 <u>Non-listed companies (Organizations)</u> 2014-2016 2013-2014 2012	Director Chairman of Board of Directors Directors Chairman of Board of Directors and Director	Ratchaburi Electricity Generating Holding Public Co., Ltd Ratchaburi Power Co., Ltd Electricity Generating Authority of Thailand 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	66	- Master of Public and Private Management, National Institute of Development Administration (NIDA) - Master of Political Science, Chulalongkorn University	1. <u>Self</u> 0.07 2. <u>Spouse</u> -None- 3. <u>Minor</u> -None- <u>child</u>	None	<u>Listed Company</u> 23 Aug. 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
- Appointed as Human Resource and Remuneration Director on August 23, 2017 - Appointed as Risk Management Director on August 23, 2017 (Authorized Signatory Director)		- Bachelor of Public Administration, Royal Police Cadet Academy (Pol. Cdt. 31) - DAP 144/2018			Non-listed companies /Organizations 2012-2014	Commander of the Metropolitan Police Bureau	Royal Thai Police
					2009-2012	Commander of the Investigation Division Provincial Police Region3	Royal Thai Police
					2004-2009	Deputy Commander of the Crime Suppression Division	Royal Thai Police
9. Mr. Thanarath Thanavutwathana - Director - Appointed as Director on May 15, 2017 (Authorized Signatory Director)	34	- Bachelor's Degree in Communication Arts, Bangkok University - Holmes College Certificate, International Business Management, Melbourne, Australia - DAP 143/2017 -DCP 255/2018	1. Self 0.002 2. Spouse -None- 3. Minor child -None-	None	Listed Company 15 May 2017 - Present	Director	Demeter Corporation Public Co., Ltd
					Non-listed companies /Organizations 2016-Present	Director	PTC Supplement Co., Ltd
					2015-Present	Chairman of Board of Directors	TDC Digital Co., Ltd
					2013-Present	Online Marketing Advisor	PFO Food Co., Ltd.
					2011-2013	Marketing	GT Group 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
10. Mr. Chotiphun Tiaviwat - Director - Appointed as Director on November 10, 2017	32	- Master of Arts, Business and Managerial Economics (First Class Honors), Chulalongkorn University - Bachelor of Economics, Chulalongkorn University - DAP 114/2015	1. <u>Self</u> 4,26 2. <u>Spouse</u> -None- 3. <u>Minor</u> -None- <u>child</u>	None	<u>Listed</u> <u>Company</u> November 10, 2017-Present 2014-2017 <u>Non-listed</u> <u>companies</u> <u>/Organizations</u> 2012-2016 2010-2014 2009-2011	Director Vice Chairman of Board of Directors Finance Director Assistant Manager Advisor to the Managing Director	Demeter Corporation Public Co., Ltd Demeter Corporation Public Co., Ltd Sugar Hill Global Capital Co., Ltd DBS Vickers Securities (Thailand) Co., Ltd Premisri Development Co., Ltd
11. Mr. Poonsuk Tochanakarn - Independent Director, Chairman of the Audit Committee - Appointed as Director on May 14, 2019.	66	- Bachelor of Accountancy, Chulalongkorn University - Director Certification Program (DCP) Thai Institute of Directors Association (IOD). - Fiscal Management Program Class 2 ,	1. <u>Self</u> -None- 2. <u>Spouse</u> -None- 3. <u>Minor</u> -None- <u>child</u>	None	Feb 2019- Present 2016 - 2019 2013-2015 2014	Managing Director Consultant Chairman of the Cooperative Savings Management Committee Vice-President Director	EGAT Saving and Credit Cooperative Limited. EGAT Saving and Credit Cooperative Limited. EGAT Saving and Credit Cooperative Limited.

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
		Economics and Finance Institute. - Thailand Insurance Leadership Program Class 3 - CFO Certification Program , Federation of Accounting Professions under the Royal Patronage of His Majesty the King.			2013	Director	Ratchaburi Electricity Generating Holding Public Company Limited
					2012 – 2014	Chairman	EGAT International Company Limited
					2012 - 2014	Deputy Governor- Accounting and Finance Acting Chief Financial Officer (CFO)	EGAT Provident Fund EGAT
					2011-2013	Treasurer and Director	EGAT Saving and Credit Cooperative Limited.
					2011-2013	Assistant Governor - Accounting.	EGAT
					2008 - 2010	Assistant Governor- Internal Audit Office Secretary of Audit Committee.	EGAT
12. Mr. Sunan Keeratiwattanasarn (Pipat Sombat) (former) - Independent Director - Appointed as Director on May 14, 2019.	59		1. Self -None- 2. Spouse -None- 3. Minor -None- child	None	2008 - present	<u>General Community</u> Special lecturer, Legal Environment of Business. B.B.A. (Management)	Kasetsart University
					2009 to 2018	Former Special lecturer, Legal Environment of Business , Master of Engineering Program	Kasetsart University

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
					2006-2010	Former Member of the committee.	Dairy Farming Promotion Organization of Thailand (Thai-Denmark)
					2006	Former Member	National Assembly
					2006	Vice President of the Federation of Thai Industries	The Federation of Thai Industry
						Committee of the Federation of Thai Consumer Protection Law	The Federation of Thai Consumer Protection Law
						Former Subcommittee on Etiquette and Solicitors	Nonthaburi Provincial Industry Council
						Former secretary-general of the Federation of Thai Industries, Nonthaburi Council for 4 periods <u>Consultant</u>	
						Company consultant Charoenkrit Enterprise Company Limited	
					1994-Present	Company consultant JBP International Paint Company Limited	Consumer protection industry

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
					2017-Present	Advisor, Aksorn Education Public Company Limited (Manufacture and sale of general student books)	Aksorn Education Public Company Limited
					2012 - Present	Advisor, Boswell Connection Group Company Limited	Boswell Connection Group Company Limited
					2006 - Present	Advisor, Tusk Interior Company Limited	Tusk Interior Company Limited
					2007	Consultant Miss Lily Company Limited	Miss Lily Company Limited
					2020	Advisor to Khon Kaen University	Khon Kaen University
					2006	Advisor, MTS Gold Smith Company Limited <u>Business</u>	MTS Gold Smith Company Limited
					2012	Executive Director, Elite Decoration Company Limited	Elite Decoration Company Limited
					2012	Executive Director, Good Ville Corporation Limited	Goodwill Corporation Limited
					2006	Director, MTS Gold Company Limited	MTS Gold Company Limited

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
					2003-Present	Managing Director, Keerati & Associate Company Limited	Keerati & Associate Company Limited
					1993	Managing Director, Mother Boss Packaging Company Limited	Mother Boss Packaging Company Limited
					2006	Executive Director, Bangkok Steel Wire Company Limited	Bangkok Steel Wire Company Limited
13. 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 (resigned September 15,2019)	36	- 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</u> <u>Company</u> 2016- September 15,2019 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 between Myanmar and Thailand Ministries of Energy in 2015. Representatives of PTT	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
						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 Monitor and coordinate Myanmar business intelligence, analysis and business development activities, across	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	business value chain, to ensure alignment and collaboration as well as business support, with PTT Group, extended to the Office of Minister of Energy Attached to the Minister. 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 Prepare and develop policy tracking for Minister to view a big picture of country's energy policies for decision making as well as draft statements	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	/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)
14. Ms. Monthira Kiatsoontorn - Appointed as Legal Director and Company Secretary on September 16, 2019.	39	- Bachelor of Law (LL.B.) Faculty of Law, Thammasat University - Certificate of Completion of the Trial Sponsor Training Program	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> Sep 2018 - Jul 2019 Aug 2016 - Jul 2018	Chief of Legal and Compliance Department and Company Secretary Company secretary	King Wai Group (Thailand) Public Company Limited TOA Paint (Thailand) Public Company Limited

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
		Lawyers Council of Thailand Bangkok - Master of Laws (LL.M. In international trade law Country) University of Essex, UK			Mar 2015 - Aug 2016 Jul 2013 - Mar 2015: Oct 2011 - Jun 2013:	Supervisor Lawyer company Manager - Manager of the Stock Exchange and the SEC Director of Legal and Compliance Chief of Company Secretary - Company Secretary Supervisor Lawyer company	Siam Makro Public Company Limited Pace Development Corporation Public Company Limited Ananda Development Public Company Limited

* Information as of February 11, 2020.

* Note: The company nominated Mr. Thaworn Pompanasri to replace Mr. Theerawit Jaruwat who resigned due to having to perform other tasks. But the management of Blue Finix Digital Company Limited has not yet submitted the change of name of the said director to the Ministry of Commerce.

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 December 31, 2019

Name	Company	Subsidiaries			Associates		Other Long-Term Investment
		DPower	DInnovation	HinokiWW	Blue Finix	Hero Experience	Akkrawat
Ms. Sureeporn Udompolvanich	2,3	-	-	-	-	2	-
Mr. Prachuab Ujjin	2	-	-	-	-	-	-
Mr. Cholaphan Vongsing	-	2,3	2,3	2	-	2	-
Ms. Kulthida Verathaworn	-	2,3	-	-	-	-	-
Mr. Thaworn Pompanussri	-	2,3	2,3	2	2*	-	-
Mr. Ekkawit Kaewwichian	-	-	2	2	2	-	-
Ms. Montira Kiatsunthorn	-	-	-	-	-	2	-

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

* The company proposed the name of Mr. Thaworn Pompanussri 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. The Audit Committee's Report Year 2019

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. Poonsuk Tochanakarn, 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 2019, there were 6 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 2019, 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 2019. 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 2019 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 2019. 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 in compliance with the Good Corporate Governance principles, with adequacy, transparency and reliability, and also developed the operation systems to be more qualified and fit with the changing business environment on a continuing basis.

Yours Sincerely,

Poonsuk Tochanakarn

(Mr. Poonsuk Tochanakarn)

Chairman of the Audit Committee

5. Independent Auditor's Report Year 2017-2019

Auditor and Independent Auditor's Report and operating performance in the past 3 years

- Auditor : Mr. Jirote Sirirorote CPA Registration No. 5113

Mr. Jadesada Hungsapruetk CPA Registration No. 3759

Karin Audit Co., Ltd

6 Fl., Room B1, Boonmitr Building, Silom Road, Bangrak, Bangkok, 10500

- Independent Auditor's Report and operating performance in the past 3 years

Attachment 5.1

5.1 Independent Auditor's Report Year 2017-2018

**DEMETER CORPORATION PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
AND REPORT OF INDEPENDENT'S AUDITOR**

Independent Auditor's Report

To the Shareholders of Demeter Corporation Public Company Limited

Disclaimer of Opinion

I have been engaged to audit the consolidated and separate financial statements of Demeter Corporation Public Company Limited and subsidiaries ("The Group") and Demeter Corporation Public Company Limited ("The Company"), which comprise the consolidated and separate statements of financial position as at December 31, 2018, consolidated statements of comprehensive income and separate statements of comprehensive income, consolidated statement of changes in shareholders' equity and separate statement of changes in shareholders' equity and consolidated statements of cash flows and separate statements of cash flows for the same ending year, and notes, comprising a summary of significant accounting policies and other explanatory information.

I do not express an opinion on the consolidated financial statements and the separate financial statements of the Group and the companies mentioned above. Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph about the operation of the associated company, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated and separate financial statements.

****/2

Basis for Disclaimer of Opinion

Inability to Obtain Sufficient Appropriate Audit Evidence

As discussed in Note 11, as of December 31, 2018, investment in equity method in the amount of Baht 124.21 million and in year 2018, the Company recognized the share of loss of such associate amounting to Baht 86.90 million as shown in the consolidated financial statements. And the Company has investments in associated companies in accordance with the cost method of Baht 325 million and allowance for impairment of Baht 200.80 million as shown in the separate financial statements. The Company has recorded investments and share of profits from investments using the financial statements of the management of the associated companies. Referred to information from the auditor of the associated company many creditors of the associated company accounted for THB 59.50 million filed a lawsuit and/ or submitted letter to claim their debt with interest and late payment surcharge. The financial statements of the associated company that the company recognised equity income/ loss, did not recorded such interest and late payment surcharge. During February 14-15, 2019 the associated company setup mediation meeting and informed their creditors about settlement plan after April 2019. In January and February 2019 the associated occurred severance pay amounting to THB 1.20 million due to termination of some staffs. On January 21, 2019 the associated company held extra-ordinary general meeting No.1/2019 to propose an agenda to termination of the project the associated company due to the fact that the associated company has a lack of liquidity problem, and the Project has not been operated in accordance with the plan. The Meeting resolved to terminate the Project with 62.50 percent of the votes in favour and 37.50 percent of the votes against. The management of the associated company has scheduled cessation of the operation of the Project on January 29, 2019; the show at 6.00 PM on such day will be the last performance. The company as shareholders of 37.50 percent share in the associated shall carefully co-consider with the major shareholder regarding the management of the associated company in order to limit the negative effect on the Company. In addition the loan agreement between Bank Public Company Limited and the associated company dated May 23, 2018 was guaranteed by its fixed deposit bank account of THB 90 million. In the extra-ordinary general meeting resolved to settle loan agreement with the fixed deposit bank account, allowed bank to deduct this collateral of THB 3 million each month. At present, the associated company is under consideration the new business model that awaiting the explicit plan and resolution of lawsuits. Recoverable amount of investment in associate and fixed deposit bank account are subjected to new business model of the associated company.

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, which is restricted by circumstance, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated and separate financial statements.

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Emphasis of Matter

Without changing the opinion, I draw attention to Note 11, 12, 20 and 30, The Group and the Company invested in various projects and reported on the progress of each major project.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My responsibility is to conduct an audit of the Group and the Company's financial statements in accordance with Thai Standards on Auditing and to issue an auditor's report. Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated and separate financial statements.

I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

The engagement partner on the audit resulting in this independent auditor's report is Mr.Jadesada Hungsapruet.

(Mr. Jadesada Hungsapruet)

Certified Public Accountant Registration No. 3759

Karin Audit Company Limited

Bangkok

February 26, 2019

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

		Unit : Baht			
		Consolidated		Separate	
Notes		2018	2017	2018	2017
ASSETS					
Current assets					
Cash and cash equivalents		12,955,131	9,547,608	7,801,254	8,358,711
Current investments	6	23,199,296	184,161,127	17,189,048	174,619,538
Trade and other current receivables	7	62,619,714	60,431,182	61,276,070	57,942,853
Inventories		12,960,460	-	-	-
Short-term loans to related parties	5.2	-	-	8,909,127	74,677,968
Short-term loans	8	-	10,756,164	-	-
Other current financial assets	18	-	13,485,848	-	13,485,848
Current tax assets		239,035	1,317,329	42,233	869,563
Other current assets	9	1,227,486	612,696	1,227,486	612,696
Total current assets		113,201,122	280,311,954	96,445,218	330,567,177
Non-current assets					
Deposits pledged as collateral	10	90,000,000	-	90,000,000	-
Investments in associates	11	124,205,303	321,041,390	124,205,303	324,999,632
Investments in subsidiaries	12	-	-	32,865,737	87,093,417
Other long-term investments	13	45,463,955	-	2,863,955	-
Trade and other non-current receivables	14	-	-	-	-
Property, plants and equipment	15	19,322,998	34,515,953	19,322,998	24,468,622
Investment property	16	19,074,348	21,627,685	-	-
Goodwill	12	-	51,202,950	-	-
Intangible asset	17	-	-	-	-
Other non-current financial assets	18	-	73,027,645	-	73,027,645
Other non-current assets	20	9,038,826	27,632,075	8,801,044	27,518,075
Total non-current assets		307,105,430	529,047,698	278,059,037	537,107,391
TOTAL ASSETS		420,306,552	809,359,652	374,504,255	867,674,568

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2018

		Unit : Baht			
		Consolidated		Separate	
	Notes	2018	2017	2018	2017
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Trade and other current payables		10,803,022	15,675,318	9,974,409	14,296,956
Current portion of long-term liabilities	22	948,524	1,890,208	948,524	1,890,208
Short-term borrowing	21	47,962,345	4,879,121	-	-
Other current liabilities		65,200	-	65,200	-
Total current liabilities		59,779,091	22,444,647	10,988,133	16,187,164
Non-current liabilities					
Long-term borrowing	22	106,376	1,054,869	106,376	1,054,869
Non-current provisions for employee benefit	23	2,062,980	2,653,946	2,062,980	2,645,069
Other non-current liabilities	24	2,830,050	2,830,050	2,830,050	2,830,050
Total non-current liabilities		4,999,406	6,538,865	4,999,406	6,529,988
TOTAL LIABILITIES		64,778,497	28,983,512	15,987,539	22,717,152
SHAREHOLDERS' EQUITY					
Share capital					
Registered					
590,547,570 common shares of Baht 1.00 each		590,547,570	590,547,570	590,547,570	590,547,570
Issued and paid-up					
587,407,772 common shares of Baht 1.00 each		587,407,772	587,407,772	587,407,772	587,407,772
Share premium		1,487,411,835	1,487,411,835	1,487,411,835	1,487,411,835
Share discount for convertible debts		(6,600,000)	(6,600,000)	(6,600,000)	(6,600,000)
Share discount		(39,600,000)	(39,600,000)	(39,600,000)	(39,600,000)
Retained earnings (Deficit)					
Appropriated - statutory reserve	27	13,000,000	13,000,000	13,000,000	13,000,000
Unappropriated		(1,686,091,552)	(1,269,381,805)	(1,683,102,891)	(1,196,662,191)
Other components of shareholders' equity		-	1,787,011	-	-
TOTAL SHAREHOLDERS' EQUITY		355,528,055	774,024,813	358,516,716	844,957,416
Non-controlling interests		-	6,351,327	-	-
TOTAL SHAREHOLDERS' EQUITY		355,528,055	780,376,140	358,516,716	844,957,416
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		420,306,552	809,359,652	374,504,255	867,674,568

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2018

		Unit : Baht			
Notes	Consolidated		Separate		
	2018	2017	2018	2017	
Income from programme co-production	612,000	26,999,046	612,000	19,559,046	
Income from broadcasting rights	-	16,708,723	-	16,708,723	
Sales income	-	5,376	-	-	
Total revenues	612,000	43,713,145	612,000	36,267,769	
Cost of programme co-production	-	(7,200,000)	-	-	
Cost of broadcasting rights	-	(15,189,748)	-	(15,189,748)	
Total costs	-	(22,389,748)	-	(15,189,748)	
Gross profit	612,000	21,323,397	612,000	21,078,021	
Other incomes	13,133,028	15,335,043	10,526,557	11,350,914	
Profit before expenses	13,745,028	36,658,440	11,138,557	32,428,935	
Administrative expenses	(47,781,227)	(105,226,906)	(43,346,682)	(101,172,930)	
Loss from impairment of intangible asset	-	(16,869,981)	-	(16,869,981)	
Allowance for impairment of venture capital	(29,810,506)	-	(29,810,506)	-	
Doubtful accounts	(88,234,704)	-	(154,525,362)	-	
Loss from impairment of goodwill	(51,202,950)	(20,731,191)	-	-	
Loss from impairment of general investment	-	-	(51,363,725)	-	
Loss from impairment of investments in subsidiaries	-	-	-	(42,560,511)	
Loss from impairment of investments in associates	(107,783,688)	(65,330,845)	(200,794,329)	-	
Management benefit expenses	(18,680,551)	(24,063,543)	(18,680,551)	(21,899,948)	
Finance costs	(684,385)	(411,337)	(169,928)	(404,570)	
Share of loss from associates	(89,497,899)	(12,997,397)	-	-	
Total expenses	(433,675,910)	(245,631,200)	(498,691,083)	(182,907,940)	
Loss before income tax expense	(419,930,882)	(208,972,760)	(487,552,526)	(150,479,005)	
Income tax expense	-	-	-	-	
Net loss for the years	(419,930,882)	(208,972,760)	(487,552,526)	(150,479,005)	
Other comprehensive income for the years	1,111,826	-	1,111,826	-	
Total comprehensive loss for the years	(418,819,056)	(208,972,760)	(486,440,700)	(150,479,005)	
Profit (loss) attributable to:					
Owners of the Company	(419,608,584)	(206,580,258)	(487,552,526)	(150,479,005)	
Non-controlling interests	(322,298)	(2,392,502)	-	-	
Total comprehensive loss for the years	(419,930,882)	(208,972,760)	(487,552,526)	(150,479,005)	
Total Comprehensive income (loss) attributable to:					
Owners of the Company	(418,496,758)	(206,580,258)	(486,440,700)	(150,479,005)	
Non-controlling interests	(322,298)	(2,392,502)	-	-	
Total comprehensive loss for the years	(418,819,056)	(208,972,760)	(486,440,700)	(150,479,005)	
Basic loss per share (Baht per share)	(0.714)	(0.360)	(0.830)	(0.262)	
Weighted average number of ordinary share (shares)	587,407,772	573,445,768	587,407,772	573,445,768	

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2018

Unit : Baht											
Consolidated											
Notes	Retained earnings (Deficit)						Other components of shareholders' equity			Total equity attributable to	
	Issued and paid-up share capital	Share premium	Share discount for debt to equity conversion	Share discount	Appropriated	Unappropriated	Surplus on change in shareholding in subsidiary	Gains (losses) on remeasurements of defined benefit plans	Total other components of shareholders' equity	owner's of the Company	Non-controlling interests
Balance as at January 1, 2017	549,749,896	1,454,611,780	(6,600,000)	(39,600,000)	13,000,000	(1,062,801,547)	-	-	-	908,360,129	105,30,840
Share capital increase	25 37,657,876	32,800,055	-	-	-	-	-	-	-	70,457,931	-
Non-controlling interests	-	-	-	-	-	-	1,787,011	-	1,787,011	1,787,011	(1,787,011)
Comprehensive loss for the year	-	-	-	-	-	(206,580,258)	-	-	-	(206,580,258)	(2,392,502)
Balance as at December 31, 2017	587,407,772	1,487,411,835	(6,600,000)	(39,600,000)	13,000,000	(1,269,381,805)	1,787,011	-	1,787,011	774,024,813	6,351,327
Change in equity of Investments in subsidiaries, from has control to loss all control	12 -	-	-	-	-	1,787,011	(1,787,011)	-	(1,787,011)	-	(6,029,029)
Transferred to retained earnings	-	-	-	-	-	1,111,826	-	(1,111,826)	(1,111,826)	-	-
Comprehensive loss for the year	-	-	-	-	-	(419,608,584)	-	1,111,826	1,111,826	(418,496,758)	(3,22,298)
Balance as at December 31, 2018	587,407,772	1,487,411,835	(6,600,000)	(39,600,000)	13,000,000	(1,686,091,552)	-	-	-	355,528,055	-

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2018

Unit : Baht									
Separate									
Notes	Issued and paid-up share capital	Share premium	Share discount for debt to equity conversion	Share discount	Retained earnings (Deficit)		Other components of shareholders' equity		Total
					Appropriated	Unappropriated	Gains (losses) on re-measurements of defined benefit plans	Total other components of shareholders' equity	
Balance as at January 1, 2017	549,749,896	1,454,611,780	(6,600,000)	(39,600,000)	13,000,000	(1,046,183,186)	-	-	924,978,490
Share capital increase	25 37,657,876	32,800,055	-	-	-	-	-	-	70,457,931
Comprehensive loss for the year	-	-	-	-	-	(150,479,005)	-	-	(150,479,005)
Balance as at December 31, 2017	587,407,772	1,487,411,835	(6,600,000)	(39,600,000)	13,000,000	(1,196,662,191)	-	-	841,957,416
Transferred to retained earnings	-	-	-	-	-	1,111,826	(1,111,826.00)	(1,111,826.00)	-
Comprehensive loss for the year	-	-	-	-	-	(487,552,526)	1,111,826.00	1,111,826.00	(486,440,700)
Balance as at December 31, 2018	587,407,772	1,487,411,835	(6,600,000)	(39,600,000)	13,000,000	(1,683,102,891)	-	-	358,516,716

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2018

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
Cash flows from operating activities				
Loss before income tax	(419,930,882)	(208,972,760)	(487,552,526)	(150,479,005)
Adjustments to reconcile profit (loss) to net cash received(paid)				
Net cash received from (used in) operating activities				
Interest expenses	656,191	294,626	145,994	290,342
Interest income	(3,414,259)	(6,486,288)	(4,050,268)	(8,017,115)
Trade and other current receivable (increase) decrease	855,679	15,841,667	(276,193)	14,288,723
Inventories increase	(12,960,460)	-	-	-
Other current assets increase	(614,790)	(42,289)	(614,790)	(28,976)
Other non-current assets (increase) decrease	(209,914)	1,447,447	(223,914)	1,447,447
Trade and other current payable decrease	(3,368,562)	(27,606,653)	(4,322,543)	(26,105,001)
Other current liabilities increase	65,200	-	65,200	-
Depreciation	8,095,585	9,657,226	5,256,593	5,218,140
Amortization of intangible asset	-	15,189,748	-	15,189,748
Amortization of non-refundable deposits	-	8,631,185	-	8,631,185
Gain on revaluation of fair value	(1,242,126)	(467,198)	(1,054,096)	(307,606)
Unrealized exchange loss	-	4,514,566	-	4,514,566
Allowance for doubtful account increase (reversal)	83,456,469	(963,517)	83,456,469	(895,096)
Allowance for short-term loans increase	-	-	66,740,659	-
Allowance for non-refundable deposit	-	29,587,619	-	29,587,619
Amortization of income tax	207,608	665,484	-	665,484
Employee benefit expenses	824,425	1,155,821	824,425	1,146,944
(Profit) loss for write off and sale of fixed assets	(372)	(2,245)	4,140	-
Loss from impairment of general investment	-	-	51,363,725	-
Loss from impairment of investment in subsidiaries	-	-	-	42,560,511
Allowance for impairment of joint venture	29,810,506	-	29,810,506	-
Allowance for impairment of intangible assets	-	23,751,986	-	23,751,986
Profits from non-controlling interests	(387,182)	-	-	-
Loss from impairment of goodwill	51,202,950	20,731,191	-	-
Loss from impairment of investment in associates	107,783,688	65,330,845	200,794,329	-
Share of loss from associates	89,497,899	12,997,397	-	-
Adjustments from reconciliation	(69,672,347)	(34,744,142)	(59,632,290)	(38,540,104)
Net cash received from (used in) operating activities				
Cash paid for interest	(145,574)	(294,626)	(145,994)	(290,342)
Cash paid for employee benefits	(294,688)	-	(294,688)	-
Cash received from refundable withholding tax	-	2,800,117	-	2,800,117
Income tax paid	(239,035)	(1,257,469)	(42,233)	(869,703)
Net cash used in operating activities	(70,351,644)	(33,496,120)	(60,115,205)	(36,900,032)

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2018

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
Cash flows from investing activities				
Deposits pledged as collateral	(90,000,000)	-	(90,000,000)	-
Cash paid for purchase of investment in subsidiaries	(445,500)	(37,921,755)	-	(37,921,755)
Cash received from capital decrease of subsidiaries	-	-	-	50,000,000
Cash paid for purchase of investment in associates	-	(399,369,632)	-	(324,999,632)
Current investments decrease	162,203,957	398,701,625	158,484,586	341,734,930
Cash paid for short-term borrowing to related company	-	-	-	(88,882,915)
Cash received from short-term borrowing to related company	-	-	-	14,204,947
Cash received from short-term borrowing to other company	10,000,000	-	(150,000)	-
Cash paid for short-term borrowing to other company	-	(10,756,164)	-	-
Cash paid for joint ventures	(10,000,000)	-	(10,000,000)	-
Cash received from interest income	4,170,423	6,486,288	3,228,450	8,017,115
Cash paid for purchase of property plant and equipment	(120,389)	(493,998)	(120,389)	(493,998)
Proceeds from sales of property plant and equipment	5,279	-	5,279	-
Net cash received from (used in) investing activities	75,813,770	(43,353,636)	61,447,926	(38,341,308)
Cash flows from financing activities				
Cash received from increase in share capital	-	70,457,931	-	70,457,931
Payment of finance lease liability	(1,890,178)	(1,914,934)	(1,890,178)	(1,914,934)
Net cash received from (used in) financing activities	(1,890,178)	68,542,997	(1,890,178)	68,542,997
Net increase (decrease) in cash and cash equivalents	3,571,948	(8,306,759)	(557,457)	(6,698,343)
Cash and cash equivalents at beginning of years	9,547,608	17,854,367	8,358,711	15,057,054
Cash and cash equivalents of subsidiary at date to change power control	(164,425)	-	-	-
Cash and cash equivalents at ending of years	12,955,131	9,547,608	7,801,254	8,358,711

Supplemental cash flows information:

1 Unrealized foreign exchange gains of Non-refundable deposits Baht 1,706,359

2 In year 2018, The Company has lost all control in subsidiaries effect of cash flows:- ☐

Other receivable	(12,813)
Property plant and equipment	(9,740,589)
Other non-current assets	(102,378)
Trade and other current payable	1,505,528
Provision employee benefit	8,877
Non-controlling interests	8,176,950
Cash and cash equivalents	<u>(164,425)</u>

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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1. General information

1.1 General information of the company

Demeter Corporation Public Company Limited (“the Company”) is a public limited company, incorporated in Thailand and is registered on the Stock Exchange of Thailand. The address of its registered office is 191/43 CTI Tower 21st Floor, Ratchadapisek Road, Klongtoey Subdistrict, Klongtoey District, Bangkok.

The principal business operations of the Company are providing, production and/or joint production of television satellite programmes and being the broker.

1.2 Accounting assumptions

The company Group has a large number of losses for many years. In 2018, the consolidated statement of comprehensive income and the separate statement of comprehensive income presented the loss for the year in the amount of Baht 418.82 million and Baht 486.44 million, respectively. Total cash flow statement and separate cash flow statement showing net cash flows used in operating activities of Baht 70.35 million and Baht 60.12 million respectively. The consolidated statements of financial position and statement of financial position as of December 31, 2018, the cumulative loss of Baht 1,686.09 million and Baht 1,683.10 million, respectively, resulted in significant doubts about the Group's ability to continue its operations. However, the Group believes that the Group will be able to continue its business. Since the Group has assessed the financial status and financial planning management for the next 12 months from the end of the accounting period ending December 31, 2018 by planning the cash flow projection and planning to manage the financing sources as follows:

1. The company has a plan to call for repayment of loans and accrued interest from subsidiaries to be used as working capital.
2. The company sells assets in subsidiaries.
3. The company has a business plan in the form of organizing concerts. To bring profits to be used as working capital.
4. The subsidiary operates the business of processing, manufacturing and selling hinoki wood products.

As a result of these reasons, the financial statements are still prepared under the assumption of continued operation of the business.

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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2. Basis for preparation of the consolidated financial statements

- 2.1 The consolidated financial statements include the financial statements of the Demeter Corporation Public Company Limited and subsidiaries as follows:

Subsidiaries	Type of business	Location	Percentage of holding by	
			December 31,	December 31,
			2018	2017
<u>Direct - Subsidiary :</u>				
Demeter Innovation Company Limited	providing, production and/or joint production of television satellite programmes	Bangkok	100.00	100.00
Demeter Power Company Limited	Energy	Bangkok	99.99	99.99
Aukkarawat Plant Renewable Energies Company Limited *	Production and distribution of electricity	Suphanburi	33.64 **	33.64 *
<u>Indirect - Subsidiary :</u>				
Hinoki Wood Work Company Limited (Held by Demeter Innovation Company Limited) (Note. 12.2)	Produce and sell wooden products or with wood components	Phathum Thani	100.00	-
<u>Associated :</u>				
Hero Experience Co., Ltd.	Water Park, Amusement Park, Recreation		37.50	37.50
<u>Associated held by a subsidiary :</u>				
Blue Finix Digital Company Limited ***	Application service through internet		30.03	30.03

* The Company has prepared for the consolidated financial statement by included such subsidiaries although holding percentage less than 50%, but due to the Company has the control in such company.

** The Company has lost all control of the company on May 25, 2018. Therefore, as of May 25, 2018 the Company did not include the financial statements of the stated company for the preparation of the

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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consolidated financial statements. These investments are classified as general investments, shown in long-term investments (Note 13).

*** The company registered the dissolution with the Department of Business Development on December 19, 2018, which is in the process of liquidation and paying back the capital to the company.

- 2.2 These consolidated financial statements are prepared by including the financial statements of its subsidiaries under control by the Demeter Corporation Public Company Limited after eliminating significant balance and inter-company transactions.

3. Basis of preparation of the financial statements and significant accounting policies

3.1 Basis of preparation

The financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

An English version of the financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

3.2 New financial reporting standards

3.2.1 Financial reporting standards that became effective in the current year

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the

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corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

3.2.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2019

During the current year, the Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) including new accounting treatment guidance, which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company and its subsidiaries believe that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard involves changes to key principles, as summarised below.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes the following accounting standards together with related Interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

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The management of the Company and its subsidiaries believe that this standard will not have any significant impact on the financial statements when it is initially applied.

3.2.3 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2020

During the current year, the Federation of Accounting Professions issued the set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Accounting standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TRFIC 16 Hedges of a Net Investment in a Foreign Operation

TRFIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

3.3 Significant accounting policies

Significant accounting policies of the Company are as follows:

3.3.1 Recognition of revenues and expenses

Income from television programme co-production is recognised on an accrual basis in accordance with the substance of the relevant agreements.

Sales are recognised upon delivery of products and customer acceptance.

Other income and expenses is recognised on an accrual basis.

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Cost of programme co-production is recognized follow No. 3.3.8.

3.3.2 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and deposits at banks with an original maturity of three months or less and not subject to withdrawal restrictions.

3.3.3 Inventory

Inventories are valued at the lower of cost or net realizable value. The cost calculation are detailed as follows :

- Inventory record the total average cost
- Work In Process record at cost
- Raw materials and Supplies at cost(FIFO)

3.3.4 Trade accounts receivable

Trade accounts receivable are carried at anticipated realisable value. An allowance is recorded for doubtful accounts receivable, which is equivalent to the estimated collection losses that may be incurred. The estimated losses are based on historical collection experience combined with a review of the current status of the existing accounts receivable at the balance sheet date. Bad debts are written-off during the year in which they are identified.

3.3.5 Hire-purchase contract receivables

Hire-purchase contract receivables are stated at initial value noted in the financed lease agreement less cash received from installment, unearned interest income, and allowance for doubtful account.

Allowance for doubtful account is evaluated based on analysis of repayment historical records and forecast for future repayment of each account receivable. Allowance for doubtful account is calculated on the percentages of overdue payment as follow:

	Percentages
Overdue :	
3 - 6 months	25
6 - 9 months	35
9 - 12 months	50
Over 12 months	100

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3.3.6 Investments

Investments in associates in the consolidated financial statements are recorded by using the equity method.

Investments in subsidiaries in the separate financial statements are recorded by using the cost method less provision for impairment. The devaluations are recorded as loss from devaluation of investments in the statement of comprehensive income.

General investments in the statement of financial position is recorded by using the cost method less provision for impairment. The devaluations are recorded as loss from devaluation of investments in the statement of comprehensive income.

3.3.7 Property, plants and equipment - net

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and provision (if any).

Property, plant and equipment of subsidiary “Demeter Innovation Company Limited” (Formerly name “Demeter Media Company Limited”) in preparing the consolidated financial statements are stated at fair value since the fair value of identifiable assets are appraised for investments.

Depreciation calculated on a straight-line basis to reduce the carrying amount over the estimated useful lives of each part of an item of property, plant and equipment are as follows:

	Years
Building and building improvements	20
Furniture fixture and office equipment	5
Vehicles	5

Where the carrying amount of an asset is greater than its estimated recoverable amount, the cost is written down immediately to its recoverable amount. Estimated recoverable amount is calculated from the anticipated discounted cash flows to their present value from the continuing use of the assets and the amount obtainable from the sale of the assets less any costs of disposal whichever is higher.

Gains and losses on disposal of assets are determined by reference to their carrying amount and are taken into account in determining operation profit.

Expenditures for expansion, renewal and betterment, which result in substantial increase in an asset’s current replacement value, are capitalised. Repair and maintenance costs are recognised as an expense when incurred.

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3.3.8 Intangible asset

Intangible asset represented the right to manage the satellite television channels for 10 year period, and the rights of broadcasting and broadcast sounds in movies for three year period. The Company amortised intangible asset as expense by using the straight line method over the contractual period. And recorded as “Cost of programme co-production” on statement of comprehensive income.

3.3.9 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group’s share of the net assets of the acquired subsidiary undertaking at the date of acquisition. Goodwill on acquisitions of subsidiary is separately reported in the consolidated statement of financial position.

Recognized goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of a subsidiary include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or group of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

3.3.10 Non-current assets held for sales

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of the carrying amount and fair value less cost to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use.

3.3.11 Impairment of assets

The Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Company makes an estimate of the asset’s recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in the income statement. (An asset’s recoverable amount is the higher of fair value less costs to sell and value in use).

If there is subsequently any indication that previously recognised impairment losses may no longer exists or may have decreased, the Company will make another estimate of the asset’s recoverable value, compare this with the book value, and reverse previously recognised impairment to reflect the change in recoverable value.

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3.3.12 Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group/Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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3.3.13 Accounting for leases - where the company is the leases

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statements of income on a straight-line basis over the lease periods.

The Company recorded the leased assets under financial lease agreement / hire purchase agreement as assets and liabilities in an amount equal to the fair value at the leased assets or the present value of minimum payments under agreement. Interest expenses are recorded on over the term of agreement.

3.3.14 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company, its subsidiaries and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the Company and its subsidiaries' contributions are recognised as expenses when incurred.

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

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3.3.15 Provisions for liabilities and charges

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

3.3.16 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

3.3.17 Basic earnings (loss) per share

Basic earnings (loss) per share calculated by dividing net income (loss) for the year attributable to the ordinary shareholders by the weighted average number of ordinary shares in issue during the year.

3.3.18 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

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Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

4. Significant accounting judgments and estimates, and capital risk management

Use of accounting estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates for certain accounting transactions, affecting amounts reported in the financial statements and notes related thereto. Subsequent actual results may differ from these estimates.

Estimates, assumption and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Finance Lease

Leases of assets that substantially transfer to the Company all the rewards and risks of ownership of assets and that the Company intends to exercise the option of the leases to purchase the assets at the expiration of the lease term, are accounted for as finance leases.

At the inception of a finance lease, the cost of the asset is recorded together with the obligation to pay future rent, excluding the interest element. Finance charges are recorded to the current period operations by the effective interest rate basis.

Operating leases

The Company has entered into lease agreements for the office rental and equipment. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that the lessor retains all the significant risk and rewards of ownership of these properties, and so accounts for the contracts as operating leases.

Allowance for doubtful accounts

The Company maintains an allowance for doubtful accounts to reflect impairment of trade receivables relating to estimated losses resulting from the default or inability of customers to make required payments. The allowance is based on consideration of historical collection experience, known and identified instances of default of each customer.

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Building and equipment

Management determines the estimated useful lives and residual values for the Company's equipment. Management will revise the depreciation charge where useful lives and residual values are different to previously estimated, or it will write off or write down technically obsolete or assets that have been abandoned or sold.

Intangible assets

Intangible assets are systematically amortized over their estimated useful lives, and are subject to impairment if there is an indication they may be impaired.

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

5. Transactions with related parties

The Company has several accounting transactions with below related parties, which have the same group of shareholders or directors. Some of assets, liabilities, revenues and expenses transactions incur from those related parties.

<u>Companies</u>	<u>Relationship</u>
Demeter Innovation Company Limited	Subsidiary
Demeter Power Company Limited	Subsidiary
Aukkarawat Plant Renewable Energies Company Limited *	Related company (Jointly held)
Hero Experience Co., Ltd.	Associate (held by 37.5 percent)
Blue Finix Digital Company Limited	Associate (held by a subsidiary 30.03 percent)
GCT Media Co., Ltd. **	Co-director
Hinoki Wood Work Company Limited	Associate (held by indirect - subsidiary and Co-director
Glory Interior Company Limited	Director who are close relatives with Hinoki Wood Work co.,ltd.Director

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* Since May 25, 2018, the Company changed its status for Aukkarawat Plant Renewable Energies Company Limited from being a subsidiary, to a related company. As a result, the Company's representatives as directors have had their positions been terminated and therefore no longer have any significant influence.

** Since October 12, 2017, the relevant directors have resigned from the Board of Directors and have ended their relevance from that date.

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Income from programme co-production	Contract price
Income from rental and services	Contract price
Cost of programme co-production	Contract price
Rental and service expenses	Contract price
Management benefit expenses	Consisted of:- allowance for meeting and the remuneration of directors as approved by the directors and shareholder's meeting
Consultant Fee	Contract price

5.1 Accounting transactions with related parties

Revenue and cost in statements of comprehensive income for the years ended December 31, 2018 and 2017 are as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2018	2017	2018	2017
Interest income				
Demeter Innovation Company Limited	-	-	829,786	1,204,947
Demeter Power Company Limited	-	-	-	164
Aukkarawat Plant Renewable Energies Company Limited	-	-	12,917	7,968
	-	-	842,703	1,213,079
Management benefit expenses				
Benefits for directors and managements	18,680,551	24,063,543	18,680,551	21,899,948
Consultant Fee	573,000	1,530,667	573,000	1,530,667

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5.2 Outstanding balances in statements of financial position

	(Unit : Baht)			
	Consolidated		Separate	
	2018	2017	2018	2017
Short-term loans and interest receivable				
Demeter Innovation Company Limited	-	-	75,199,786	74,370,000
Aukkarawat Plant Renewable Energies Company Limited	470,885	-	470,885	307,968
	-	-	75,670,671	74,677,968
<u>Less</u> allowance for doubtful accounts	(470,885)	-	(66,761,544)	-
Total	-	-	8,909,127	74,677,968

Allowance for doubtful accounts short-term loans have changed during the periods as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2018	2017	2018	2017
Beginning balance	-	-	-	-
Increase	470,885	-	66,761,544	-
Ending balance	470,885	-	66,761,544	-

For the year ended December 31, 2018, the movement of short-term loans and interest receivable is as follows:

	(Unit : Baht)			
	Consolidated			December 31, 2018
	January 1, 2018	Increase	Decrease	
Short-term loans and interest receivable				
Principal	-	450,000	-	450,000
Interest receivable	-	20,885	-	20,885
Total	-	470,885	-	470,885

Loans to related company charged interest at 2 - 7% per annum.

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	(Unit : Baht)			
	Separate			
	January 1, 2018	Increase	Decrease	December 31, 2018
Short-term loans and interest receivable				
<u>Demeter Innovation Company Limited</u>				
Principal	74,370,000	-	-	74,370,000
Interest receivable	-	829,786	-	829,786
Total	<u>74,370,000</u>	<u>829,786</u>	<u>-</u>	<u>75,199,786</u>
<u>Aukkarawat Plant Renewable Energies Company Limited</u>				
Principal	300,000	150,000	-	450,000
Interest receivable	7,968	12,917	-	20,885
Total	<u>307,968</u>	<u>162,917</u>	<u>-</u>	<u>470,885</u>

Loans to subsidiary and related company charged interest at 2 - 7% per annum.

6. Current investments

Current investments as at December 31, 2018 and 2017 are as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2018	2017	2018	2017
Open-end fund	22,894,328	183,693,929	16,894,328	174,311,932
Add Allowance on revaluation of investments	304,968	467,198	294,720	307,606
Open-end fund, net	<u>23,199,296</u>	<u>184,161,127</u>	<u>17,189,048</u>	<u>174,619,538</u>

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7. Trade and other current receivables

	(Unit : Baht)			
	Consolidated		Separate	
	2018	2017	2018	2017
<u>Trade accounts receivables</u>				
Trade accounts receivables	76,613,862	94,905,958	74,022,965	91,078,579
Less allowance for doubtful accounts	(75,043,862)	(91,749,572)	(72,702,965)	(89,284,993)
Total trade accounts receivables	1,570,000	3,156,386	1,320,000	1,793,586
<u>Other current receivables</u>				
Amounts due from a former related company - net (Note 7.1)	-	-	-	-
Refundable value added tax	56,664,043	55,527,815	55,659,954	54,458,664
Other receivables	9,131,064	5,109,782	9,041,509	5,053,404
Less allowance for doubtful accounts	(4,745,393)	(3,362,801)	(4,745,393)	(3,362,801)
Total other current receivables	61,049,714	57,274,796	59,956,070	56,149,267
Total trade and other current receivables	62,619,714	60,431,182	61,276,070	57,942,853

Aging analysis for trade accounts receivable were as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2018	2017	2018	2017
Within credit terms	250,000	697,865	-	447,865
Overdue:				
Over 12 months	76,363,862	94,208,093	74,022,965	90,630,714
Total	76,613,862	94,905,958	74,022,965	91,078,579

Allowance for doubtful accounts have changed during the periods as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2018	2017	2018	2017
Beginning balance	91,749,572	92,713,089	89,284,993	90,180,089
Increase (Decrease)	(379,163)	-	(255,481)	-
Transfer (transfer out)	(16,326,547)	(963,517)	(16,326,547)	(895,096)
Ending balance	75,043,862	91,749,572	72,702,965	89,284,993

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As ended of February 26, 2019, the Company received the payment from accounts receivable as follow; Overdue, over 12 months received of Baht 51,153.84.

The Company has allowance for doubtful accounts from one of debtors amount of Baht 61.21 million. The trade receivable defaulted in return the sponsorship from the sport tournament, which the Company was the financial investor with amount of Baht 86.43 million according to the contract project of the golf tournament "Thailand Classic". The Company has filed with the Civil Court on July 15, 2016 and entered into the negotiation process for two times but unsuccessful. Accordingly, the case is returned to the Court process. The Court have the verdict to the debtor repayment Baht 18,253,248.40 with the interest rate of 7.5 percent per annum on November 27, 2017. On January 26, 2018, the Company appealed against the judgment of the Civil Court. Which is on pending the judgment of the Court of Appeal. The court sentenced the Court of Appeals on January 30, 2019. On that day, the court postponed the reading of the verdict on February 28, 2019, since the decision has not yet been completed.

7.1 Amounts due from a former related company - net

	(Unit : Baht)			
	Consolidated		Separate	
	2018	2017	2018	2017
Amounts due from a former related company				
- Siam Dimension Stone Co., Ltd.				
Loans receivable	70,738,314	70,738,314	70,738,314	70,738,314
Accrued service income	2,806,000	2,806,000	2,806,000	2,806,000
Total	73,544,314	73,544,314	73,544,314	73,544,314
Less allowance for doubtful accounts	(73,544,314)	(73,544,314)	(73,544,314)	(73,544,314)
Amounts due from a former related company - net	-	-	-	-

The Company has filed a Civil Court against the receivable on October 15, 2012. And on December 17, 2012, the Civil Court judged that the customer as the defendant had to pay the debt as amount of Baht 73.54 million with the interest rate of 7.5 percent per annum. On December 11, 2015, the Company has filed to the Central Bankruptcy Court for the bankrupt. On March 7, 2016 the Central Bankruptcy Court has ordered to freeze assets of the debtor. Currently, it is in the process of collecting assets of the debtor, and there will be the meeting of creditors on August 23, 2017, postponed from date June 14, 2017. The Central Bankruptcy Court have the verdict to the debtor to be insolvency on September 13, 2017. The announcement was made on October 9, 2017.

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November 30, 2017, was the date of the debtor's hearing of evidence, however, the debtor's authorized director did not showed up to court. The Central Bankruptcy Court issued an arrest warrant for the debtor's authorized director and the court will then inform the creditor of the date of the hearing. However, the Company has seized old machinery owned by the debtor and is waiting for the auction announcement from the Enforcement Officer. In addition, there is also a factory building in which the documents are currently being reviewed in order to take any further action in seizing the property. Subsequently, the Enforcement Officer announced the auction of the confiscated machinery which was first auctioned on January 29, 2019 (no sales due to not being posted on the website of the Government Gazette), the second time on February 28, 2019, the third time on March 12, 2019 and the fourth on April 2, 2019.

8. Short-term loans

(Unit : Baht)			
Consolidated		Separate	
2018	2017	2018	2017
Principal	-	10,000,000	-
Accrued interest	-	756,164	-
Short-term loans	-	10,756,164	-

For the year ended December 31, 2018, the movement of short-term loans and interest receivable is as follows:

(Unit : Baht)			
Consolidated			
January 1, 2018	Increase	Decrease	December 31, 2018
Short-term loans and interest receivable			
Principal	10,000,000	-	(10,000,000)
Interest receivable	756,164	161,260	(917,424)
	10,756,164	161,260	(10,917,424)

On June 28, 2017, a subsidiary entered into a loan agreement with a non-related company in total amount of Baht 10 million with an interest rate of 15 percent per annum for 7 months. The Company has repay the principal and interest on February 22, 2018.

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9. Other current assets

	(Unit : Baht)			
	Consolidated		Separated	
	2018	2017	2018	2017
Deposit	<u>1,227,486</u>	<u>612,696</u>	<u>1,227,486</u>	<u>612,696</u>

10. Deposits pledged as collateral

As of December 31, 2018, the Company has a fixed deposit of Baht 90 million, pledged as collateral for an associate loan (Note 11). According to the resolution of the Board of Director's Meeting No. 6/2018 held on May 18, 2018.

11. Investments in associates

11.1 The movement of investments in associates for year ended December 31, 2018, is as follows:

	(Unit : Baht)	
	Consolidated	Separated
	Equity method	Cost method
As at January 1, 2018 (Net)	321,041,390	324,999,632
Purchase / Increase investment	445,500	-
Impairment of investment in associates	(89,497,899)	-
Loss from investments in associates	<u>(107,783,688)</u>	<u>(200,794,329)</u>
As at December 31, 2018	<u>124,205,303</u>	<u>124,205,303</u>

11.2 Details of investments in associates consist of:

Associate	Nature of business	Issued and paid-up (Baht)	Investment (percentage)	(Unit : Baht)	
				Consolidated	Separated
				Equity method	Cost method
Hero Experience Co., Ltd.	Water Park, Amusement Park, Recreation	268,421,200	37.50	124,205,303	124,205,303
Blue Finix Digital Company Limited	Application service through internet	16,350,000	30.03	-	-
Total				<u>124,205,303</u>	<u>124,205,303</u>

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11.3 Significant financial information for associates

Financial information as shown in the financial statement, summarized:

(Unit : Thousand Baht)

Associate	Consolidated				
	Issued and paid-up	Total assets	Total liabilities	Total revenue for	Profit (loss) for
	As at December 31, 2018	As at December 31, 2018	As at December 31, 2018	the year ended December 31, 2018	the year ended December 31, 2018
Hero Experience Co., Ltd.	268,421	860,601	529,387	139,076	(231,745)
Blue Finix Digital Company Limited	16,350	14,758	7,449	1.27	(10.66)

- A. On May 3, 2017, the Meeting of the Board of Directors No. 4/2017 resolved to approve the entry into the share purchase agreement between Demeter Media Company Limited (“DMedia”), and Thai Trade Communication Company Limited (“Thai Trade”) under which the parties agree on the terms and conditions in relation to the investment in the project of Blue Finix Digital Company Limited (“Blue Finix”) for development of the applications and websites for the internet transaction by means of acquisition of 28,600 ordinary shares in Blue Finix from Thai Trade, equivalent to 20 percent of the registered capital of Blue Finix at the price per share of up to Baht 1,726.22 and total purchase price of up to Baht 49,370,000 and subscription of newly issued shares of Blue Finix under which there will be the increase in the registered capital of Blue Finix from Baht 14,300,000 to Baht 16,350,000 by issuance of 20,500 ordinary shares at the par value of Baht 100. DMedia will purchase the New Shares at the subscription price of Baht 1,219.51 which is higher than the par value and at the total price of up to Baht 25,000,000. For the total amount of up to Baht 74,370,000.

On June 8, 2017, the portion of 28,600 ordinary shares equivalent to 20 percent has been transferred to DMedia, and on June 17, 2017, Blue Finix has issued and allocated 20,500 newly issued ordinary shares to DMedia, totaling ordinary shares equivalent to 30 percent. DMedia has made the payment for the purchase price required for such share transfer to Thai Trade in the total amount of Baht 49,370,000 and the subscription price for such newly issued ordinary shares to Blue Finix in the total amount of Baht 25,000,000.

In the consideration to invest in Blue Finix, the Board of Directors had analyzed the business feasibility of Online Live Streaming business which it viewed to have grown tremendously in the past few years. In 2016, the market value of the Online Live Streaming business was about Baht 3,400 million which is viewed as the strong point as compared to other competitors in the same business due to:

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1. Business cooperation from professional content providers which is superior to other competitors.
2. There were more than 350 social network celebrities contracted to broadcast their own programs on FINIX TV prior to the business launch and it was expected that these group of persons will help promote FINIX TV in the social network and attract users promptly upon the service launch.
3. FINIX TV System is the system developed by the company, not a system purchased from overseas alike other competitors, which can be altered promptly and better understands consumers' popularity in Thailand.

The company hired an independent valuer, The Valuation and Consultants Co., Ltd., which is an independent valuer approved by the Securities and Exchange Commission (SEC), to appraise the value of Blue Finix. The appraisal result shows that Blue Finix has a value of Baht 719.57 million and the Company purchased 30 percent of the shares in Blue Finix at the price of Baht 74.37 million.

Notwithstanding, due to the fact that the competition in the Online Live Streaming business is very intense and, recently, there are new competitors entering the market, including the fact that Blue Finix cannot adapt itself towards the increased competition, the operating results of the company were not as expected.

After the Company's investment in 30 percent of the business of Blue Finix, totaling Baht 74.37 million, the Company has already started to recognize income from June 2017. From the financial statement year 2017 of Blue Finix, that has earned Baht 11.18 million mainly from the sales of Gift to Angel on Duty and FINIX TV (currently, Angel on Duty and FINIX TV have consolidated their platforms). With respect to income from Social Portal Media Platform, such income has not arisen.

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 Kata 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 Co., Ltd., 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. Moreover, the current economic circumstances have not positively encourage the operation as anticipated. Therefore, the Company proposed, in the Board of Directors' meeting of Blue Finix on November 7, 2017, that the executive board of Blue Finix should prepare clear quarterly action plan, budget plan, and expenditure plan and propose the drafts to the Board of Directors of the Company for

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consideration within November 14, 2017. In this regard, the Company has not been received the plan. Nevertheless, in January 2018, the management of Blue Finix has proposed new business plan which is business opportunities for Blue Finix as follows:

1. Business opportunity in Thailand, the business cooperation plan between Blue Finix and ONE HD channel which has content with a large number of followers, and its own application (“**ONE HD Application**”) which is OTT (Over-the-top) service. The ONE HD Application has been available in App Store for more than 2 years and has been downloaded by over 2 million people. Nevertheless, at present, it has managerial problems leading to the out of date application and the decrease of the usages. For this collaboration, Blue Finix shall be responsible for management of ONE HD Application to be in active status. ONE HD Application has the advantage from other applications because it has its own content which could be provided as VOD (Video on Demand).

The business plan has been separated to be two phrases: (1) advertisement sales phrase expected to get the sponsors within May 2018 which has the revenue share according to the agreement and (2) the phrase that Blue Finix shall use its existing Live Streaming Platform Engine plugs with ONE HD Application. As such, the actors of the channel could live during the filming (Sneak Peak Exclusive Content). This is expected to be launched within June 2018. The revenue sharing would be the same model as existing online streaming model of Blue Finix.

However, Blue Finix is experiencing problems both of their domestic and international businesses which may result in the company not performing as planned. As a result, the Company has asked Blue Finix to present its business plans to resolve Blue Finix’s liquidity issues and to negotiate with other joint venture partners, in order to set a clear business plan that is in line with the current economic situation. Blue Finix was asked to devise a business direction as a way forward for the company.

2. Business opportunity in a foreign country, the business cooperation plan between Blue Finix and Cat Thien Sa in the Republic of Vietnam. The channel has famous programme such as The Face, The Voice, etc. At present, Cat Thien Sa has revenue approximately Baht 5,000 million per annum which comes from online sector approximately Baht 1,000 million per annum. For this collaboration, Blue Finix shall be responsible for procuring and manufacturing the operating system (“**Viva TV Application**”) which is OTT service, and Cat Thien Sa shall be responsible for procuring and producing the content of the programme including providing registration network for Viva TV Application monthly subscription. The management of Blue Finix has considered that Mobile OTT is currently in the growth in the Republic of Vietnam since the increase of mobile subscribers. As such, the forecast revenue would be around Baht 80 million Baht per annum.

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At present, Blue Finix and Cat Thien Sa has already signed a MOU and in the process of negotiation. It is expected that the project would be launched within 4 months once the agreement has been signed, and then the revenue would be immediately recognized. The memorandum of understanding could be summarized as follows:

- The memorandum of understanding has the purpose to set up a joint venture company about Live Streaming Platform with a name VIVATV.
- At the first phase, Cat Thien Sa will invest USD 700,000 (75 percent of shares) and Blue Finix will invest the licensing fee of Live Streaming Platform engine with the approximate value as USD 250,000 (25 percent of shares).
- VIVATV will pay Blue Finix an amount of USD 10,000 per 4 months for system customization.
- At publishing platform phase, VIVATV will pay for Blue Finix maintenance fee approximately 8 percent from monthly revenue.
- After 1 year of public release, Cat Thien Sa has the right to buy out all platform and source code at USD 700,000 and Blue Finix shall have the right to sell its shares to any 3rd parties at market price.

Based on the valuation of the above projects. The Company has considered the impairment of investment in associate (Blue Phoenix Digital Co., Ltd.) because the expected return is lower than the book value. The Company recorded allowance for impairment in the year 2017 and 2018 of Baht 65.33 million and 2.08 million respectively and considered the impairment of investment in a subsidiary in the separate financial statements (Diameter Innovation Company Limited) holding shares in Blue Phoenix Digital Co., Ltd.) recording because the expected return is lower than the book value. Allowance for impairment in the year 2017 was Baht 7.94 million.

In accordance with the resolution of the Extraordinary General Meeting of Shareholders of Blue Phoenix Digital Company Limited No. 2/2018 on September 27, 2018, the resolutions are as follows:

- Approved the liquidator of the company to issue a letter of debt to the shareholders who have not fully paid for the shares. The Company has complied with the resolution of the meeting by paying additional unpaid shares of Baht 0.45 million as at December 31, 2018. The Company still has outstanding balance of Baht 0.18 million.
- Approve the dissolution of the company The company registered the dissolution with the Department of Business Development on December 19, 2018 and it is in the process of liquidation and pay back the capital to the company.

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B. The Board of Directors Meeting No. 8/2017 held on September 15, 2017 the Board of Directors of the Company resolved to approve the investment in the hyper reality development business, the Marvel Experience Thailand: Theme Entertainment Attraction (TMX) of Hero Experience Co., Ltd. (Hero Experience) by the purchase of 32.5 percent of the newly issued shares by Hero Experience Co., Ltd., totaling of Baht 280 million. Later, on December 12, 2017, the Company's Board of Directors approved the additional purchase of 5 percent of the new shares issued by the capital increase of Hero Experience, totaling of Baht 45 million, thereby resulting in the total combined shareholding of 37.5 percent of Baht 325 million in total. It is expected that the return on investment will be at the rate of at least 20 percent. The construction permit for the TMX Project was granted; the construction commenced since September 2017 and the company will recognize income within May 2018. On December 27, 2017, it was informed by the company that the investment transaction has been completed with the payment of capital investment of Baht 325 million. The summary of the Joint Venture Agreement between Hero Experience Co., Ltd. and Hero Venture of the United States of America, wherein Hero Experience received the royalty fee during August 2017 by giving the details on the term of the agreement, value of return, conditions for the royalty payment as follows:

- HVI is the licensee of copyrights and trademarks of Marvel characters owned by Marvel Characters B.V. (Marvel).
- HVI grants Hero the right to use copyrights and trademarks of Marvel characters, Marvel story lines/cartoons and other creations ("Intellectual Property Rights") under the Project.
- The term of the agreement is three (3) years which may be renewed for another term of three (3) years with the permission of HVI and Marvel.
- Hero shall be required to pay the license fee for the term of three (3) years, at the amount which cannot be disclosed, in 3 installments. So far, Hero has paid 2 installments.
- Hero shall be required to pay the royalty fees in proportion to its income to Marvel and HVI annually. The Company cannot disclose the related royalty amount since such information is trade secrets of the Company and the counterparty.

The Board of Director of the Company has considered the advantage of TMX project as follows:

1. Marvel brand is an international brand having the global reputation;
Marvel Entertainment, LLC was incorporated in May 1939 and it has been 78 years until now. At the initial stage, it sold comic books and created world famous characters, e.g. Captain America, Ironman, Spider-Man, etc. In 2008, Marvel produced the first movie, i.e. Iron Man, and was able to earn more than USD 585 million. The second movie was The Incredible Hulk which could raise income for

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more than USD 263 million in the same year. Consequently, The Walt Disney Company (Disney) saw the capacity of Marvel and acquired Marvel on December 31, 2009 at USD 4,300 million. Thereafter, Marvel has produced several movies and continued to be successful.

2. The official support from the Ministry of Tourism and Sports and the Board of Investment

On August 21, 2017, Hero attended a meeting with Mrs. Kobkarn Wattanavrangkul, the Minister of the Ministry of Tourism and Sports, and Mr. Pongpanu Svetarundra, the Permanent Secretary of the Ministry of Tourism and Sports. In this respect, the Tourism Authority of Thailand (TAT), as the public sector, agreed to promote the joint investment by the private sector in the TMX project as the project supports and promotes good relationship in the family (Family Attraction) with the aim to make TMX as one of the tourist attractions of Bangkok. Moreover, it is eligible for the promotion of the Office of the Board of Investment (BOI) for the exemption of import duties for the import of machines and equipment and the exemption of income tax for a period of 5 years.

3. The location (Mega Bangna) has the capacity to encourage the income growth

Mega Bangna is the largest shopping mall in Bangna District. At present, there are about 120,000 customers in Mega Bangna daily, or 40 million customers per year. 98 percent of the customers are Thais and 2 percent are tourists while the number is continuously increasing at the average rate of 10 percent. Currently, there are about 8,000 parking spaces (5,000 in-door spaces, and 3,000 outdoor spaces). Mega Bangna has the plan to develop the department store into "Mega City" by increasing the Parking spaces, Entertainment zone, Leisure, Sport, Education and the hotel which would encourage TMX to be a more complete tourism location.

4. The growth of the number of foreign tourists in Thailand

Based on the foreign tourist statistics from the Department of Tourism in 2016, the total number of foreign tourists in Thailand is more than 32 million persons which grew 45 percent, or more than 10 million persons, within the past 5 years, with the tendency to grow continuously. Among the growth, 60 percent of the growth results from Chinese tourists. In 2016, approximately 9 million Chinese tourists visited Thailand per year, or approximately 24,000 persons per day, approximately 60 percent of which or 14,400 persons per day visited Bangkok. If TMX is one of the tourist attractions, the Company expects that more than 30 percent of the tourists will use the service and create income for TMX.

The tourism location is in the form of digital hyper reality over the area of 12,935 square meters which can support up to 10,950 tourists per day. Currently, 70 percent of the construction has been

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completed and the area has been expanded to be 16,500 square meters from the excellent design as shown in the photos.

5. The estimated revenue of the Company from the study

The Company has estimated the revenue from the TMX project, based on an estimated 3,000 visitors per day, or about 1.2 million per annum. It would generate revenue approximately of Baht 1,000,000,000 per annum, which is a reasonable and acceptable return on the project.

The revenue would come from four main areas as follows:

- 1) Revenue from ticket sold.
- 2) Revenue from souvenirs and merchandises sold.
- 3) Revenue from food and drinks sold.
- 4) Revenue from sponsorship and barter systems.

Nevertheless, the Company tries to minimize the risk which may arise from the investment to the extent possible by including conditions for the management of Hero into the related agreements as follows:

1. 3 out of 9 directors of Hero must be nominated by the Company in order for such persons to perform duties on behalf of the Company as the shareholder.
2. Hero must maintain insurance policies to protect property from damage from events, such as fire, flood, and political unrests.
3. The directors nominated by the Company shall jointly sign with the directors nominated by other shareholders with the affixation of the company seal for transactions having a value exceeding Baht 10,000,000.
4. The consideration of financial and accounting policies and related matters must always be proposed for acknowledgement or approval by the Board of Directors.
5. The quorum of the board of directors must consist the attendance by at least 1 director that is the Company's representative, whereby the quorum is formed and the meeting may commence.
6. The quorum for the shareholders' meeting must always consist of the Company attending the meeting to form the quorum and the meeting may commence.

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7. The prescription of shareholders' reserved matters which require the consideration and approval of the shareholders with the majority vote of not less than 75 percent of the total votes of the attending shareholders as follows:
- 1) Amendment of the company's articles or memorandum of association.
 - 2) Capital increase or capital decrease of the company.
 - 3) Issuance of instruments, bonds, debentures, or any debt instruments of the company.
 - 4) Issuance of any other shares besides ordinary shares.
 - 5) Increase or decrease of rights attached to the shares.
 - 6) Taking out loans or entering into any agreement, including raw materials supply agreement, service agreement, management agreement, project development agreement, or creating encumbrances or capital expenditure having a value of more than Baht 10,000,000 (Baht 10 million).
 - 7) Guarantee, mortgage, issuance of letter of guarantee, debenture, creation of debts or any action on behalf of the company which results in the decrease in value of the company's fixed assets (including land).
 - 8) Appointment, removal of the President, directors, Managing Director, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer who are authorized to manage the company, including the prescription of special benefits for directors and employees which includes the fixing of directors' compensation.
 - 9) Appropriation of the company's legal capital as dividends, reserves or other savings for other appropriate purposes, or cancellation of the reservation or savings in compliance with laws.
 - 10) Direct or indirect expenses and/or benefits for the company directors which result in benefits other than those stipulated in business plans, yearly budget and regulations.
 - 11) Appointment of accounting auditors and fixing of the auditor's remuneration.
 - 12) Approval of balance sheet, statement of cash flow, and income statement of the company.
 - 13) Entering into an agreement or creating encumbrances over the company or acquisition of assets (including land) of the company having a value of more than Baht 10,000,000 (Baht 10 million).

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- 14) Participating in agreements which create commitments, amalgamation, joint investment or investment in a subsidiary.
- 15) Amendment of the terms with respect to quorum required for the meeting of shareholders or the Board of Directors.
- 16) Declaration of dividends and conditions for the payment to each type of shareholders entitled to receive such dividends, including the notification of the amendment in the dividends to be distributed to the shareholders.
- 17) Change of the company's nature of business, or investment in any company having the objectives not directly relevant to the normal operation of the company.
- 18) Consideration of any other matters which the Civil and Commercial Code requires the special resolution.

Referred to additional information many creditors of Hero Experience Co.,Ltd. accounted for Baht 59.50 million filed a lawsuit and/ or submitted letter to claim their debt with interest and late payment surcharge. The financial statements of associated company that the company recognised equity income/ loss, did not recorded such interest and late payment surcharge. During February 14-15, 2019 Hero Experience Co.,Ltd. setup mediation meeting and informed their creditors about settlement plan after April 2019. In January and February 2019 Hero Experience Co.,Ltd. occurred severance pay amounting to THB 1.20 million due to termination of some staffs.

On January 21, 2019 Hero Experience Co.,Ltd. held extra-ordinary general meeting No.1/2019 to propose an agenda to termination of the project Hero Experience due to the fact that Hero Experience has a lack of liquidity problem, and the Project has not been operated in accordance with the plan. The Meeting resolved to terminate the Project with 62.50 percent of the votes in favour and 37.50 percent of the votes against. The management of Hero Experience has scheduled cessation of the operation of the Project on January 29, 2019; the show at 6.00 PM on such day will be the last performance. The company as shareholders of 37.50% share in Hero Experience shall carefully co-consider with the major shareholder regarding the management of Hero Experience's assets in order to limit the negative effect on the Company.

In addition the loan agreement between Siam Commercial Bank Public Company Limited and Hero Experience Co.,Ltd. Dated May 23, 2018, the Company was guaranteed by its fixed deposit bank account of Baht 90 million. In the extra-ordinary general meeting No. 1/2019 resolved to settle loan agreement with the fixed deposit bank account, allowed bank to deduct this collateral of Baht 3 million each month.

At present, Hero Experience Co.,Ltd. is under consideration the new business model that awaiting the explicit plan and resolution of lawsuits.

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12. Investments in subsidiaries

As at December 31, 2018 and 2017, investments in subsidiaries are as follows:

		(Unit : Thousand Baht)						
		Separate						
Companies	Issued and paid-up share capital		% of Holding		At cost		Dividend for the year ended	
	2018	2017	2018	2017	2018	2017	2018	2017
Demeter Innovation Company Limited	48,000	48,000	100.00	100.00	73,862	73,862	-	-
Demeter Power Company Limited	35,000	35,000	99.99	99.99	35,000	35,000	-	-
Aukkarawat Plant Renewable Energies Company Limited	5,000	5,000	33.64	33.64	-	83,346	-	-
Less Allowance for devaluation of investments					(75,996)	(105,115)	-	-
Total					32,866	87,093	-	-

12.1 On December 16, 2016, the Meeting of the Board of Directors No. 10/2016 resolved to approve the investment in the biogas power plant project located in Suphanburi Province (the “Project”) as owned and operated by Aukkarawat Plant Renewable Energies Co., Ltd. (“Aukkarawat”) The investment transactions are as follows : Part 1 Acquisition of 25,000 ordinary shares in Aukkarawat from the existing shareholders, equivalent to 50 percent of the registered capital of Aukkarawat, at the purchase price of Baht 4,400 per share, totaling Baht 110 million. The completion of the transaction is expected to be within July 2017. The completion of the Share Acquisition Transaction will be divided into three milestone :

- 1) First milestone : 8,200 shares, representing 16.40% of Aukkarawat’s total issue shares within December 2016, Second milestone : 8,619 shares, representing 17.24% of Aukkarawat’s total issue shares within January 2017, and third milestone : 8,181 shares, representing 16.36% of Aukkarawat’s total issue shares within July 2017.
- 2) Investment budget for power plant facility improvement and procurement and installation of machinery of up to Baht 180 million.

On December 28, 2016, the Company executed an agreement with the existing shareholder of Aukkarawat to amend the terms of the Share Purchase Agreement. Material amendment to the Share Purchase Agreement is that there are changes to the Shareholding structure in Aukkarawat under which certain shares of the existing shareholders were transferred to Thanayatorn Power Plant Co.,Ltd. and therefore Thanayatorn Power Plant will be the transferring shareholder under the terms of the Share Purchase Agreement.

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On December 30, 2016, the Company paid cash of Baht 74 million for the first portion of shares purchase (8,200 shares), of Baht 36.08 million. The first portion of shares was transferred to the Company on that date. For the rest amount of Baht 37.92 million, it represented advance payment for the second portion of shares purchase (8,619 shares) that was recorded as a non-current asset on December 31, 2016. Subsequently, the second portion of shares was transferred to the Company on January 12, 2017.

In addition, the Company paid for a commission fee of Baht 9.34 million for such shares acquisition. Thus, as at December 31, 2017, value of investment was stated at the amount of Baht 83.35 million. (Therefore, if the third completion of the share sale and purchase does not take place, the Company is entitled to claim for such sum of money in full from the broker according to the conditions stipulated under the brokerage agreement. Preliminary, the Company has issued a letter dated January 26, 2018 to the broker informing about the refund of the security deposit since the over of the deadline dated November 30, 2017. However, the third completion of the share sale and purchase is completed, the Company may not claim for such security deposit although the Company may incur any damage from the investment in Aukkrarawat as there are no warranties with respect to the result of the investment under the brokerage agreement).

Nevertheless, in case the Company could not get the refund of the brokerage fee, or damaged from such payment in any case. The Board of Directors consider that the Company has to take the legal measures to the broker and related parties including the management approving the payment of the brokerage fee in order to protect the interests of the Company and the shareholders.

On April 21, 2017, Aukkarawat Plant Renewable Energies Co.,Ltd. ("the subsidiary") sent out the letter to PEA to request stopping the electricity supply in order to improve the power plant, machines and equipments for better efficiency. And on July 14, 2017, PEA has acknowledged and notified the subsidiary to proceed the improvement by submitting the improvement details, connection device format (Single Line). If the capacity is increased, it must be approved by PEA by submitting a detailed plan for increasing capacity or extending the power system to PEA for consideration prior to commencement of operation for not less than 3 months.

Nevertheless, during the project area development, it was found that the neighboring communities around project materially retrieve less waste water from the project. Based on the inspection, it was found that (1) there are new power plant projects in the area and the neighboring community which could retrieve waste water from Aukkrarawat may consider retrieving the waste water from such new projects if it takes less transportation time for them, and (2) the neighboring community receives waste water from similar power plants located in the same area, some of which transport their waste water to the community. Therefore, it is not necessary for the community to retrieve the waste water directly from the project.

Due to such event, the Board of Directors has been informed about the change in the project. The Board of Directors, therefore, has assigned the management of the Company to conduct a study on impacts and possible solutions. Subsequently, the Board of Directors has received the result of the management's study on the chaing

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of water receiving process of the community, and other possibilities for waste water treatment including the transportation of such water waste to the communities, installation of waste water treatment machines, and the increase of water settling area, and then found that these effect the costs of the project. From the study on the information of increased costs, the possible method which least effects the project costs is the transportation of the waste water out of the project, but such method would result in the material increase of costs by around 30 percent.

The Board of Directors has considered additional facts and the study of the change in cost structure and 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, such as moving of the plant, reducing other costs or additional negotiation with another group of shareholders to amend the joint investment of the project, feasibility on the termination of the investment or sale of investment. The Board of Directors will consider such solutions.

Due to the reasons mentioned above, the Company has slowed down all actions relating to the area improvement, procurement and installment of machines. Currently, the Company has not made payments for area improvement, procurement and installation of machines. There is only outstanding account payable for sellers who initially performed factory area improvement in the amount of approximately Baht 200,000.

According to the appraisal report of Sims Property Consultants Co., Ltd. dated February 13, 2018, using the income approach, the appraiser conducted to examine the price of the 4.9 megawatt biogas power plant project under the 20 year business plan of Agro-Business Renewable Energy Co., Ltd. The power plant should be worth of Baht 161.20 million. In the estimate above, the appraisal value is based on the following assumptions:

- A. The power plant is produced from molasses wastewater with a COD of not less than 150,000 mg / l of a company. It is located about 43 kilometers from the power plant.
- B. Duration of the project is 20 years. Construction period is approximately 1 year from the date of assessment 19 years from the date of completion of the project, the investment amount of Baht 260.60 million is sufficient for the construction of bio-gas system, pipeline system, gas filter system, power generation system.
- C. Documentation received from the company is accurate, reliable and also the power purchase agreement with the Electricity Generating Authority of Thailand.
- D. In this appraisal, the land lease contract is for a period of 10 years and can be renewed for another ten years, with the first year rent of Baht 1.2 million, with a rental rate of 2% per annum.
- E. In this valuation, cash flow from cash flow and cash equivalents of Aukkarawat Plant Renewable Energies Company Limited, current assets, receivables, payables, and liabilities before the valuation date for this business valuation, are not considered valuation.

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Based on the valuation of the above projects, as a result, the Company has to recognize impairment losses on goodwill of Baht 20.73 million in the consolidated financial statements and the Company recorded loss on impairment of investments in subsidiaries of Baht 29.18 million in the separate financial statements for the year 2017.

On August 4, 2017, the Company has signed the amendment of the Share Purchase Agreement (the 3rd) to extend the third milestone to complete within October 31, 2017. And on October 20, 2017, the Company has signed a MOU to extend the third share purchase for a period of 30 days, which will be due on November 30, 2017. The Company and other shareholders of Aukkarawat are in the process of negotiating on business issues to be determined in the shareholders' agreement, which is a condition precedent of the transfer. The terms being under negotiation such as rights and duties of each shareholder and details of management and administration of the Company by the board of directors and shareholders. It is expected that the negotiation will be final and the transaction will be completed by November 30, 2017. In order to negotiate regarding Aukkarawat management with the seller. Currently, due to the fact that the Company and the seller are not able to fulfill the conditions precedent for the third completion of the share sale and purchase since the negotiation on other essence matters have yet to be completed, the Company has yet not completed the third purchase of the shares. Moreover, if the parties are unable to proceed with the third completion of the share sale and purchase due to the conditions precedent could not be completely taken, the parties may consider to terminate the agreement and require the other party to pay damages (if any) incurred between them according to the laws.

On February 27, 2018, the Board of Directors has resolved to consider the investment in Aukkarawat Plant Renewable Energies Company Limited as follows:

Reference is made to the Clarification Letter regarding the Board of Directors' opinion on the dept cost structure analysis for the investment in the biogas power plant project of Aukkarawat that the Board of Directors has 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, per detail as refer.

The Company would like to inform that the Company has proposed the solutions with the significant issues from the study of such solutions as follows:

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(1) Analysis on cost of the treatment of waste water created from the power plant using biomass energy

According to the studies of the possibility in the investment before deciding to invest, the Company received the information that, in general, the neighboring community around the project (within the 20 kilometers radius) would request for such waste water from the project to irrigate agricultural area of the community. Nevertheless, during the project area development, it was found that the neighboring communities around project materially retrieve less waste water from the project. Based on the inspection, it was found that (1) there are new power plant projects in the area and the neighboring community which could retrieve waste water from Aukkarawat may consider retrieving the waste water from such new projects if it takes less transportation time for them, and (2) the neighboring community receives waste water from similar power plants located in the same area, some of which transport their waste water to the community. Therefore, it is not necessary for the community to retrieve the waste water directly from the project. As such, the Company has conduct the cost analysis of the transportation of waste water to the neighboring community.

From the study, in case Aukkarawat has to bear the cost of waste water transportation to the neighboring community, the commercial feasibility of the project would significantly decrease. The reason is because Aukkarawat still has to bear the cost of the transportation of the material (Vinasses water) from the Biofuel Mitraphol Factory, Dan Chang which, currently, is 45 kilometers from the project. Further, the waste water transportation to neighboring community shall increase cost of the project around 30 percent.

(2) Analysis on movement of the location of the project to reduce the distance for raw material (Vinasses water) transportation from the Biofuel Mitraphol Factory, Dan Chang

From the study of the dept cost structure of the transportation from (1) and (2), it has been found that the Company still has high limitation. Hence, the Company has studied the possibility to move the location of the project to reduce the distance for raw material transportation which is the fixed cost.

Currently, the distance of raw material transportation is around 45 kilometers. From the location search to increase commercial feasibility by considering from the current location, it has been found that there are 2 potential locations. They are located in the north of the current location, next to Nong Ya Sai, where is the nearest to the raw material resource and far from residential community (where is sugar cane and vegetable garden).

The Company has explored the 2 potential locations for moving of the factory. The total distance is around 28.7 kilometers. The Company has also explored shortcut with the distance around 23.9 kilometers. It has been found as follows:

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- (A) Area 1 is the area that has transmission lines already but the transmission lines are still small (which is able to be changed to be bigger) Most of the area is sugar cane and vegetable garden, far from residential community (having a few houses). Hence, it has the potential site for the power plant.
- (B) Area 2 is the area does not have transmission lines but it is the wide-open area considered to have potential to set up the power plant. Nevertheless, it needs to invest in the construction of additional transmission lines from the existing and develop the entrance of the area to let large trucks are able to enter into the area.
- (C) The shortcut is unlikely to be used because there is dirt road and holes in the middle part. This will result in splash waste water from the trucks especially in the rainy season which is likely to have more holes.

Hence, the most probable solution from studying of relocation possibility of Aukkrarawat to reduce the distance of raw material transportation is moving the project location to area 1 or area 2 Based on the evaluation result of the waste water transportation from the factory of raw material (Vinasses water) from Biofuel Mitraphol Factory, Dan Chang, the distance will be around 28.7 kilometers.

- (3) Analysis on possibility to install water treatment system

The result of analysis on cost of water treatment system installation is around 40-60 baht per waste water ton. This would affect the cost structure and the investment return of the project.

- (4) Analysis on possibilities to terminate share purchase agreement

Terms and conditions agreed with the parties and the conditions of the payment of remaining sale share consideration or the 3rd share sale or in the proportion of 16.36 percent of all shares, or in the amount of approximate 36 million Baht, the Company has asked for the comment from legal counsel, Kudun and Partners Limited. The details are as follows:

According to the share purchase agreement between the Company and Aukkrarawat, the agreement with respect to payment of the sale share consideration, conditions of payment and termination of agreement as follows:

Conditions precedent for the third completion of the share sale and purchase

- The seller and the purchaser having entered into the shareholders' agreement according to the agreed terms.

Event of default as a cause for termination

If either party fails to perform any of its material obligations on the completion date of the share sale and purchase (first, second or third), the other party has the right to take any of the following actions:

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- (1) Immediately terminate this agreement without prejudice against the right to claim for damages incurred against the other party.
- (2) Exercise or waive any rights to proceed with the completion of the share sale and purchase on the completion date of the share sale and purchase; or
- (3) Determine the new completion date which shall be no more than 5 (five) business days from the previously stipulated completion date, provided that each of the parties performs its obligations on the rescheduled completion date of the share sale and purchase and such rescheduling may take place only once, unless otherwise agreed between the parties.

In this regard, the Company agreed to extend the third completion of the share sale and purchase to November 30, 2017 in order to negotiate regarding Aukkrarawat management with the seller. Currently, due to the fact that the Company and the seller are not able to fulfill the conditions precedent for the third completion of the share sale and purchase since the negotiation on other essence matters have yet to be completed, the Company has yet not completed the third purchase of the shares. Moreover, if the parties are unable to proceed with the third completion of the share sale and purchase due to the conditions precedent could not be completely taken, the parties may consider to terminate the agreement and require the other party to pay damages (if any) incurred between them according to the laws.

Hence, the Board of Directors has considered all the solutions and opined that the operation of the project either in the same manner or according to the solutions no. (1) - (3) 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. Nevertheless, to protect benefits of the Company and the shareholders, the Company is under consideration to take legal action and claim for damages pursuant to the share purchase agreement.

As a result of the resolution of the shareholder's meeting of Aukkarawat Plant Renewable Energies Company Limited on May 25, 2018, the Company's representative as directors has had their positions ceased. On June 7, 2018, Aukkarawat Plant Renewable Energies Company Limited has registered the amendment of the director and the Company no longer has control over the subsidiary company from that date forward. Therefore, in the financial statements as of 30 June 2018, the status of investments in subsidiaries was changed; this project was reported in the general investment. As a result, the Company had to recognize loss on goodwill of Baht 51.20 million in the consolidated financial statements and changed its investment in a subsidiary to be a general investment with book value at the transfer date to long-term investments amounting to Baht 54.23 million.

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The movement of goodwill in the biogas power plant project in Suphanburi province, operated by Aukkarawat Plant Renewable Energies Company Limited

	(Unit : Baht)
	Consolidated
	December 31, 2018
Goodwill	
Beginning	51,202,950
<u>Less</u> Impairment of Goodwill	<u>(51,202,950)</u>
Net	<u>-</u>

- 12.2 On September 3, 2018, the Board of Directors of Demeter Innovation Company Limited (the “Subsidiary”) resolve to invest in a new company under the name of “Hinoki Wood Work Company Limited.” At 100% of the registered capital. The Company registered the establishment on September 13, 2018 of Baht 1 million.

13. Other long-term investments

		(Unit : Thousand Baht)				
		Issued and paid-up		Investment	December 31, 2018	
Country	Subsidiary	Currency	Amount	(percentage)	Consolidated	Separate
Cost						
Thailand	1) Aukkarawat Plant Renewable Energies Company Limited (NOTE 2.1)	Baht	5,000,000	33.64	2,864	54,228
England	2) DNANUDGE Limited *	Euro	21,504,058	0.67	42,600	-
	Less Allowance for impairment of general investments				-	(51,364)
	Other long-term investments, Net				<u>45,464</u>	<u>2,864</u>

* According to the financial statements as of July 31, 2018

Investments in equity securities are classified as general investments comprise of the following:

- 13.1 As a result of the resolution of the shareholder’s meeting of Aukkarawat Plant Renewable Energies Company Limited on May 25, 2018, the Company’s representative as directors has had their positions ceased. On June 7, 2018, Aukkarawat Plant Renewable Energies Company Limited has registered the amendment of the director and the Company no longer has control over the subsidiary company from that date forward. Therefore, in the financial statements, the status of investments in subsidiaries was changed; this project was reported in the

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general investment. In the consolidated financial statements and changed its investment in a subsidiary to be a general investment with book value at the transfer date to long-term investments amounting to Baht 54.23 million.

The major shareholders of Aukkarawat Plant Renewable Energies Company Limited sent out a letter dated September 14, 2018 to call for the Company to pay compensation in the amount of Baht 36 million in case the Company does not purchase the remaining shares. However, the Company's management team has discussed about the issue of compensation regarding that there are issues that the company has a dispute of which there are currently no settlements. This may lead to a court process to resolve the dispute.

- 13.2 The subsidiary purchased the investment of 1,000 shares (par value of GBP 0.001 per share) at a price of GBP 1,000 per share. Total amount is 1,000,000 pounds sterling (42,600,000 baht) in DNANUDGE LIMITED, which is a limited company registered under the laws of England and Wales.

The subsidiary pledges the whole amount of shares in order to guarantee any liabilities under the loan agreement and share pledge agreement with other persons (being shareholders in the company) (as in Note 21). On February 26, 2019, the parties agreed to cancel above a buy and sell in share agreement and related loan.

14. Trade and other non-current receivables

	(Unit : Baht)			
	Consolidated		Separate	
	2018	2017	2018	2017
Debt restructuring	53,830,547	39,304,000	53,830,547	39,304,000
Allowance for doubtful accounts	(53,830,547)	(39,304,000)	(53,830,547)	(39,304,000)
Total	-	-	-	-

Allowance for trade and other non-current receivables have changed during the years as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2018	2017	2018	2017
Beginning balance	39,304,000	39,304,000	39,304,000	39,304,000
Increase (Decrease)	(1,800,000)	-	(1,800,000)	-
Transfer (transfer out)	16,326,547	-	16,326,547	-
Ending balance	53,830,547	39,304,000	53,830,547	39,304,000

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- 14.1 Debt restructuring : on July 15, 2015, the Company signed an agreement of debt restructuring and acknowledgement of debt of a debtor. Under the terms of the agreement, the debtor will complete the debt repayment within 36 months by monthly installment, completing in July 2018 as following terms;

The 1st month period to the 12th month period, to pay not less than Baht 500,000.

The 13th month period to the 33rd month period, to pay not less than Baht 1,500,000.

The 34th month period to the 35th month period, to pay not less than Baht 2,000,000.

The debtor agreed to pay the remaining debt within the 36th period (July 2018).

The Company has recorded a provision for doubtful accounts from debt restructuring in full amount since the debtor defaulted in the payment according to the agreement of debt restructuring and acknowledgement of debt. The Company has filed a Civil Court against the receivable and on May 15, 2017, the Civil Court judged that the defendant had to pay the debt amount in accordance with the judgement, starting the first payment within August 10, 2017. The debtor defaulted the payment. The Company is in the process of enforcement.

- 14.2 On June 25, 2018, the Company entered into a compromise agreement with MIC Broadcast Co. Ltd., (MIC) as the following contracts:

Contract No. 1 debt outstanding in the amount of Baht 20.58 million is to be repayable on a monthly basis. Not less than Baht 0.30 million per installment of 29 installments and Baht 11.76 million shall be paid by the end of December 2020.

Contract No. 2 debt amount to Baht 44.22 million is due for the first two installments within December 2018 amounting to Baht 22.11 million, and the second installment within June 2019 amounting to Baht 22.11 million.

The Company recorded allowance for doubtful accounts from the compromise debtors in full amount.

However, the 2nd contract, the debtor has defaulted. The Company has requested the court to issue a enforcement order which will carry out the investigation and enforcement of the case in the next step.

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15. Property, plant and equipment

Movements of the property, plant and equipment account for the years ended December 31, 2018, are summarized below:

	(Unit : Baht)				
	Consolidated				
	January 1, 2018	Increase	Decrease	Decreased due to loss of control power	December 31, 2018
<u>Cost</u>					
Building	24,172,337	-	-	(24,172,337)	-
Building improvements	16,255,360	-	-	-	16,255,360
Furniture, fixture and office equipment	10,816,538	120,389	(94,924)	-	10,842,003
Vehicle	11,696,383	-	-	-	11,696,383
Machinery and equipment	3,909,519	-	-	(3,909,519)	-
Total	66,850,137	120,389	(94,924)	(28,081,856)	38,793,746
<u>Accumulated depreciation</u>					
Building	(6,205,212)	(235,482)	-	6,440,694	-
Building improvements	(2,052,724)	(812,768)	-	-	(2,865,492)
Furniture, fixture and office equipment	(5,388,541)	(2,104,550)	85,505	-	(7,407,586)
Vehicle	(6,858,394)	(2,339,276)	-	-	(9,197,670)
Machinery and equipment	(2,491,285)	(71,260)	-	2,562,545	-
Total	(22,996,156)	(5,563,336)	85,505	9,003,239	(19,470,748)
Allowances for impairment of assets	(9,338,028)	(9,740,589)	-	19,078,617	-
Net	34,515,953				19,322,998
<u>Depreciation expense for the year</u>					
December 31, 2018					5,563,336
December 31, 2017					6,822,697

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	(Unit : Baht)				
	Separate				
	January 1, 2018	Increase	Decrease	Transfer in (Transfer out)	December 31, 2018
<u>Cost</u>					
Building improvements	16,255,360	-	-	-	16,255,360
Furniture, fixture and office equipment	10,816,538	120,389	(94,924)	-	10,842,003
Vehicle	11,696,383	-	-	-	11,696,383
Total	38,768,281	120,389	(94,924)	-	38,793,746
<u>Accumulated depreciation</u>					
Building improvements	(2,052,724)	(812,767)	-	-	(2,865,491)
Furniture, fixture and office equipment	(5,388,541)	(2,104,550)	85,504	-	(7,407,587)
Vehicle	(6,858,394)	(2,339,276)	-	-	(9,197,670)
Total	(14,299,659)	(5,256,593)	85,504	-	(19,470,748)
Net	24,468,622				19,322,998
<u>Depreciation expense for the years</u>					
December 31, 2018					5,256,593
December 31, 2017					5,218,140

As of December 31, 2018, the Company and subsidiaries have the property with historical costs of Baht 0.26 million that are in use but fully depreciated (Separate: Baht 0.26 million).

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16. Investment Property

	(Unit : Baht)			
	Consolidated			
	January 1, 2018	Increase	Decrease	December 31, 2018
<u>Cost</u>				
Land	13,356,941	-	-	13,356,941
Building	16,713,059	-	-	16,713,059
Tools and equipment	10,940,398	-	(61,055)	10,879,343
Furniture, fixture and office equipment	875,951	-	(14,178)	861,773
Total	41,886,349	-	(75,233)	41,811,116
<u>Accumulated depreciation</u>				
Building	(1,475,806)	(243,200)	-	(1,719,006)
Tools and equipment	(7,179,462)	(2,166,033)	42,359	(9,303,136)
Furniture, fixture and office equipment	(743,743)	(123,016)	11,786	(854,973)
Total	(9,399,011)	(2,532,249)	54,145	(11,877,115)
Allowances for impairment of assets	(10,859,653)			(10,859,653)
Net	21,627,685			19,074,348
<u>Depreciation expense for the year</u>				
December 31, 2018				2,532,249
December 31, 2017				2,706,325

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17. Intangible asset

Movements of intangible asset for the years ended December 31, 2018 and 2017, are as follow:

	(Unit : Baht)			
	Consolidated		Separated	
	2018	2017	2018	2017
<u>Cost</u>				
Beginning balance	618,867,737	618,867,737	618,867,737	618,867,737
Additions	-	-	-	-
Transfer out	-	-	-	-
Ending balance	618,867,737	618,867,737	618,867,737	618,867,737
<u>Accumulated amortization</u>				
Beginning balance	(241,228,065)	(226,038,317)	(241,228,065)	(226,038,317)
Accumulated amortization for the years	-	(15,189,748)	-	(15,189,748)
Transfer out	-	-	-	-
Ending balance	(241,228,065)	(241,228,065)	(241,228,065)	(241,228,065)
<u>Ending balance</u>	377,639,672	377,639,672	377,639,672	377,639,672
<u>Less</u> Allowance for impairment	(377,639,672)	(377,639,672)	(377,639,672)	(377,639,672)
Net	-	-	-	-

Accumulated amortization have changed during the years as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2018	2017	2018	2017
Beginning balance	377,639,672	353,887,686	377,639,672	353,887,686
Increase - net	-	23,751,986	-	23,751,986
Ending balance	377,639,672	377,639,672	377,639,672	377,639,672

Intangible asset are as follows:

- 17.1 On January 30, 2015, the Company entered into an Agreement relating to the purchase of the right to manage the broadcasting time (the “**Broadcasting Right Purchase Agreement**” or the “**BPA**”) with Media Agency Thai Company Limited (“**MAT**”). Under the BPA, the Company has been appointed as a co-manager, with the exclusive right to manage the broadcasting time, the purchase and sale of broadcasting time, lease or lease out the broadcasting time and products and services advertised through 5 satellite television channels (the “**Right to**”

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Manage the Satellite Television Broadcasting”) for three years beginning on January 30, 2015 and ending on January 29, 2018. In consideration of the Right to Manage the Satellite Television Broadcasting, the Company agreed to make payments to MAT consisting of a) a onetime payment in the total amount of Baht 369,200,000 within 15 days from the date of the BPA, and monthly payments in the amount of Baht 10,300,000 (excluded VAT) throughout the term of the BPA. Under the BPA, MAT agrees to guarantee a monthly minimum income amount derived from the BPA for the Company in the amount of VAT included of Baht 24,000,000 for the first year, Baht 19,000,000 for the second year, and Baht 12,900,000 for the third year. If the income derived from the BPA is less than the aforementioned guaranteed amounts, MAT agrees to compensate the Company by making payments of the shortfall amount in order to procure that the Company receives the guaranteed amounts within the 25th day of each month, and the first payment shall be made by MAT on February 2015.

For the period between February 2015 and September 30, 2015, there are outstanding payments relating to the guaranteed minimum income consisting of the principal amount of Baht 93,543,538.46 and the default interest thereon in the amount of Baht 1,703,493.75 (together referred to as the “**Outstanding Payments**”) to be paid by MAT to the Company.

The Company and MAT negotiated on this matter and agreed to enter into the following agreements for the settlement of debts arising out of or that will arise from the BPA:

1. The Outstanding Payments

On November 11, 2015, the Company and MAT entered into the Debt Restructuring Agreement in order to set out a repayment plan for the Outstanding Payments (the principal amount of Baht 93,543,538.46 and the default interest thereon in the amount of Baht 1,703,493.75) for MAT. According to the Debt Restructuring Agreement, the Company and MAT agree that payment of the Outstanding Payments shall be made by 36 installments, provided that the first installment shall be made on the last business day of December 2015 and each of next installments shall be made on the last business day of each month. In this respect, MAT shall repay the unpaid default interest to the Company together with the last installment.

2. Other future debts which may arise from the BPA

For other future debts which may arise from the BPA (including the guaranteed minimum income), MAT informed the Company that MAT will be entitled to the right to broadcast the Spain Copa del Rey 2015/16, 2016/17 and 2017/18 in Thailand and the right to broadcast the Golf European Tour Program in Thailand for 3 seasons i.e. the years 2016, 2017 and 2018 (together referred to as the “**Broadcasting Rights**”). In this regard, MAT agrees to negotiate with a broadcasting operator operating a television channel in order to grant the Broadcasting Rights to such operator. Based on the information provided by MAT, upon successful negotiation

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of this, MAT shall be entitled to the right to manage the advertising time during the broadcasting of such competition programs.

On September 1, 2015, MAT entered into the Sub-Lease Agreement for lease of a broadcasting channel for the broadcasting of the Golf European Tour Program with GTC Media Limited (the “**Sub-Lease Agreement**”). Under the Sub-lease Agreement, MAT is entitled to the right to manage the advertising time and receive the income derived from sale of the advertising time during the broadcasting of the Golf European Tour Program (the right to manage the advertising time during the broadcasting of the Spain Copa del Rey and the Golf European Tour Program shall be referred to as the “**Right to Sell the Advertising Time**”).

MAT proposed to the Company that, after receipt of the money derived from the Right to Sell the Advertising Time, MAT will use such money for the repayment of all outstanding payments and other debts owed to the Company. Nevertheless, the Company viewed that there was a possibility that MAT may fail to manage or sell such Right to Sell the Advertising Time or may default on other payments due. Consequently, the Company and MAT negotiated on this matter and agreed that MAT would transfer the Right to Sell the Advertising Time to the Company. In addition, the Company would still be entitled to the income derived from the BPA, provided that the Company sets off the outstanding debts arising from the BPA against the income generated by the Company as a result of the management or sale of the Right to Sell the Advertising Time.

Therefore, on November 10, 2015, the Company entered into the Agreement relating to the repayment method under the Broadcasting Right Purchase Agreement with MAT (the “**Repayment Agreement**”). The objective of the Repayment Agreement is to specify and set out the terms and conditions for the repayment of the outstanding debts and other future debts which may arise from the BPA between the Company and MAT (excluding the Outstanding Payments). In order to ensure that the Company shall receive all money derived from the management or sale of the Right to Sell the Advertising Time, the Repayment Agreement requires MAT to exclusively transfer to the Company the Right to Sell the Advertising Time.

According to the Repayment Agreement, MAT shall transfer to the Company the Right to Sell the Advertising Time. By execution of the Repayment Agreement, the Company shall be entitled to manage the broadcasting time, the purchase and sale of broadcasting time, lease or lease out the broadcasting time or do other actions for generating income from such Right to Sell the Advertising Time (As the mentioned right is a management right, therefore the Company shall be entitled to deduct other expenses relating to the management and sale of such right from the revenue generated from such right). The net profit derived from the Right to Sell the Advertising Time shall be set off against the debts arising out from the BPA owed by MAT to the Company.

The Company did not record the fair value of the "Right to Sell the Advertising Time" as non-intangible asset in the financial statement since the received right is not considered as a novation. In this regard, the Repayment

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Agreement does not restrain MAT from performing its duties and obligations under the BPA. The Company and MAT intend to set forth methods for the repayment of debts arising out of the BPA and entitle the Company to deduct the income generated by the Right to Sell the Advertising Time from outstanding debts owed by MAT under the BPA. The Company shall also be entitled to claim the guaranteed minimum income provided by MAT to the Company under the BPA.

Inter-company contingencies and liabilities under that agreement, as of December 31, 2018, remain at Baht 299.45 million, comprising:

a. Receivables under the Debt Restructuring Agreement remain as at December 31, 2018, of Baht 72.01 million (included VAT). The details are as follows:

Details	(Unit : Million Baht)
Accounts receivable under the Debt Restructuring Agreement	98.16
Less Payment received	(26.15)
Receivables under the Debt Restructuring Agreement as at December 31, 2018	72.01

b. Value under the Repayment Agreement of Baht 227.44 million (excluded VAT). The details are as follows:

Details	(Unit : Million Baht)
Fair value of the right to sell the advertising time during the broadcasting of Golf European Tour Program	254.79
Less Payment received	(27.35)
Value under the Repayment Agreement as at December 31, 2018	227.44

From the incident, the Company hasn't recognized revenues of the BPA on statement unless receipt of the money from MAT (Cash basis).

The Company recorded a provision for impairment of the rights with its net book value.

On September 7, 2017, MAT informed the Company that MAT was not entitled to the right to broadcast the Golf European Tour Program in Thailand for the years 2017 and 2018. The Company filed a lawsuit against MAT on September 21, 2017, which the Court arranged for the negotiation / plaintiff to testify on November 20, 2017. Later, the defendant postponed the mediation appointment to January 19, 2018, after which they could not mediate. The Court made the appointment to examine the plaintiff on May 17, 2018, and examine the defendant on May 18, 2018. On July 16, 2018, the court sentenced Media agency pay to the Company Baht 314.99 million plus interest at the rate of 12% per annum of principal amounting to Baht 243.36 million as from June 30, 2017 and pay interest at the rate of 7.5% per annum of principal amounting to Baht 68.76 million as from the date filing onwards (filing date on September 21, 2017) until the payment is completed.

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- 17.2 The rights to manage the satellite television channels for 16 channels at the cost of Baht 82 million including the rights for the period from December 2010 to November 2020 for 8 channels, and for the period from June 2013 to May 2023 for 8 channels.

On August 26, 2015, the Company signed an agreement of early termination of the satellite television co-production agreement with M.V. Television (Thailand) Co., Ltd. for the 8 satellite television channels for the period from June 2013 to May 2023 and wrote off intangible assets amount of Baht 31.62 million.

On November 17, 2015, the Company signed an agreement of early termination of the satellite television co-production agreement with M.V. Television (Thailand) Co., Ltd. for the 8 satellite television channels for the period from December 2010 to November 2020 by gradually termination. The Company wrote off intangible assets amount of Baht 20.26 million.

- 17.3 The rights of broadcasting and broadcast sounds in movies at the cost of Baht 117.44 million, the Company has recorded a provision for impairment amount of Baht 22.49 million in the year 2015, and amount of Baht 23.75 million in the year 2017.

The broadcasting and broadcast sounds in EDGE SPORT contents at the cost of Baht 67.84 million, the Company has recorded a provision amount of Baht 41.44 million in the year 2016.

- 17.4 The rights of live broadcast of soccer match at the cost of Baht 48 million. The Company has recorded a provision for impairment amount of Baht 43.66 million.

Amortization expenses for the years ended December 31, 2017, amount of Baht 15.19 million respectively, were recorded as “Cost of broadcasting rights” and “Cost of programme co-production” respectively on statements of comprehensive income.

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18. Other non-current financial assets

	(Unit : Baht)			
	Consolidated		Separate	
	2018	2017	2018	2017
Hire-purchase contract receivables	102,959,690	104,433,064	102,959,690	104,433,064
Less Unearned interest income	(17,447,740)	(17,919,571)	(17,447,740)	(17,919,571)
Net	85,511,950	86,513,493	85,511,950	86,513,493
Less Current portion of hire-purchase contract receivables	-	(13,485,848)	-	(13,485,848)
Allowance for doubtful accounts	(85,511,950)	-	(85,511,950)	-
Total	-	73,027,645	-	73,027,645

- 18.1 Hire-purchase contract receivables : the Company signed a contract of selling lighting and air conditioning systems with a non-related company. The delivery and inspection tasks completed in August 2016 and the Company will receive payment under the contract in monthly installments totaling 84 installments in the amount of Baht 1,000,000 (excluded VAT), starting the first installment in September 2016. On November 11, 2016 signed a contract of selling lighting and air conditioning systems phase 2-1 and the Company will receive payment under the contract in monthly installments totaling 84 installments in the amount of Baht 407,853 (excluded VAT), starting the first installment in January 2017.

In the year 2018, the debtor has undergone difficulty of liquidity which causes a negotiation on payment time extending and the amount payable in each period. However, the negotiation is on process of signing The company recognized fully allowance for doubtful debts.

According to the resolution of the Board of Director's Meeting No. 8/2018 held on July 24, 2018, the Company has filed a lawsuit against IT Square Co., Ltd. On November 1, 2018. The Company has assigned Law Firm to proceed with further actions in filing a lawsuit against the debtors and the court made a mediation on 20 March 2019.

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19. Deferred tax

As at December 31, 2018 and 2017, The Company and subsidiaries has deductible temporary differences totaling Baht 329.02 million and 242.98 million, respectively (Separate Baht 296.95 million and Baht 212.98 million, respectively). On which deferred tax assets have not been recognized as the Company's management considers that there is uncertainty whether the Company will have sufficient future taxable income to utilize such items and or they might not be used to offset taxable income in the future.

20. Other non-current assets

	(Unit : Baht)			
	Consolidated		Separated	
	2018	2017	2018	2017
Other deposits	29,011,668	39,035,804	29,011,668	38,935,804
<u>Less</u> Allowance for non-refundable deposit	(27,881,260)	(29,587,619)	(27,881,260)	(29,587,619)
<u>Less</u> Amortization of non-refundable deposits	-	(8,631,185)	-	(8,631,185)
Deposits - net	1,130,408	817,000	1,130,408	717,000
Venture capital	29,810,506	20,000,000	29,810,506	20,000,000
<u>Less</u> allowance for doubtful accounts venture capital	(29,810,506)	-	(29,810,506)	-
Venture capital - net	-	20,000,000	-	20,000,000
Withholding tax	7,908,418	6,801,075	7,670,636	6,801,075
Non-current assets held for sales	-	-	-	-
Other	-	14,000	-	-
Total	9,038,826	27,632,075	8,801,044	27,518,075

A As at December 31, 2018 and 2017, non-current assets held for sales were non-operating assets represented the following assets for the construction stone mining which have been suspended, at the cost of Baht 17.02 million and the Company has made a provision for impairment all.

B Venture capital

The Meeting of the Board of Directors No. 18/2017 held on November 7, 2017 resolved to approve the joint investment with Triple Ch Holdings Company Limited (Triple CH), who is licensed to live broadcast football in

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the Philippines, having 35 percent stake in the joint investment, valued at Baht 30 million, to engage in the business of live broadcasting football in the Philippines. Triple CH had an agreement as regards the guarantee on business operation for a period of 18 months, starting from December 1, 2017 that revenue that the Company receives shall not be less than the investment that the Company has made to support the operation of live broadcasting football matches. In addition, the Company has a condition on the payment of the joint venture that the payment is subject to the opinions of the Company's legal advisor on legal status of Triple CH and the due authorization and license to operate the business of live broadcasting football matches.

The Company has already made a payment of Baht 20 million in November 2017 and made a payment of Baht 10 million in March 2018 after Triple CH is able to renew the license with beIN.

The Company hired LEUNG WAI LAW FIRM through Norton Rose Fulbright (Thailand) Co., Ltd. to provide opinions on the status of Triple CH, which can be summarized as follows:

- Triple CH is a foreign company, registered in Samoa in accordance with the International Company Act 1988 on September 14, 2014 and would expire on November 30, 2017, unless it is being extended.
- Triple CH is a company duly established in accordance with the laws and has never violated any laws of Samoa.
- As the date of status inspection, Triple CH has a shareholder named Bernard Camacho Sumayao.
- Triple CH has the registered capital of USD 1,000,000, divided into 1,000,000 shares, at the value of USD 1 per share. The Company also hired Apisith and Alliance Co., Ltd. to review the rights under the Licensing Agreement between beIN Sports Asia Pte Limited ("beIN") and Triple CH dated December 1, 2017, under which the terms can be summarized as follows:
 - beIN and Triple CH agreed on the prices of the licensing fees comprising of the higher of:
 - The amount which cannot be disclosed since such information is trade secrets per 12 months period which shall be calculated on prorated basis; or
 - 20 percent of all gross revenue and an additional 15 percent of any gross revenue in excess of the amount which cannot be disclosed since such information is trade secrets.
- Triple CH agreed to pay the license fees as set out below:
 - 50 percent of the minimum guarantee upon execution of the agreement.
 - 50 percent of the minimum guarantee on or before March 1, 2018.
 - Any additional license fees must be paid within 30 days from receipt of the relevant monthly statement pursuant to the agreement.

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- beIN agreed to grant to Triple CH the right to sub-license to ABS-CBN Corporation (“**ABS-CBN**”) the right to live broadcast the Premier League, UEFA Champions League and La Liga Season 2017-2018 (the “**Live Program**”) in the Philippines.
- beIN agreed to grant Triple CH the right to sub-license to ABS-CBN the right to use the logo of football clubs and trademarks which has been procured and authorized by the authorized persons of each of the clubs in connection with the Live Program, as well as the promotional activities relating to the Live Program.
- The license to live broadcast exclusively belongs to Triple CH in the Philippines. However, Triple CH is only licensed to live broadcast and rerun through free TV (FTA TV transmissions) only.

The Company has considered the opinions of the legal advisor regarding the status of Triple CH and the license, as well as the method of business operation and then made a decision to enter into the joint investment.

However, the business performance did not align with the initial plan, therefore, the Company has set aside an allowance for the whole amount.

21. Loans from other persons

Loans from other persons Which is a group of existing shareholders of a subsidiary of Baht 5.36 million and

Loan from other person that the subsidiary entered into a loan agreement in the amount of Baht 42,600,000 (equivalent to 1,000,000 pounds sterling), interest rate of MLR. The subsidiary agreed to pay interest of the loan on the date of the repayment of all loans.

The repayment terms are as follows:

- 1) Stock price traded is supposed to be a price traded on the relevant stock market for more than Baht 50,000, calculated according to the average exchange rate of commercial banks in Bangkok (middle rate) at the exercise date or
- 2) After the expiration of December 31, 2019, whichever occurs first.

The subsidiary agreed to pledge the shares (as in Note 13.2) to guarantee any liabilities, which the subsidiary will hold during the purchase of shares. The company agreed to complete the pledge of shares with the lender within 30 days from the date that the trading of the shares in the company was completed. Which the company agrees not to sell, transfer or cause any obligation to the pledged shares.

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22. Long-term borrowing

	(Unit : Baht)			
	Consolidated		Separated	
	2018	2017	2018	2017
Long-term borrowing	1,108,068	3,144,240	1,108,068	3,144,240
<u>Less</u> Deferred interest expense	(53,168)	(199,163)	(53,168)	(199,163)
Net	1,054,900	2,945,077	1,054,900	2,945,077
<u>Less</u> Current portion due within one year	(948,524)	(1,890,208)	(948,524)	(1,890,208)
Net	106,376	1,054,869	106,376	1,054,869

23. Provision for employee benefits

An independent actuary carried out an evaluation of the Company's obligations for employees' long-term benefits using the projected unit credit method. The Company has provided the provision for employees' long-term benefits as follows:

	(Unit : Baht)			
	Consolidated		Separated	
	2018	2017	2018	2017
Provision for employee benefits - beginning	2,653,946	1,498,125	2,645,069	1,498,125
Employee benefit expenses				
Current service cost	751,950	1,114,769	751,950	1,105,892
Interest cost	72,475	41,052	72,475	41,052
Actuarial (gain) loss	(1,111,826)	-	(1,111,826)	-
<u>Less</u> liability decrease from actual paid	(294,688)	-	(294,688)	-
Decreased due to loss of control power	(8,877)	-	-	-
Provision for employee benefits - ending	2,062,980	2,653,946	2,062,980	2,645,069

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Significant actuarial assumptions are summarised below.

	Consolidated		Separated	
	2018	2017	2018	2017
Discount rate (%)	2.10	2.74	2.10	2.74
Future salary increase (%)	5.00	5.00	5.00	5.00
Retirement age (years old)	60	60	60	60

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2018 and 2017 are summarised below:

(Unit : Baht)				
As at December 31, 2018				
	Consolidated		Separated	
	Increase	Decrease	Increase	Decrease
Discount rate (1.00%)	(90,235)	104,864	(90,235)	104,864
Salary increase rate (1.00%)	87,095	(76,178)	87,095	(76,178)
Turnover rate (1.00%)	(93,843)	40,960	(93,843)	40,960

(Unit : Baht)				
As at December 31, 2017				
	Consolidated		Separated	
	Increase	Decrease	Increase	Decrease
Discount rate (1.00%)	(274,857)	330,671	(274,857)	330,671
Salary increase rate (1.00%)	361,411	(304,979)	361,411	(304,979)
Turnover rate (1.00%)	(287,247)	159,680	(287,247)	159,680

The sensitivity analysis presented above may not be representative of the actual change in employee benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

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24. Other non-current liabilities

	(Unit : Baht)			
	Consolidated		Separated	
	2018	2017	2018	2017
Guarantee received - co-production	2,830,050	2,830,050	2,830,050	2,830,050

25. Warrants

As of May 26, 2014, warrant to purchase ordinary shares of the Company has been listed on the Stock Exchange of Thailand (trading commencement on May 26, 2014) - DCORP-W1 with major characteristics as follows:

Number of Warrants:	Not exceeding 100,000,000 units
Underlying Shares:	Not exceeding 100,000,000 shares
Rights of Warrants:	The holder of warrant certificate has the right to purchase ordinary share of the Company of 1 warrant for 1 new share with the exercise price of Baht 3 per 1 ordinary share (unless the exercise price is adjusted according to the conditions of the rights adjustment) **
Type of Warrants:	Named certificate and transferable
Term of Warrants:	3 years from the issuance date

** The Board of Directors' Meeting No. 4/2015 which was held on March 16, 2015, passed the resolutions on the adjustment to the exercise ratio and the exercise price of warrants. The 1 unit of warrant shall be entitled to purchase 1.60 newly issued share. The new exercise price is Baht 1.87 per share. The Company will reserve the capital increase at the amount of 160,059,924 shares.

On May 8, 2017, the last exercise date, the warrant holders of DCORP-W1 exercised 21,433,003 units and the Company received Baht 64,271,642 from the issuance of 34,351,469 shares to the warrant holders. The Company has registered the change in paid-up share capital with the Ministry of Commerce on May 23, 2017. The Company therefore has paid-up capital of Baht 587,407,772.

The outstanding of unexercised warrants (DCORP-W1) was 1,958,934 units. Warrants expired from Listed securities on May 27, 2017.

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26. Earnings (loss) per share**Basic earnings (loss) per share**

Basic earnings (loss) per share is calculated by dividing the net profit (loss) attributable to shareholders by the weighted average number of ordinary shares issued and paid-up during the years.

Diluted earnings (loss) per share

Diluted earnings (loss) per share is calculated by dividing the net profit (loss) attributable to shareholders by the weighted average number of ordinary shares issued and paid-up during the period adjusted for the effect of conversion of warrant to ordinary share.

	For the years ended December 31,			
	Consolidated		Separate	
	2018	2017	2018	2017
Diluted earnings (loss) per share (Baht)	(0.714)	(0.359)	(0.830)	(0.262)
Weighted average number of ordinary shares (Thousand shares)	587,408	574,830	587,408	574,830

27. Legal reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

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28. Financial information by segment

The Company and subsidiaries operate business on single geographic segment that is in Thailand. As revenue of other business segments is less than 10% of total revenue, there is no financial information by segment of other business segments presented in the financial statements.

Business unit segment information of the Company and subsidiaries for the years ended December 31, 2018 and 2017, are as follows:

	(Unit : Thousand Baht)			
	Consolidated			
	For the year ended December 31, 2018			
	Income from programme co-production	Income from broadcasting rights	Sales income	Total
Income	612	-	-	612
Cost	-	-	-	-
Gross profit	612	-	-	612
Other incomes				13,133
Profit before expenses				13,745
Expenses				
Administrative expenses				(47,781)
Allowance for impairment of venture capital				(29,810)
Doubtful accounts				(88,235)
Loss from impairment of goodwill				(51,203)
Loss from impairment of investment in associates				(107,784)
Management benefit expenses				(18,681)
Finance costs				(684)
Share of loss from associates				(89,498)
Total expenses				(433,676)
Loss before income tax				(419,931)
Income tax				-
Net loss				(419,931)

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	(Unit : Thousand Baht)			
	Consolidated			
	For the year ended December 31, 2017			
	Income from programme co-production	Income from broadcasting rights	Sales income	Total
Income	26,999	16,709	5	43,713
Cost	(7,200)	(15,190)	-	(22,390)
Gross profit	19,799	1,519	5	21,323
Other incomes				15,335
Profit before expenses				36,658
Expenses				
Administrative expenses				(105,227)
Allowance for impairment of intangible assets				(16,870)
Loss from impairment of goodwill				(20,731)
Loss from impairment of investment in associates				(65,331)
Management benefit expenses				(24,064)
Finance costs				(411)
Share of loss from associates				(12,997)
Total expenses				(245,631)
Loss before income tax				(208,973)
Income tax				-
Net loss				(208,973)

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29. Financial instruments

29.1 Financial risk management

The Company's financial instruments, principally comprise cash and cash equivalents, trade accounts receivable, investments, and short-term loan. The financial risks associated with these financial instruments and how they are managed is described below:

Credit risk

The Company is exposed to credit risk primarily with respect to receivables from co-production of satellite television programmes and broadcasting rights. However, due to its prudent credit policy and the close follow up of debt, the Company does not anticipate material losses from its debt collection in excess of those for which provision has already been set aside. And trade-accounts receivable of co-production of satellites television programmes had made the collateral.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks. However, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Foreign currency risk

The Company has no exposure to foreign currency risk because no significant trading transactions are denominated in foreign currencies.

29.2 Fair values of financial instruments

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

The fair value of cash and cash equivalents, trade and other accounts receivable, short-term loans, other current assets, trade and other accounts payable and other current liabilities is taken to approximate the carrying value.

Fair values and the carrying values of financial assets and liabilities other than the aforementioned were as follows:

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(Unit : Million Baht)				
	Consolidated			
	Level 1	Level 2	Level 3	Total
As at December 31, 2018				
Financial assets				
Other current investments				
Open-end fund **	-	23.20	-	23.20
As at December 31, 2017				
Financial assets				
Other current investments				
Open-end fund **	-	184.16	-	184.16

(Unit : Million Baht)				
	Separate			
	Level 1	Level 2	Level 3	Total
As at December 31, 2018				
Financial assets				
Other current investments				
Open-end fund **	-	17.19	-	17.19
As at December 31, 2017				
Financial assets				
Other current investments				
Open-end fund **	-	174.62	-	174.62

* Level 2 - The fair value determined by using the net asset value as published by the Asset Management.

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30. Agreement

On May 19, 2016, the Company executed 2 memorandums of understanding with Philippines investors in order to engage in the due diligence exercise on 2 companies registered under the laws of the Philippines and engaged in the energy business in the Philippines by acquiring 40 percent of the shares in the 2 companies. On August 11, 2016, the Company paid the security deposit for the land lease for the construction of the solar power plant in the amount of Baht 22.40 million to representatives or authorized persons of the 2 companies as the owners of the land. If the project is not approved by the shareholders of the Company, the lessor shall return the security deposit in full within the period specified by the Company. The payment of such security deposit is approved under the capped amount of Baht 50 million from the meeting of the Board of Directors of the Company held on July 13, 2016.

On January 26, 2017, the Company's Board of Directors approved the investment in the solar power plants of Negros PH Solar Inc. (NPSI) having the production capacity under the Solar Energy Contract at 50 megawatts, located in the Philippines, by the purchase of 40 percent of the total issued ordinary shares in NPSI, in the total amount of 600,000 million US Dollars. Such investment must also be approved by the shareholders' meeting with the vote of not less than three-fourth of the total votes. The Company expects that the construction of this power plant project can be completed and commercially able to distribute power within 2017, with the project rate of return at the rate of not less than 15 percent. The Board of Directors considered this to be reasonable and beneficial to the Company and the shareholders. After the parties have fulfilled or waived as per the methods stipulated under the agreement within October 2017 (Revised May 19, 2017) the conditions precedent stipulated in the share purchase agreement, the Company has already made the payment.

Nevertheless, on November 10, 2017, it was informed by the Company that NPSI could not obtain the construction permit for the project and may not provide the progress summary since there was a change in the policy with respect of the process and procedures of approval for the permit by the Department of Energy, the Ministry of Energy of the Philippines. Therefore, the Company had to cancel the investment in the project and the Company recorded the reserve for the security deposit which may not be refunded in the amount of Baht 34.10 million (consisting of the security deposit of the land lease Baht 22.40 million, the operational costs for the acquisition of the construction permit of the project Baht 11.70 million) and wrote-off unrecalable security deposit (expenses for legal advisors, financial advisors, and technical engineering advisors) of Baht 8.63 million. However, the Company has officially given the notice to demand the security deposit for the land lease to the lessor twice and will proceed with legal procedures accordingly.

Later, on December 8, 2017, it was disclosed by the Company that the Company received the deposit for the sale shares in the amount of Baht 21.23 million from the escrow agent, while the security deposit for the land lease of Baht 22.40 million and the operational costs for the acquisition of the construction permit of the project in the amount of Baht 11.70 million, at the total amount of Baht 34.10 million, cannot be recalled.

In the consideration of the Board of Directors for the investment in the solar power plant project of Negros PH Solar Inc. (NPSI) on January 26, 2017, the Board of Directors resolved that the investment in NPSI's power plant

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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was reasonable by considering the information from technical and commercial inspections, as well as legal due diligence.

For the technical inspection, the Company hired Infratech ASTM Co., Ltd. to conduct field inspection and evaluate the appropriateness of the area for the construction of the solar power plant through the tests of soil strength, the level of the area above the sea level and statistics of disasters, e.g. flood and wind storm in the past. For the construction of the power plant, the Company also prepared to hire a contractor which is a company ranked in the Fortune Global 500 to design and construct the power plant.

In the consideration on the commercial feasibility, due the high competitive in the construction market in Philippines, NPSI has been offered from a contractor to acquire 85 percent of the total funds for the construction of the project with NPSI being responsible for only 15 percent for the initial construction. The Company has further studied and found that other projects in the vicinity have received the same offer from other construction companies. This advantage results in the project rate of return of not less than 15 percent. In this connection, the Company hired Sims Property Consultant Co., Ltd. to evaluate the value of NPSI. From the result of the evaluation of NPSI, the value of 40 percent of NPSI's shares is Baht 757.20 million. The valuation of the project is the valuation of NPSI when it is fully operated. The valuation assumption includes the initial capital for start up in the amount of Baht 2,353.95 million. The project can immediately produce electricity with the duration of 25 years, and would be granted tax incentive from the government of Philippines, exempted from tax in the first 7 years, and pay corporate income tax at the rate 10 percent in the year of 8-13, and pay corporate income tax at the rate 30 percent in the year of 14-25, with the electricity tariff at 5.70 Baht per unit. Sims Property Consultant Co., Ltd. has evaluated at the discounted cash flow of the future subject to the condition that NPSI has a full capacity of 50 MW for 25 years calculated by the discounted rate at 8 percent.

Nevertheless, due to the investment of the Company was in the early stage of the application for a license to implement the project, the Company, therefore could negotiate for the purchase of 40 percent of shares at the price of 600,000 USD or approximately Baht 21 million. Comparing to the value of NPSI, with full operation, it is considered as reasonable remuneration.

In the part of the legal feasibility, the Company hired DFDL (Thailand) Ltd., which worked with a legal office in the Philippines, to review legal documents and licenses of NPSI. From the result of the review, NPSI was in the process of obtaining main documents, i.e. the construction permit for the project. The Company prescribes a condition for payment in the form of security deposit, whereby the security deposit shall be returned if the conditions precedent are not fulfilled, including the acquisition of the said construction permit by NPSI.

In the meeting of the Board of Directors, the consideration on the conditions and procedures for the acquisition of the construction permit of NPSI was considered and NPSI may obtain the construction permit when the Department of Energy, the Ministry of Energy of the Philippines has considered the application and conditions of the permits performed by NPSI and submitted to the Ministry of Energy. In this respect, the Ministry of Energy

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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will announce the result of the approval of the development and construction of the project on the Ministry of Energy's website.

Nevertheless, the change of government of the Philippines resulted in the change in policy for the approval of the renewable energy power plant, whereby NPSI's project is pending for approval and the result of the acquisition of the construction permit of the project is delayed without a specified period.

The Board of Directors approve the payment of the security deposit of Baht 34.10 million before the shareholders approved of the investment in the project.

The Board of Directors has considered the payment of security deposit of Baht 34,102,184.62 because the Company is the new investor in the energy business in the Philippines. Therefore, if the Company acquires shares of the power plant project in such manner at the time when the project is almost to get commercial return, or the project has been granted relevant licenses, the Company expects that the prices of the projects would rise to the higher level, or at the market price of approximately Baht 700 million valued by an independent valuer. Comparing in the aspect of investor confidence, the Company may be more disadvantage than other companies in the market. Therefore, the Company has decided to invest in this project at an early stage which may jointly manage possible risks occurring from the investment in very greenfield stage. As such, the Company has negotiated to purchase 40 percent of shares in the amount of 600,000 USD or approximately Baht 21 million; provided that the Company would be responsible for reservation payment of land of the project.

However, such payment is under the terms for the refund in various conditions including the condition that the project needs the approval from the shareholders. The security deposit is an appropriate amount when comparing to the value of the NPSI when it is fully operated. Further, the security deposit of the land lease, and the operational costs are necessary as follows:

- 1) Deposit for the land lease in the amount of Baht 22,398,461.41 which was paid after the preliminary result of due diligence exercise on NPSI.

The Company considered making this part of payment prior to the approval of the shareholders because, for power plant projects in the Philippines, the location of the land for which the power plant is to be located is the material factor in the approval of the project. The reason is the land is one the conditions to get the license to study and explore the power plant project ("**Service Contract**") which must not overlap with other projects that have received a Service Contract. Therefore, NPSI was required to procure land in order to receive the Service Contract. Moreover, leasing the land at the beginning of the project will help to manage rental prices to be at the market level and does not let others take an opportunity to take advantage to raise prices if the project is licensed for Service Contract that has been specified the project area. Further, land procurement is considered as high risk because if the Company cannot enter into the land lease

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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agreement according to the location specified in the Service Contract, it will result in an increase in the cost of the operation for new Service Contract application where the project could, in fact, enter into the land lease agreement. The Company, therefore, entered into an agreement to have the possessory right over the land so that NPSI may apply for the right to develop the project without the land procurement risk and for the liquidity of the project at the early stage which is competitive. The Company did not make this payment in proportion to the shareholding percentage because the Philipinos shareholders agreed to be responsible for the procurement of the possessory right over the land while the Company agreed to make the security deposit payment. Eventually when the project can be operated, the security deposit will be deemed as expenses of the project whereby NPSI has the duty to return to the Company in the propotion in which the Company has overly paid.

- 2) The payment for the operational costs for the acquisition of the project construction permit in the amount of Baht 11,703,723.21 was made after the consideration of the result from due diligence exercise on NPSI.

The Company considered and made the payment for this sum prior to the approval of the shareholders because, for power plant projects in the Philippines, NPSI must obtain the project construction permit. The Company did not make the payment in proportion to its shareholding because the Filipinos shareholders agreed to be responsible for the acquisition of the project construction permit while the Company agreed to make the payment for the operational costs. Eventually when the project can be operated, the security deposit will be deemed as expenses of NPSI whereby NPSI has the duty to return to the Company in the propotion in which the Company has overly paid.

Moreover, for the 2 investment items in the total amount of Baht 34,102,184.62, the Company paid for such payment on the condition that the Company can demand for a return of the capital investment from NPSI's shareholders if NPSI may not operate the project and if the shareholders of NPSI refuse to return the security deposit, the Company is entitled to file a suit against NPSI's shareholders under the conditions stipulated under the agreement.

The names of the shareholders of NPSI and the lessor of the land is MS. MARIA CELIA RAMONA S. MONFORT, a citizen of the Philippines, who has no relationship with the Company in terms of shareholding, director, executive, or related party.

However, the reason that the Philippines shareholder is the lessor is the Company has asked the Philippines shareholder to help to negotiate and to compile land from the owners. The Philippines shareholder does not own the land. Nevertheless, there is a duty to complied land for lease so as to the project can apply for relevant license such as Service Contract or construction licenses, etc.

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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1. The deposit of Baht 22,398,461.41 is under the agreement for the Company to place the security deposit for the land reserved in order for NPSI to lease the land at a later date. The conditions for the Company to claim for the refund of the security deposit are as follows:

- (1) When the conditions of entering into the project land lease agreement has been fulfilled or waived by the relevant contracting party.
- (2) When NPSI may not enter into the project land lease agreement with the land owner.
- (3) When the Company is not approved to lease the project land.

Therefore, due to for the cancellation of the Company to invest in NPSI is considered as the disapproval of the lease of the land, the Company received the refund of the capital investment placed as the security deposit. Currently, the payment due date is under the negotiation and the Company expects that the Company will receive the refund within Quarter 3/2018.

2. For the security deposit for the operational costs for the acquisition of the construction permit, the conditions for the Company to receive the refund are as follows:
 - (1) When the parties may not procure that NPSI obtains the construction permit.
 - (2) When the Company is not approved to proceed with the project.

The cancellation of the investment in NPSI resulted in the Company's entitlement in the full refund of the security deposit. Currently, the Company is under the negotiation for the counterparty to return the security deposit. In this connection, the counterparty agreed to enter into the agreement to return the security deposit which has the payment period for the total amount within August 15, 2018. At present, the deposit has not yet been paid and the Company is in the process of asking for payment. The deposit has not yet been paid and is currently in the process of prosecution.

If the Company received a refund. The Company will recognize the allowance for reversed damages. And recognized as other income in the statement of income for the period of repayment.

31. Commitments

The Company has entered into building space rental agreement with an unrelated company. The lease term of 3 years expires on November 30, 2020. The rental rate is Baht 174,250 per month.

The Company has entered into service agreements with an unrelated company. The lease term is 3 years. The contract expires on November 30, 2020. The service fee is Baht 139,400 for the first year, Baht 156,825 for the second year and Baht 174,250 for the third year.

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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32. Expenses by nature

Significant expenses by nature for the years ended December 31, 2018 and 2017, are as follow:

	(Unit:Baht)			
	Consolidated		Separate	
	2018	2017	2018	2017
Fee for the assignor of co-production	-	7,200,000	-	-
Depreciation and amortisation expenses	7,788,843	24,410,303	5,256,593	20,407,888
Salaries and other employee benefits	11,624,516	11,127,675	11,624,516	10,203,444
Professional fees	9,938,788	10,812,111	9,010,388	9,566,894
Office rental and service expenses	3,972,600	4,310,823	3,763,800	3,380,450
Loss from impairment				
Intangible assets	-	16,869,981	-	16,869,981
Goodwill	51,202,950	20,731,191	-	-
General investment	-	-	51,363,725	-
Investment in subsidiaries	-	-	-	42,560,511
Investment in associate	107,783,688	65,330,845	200,794,329	-
Venture capital	29,810,506	-	29,810,506	-
Allowance doubtful	88,234,704	-	154,525,362	-
Share of loss from associates	89,497,899	12,997,397	-	-
Management benefit expenses	18,680,551	24,063,542	18,680,551	21,899,948

33. Capital management

The primary objectives of the Company's capital management are to maintain their abilities to continue as a going concern and to maintain an appropriate capital structure.

As at December 31, 2018, debt to equity ratio in the consolidated financial statements is 0.18:1 (Separate: is 0.04:1).

34. Reclassification

Certain reclassifications have been made in the financial statements for the year ended December 31, 2017, the Company and its subsidiaries to conform to the classification used in current period's financial statements. Such reclassifications have no effect to previously reported net profit and shareholders' equity.

35. Financial statements approval

These financial statements have been approved by the Company's Board of Directors on February 26, 2019.

5.2 Independent Auditor's Report Year 2018-2019

**DEMETER CORPORATION PUBLIC COMPANY LIMITED
AND SUBSIDIARIES
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
AND REPORT OF INDEPENDENT'S AUDITOR**

Independent Auditor's Report

To the Shareholders of Demeter Corporation Public Company Limited

Opinion

I have audited the financial statements of Demeter Corporation Public Company Limited and its subsidiaries, which comprise the consolidated and separate statements of financial position and as at December 31, 2019, and the related consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of Demeter Corporation Public Company Limited and its subsidiaries as at December 31, 2019, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

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Deferred Tax Assets

Risk

As described in the Note 18 to the financial statements, the Company has not yet recorded deferred tax assets of Baht 569 million (separate Baht 515 million) because the recognition of deferred tax assets needs to be based on possibility of actual utilization which is subject to management's judgment. Expectation of such assets utilization is depended on many factors, including appropriateness of temporary difference, and sufficiency of future taxable profit.

Risk Responses of Auditor

My audit procedures responded to the risk referred to above are as follows:

- Evaluated the Company management's judgment regarding sufficiency of future taxable profit for recording deferred tax assets. Evaluation focused on the future cash flow projection and preparation process of cash flow projection;
- Tested reliability of calculation and compared to the latest annual budget approved by the Company's board of directors; and
- Enquired the Company's management regarding key assumptions and long term growth rate, and compared to historical performance, economic conditions, and industrial trend.

The results of the above tests cause me to believe that the Company should not recognize deferred tax assets since there is no possibility of taxable benefits utilization in the future.

Emphasis of Matter

- (1) As discussed in Note 10.3b., as of December 31, 2019, the Company recognized the share of loss of such associate for the years ended December 31, 2019, amounting to Baht 107.17 million as shown in the consolidated financial statements. And the Company has investments in associated companies in accordance with the cost method recorded allowance for impairment of investment in associates amount of Baht 107.17 million as shown in the separate financial statements.

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On January 21, 2019 the associated company held extra-ordinary general meeting No.1/2019 to propose an agenda to termination of the project the associated company due to the fact that the associated company has a lack of liquidity problem, and the Project has not been operated in accordance with the plan. The Meeting resolved to terminate the Project with 62.50 percent of the votes in favour and 37.50 percent of the votes against. The management of the associated company has scheduled cessation of the operation of the Project on January 29, 2019; the show at 6.00 PM on such day will be the last performance, and in January and February 2019 the associated occurred severance pay amounting to THB 1.20 million due to termination of some staffs.

In addition, under the loan agreement between a commercial bank and the associated company dated May 23, 2018 was guaranteed by its fixed deposit bank account of THB 90 million. In the extra-ordinary general meeting No.1/2019 to resolved to settle loan agreement with the fixed deposit bank account, allowed bank to deduct this collateral of THB 3 million each month. Later, the conditions of the loan payment were changed to allow the bank to deduct the loan payment from the fixed deposit account according to the new conditions. As of September 30, 2019, the bank had already deducted the loan from the deposit account totaling Baht 72 million. Therefore, the associate company is obliged to pay back to the Company according to the amount that the bank has already deducted from the Company's deposit account. However, the associate company has ceased operations and lacked liquidity. The Company therefore considers the allowance for doubtful accounts in full amount.

As of January 28, 2020, the management of the associated reported information regarding the case, which stated that on that date, the associated was sued by 21 creditors (22 lawsuits) in total debt of Baht 77,266,805.19 divided into principal amount of Baht 73,737,034.58 and interest in the amount of Baht 3,529,770.61 However, 3 creditors withdrew the lawsuit and agreed to reduce the debt to the associated, which the associated has already paid off the debt. In addition, 15 creditors agreed that the associated can pay in installments according to the terms and conditions set by the creditors. And as regards the case against the 3 creditors, the associated is in the process of preparing the information to be used in the trial for submitting testimony in order to request an appointment for further witness examination and mediation.

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The management of the associated company has proceeded to manage the guidelines for debt repayment to various creditors since the associated company is on planning for a new project operation. According to the annual general shareholders' meeting of the year 2019, which was on April 24, 2019, the management of the associated company reported plans to conduct negotiations with new investors. The operational plan will be in the form of space rental for goods and services sales including revenue sharing from various tenant sales and space rental for customers who require to set small to medium-sized organizing activities, which the associated company has completely allocated the area to support the said operation.

Currently, the associated company has signed a space rental contract with a major tenant who has rented most space of the project. Also entering into a contract with some tenants is on process including negotiations with new tenants to comply with the business model of each tenant, which the associated company will contact the creditors to inform the progress of the said action plan and debt repayment plan. According to the plan, the associated company will be able to divide the cash received from operations each month to pay the debt to the creditors and partly used as operating cash flow.

- (2) Without changing the conclusion of the report, I draw attention to Note 10, 11, 19 and 29, The Group and the Company invested in various projects and reported on the progress of each major project.

Other matters

The financial statement of Demeter Corporation Public Company Limited which comprise the Consolidated statement of financial position (Before Adjustment) and separate statement of financial position as at December 31, 2018, and the related consolidated and separate statement of comprehensive income, changes in shareholders' equity (Before Adjustment) and cash flows for the year ended December 31, 2018, presented as comparative information, were audited by another auditor in my firm whose report dated on February 26, 2019, expressed a disclaimer of opinion, because of the significance of the matters described in the basis for disclaimer of opinion paragraph about the operation of the associated company.

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Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Jirote Sirirorote.

(Mr. Jirote Sirirorote)

Certified Public Accountant

Registration No. 5113

Karin Audit Company Limited

Bangkok, Thailand

February 25, 2020

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

		Unit : Baht			
		Consolidated		Separate	
		2019	2018	2019	2018
Notes			("Restated")		("Restated")
ASSETS					
Current assets					
Cash and cash equivalents		7,857,084	12,955,131	5,008,205	7,801,254
Current investments	6	393,390,014	23,199,296	384,405,726	17,189,048
Trade and other current receivables	7	94,382,735	62,619,714	93,826,453	61,276,070
Inventories		12,234,135	12,960,460	-	-
Short-term loans to related parties	5.2	-	-	-	8,909,127
Other current financial assets	17	-	-	-	-
Current tax assets		286,350	239,035	86,356	42,233
Other current assets	8	1,109,141	1,227,486	1,109,141	1,227,486
Total current assets		509,259,459	113,201,122	484,435,881	96,445,218
Non-current assets					
Deposits pledged as collateral	9	-	90,000,000	-	90,000,000
Investments in associates	10	-	107,169,020	-	107,169,020
Investments in subsidiaries	11	-	-	10,455,384	32,865,737
Other long-term investments	12	-	45,463,955	-	2,863,955
Trade and other non-current receivables	13	-	-	-	-
Leasehold building improvements and equipment	14	14,755,697	19,322,998	14,755,697	19,322,998
Investment property	15	-	19,074,348	-	-
Goodwill	11	-	-	-	-
Intangible asset	16	-	-	-	-
Other non-current financial assets	17	-	-	-	-
Other non-current assets	19	8,966,177	9,038,826	8,966,177	8,801,044
Total non-current assets		23,721,874	290,069,147	34,177,258	261,022,754
TOTAL ASSETS		532,981,333	403,270,269	518,613,139	357,467,972

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2019

		Unit : Baht			
		Consolidated		Separate	
		2019	2018	2019	2018
Notes			("Restated")		("Restated")
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Trade and other current payables		10,150,271	10,803,022	9,629,120	9,974,409
Current portion of long-term liabilities	21	255,846	948,524	255,846	948,524
Short-term borrowing	20	2,166,030	47,962,345	-	-
Other current liabilities	33	29,037,508	65,200	29,037,508	65,200
Total current liabilities		41,609,655	59,779,091	38,922,474	10,988,133
Non-current liabilities					
Long-term borrowing	21	562,190	106,376	562,190	106,376
Non-current provisions for employee benefit	22	954,489	2,062,980	954,489	2,062,980
Other non-current liabilities	23	2,830,050	2,830,050	2,830,050	2,830,050
Total non-current liabilities		4,346,729	4,999,406	4,346,729	4,999,406
TOTAL LIABILITIES		45,956,384	64,778,497	43,269,203	15,987,539
SHAREHOLDERS' EQUITY					
Share capital					
Registered					
1,762,223,316 common shares of Baht 1.00 each	24	1,762,223,316		1,762,223,316	
590,547,570 common shares of Baht 1.00 each			590,547,570		590,547,570
Issued and paid-up					
1,430,416,192 common shares of Baht 1.00 each		1,430,416,192		1,430,416,192	
587,407,772 common shares of Baht 1.00 each			587,407,772		587,407,772
Share premium		1,487,411,835	1,487,411,835	1,487,411,835	1,487,411,835
Share discount		(461,104,210)	(39,600,000)	(461,104,210)	(39,600,000)
Share discount for convertible debts		(6,600,000)	(6,600,000)	(6,600,000)	(6,600,000)
Retained earnings (Deficit)					
Appropriated - statutory reserve		13,000,000	13,000,000	13,000,000	13,000,000
Unappropriated		(1,976,098,868)	(1,703,127,835)	(1,987,779,881)	(1,700,139,174)
Other components of shareholders' equity		-	-	-	-
TOTAL SHAREHOLDERS' EQUITY		487,024,949	338,491,772	475,343,936	341,480,433
Non-controlling interests		-	-	-	-
TOTAL SHAREHOLDERS' EQUITY		487,024,949	338,491,772	475,343,936	341,480,433
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		532,981,333	403,270,269	518,613,139	357,467,972

FOR THE YEAR ENDED DECEMBER 31, 2019

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DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2019

												Unit : Baht	
Consolidated													
Notes	Issued and paid-up share capital	Share premium	Discount on share capital	Share discount for debt to equity conversion	Retained earnings (Deficit)		Other components of shareholders' equity			Total equity attributable to owner's of the Company		Non-controlling interests	Total
					Appropriated	Unappropriated	Surplus on change in shareholding in subsidiary	Gains (losses) on remeasurements of defined benefit plans	Total other components of shareholders' equity				
Balance as at January 1, 2018	587,407,772	1,487,411,835	(39,600,000)	(6,600,000)	13,000,000	(1,269,381,805)	1,787,011	-	1,787,011	774,024,813	6,351,327	780,376,140	
Change in equity of Investments in subsidiaries, from has control to loss all control	-	-	-	-	-	1,787,011	(1,787,011)	-	(1,787,011)	-	(6,029,029)	(6,029,029)	
Transferred to retained earnings	-	-	-	-	-	1,111,826	-	(1,111,826)	(1,111,826)	-	-	-	
Comprehensive loss for the year	-	-	-	-	-	(419,608,584)	-	1,111,826	1,111,826	(418,496,758)	(322,298)	(418,819,056)	
Balance as at December 31, 2018 (as previously reported)	587,407,772	1,487,411,835	(39,600,000)	(6,600,000)	13,000,000	(1,686,091,552)	-	-	-	355,528,055	-	355,528,055	
Accounting error adjustment	32	-	-	-	-	(17,036,283)	-	-	-	(17,036,283)	-	(17,036,283)	
Balance as at December 31, 2018 (restated)	587,407,772	1,487,411,835	(39,600,000)	(6,600,000)	13,000,000	(1,703,127,835)	-	-	-	338,491,772	-	338,491,772	
Share capital increase	24.1	843,008,420	-	(421,504,210)	-	-	-	-	-	421,504,210	-	421,504,210	
Comprehensive loss for the year	-	-	-	-	-	(272,971,033)	-	-	-	(272,971,033)	-	(272,971,033)	
Ending balance as at December 31, 2019	1,430,416,192	1,487,411,835	(461,104,210)	(6,600,000)	13,000,000	(1,976,098,868)	-	-	-	487,024,949	-	487,024,949	

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2019

Unit : Baht									
Notes	Separate								
	Issued and paid-up share capital	Share premium	Discount on share capital	Share discount for debt to equity conversion	Retained earnings (Deficit)		Other components of shareholders' equity		Total
					Appropriated	Unappropriated	Gains (losses) on remeasurements of defined benefit plans	Total other components of shareholders' equity	
Balance as at January 1, 2018	587,407,772	1,487,411,835	(39,600,000)	(6,600,000)	13,000,000	(1,196,662,191)	-	-	844,957,416
Transferred to retained earnings	-	-	-	-	-	1,111,826	(1,111,826)	(1,111,826)	-
Comprehensive loss for the year	-	-	-	-	-	(487,552,526)	1,111,826	1,111,826	(486,440,700)
Balance as at December 31, 2018 (as previously reported)	587,407,772	1,487,411,835	(39,600,000)	(6,600,000)	13,000,000	(1,683,102,891)	-	-	358,516,716
Accounting error adjustment	32 -	-	-	-	-	(17,036,283)	-	-	(17,036,283)
Balance as at December 31, 2018 (restated)	587,407,772	1,487,411,835	(39,600,000)	(6,600,000)	13,000,000	(1,700,139,174)	-	-	341,480,433
Share capital increase	24.1 843,008,420	-	(421,504,210)	-	-	-	-	-	421,504,210
Comprehensive loss for the year	-	-	-	-	-	(287,640,707)	-	-	(287,640,707)
Ending balance as at December 31, 2019	1,430,416,192	1,487,411,835	(461,104,210)	(6,600,000)	13,000,000	(1,987,779,881)	-	-	475,343,936

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2019

	Unit : Baht			
	Consolidated		Separate	
	2019	2018 ("Restated")	2019	2018 ("Restated")
Cash flows from operating activities				
Loss before income tax	(272,971,033)	(419,930,882)	(287,640,707)	(487,552,526)
Adjustments to reconcile profit (loss) to net cash received(paid)				
Net cash received from (used in) operating activities				
Interest expenses	118,261	656,191	118,261	145,994
Interest income	(8,456,711)	(3,414,259)	(6,559,739)	(4,050,268)
Trade and other current receivable (increase) decrease	(118,957,139)	855,679	(119,836,606)	(276,193)
Inventories (increase) decrease	726,325	(12,960,460)	-	-
Other current assets (increase) decrease	118,345	(614,790)	118,345	(614,790)
Other non-current assets (increase) decrease	1,014,067	(209,914)	1,014,067	(223,914)
Trade and other current payable decrease	(1,646,505)	(3,368,562)	(175,731)	(4,322,543)
Other current liabilities increase	28,972,308	65,200	28,972,308	65,200
Depreciation	5,985,150	8,095,585	5,339,233	5,256,593
Gain on revaluation of fair value	(5,090,718)	(1,242,126)	(4,916,678)	(1,054,096)
Allowance for doubtful account	84,592,634	83,456,469	86,717,740	83,456,469
Allowance for short-term loans to related company reversal	-	-	(5,290,659)	66,740,659
Amortization of income tax	434,576	207,608	-	-
Employee benefit expenses	101,109	824,425	101,109	824,425
(Profit) loss for write off and sale of fixed assets	766,235	(372)	(4,060)	4,140
Allowance for impairment of joint venture reversal	(568,483)	29,810,506	(568,483)	29,810,506
Loss from impairment of general investment	2,863,955	-	2,863,955	51,363,725
Loss from impairment of investments in subsidiaries	-	-	22,410,352	-
Profits from non-controlling interests	-	(387,182)	-	-
Loss from impairment of goodwill	-	51,202,950	-	-
Loss from impairment of investment in associates	76,860	107,783,688	107,169,022	200,794,329
Share of loss from associates	107,169,020	89,497,899	-	-
Total adjustments from reconciliation	(174,751,744)	(69,672,347)	(170,168,271)	(59,632,290)
Net cash received from (used in) operating activities				
Cash paid for interest	(118,261)	(145,574)	(118,261)	(145,994)
Cash paid for employee benefits	(1,209,600)	(294,688)	(1,209,600)	(294,688)
Income tax paid	(286,343)	(239,035)	(86,356)	(42,233)
Net cash used in operating activities	(176,365,948)	(70,351,644)	(171,582,488)	(60,115,205)

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2019

	Unit : Baht			
	Consolidated		Separate	
	2019	2018 ("Restated")	2019	2018 ("Restated")
Cash flows from investing activities				
Deposits pledged as collateral (increase) decrease	90,000,000	(90,000,000)	90,000,000	(90,000,000)
Cash paid for purchase of investment in subsidiaries	-	(445,500)	-	-
Cash paid for purchase of investment in associates	(76,860)	-	-	-
Current investments (increase) decrease	(365,100,000)	162,203,957	(362,300,000)	158,484,586
Cash received from short-term borrowing to related company	-	-	13,370,000	-
Cash received for short-term borrowing to other company	-	10,000,000	-	-
Cash paid for short-term borrowing to other company	-	-	-	(150,000)
Cash paid for joint ventures	-	(10,000,000)	-	(10,000,000)
Cash received from interest income	8,456,711	4,170,423	7,389,525	3,228,450
Cash paid for purchase of Leasehold building improvements and equipment	(26,125)	(120,389)	(26,125)	(120,389)
Proceeds from sales of Leasehold building improvements and equipment	7,435	5,279	7,435	5,279
Proceeds from sales of investment property	17,658,136	-	-	-
Net cash provided by (used in) investing activities	(249,080,703)	75,813,770	(251,559,165)	61,447,926
Cash flows from financing activities				
Cash received from increase in share capital	421,504,210	-	421,504,210	-
Payment of finance lease liability	(1,155,606)	(1,890,178)	(1,155,606)	(1,890,178)
Net cash provided by (used in) financing activities	420,348,604	(1,890,178)	420,348,604	(1,890,178)
Net increase (decrease) in cash and cash equivalents	(5,098,047)	3,571,948	(2,793,049)	(557,457)
Cash and cash equivalents at beginning of years	12,955,131	9,547,608	7,801,254	8,358,711
Cash and cash equivalents of subsidiary at date to change power control	-	(164,425)	-	-
Cash and cash equivalents at ending of years	7,857,084	12,955,131	5,008,205	7,801,254

Supplemental cash flows information:

1 Unrealized foreign exchange gains of Non-refundable deposits Baht 1,048,652.

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

1. General information

1.1 General information of the company

Demeter Corporation Public Company Limited (“the Company”) is a public limited company, incorporated in Thailand and is registered on the Stock Exchange of Thailand. The address of its registered office is 191/43 CTI Tower 21st Floor, Ratchadapisek Road, Klongtoey Subdistrict, Klongtoey District, Bangkok.

The principal business operations of the Company are providing, production and/or joint production of television satellite programmes and being the broker.

1.2 Accounting assumptions

The company Group has a large number of losses for many years. In 2019, the consolidated statement of comprehensive income and the separate statement of comprehensive income presented the loss for the year in the amount of Baht 272.97 million and Baht 287.64 million, respectively. Total cash flow statement and separate cash flow statement showing net cash flows used in operating activities of Baht 176.37 million and Baht 171.58 million, respectively. The consolidated statements of financial position and statement of financial position as of December 31, 2019, the cumulative loss of Baht 1,976.10 million and Baht 1,987.78 million, respectively, resulted in significant doubts about the Group's ability to continue its operations. However, the Group believes that the Group will be able to continue its business. Since the Group has assessed the financial status and financial planning management for the next 12 months from the end of the accounting period ending December 31, 2019 by planning the cash flow projection and planning to manage the financing sources as follows:

1. The company has a business plan in the form of concerts which the profits will be used as working capital.
2. The subsidiary operates the business of processing, manufacturing and selling hinoki wood products.

As a result of these reasons, the financial statements are still prepared under the assumption of continued operation of the business.

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

2. Basis for preparation of the consolidated financial statements

- 2.1 The consolidated financial statements include the financial statements of the Demeter Corporation Public Company Limited and subsidiaries as follows:

Subsidiaries	Type of business	Location	Percentage of holding by	
			December 31,	December 31,
			2019	2018
<u>Direct - Subsidiary :</u>				
Demeter Innovation Company Limited	providing, production and/or joint production of television satellite programmes	Bangkok	100.00	100.00
Demeter Power Company Limited	Energy	Bangkok	99.99	99.99
Aukkarawat Plant Renewable Energies Company Limited	Production and distribution of electricity	Suphanburi	33.64	** 33.64 *
<u>Indirect - Subsidiary :</u>				
Hinoki Wood Work Company Limited (Held by Demeter Innovation Company Limited) (Note. 11.2)	Produce and sell wooden products or with wood components	Phathum Thani	100.00	100.00
<u>Associated :</u>				
Hero Experience Co., Ltd.	Water Park, Amusement Park, Recreation		37.50	37.50
<u>Associated held by a subsidiary :</u>				
Blue Finix Digital Company Limited ***	Application service through internet		30.03	30.03

* The Company has prepared for the consolidated financial statement by included such subsidiaries although holding percentage less than 50%, but due to the Company has the control in such company.

** The Company has lost all control of the company on May 25, 2018. Therefore, as of May 25, 2018 the Company did not include the financial statements of the stated company for the preparation of the

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

consolidated financial statements. These investments are classified as general investments, shown in long-term investments (Note 12).

*** The company registered the dissolution with the Department of Business Development on December 19, 2018, which is in the process of liquidation and paying back the capital to the company.

- 2.2 These consolidated financial statements are prepared by including the financial statements of its subsidiaries under control by the Demeter Corporation Public Company Limited after eliminating significant balance and inter-company transactions.

3. Basis of preparation of the financial statements and significant accounting policies

3.1 Basis of preparation

The financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

An English version of the financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

3.2 Basis of preparation

3.2.1 Financial reporting standards that become effective in the current year

During the year, the Group has adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below:

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

This standard does not have any significant impact on the Group's financial statements.

3.2.2 Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards except the following new standards which involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

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Financial reporting standards:

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Accounting standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

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

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The Group plans to adopt TFRS 16 using the modified retrospective method of adoption of which the cumulative effect is recognized as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The management of the Group expects the effect of the adoption of this accounting standard to the statement of financial position as at 1 January 2020 to be to increase the Group's assets by approximately Baht 19.20 million

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

and the Company only approximately Baht 19.20 million, and the Group's liabilities by approximately Baht 19.20 million and the Company only approximately Baht 19.20 million.

3.3 Significant accounting policies

Significant accounting policies of the Company are as follows:

3.3.1 Recognition of revenues and expenses

Service income is recognized when the service has been provided to customers by considering the success stage of the work in determining the timing of delivery of controls to assess whether income is recognized at certain times or over a period of time.

Revenue from product sales is recognized by the company when the control power over products has been transferred to customers, in which the business will recognize revenue in the amount that reflects the compensation expected to be eligible for the exchange of goods. Sales revenue is valued based on the invoice price. Without VAT For products delivered after the discount has been deducted.

Interest is recognized on a time proportion basis, taking into account the effective interest rate of the period up to the expiration date and taking into account the principal amount which is the balance in the account for recording the accrued interest of the company.

Other income is recognized on an accrual basis.

Expenses are recorded on an accrual basis.

3.3.2 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and deposits at banks with an original maturity of three months or less and not subject to withdrawal restrictions.

3.3.3 Inventory

Inventories are valued at the lower of cost or net realizable value. The cost calculation are detailed as follows :

- Inventory record the total average cost
- Work In Process record at cost
- Raw materials and Supplies at cost (FIFO)

3.3.4 Trade accounts receivable

Trade accounts receivable are carried at anticipated realisable value. An allowance is recorded for doubtful accounts receivable, which is equivalent to the estimated collection losses that may be incurred. The estimated

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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losses are based on historical collection experience combined with a review of the current status of the existing accounts receivable at the balance sheet date. Bad debts are written-off during the year in which they are identified.

3.3.5 Hire-purchase contract receivables

Hire-purchase contract receivables are stated at initial value noted in the financed lease agreement less cash received from installment, unearned interest income, and allowance for doubtful account.

Allowance for doubtful account is evaluated based on analysis of repayment historical records and forecast for future repayment of each account receivable. Allowance for doubtful account is calculated on the percentages of overdue payment as follow:

	Percentages
Overdue :	
3 - 6 months	25
6 - 9 months	35
9 - 12 months	50
Over 12 months	100

3.3.6 Investments

Investments in associates in the consolidated financial statements are recorded by using the equity method.

Investments in subsidiaries in the separate financial statements are recorded by using the cost method less provision for impairment. The devaluations are recorded as loss from devaluation of investments in the statement of comprehensive income.

General investments in the statement of financial position is recorded by using the cost method less provision for impairment. The devaluations are recorded as loss from devaluation of investments in the statement of comprehensive income.

3.3.7 Leasehold Building improvements and equipment - net

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and provision (if any).

Property, plant and equipment of subsidiary “Demeter Innovation Company Limited” (Formerly name “Demeter Media Company Limited”) in preparing the consolidated financial statements are stated at fair value since the fair value of identifiable assets are appraised for investments.

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Depreciation calculated on a straight-line basis to reduce the carrying amount over the estimated useful lives of each part of an item of property, plant and equipment are as follows:

	Years
Leasehold Building improvements	20
Furniture fixture and office equipment	5
Vehicles	5

Where the carrying amount of an asset is greater than its estimated recoverable amount, the cost is written down immediately to its recoverable amount. Estimated recoverable amount is calculated from the anticipated discounted cash flows to their present value from the continuing use of the assets and the amount obtainable from the sale of the assets less any costs of disposal whichever is higher.

Gains and losses on disposal of assets are determined by reference to their carrying amount and are taken into account in determining operation profit.

Expenditures for expansion, renewal and betterment, which result in substantial increase in an asset's current replacement value, are capitalised. Repair and maintenance costs are recognised as an expense when incurred.

3.3.8 Intangible asset

Intangible asset represented the right to manage the satellite television channels for 10 year period, and the rights of broadcasting and broadcast sounds in movies for three year period. The Company amortised intangible asset as expense by using the straight line method over the contractual period. And recorded as "Cost of programme co-production" on statement of comprehensive income.

3.3.9 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary undertaking at the date of acquisition. Goodwill on acquisitions of subsidiary is separately reported in the consolidated statement of financial position.

Recognized goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of a subsidiary include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or group of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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3.3.10 Non-current assets held for sales

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of the carrying amount and fair value less cost to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use.

3.3.11 Impairment of assets

The Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Company makes an estimate of the asset's recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in the income statement. (An asset's recoverable amount is the higher of fair value less costs to sell and value in use).

If there is subsequently any indication that previously recognised impairment losses may no longer exists or may have decreased, the Company will make another estimate of the asset's recoverable value, compare this with the book value, and reverse previously recognised impairment to reflect the change in recoverable value.

3.3.12 Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

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In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group/Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.3.13 Accounting for leases - where the company is the leases

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statements of income on a straight-line basis over the lease periods.

The Company recorded the leased assets under financial lease agreement / hire purchase agreement as assets and liabilities in an amount equal to the fair value at the leased assets or the present value of minimum payments under agreement. Interest expenses are recorded on over the term of agreement.

3.3.14 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company, its subsidiaries and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the Company and its subsidiaries' contributions are recognised as expenses when incurred.

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Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

3.3.15 Provisions for liabilities and charges

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

3.3.16 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

3.3.17 Basic earnings (loss) per share

Basic earnings (loss) per share calculated by dividing net income (loss) for the year attributable to the ordinary shareholders by the weighted average number of ordinary shares in issue during the year.

3.3.18 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value

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using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

4. Significant accounting judgments and estimates, and capital risk management

Use of accounting estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates for certain accounting transactions, affecting amounts reported in the financial statements and notes related thereto. Subsequent actual results may differ from these estimates.

Estimates, assumption and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Finance Lease

Leases of assets that substantially transfer to the Company all the rewards and risks of ownership of assets and that the Company intends to exercise the option of the leases to purchase the assets at the expiration of the lease term, are accounted for as finance leases.

At the inception of a finance lease, the cost of the asset is recorded together with the obligation to pay future rent, excluding the interest element. Finance charges are recorded to the current period operations by the effective interest rate basis.

Operating leases

The Company has entered into lease agreements for the office rental and equipment. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that the lessor retains all the significant risk and rewards of ownership of these properties, and so accounts for the contracts as operating leases.

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Allowance for doubtful accounts

The Company maintains an allowance for doubtful accounts to reflect impairment of trade receivables relating to estimated losses resulting from the default or inability of customers to make required payments. The allowance is based on consideration of historical collection experience, known and identified instances of default of each customer.

Building and equipment

Management determines the estimated useful lives and residual values for the Company's equipment. Management will revise the depreciation charge where useful lives and residual values are different to previously estimated, or it will write off or write down technically obsolete or assets that have been abandoned or sold.

Intangible assets

Intangible assets are systematically amortized over their estimated useful lives, and are subject to impairment if there is an indication they may be impaired.

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

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5. Transactions with related parties

The Company has several accounting transactions with below related parties, which have the same group of shareholders or directors. Some of assets, liabilities, revenues and expenses transactions incur from those related parties.

<u>Companies</u>	<u>Relationship</u>
Demeter Innovation Company Limited	Subsidiary
Demeter Power Company Limited	Subsidiary
Aukkarawat Plant Renewable Energies Company Limited *	Related company (Jointly held)
Hero Experience Co., Ltd.	Associate (held by 37.5 percent)
Blue Finix Digital Company Limited	Associate (held by a subsidiary 30.03 percent)
Hinoki Wood Work Company Limited	Associate (held by indirect - subsidiary and Co-director
Glory Interior Company Limited	Director who are close relatives with Hinoki Wood Work co.,Ltd. Director, concluded the connection from June 14, 2019.

* Since May 25, 2018, the Company changed its status for Aukkarawat Plant Renewable Energies Company Limited from being a subsidiary, to a related company. As a result, the Company's representatives as directors have had their positions been terminated and therefore no longer have any significant influence.

The pricing policies for particular types of transactions are explained further below:

<u>Transactions</u>	<u>Pricing policies</u>
Income from programme co-production	Contract price
Income from rental and services	Contract price
Cost of programme co-production	Contract price
Rental and service expenses	Contract price
Management benefit expenses	Consisted of:- allowance for meeting and the remuneration of directors as approved by the directors and shareholder's meeting
Consultant Fee	Contract price

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5.1 Accounting transactions with related parties

Revenue and cost in statements of comprehensive income for the years ended December 31, 2019 and 2018 are as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
Interest income				
Demeter Innovation Company Limited	-	-	1,040,670	829,786
Aukkarawat Plant Renewable Energies Company Limited	-	-	-	12,917
	<u>-</u>	<u>-</u>	<u>1,040,670</u>	<u>842,703</u>
Expense				
Cost of sales				
Hinoki Wood Work Company Limited	<u>-</u>	<u>-</u>	<u>1,471,740</u>	<u>-</u>
Sales promotion expenses				
Hinoki Wood Work Company Limited	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>-</u>
Management benefit expenses				
Benefits for directors and managements	<u>14,535,360</u>	<u>18,680,551</u>	<u>14,535,360</u>	<u>18,680,551</u>
Consultant Fee	<u>-</u>	<u>573,000</u>	<u>-</u>	<u>573,000</u>

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5.2 Outstanding balances in statements of financial position

	(Unit : Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
Other receivables - related parties				
Hinoki Wood Work Company Limited	-	-	303,067	16,050
Short-term loans and interest receivable				
Demeter Innovation Company Limited	-	-	61,000,000	75,199,786
Aukkarawat Plant Renewable Energies Company Limited	470,885	470,885	470,885	470,885
	470,885	470,885	61,470,885	75,670,671
<u>Less</u> allowance for doubtful accounts	(470,885)	(470,885)	(61,470,885)	(66,761,544)
Total	-	-	-	8,909,127

Allowance for doubtful accounts short-term loans have changed during the years as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
Beginning balance	470,885	-	66,761,544	-
Increase	-	470,885	-	66,761,544
Decrease	-	-	(5,290,659)	-
Ending balance	470,885	470,885	61,470,885	66,761,544

For the year ended December 31, 2019, the movement of short-term loans and interest receivable is as follows:

	(Unit : Baht)			
	Consolidated			December 31, 2019
	January 1, 2019	Increase	Decrease	
Short-term loans and interest receivable				
Principal	450,000	-	-	450,000
Interest receivable	20,885	-	-	20,885
Total	470,885	-	-	470,885

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Loans to related company charged interest at 2 - 7% per annum.

	(Unit : Baht)			
	Separate			December 31, 2019
	January 1, 2019	Increase	Decrease	
Short-term loans and interest receivable				
<u>Demeter Innovation Company Limited</u>				
Principal	74,370,000	-	(13,370,000)	61,000,000
Interest receivable	829,786	-	(829,786)	-
Total	75,199,786	-	(14,199,786)	61,000,000
<u>Aukkarawat Plant Renewable Energies Company Limited</u>				
Principal	450,000	-	-	450,000
Interest receivable	20,885	-	-	20,885
Total	470,885	-	-	470,885

Loans to subsidiary and related company charged interest at 2 - 7% per annum.

6. Current investments

Current investments as at December 31, 2019 and 2018 are as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
Open-end fund	388,682,233	22,894,328	379,882,233	16,894,328
Add Allowance on revaluation of investments	4,707,781	304,968	4,523,493	294,720
Open-end fund, net	393,390,014	23,199,296	384,405,726	17,189,048

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7. Trade and other current receivables

	(Unit : Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
<u>Trade accounts receivables</u>				
Trade accounts receivables	85,628,220	76,613,862	85,715,495	74,022,965
Less allowance for doubtful accounts	(72,514,670)	(75,043,862)	(72,298,878)	(72,702,965)
Total trade accounts receivables	13,113,550	1,570,000	13,416,617	1,320,000
<u>Other current receivables</u>				
Trade and other receivables - related parties	90,000,000	-	90,000,000	-
Less allowance for doubtful accounts - related parties	(90,000,000)	-	(90,000,000)	-
Amounts due from a former related company - net (Note 7.1)	-	-	-	-
Refundable value added tax	58,125,893	56,664,043	57,299,173	55,659,954
Other receivables	28,878,995	9,131,064	28,846,366	9,041,509
Less allowance for doubtful accounts	(5,735,703)	(4,745,393)	(5,735,703)	(4,745,393)
Total other current receivables	81,269,185	61,049,714	80,409,836	59,956,070
Total trade and other current receivables	94,382,735	62,619,714	93,826,453	61,276,070

Aging analysis for trade accounts receivable were as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
Within credit terms	3,500	250,000	306,567	-
Overdue:				
Not over 3 months	11,790,050	-	11,790,050	-
Over 12 months	73,834,670	76,363,862	73,618,878	74,022,965
Total	85,628,220	76,613,862	85,715,495	74,022,965

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Allowance for doubtful accounts have changed during the years as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
Beginning balance	75,043,862	91,749,572	72,702,965	89,284,993
Increase (Decrease)	(2,529,192)	(379,163)	(404,087)	(255,481)
Transfer (transfer out)	-	(16,326,547)	-	(16,326,547)
Ending balance	72,514,670	75,043,862	72,298,878	72,702,965

As ended of February 25, 2020, the Company received the payment from accounts receivable as follow;

Within credit terms received of Baht 3,500.

Overdue, not over 3 months received of Baht 3,230,050.

Overdue, over 12 months received of Baht 50,865.

The Company has allowance for doubtful accounts from one of debtors amount of Baht 61.21 million. The trade receivable defaulted in return the sponsorship from the sport tournament, which the Company was the financial investor with amount of Baht 86.43 million according to the contract project of the golf tournament “Thailand Classic”. The Company has filed with the Civil Court on July 15, 2016 and entered into the negotiation process for two times but unsuccessful. Accordingly, the case is returned to the Court process. On November 27, 2017, the Court have the verdict to the debtor repayment Baht 18,253,248.40 with the interest rate of 7.5 percent per annum. On January 26, 2018, the Company appealed against the judgment of the Civil Court. Which is on pending the judgment of the Court of Appeal. The court sentenced the Court of Appeals on January 30, 2019. And on March 25, 2019, the Southern Bangkok High Court read the appeal judgment which sentenced to the defendant to pay Baht 57.20 million with interest at the rate of 7.5 percent per year from July 14, 2016 onwards until the payment is completed. The court fees in the appeal are folded. Then, on July 10, 2019, the defendant requested a third extension as the court’s permission was until July 26, 2019. Then, on July 26, 2019, the defendant filed a petition to sue and filed a request for suspension of judgment execution to the court. Currently, it is in the process of filing a lawsuit and asked to stay at the accused. And on September 12, 2019, the company submitted an objection to the request of the defendant's petition and filed an appeal with the Civil Court of Southern Bangkok.

The Company recorded allowance for doubtful accounts from an associate company which the Company has pledged its fixed deposit as collateral for the loan of such associate company. Later, the bank has deducted the payment of the outstanding loan from the said deposit account Baht 90 million. Therefore, the associate company

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is obliged to pay back to the company according to the amount that the bank deducted from the deposit account. However, the associate company has ceased operations and lacked liquidity. The Company therefore considers the allowance for doubtful accounts in full amount (see Note 9).

7.1 Amounts due from a former related company - net

	(Unit : Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
Amounts due from a former related company				
- Siam Dimension Stone Co., Ltd.				
Loans receivable	70,738,314	70,738,314	70,738,314	70,738,314
Accrued service income	2,806,000	2,806,000	2,806,000	2,806,000
Total	73,544,314	73,544,314	73,544,314	73,544,314
Less allowance for doubtful accounts	(73,544,314)	(73,544,314)	(73,544,314)	(73,544,314)
Amounts due from a former related company - net	-	-	-	-

The Company has filed a Civil Court against the receivable on October 15, 2012. And on December 17, 2012, the Civil Court judged that the customer as the defendant had to pay the debt as amount of Baht 73.54 million with the interest rate of 7.5 percent per annum. On December 11, 2015, the Company has filed to the Central Bankruptcy Court for the bankrupt. On March 7, 2016 the Central Bankruptcy Court has ordered to freeze assets of the debtor. Currently, it is in the process of collecting assets of the debtor, and there will be the meeting of creditors on August 23, 2017, postponed from date June 14, 2017. The Central Bankruptcy Court have the verdict to the debtor to be insolvency on September 13, 2017. The announcement was made on October 9, 2017.

On November 30, 2017, was the date of the debtor's hearing of evidence, however, the debtor's authorized director did not showed up to court. The Central Bankruptcy Court issued an arrest warrant for the debtor's authorized director and the court will then inform the creditor of the date of the hearing. However, the Company has seized old machinery owned by the debtor and is waiting for the auction announcement from the Enforcement Officer. In addition, there is also a factory building in which the documents are currently being reviewed in order to take any further action in seizing the property. Subsequently, the Enforcement Officer announced the auction of the confiscated machinery which was first auctioned on January 29, 2019 (no sales due to not being posted on the website of the Government Gazette), the second time on February 28, 2019 (The staff refused to sell), the third time on March 12, 2019 (No sales as there are not any bidders) and the fourth on April 2, 2019 (There are price

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contestants offering to buy the old machines up to 0.35 million baht) At the moment, the old machinery that has been auctioned is on the move. Regarding the factory building, it is currently in the process of evaluating the price to wait for public auction.

8. Other current assets

	(Unit : Baht)			
	Consolidated		Separated	
	2019	2018	2019	2018
Deposit	1,109,141	1,227,486	1,109,141	1,227,486

9. Deposits pledged as collateral

As of December 31, 2018, the Company has a fixed deposit of Baht 90 million, pledged as collateral for an associate loan (Note 10.3B). According to the resolution of the Board of Director's Meeting No. 6/2018 held on May 18, 2018.

Due to the cessation of operation and the lack of liquidity of the associated company, however, the associated company was unable to repay the principal according to the contract. Therefore, the negotiations with the bank were conducted that the bank agreed to use the deposit in the fixed deposit account as a business guarantee to deduct the outstanding loan amount of Baht 3 million per month. Later, the conditions of the loan payment were changed to allow the bank to deduct the loan payment from the fixed deposit account according to the new conditions. As of December 31, 2019, the bank had already deducted the loan from the deposit account totaling Baht 90 million. Therefore, the associate company is obliged to pay back to the Company according to the amount that the bank has already deducted from the Company's deposit account.

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10.1 The movement of investments in associates for year ended December 31, 2019, is as follows:

10.2 Details of investments in associates consist of:

10.3 Significant financial information for associates

Financial information as shown in the financial statement, summarized:

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- A. On May 3, 2017, the Meeting of the Board of Directors No. 4/2017 resolved to approve the entry into the share purchase agreement between Demeter Innovation Company Limited (“DInno”), and Thai Trade Communication Company Limited (“Thai Trade”) under which the parties agree on the terms and conditions in relation to the investment in the project of Blue Finix Digital Company Limited (“Blue Finix”) for development of the applications and websites for the internet transaction by means of acquisition of 28,600 ordinary shares in Blue Finix from Thai Trade, equivalent to 20 percent of the registered capital of Blue Finix at the price per share of up to Baht 1,726.22 and total purchase price of up to Baht 49,370,000 and subscription of newly issued shares of Blue Finix under which there will be the increase in the registered capital of Blue Finix from Baht 14,300,000 to Baht 16,350,000 by issuance of 20,500 ordinary shares at the par value of Baht 100. DInno will purchase the New Shares at the subscription price of Baht 1,219.51 which is higher than the par value and at the total price of up to Baht 25,000,000. For the total amount of up to Baht 74,370,000.

On June 8, 2017, the portion of 28,600 ordinary shares equivalent to 20 percent has been transferred to DInno, and on June 17, 2017, Blue Finix has issued and allocated 20,500 newly issued ordinary shares to DInno, totaling ordinary shares equivalent to 30 percent. DInno has made the payment for the purchase price required for such share transfer to Thai Trade in the total amount of Baht 49,370,000 and the subscription price for such newly issued ordinary shares to Blue Finix in the total amount of Baht 25,000,000.

In accordance with the resolution of the Extraordinary General Meeting of Shareholders of Blue Phoenix Digital Company Limited No. 2/2018 on September 27, 2018, the resolutions are as follows:

- Approved the liquidator of the company to issue a letter of debt to the shareholders who have not fully paid for the shares. The Company has complied with the resolution of the meeting by paying additional unpaid shares of Baht 0.45 million as at March 31, 2019. The Company still has outstanding balance of Baht 0.18 million.
- Approve the dissolution of the company The company registered the dissolution with the Department of Business Development on December 19, 2018 and it is in the process of liquidation and pay back the capital to the company.

The Company has considered the impairment of investment in associate (Blue Phoenix Digital Co., Ltd.) in the separate financial statements. Therefore the recoverable amount is less than the carrying amount.

- B. The Board of Directors Meeting No. 8/2017 held on September 15, 2017 the Board of Directors of the Company resolved to approve the investment in the hyper reality development business, the Marvel Experience Thailand: Theme Entertainment Attraction (TMX) of Hero Experience Co., Ltd. (Hero Experience) by the purchase of 32.5 percent of the newly issued shares by Hero Experience Co., Ltd., totaling of Baht 280 million. Later, on December

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12, 2017, the Company's Board of Directors approved the additional purchase of 5 percent of the new shares issued by the capital increase of Hero Experience, totaling of Baht 45 million, thereby resulting in the total combined shareholding of 37.5 percent of Baht 325 million in total. It is expected that the return on investment will be at the rate of at least 20 percent. The construction permit for the TMX Project was granted; the construction commenced since September 2017 and the company will recognize income within May 2018. On December 27, 2017, it was informed by the company that the investment transaction has been completed with the payment of capital investment of Baht 325 million. The summary of the Joint Venture Agreement between Hero Experience Co., Ltd. and Hero Venture of the United States of America, wherein Hero Experience received the royalty fee during August 2017.

On January 21, 2019 Hero Experience Co.,Ltd. held extra-ordinary general meeting No.1/2019 to propose an agenda to termination of the project Hero Experience due to the fact that Hero Experience has a lack of liquidity problem, and the Project has not been operated in accordance with the plan. The Meeting resolved to terminate the Project with 62.50 percent of the votes in favour and 37.50 percent of the votes against. The management of Hero Experience has scheduled cessation of the operation of the Project on January 29, 2019; the show at 6.00 PM on such day will be the last performance. The company as shareholders of 37.50 percent share in Hero Experience shall carefully co-consider with the major shareholder regarding the management of Hero Experience's assets in order to limit the negative effect on the Company.

Referred to additional information many creditors of Hero Experience Co.,Ltd. accounted for Baht 59.50 million filed a lawsuit and/ or submitted letter to claim their debt with interest and late payment surcharge. The financial statements of associated company that the company recognised equity income/ loss, did not recorded such interest and late payment surcharge. During February 14-15, 2019 Hero Experience Co.,Ltd. setup mediation meeting and informed their creditors about settlement plan after April 2019. In January and February 2019 Hero Experience Co.,Ltd. occurred severance pay amounting to Baht 1.20 million due to termination of some staffs.

In addition the loan agreement between Siam Commercial Bank Public Company Limited and Hero Experience Co.,Ltd. Dated May 23, 2018, the Company was guaranteed by its fixed deposit bank account of Baht 90 million. In the extra-ordinary general meeting No. 1/2019 resolved to settle loan agreement with the fixed deposit bank account, allowed bank to deduct this collateral of Baht 3 million each month.

As of January 28, 2020, the management of Hero Experience Co.,Ltd. reported information regarding the case, which stated that on that date, Hero Experience Co.,Ltd. was sued by 21 creditors (22 lawsuits) in total debt of Baht 77,266,805.19 divided into principal amount of Baht 73,737,034.58 and interest in the amount of Baht 3,529,770.61 However, 3 creditors withdrew the lawsuit and agreed to reduce the debt to Hero Experience Co.,Ltd., which Hero Experience Co.,Ltd. has already paid off the debt. In addition, 15 creditors agreed that Hero

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Experience Co.,Ltd. can pay in installments according to the terms and conditions set by the creditors. And as regards the case against the 3 creditors, Hero Experience Co.,Ltd. is in the process of preparing the information to be used in the trial for submitting testimony in order to request an appointment for further witness examination and mediation.

The Board of Directors acknowledged and concerned the status of the operation of Hero Experience Co.,Ltd. Thailand Project. Therefore, they assigned the management of the company which is the representative of the company to be a director for Hero Experience Co.,Ltd. to perform and take the action to solve the current situation as an urgent by reporting the plan and performance to the company for acknowledgment. Hero Experience Co.,Ltd. also asked the management of Hero Experience Co.,Ltd. to bring a long-term solution plan to the meeting to acknowledge which the company, as a minority shareholder, holds 37.5 percent of the shares to make the rights through the company representative who is the director in Hero Experience Co.,Ltd. to ask questions and give comments to the management of Hero Experience Co.,Ltd. at the meeting of the board of directors of Hero Experience Co.,Ltd.

The management of the associated company has proceeded to manage the guidelines for debt repayment to various creditors since the associated company is on planning for a new project operation. According to the annual general shareholders' meeting of the year 2019, which was on April 24, 2019, the management of the associated company reported plans to conduct negotiations with new investors. The operational plan will be in the form of space rental for goods and services sales including revenue sharing from various tenant sales and space rental for customers who require to set small to medium-sized organizing activities, which the associated company has completely allocated the area to support the said operation.

Currently, the associated company has signed a space rental contract with a major tenant who has rented most space of the project. Also entering into a contract with some tenants is on process including negotiations with new tenants to comply with the business model of each tenant, which the associated company will contact the creditors to inform the progress of the said action plan and debt repayment plan. According to the plan, the associated company will be able to divide the cash received from operations each month to pay the debt to the creditors and partly used as operating cash flow.

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11. Investments in subsidiaries at cost method

As at December 31, 2019 and 2018, investments in subsidiaries are as follows:

	(Unit : Thousand Baht)							
	Separate							
	Issued and paid-up share						Dividend for the	
	capital		% of Holding		At cost		year ended	
Companies	2019	2018	2019	2018	2019	2018	2019	2018
Demeter Innovation Company								
Limited	48,000	48,000	100.00	100.00	73,862	73,862	-	-
Demeter Power Company Limited	35,000	35,000	99.99	99.99	35,000	35,000	-	-
Aukkarawat Plant Renewable								
Energies Company Limited	5,000	5,000	33.64	33.64	-	-	-	-
Less Allowance for devaluation of								
investments					(98,407)	(75,996)	-	-
Total					10,455	32,866	-	-

11.1 On December 16, 2016, the Meeting of the Board of Directors No. 10/2016 resolved to approve the investment in the biogas power plant project located in Suphanburi Province (the “Project”) as owned and operated by Aukkarawat Plant Renewable Energies Co., Ltd. (“Aukkarawat”) The investment transactions are as follows : Part 1 Acquisition of 25,000 ordinary shares in Aukkarawat from the existing shareholders, equivalent to 50 percent of the registered capital of Aukkarawat, at the purchase price of Baht 4,400 per share, totaling Baht 110 million. The completion of the transaction is expected to be within July 2017. The completion of the Share Acquisition Transaction will be divided into three milestone :

1. First milestone : 8,200 shares, representing 16.40% of Aukkarawat’s total issue shares within December 2016, Second milestone : 8,619 shares, representing 17.24% of Aukkarawat’s total issue shares within January 2017, and third milestone : 8,181 shares, representing 16.36% of Aukkarawat’s total issue shares within July 2017.
2. Investment budget for power plant facility improvement and procurement and installation of machinery of up to Baht 180 million.

On December 28, 2016, the Company executed an agreement with the existing shareholder of Aukkarawat to amend the terms of the Share Purchase Agreement. Material amendment to the Share Purchase Agreement is that there are changes to the Shareholding structure in Aukkarawat under which certain shares of the existing shareholders were transferred to Thanayatorn Power Plant Co.,Ltd. and therefore Thanayatorn Power Plant will be the transferring shareholder under the terms of the Share Purchase Agreement.

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On December 30, 2016, the Company paid cash of Baht 74 million for the first portion of shares purchase (8,200 shares), of Baht 36.08 million. The first portion of shares was transferred to the Company on that date. For the rest amount of Baht 37.92 million, it represented advance payment for the second portion of shares purchase (8,619 shares) that was recorded as a non-current asset on December 31, 2016. Subsequently, the second portion of shares was transferred to the Company on January 12, 2017.

In addition, the Company paid for a commission fee of Baht 9.34 million for such shares acquisition. Thus, as at December 31, 2017, value of investment was stated at the amount of Baht 83.35 million. (Therefore, if the third completion of the share sale and purchase does not take place, the Company is entitled to claim for such sum of money in full from the broker according to the conditions stipulated under the brokerage agreement. Preliminary, the Company has issued a letter dated January 26, 2018 to the broker informing about the refund of the security deposit since the over of the deadline dated November 30, 2017. However, the third completion of the share sale and purchase is completed, the Company may not claim for such security deposit although the Company may incur any damage from the investment in Aukkrarawat as there are no warranties with respect to the result of the investment under the brokerage agreement).

Nevertheless, in case the Company could not get the refund of the brokerage fee, or damaged from such payment in any case. The Board of Directors consider that the Company has to take the legal measures to the broker and related parties including the management approving the payment of the brokerage fee in order to protect the interests of the Company and the shareholders.

On April 21, 2017, Aukkarawat Plant Renewable Energies Co.,Ltd. (“the subsidiary”) sent out the letter to PEA to request stopping the electricity supply in order to improve the power plant, machines and equipments for better efficiency. And on July 14, 2017, PEA has acknowledged and notified the subsidiary to proceed the improvement by submitting the improvement details, connection device format (Single Line). If the capacity is increased, it must be approved by PEA by submitting a detailed plan for increasing capacity or extending the power system to PEA for consideration prior to commencement of operation for not less than 3 months.

Nevertheless, during the project area development, it was found that the neighboring communities around project materially retrieve less waste water from the project. Based on the inspection, it was found that (1) there are new power plant projects in the area and the neighboring community which could retrieve waste water from Aukkrarawat may consider retrieving the waste water from such new projects if it takes less transportation time for them, and (2) the neighboring community receives waste water from similar power plants located in the same area, some of which transport their waste water to the community. Therefore, it is not necessary for the community to retrieve the waste water directly from the project.

Due to such event, the Board of Directors has been informed about the change in the project. The Board of Directors, therefore, has assigned the management of the Company to conduct a study on impacts and possible solutions. Subsequently, the Board of Directors has received the result of the management’s study on the chaing

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of water receiving process of the community, and other possibilities for waste water treatment including the transportation of such water waste to the communities, installation of waste water treatment machines, and the increase of water settling area, and then found that these effect the costs of the project. From the study on the information of increased costs, the possible method which least effects the project costs is the transportation of the waste water out of the project, but such method would result in the material increase of costs by around 30 percent.

The Board of Directors has considered additional facts and the study of the change in cost structure and 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, such as moving of the plant, reducing other costs or additional negotiation with another group of shareholders to amend the joint investment of the project, feasibility on the termination of the investment or sale of investment. The Board of Directors will consider such solutions.

Due to the reasons mentioned above, the Company has slowed down all actions relating to the area improvement, procurement and installment of machines. Currently, the Company has not made payments for area improvement, procurement and installation of machines. There is only outstanding account payable for sellers who initially performed factory area improvement in the amount of approximately Baht 0.2 million.

On August 4, 2017, the Company has signed the amendment of the Share Purchase Agreement (the 3rd) to extend the third milestone to complete within October 31, 2017. And on October 20, 2017, the Company has signed a MOU to extend the third share purchase for a period of 30 days, which will be due on November 30, 2017. The Company and other shareholders of Aukkarawat are in the process of negotiating on business issues to be determined in the shareholders' agreement, which is a condition precedent of the transfer. The terms being under negotiation such as rights and duties of each shareholder and details of management and administration of the Company by the board of directors and shareholders. It is expected that the negotiation will be final and the transaction will be completed by November 30, 2017. In order to negotiate regarding Aukkrarawat management with the seller. Currently, due to the fact that the Company and the seller are not able to fulfill the conditions precedent for the third completion of the share sale and purchase since the negotiation on other essence matters have yet to be completed, the Company has yet not completed the third purchase of the shares. Moreover, if the parties are unable to proceed with the third completion of the share sale and purchase due to the conditions precedent could not be completely taken, the parties may consider to terminate the agreement and require the other party to pay damages (if any) incurred between them according to the laws.

According to the appraisal report of Sims Property Consultants Co., Ltd. dated February 13, 2018, using the income approach, the appraiser conducted to examine the price of the 4.9 megawatt biogas power plant project

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under the 20 year business plan of Agro-Business Renewable Energy Co., Ltd. The power plant should be worth of Baht 161.20 million. In the estimate above, the appraisal value is based on the following assumptions:

- A. The power plant is produced from molasses wastewater with a COD of not less than 150,000 mg / l of a company. It is located about 43 kilometers from the power plant.
- B. Duration of the project is 20 years. Construction period is approximately 1 year from the date of assessment 19 years from the date of completion of the project, the investment amount of Baht 260.60 million is sufficient for the construction of bio-gas system, pipeline system, gas filter system, power generation system.
- C. Documentation received from the company is accurate, reliable and also the power purchase agreement with the Electricity Generating Authority of Thailand.
- D. In this appraisal, the land lease contract is for a period of 10 years and can be renewed for another 10 years, with the first year rent of Baht 1.2 million, with a rental rate of 2% per annum.
- E. In this valuation, cash flow from cash flow and cash equivalents of Aukkarawat Plant Renewable Energies Company Limited, current assets, receivables, payables, and liabilities before the valuation date for this business valuation, are not considered valuation.

Based on the valuation of the above projects. as a result, the Company has to recognize impairment losses on goodwill of Baht 20.73 million in the consolidated financial statements and the Company recorded loss on impairment of investments in subsidiaries of Baht 29.18 million in the separate financial statements for the year 2017.

On February 27, 2018, the Board of Directors has resolved to consider the investment in Aukkarawat Plant Renewable Energies Company Limited as follows:

Reference is made to the Clarification Letter regarding the Board of Directors' opinion on the dept cost structure analysis for the investment in the biogas power plant project of Aukkrarawat that the Board of Directors has 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.

Such solutions as follows:

- (1) Analysis on cost of the treatment of waste water created from the power plant using biomass energy

From the study, in case Aukkrarawat has to bear the cost of waste water transportation to the neighboring community, the commercial feasibility of the project would significantly decrease. The reason is because

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Aukkarawat still has to bear the cost of the transportation of the material (Vinasses water) from the Biofuel Mitraphol Factory, Dan Chang which, currently, is 45 kilometers from the project. Further, the waste water transportation to neighboring community shall increase cost of the project around 30 percent.

- (2) Analysis on movement of the location of the project to reduce the distance for raw material (Vinasses water) transportation from the Biofuel Mitraphol Factory, Dan Chang
- (3) Analysis on possibility to install water treatment system

The result of analysis on cost of water treatment system installation is around 40-60 baht per waste water ton. This would affect the cost structure and the investment return of the project.

- (4) Analysis on possibilities to terminate share purchase agreement

In this regard, the Board of Directors has considered all the solutions and opined that the operation of the project either in the same manner or according to the solutions no. (1) - (3) 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. Nevertheless, to protect benefits of the Company and the shareholders, the Company is under consideration to take legal action and claim for damages pursuant to the share purchase agreement.

As a result of the resolution of the shareholder's meeting of Aukkarawat Plant Renewable Energies Company Limited on May 25, 2018, the Company's representative as directors has had their positions ceased. On June 7, 2018, Aukkarawat Plant Renewable Energies Company Limited has registered the amendment of the director and the Company no longer has control over the subsidiary company from that date forward. Therefore, in the financial statements the status of investments in subsidiaries was changed; this project was reported in the general investment. As a result in year 2018, the Company had to recognize loss on goodwill of Baht 51.20 million in the consolidated financial statements and changed its investment in a subsidiary to be a general investment with book value at the transfer date to long-term investments amounting to Baht 54.23 million. Currently, it is on negotiating for a settlement (Note 12).

- 11.2 On September 3, 2018, the Board of Directors of Demeter Innovation Company Limited (the "Subsidiary") resolve to invest in a new company under the name of "Hinoki Wood Work Company Limited." At 100% of the registered capital. The Company registered the establishment on September 13, 2018 amount of Baht 1 million.

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12. Other long-term investments

		(Unit : Thousand Baht)				
Country	Subsidiary	Issued and paid-up		Investment	December 31, 2019	
		Currency	Amount	(percentage)	Consolidated	Separate
	Cost					
Thailand	Aukkarawat Plant Renewable Energies Company Limited (NOTE 2.1)	Baht	5,000,000	33.64	2,864	54,228
	Less Allowance for impairment of general investments				(2,864)	(54,228)
	Other long-term investments, Net				-	-

Investments in equity securities are classified as general investments comprise of the following:

As a result of the resolution of the shareholder's meeting of Aukkarawat Plant Renewable Energies Company Limited on May 25, 2018, the Company's representative as directors has had their positions ceased. On June 7, 2018, Aukkarawat Plant Renewable Energies Company Limited has registered the amendment of the director and the Company no longer has control over the subsidiary company from that date forward. Therefore, in the financial statements, the status of investments in subsidiaries was changed; this project was reported in the general investment. In the consolidated financial statements and changed its investment in a subsidiary to be a general investment with book value at the transfer date to long-term investments amounting to Baht 54.23 million.

The major shareholders of Aukkarawat Plant Renewable Energies Company Limited sent out a letter dated September 14, 2018 to call for the Company to pay compensation in the amount of Baht 36 million in case the Company does not purchase the remaining shares. However, the Company's management team has discussed about the issue of compensation regarding that there are issues that the company has a dispute of which there are currently no settlements. This may lead to a court process to resolve the dispute. Currently, it is on negotiating for a settlement.

The Board of Directors Meeting held on December 4, 2019 considered and approved the signing of the purchase and sale agreement to sell shares of Akarawat Renewable Energy Plant Company Limited to a company at a price of Baht 14 million.

On January 28, 2020, the Company received the payment of the paid share capital in the amount of Baht 14 million.

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13. Trade and other non-current receivables

	(Unit : Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
Debt restructuring	50,530,547	53,830,547	50,530,547	53,830,547
Allowance for doubtful accounts	(50,530,547)	(53,830,547)	(50,530,547)	(53,830,547)
Total	-	-	-	-

Allowance for trade and other non-current receivables have changed during the year as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
Beginning balance	53,830,547	39,304,000	53,830,547	39,304,000
Increase (Decrease)	(3,300,000)	(1,800,000)	(3,300,000)	(1,800,000)
Transfer (transfer out)	-	16,326,547	-	16,326,547
Ending balance	50,530,547	53,830,547	50,530,547	53,830,547

- 13.1 Debt restructuring : on July 15, 2015, the Company signed an agreement of debt restructuring and acknowledgement of debt of a debtor. Under the terms of the agreement, the debtor will complete the debt repayment within 36 months by monthly installment, completing in July 2018 as following terms;

The 1st month period to the 12th month period, to pay not less than Baht 500,000.

The 13th month period to the 33rd month period, to pay not less than Baht 1,500,000.

The 34th month period to the 35th month period, to pay not less than Baht 2,000,000.

The debtor agreed to pay the remaining debt within the 36th period (July 2018).

The Company has recorded a provision for doubtful accounts from debt restructuring in full amount since the debtor defaulted in the payment according to the agreement of debt restructuring and acknowledgement of debt. The Company has filed a Civil Court against the receivable and on May 15, 2017, the Civil Court judged that the defendant had to pay the debt amount in accordance with the judgement, starting the first payment within August 10, 2017. The debtor defaulted the payment. The Company is in the process of enforcement. At present, there has been an asset investigation but did not find any assets of the debtor. The Legal Department has been approved to proceed suing this debtor as a bankruptcy case. The lawsuit is expected to be filed within February 2020.

- 13.2 On June 25, 2018, the Company entered into a compromise agreement with MIC Broadcast Co. Ltd., (MIC) as the following contracts:

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Contract No. 1 debt outstanding in the amount of Baht 20.58 million is to be repayable on a monthly basis. Not less than Baht 0.30 million per installment of 29 installments and Baht 11.76 million shall be paid by the end of December 2020.

Contract No. 2 debt amount to Baht 44.22 million is due for the first two installments within December 2018 amounting to Baht 22.11 million, and the second installment within June 2019 amounting to Baht 22.11 million.

The Company recorded allowance for doubtful accounts from the compromise debtors in full amount.

However, the 2nd contract, the debtor has defaulted. The Company has requested the court to issue a enforcement order which will carry out the investigation and enforcement of the case in the next step. At present, the case is in the process of filing this debtor's bankruptcy case. The lawsuit is expected to be filed within February 2020.

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14. Property, plant and equipment

Movements of the property, plant and equipment account for the years ended December 31, 2019, are summarized below:

	(Unit : Baht)			
	Consolidated / Separate			
	January 1, 2019	Increase	Decrease	December 31, 2019
<u>Cost</u>				
Leasehold Building				
improvements	16,255,360	-	-	16,255,360
Furniture, fixture and office				
equipment	10,842,003	775,308	(73,027)	11,544,284
Vehicle	11,696,383	-	-	11,696,383
Total	38,793,746	775,308	(73,027)	39,496,027
<u>Accumulated depreciation</u>				
Leasehold Building				
improvements	(2,865,492)	(812,767)	-	(3,678,259)
Furniture, fixture and office				
equipment	(7,407,586)	(2,187,190)	69,651	(9,525,125)
Vehicle	(9,197,670)	(2,339,276)	-	(11,536,946)
Total	(19,470,748)	(5,339,233)	69,651	(24,740,330)
Net	19,322,998			14,755,697
<u>Depreciation expense for the year</u>				
December 31, 2019				5,339,233
December 31, 2018				5,563,336

As of December 31, 2019, the Company and subsidiaries have the property with historical costs of Baht 7 million that are in use but fully depreciated (Separate: Baht 7 million).

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15. Investment Property

	(Unit : Baht)			
	Consolidated			
	January 1, 2019	Increase	Decrease	December 31, 2019
<u>Cost</u>				
Land	13,356,941	-	(13,356,941)	-
Building	16,713,059	-	(16,713,059)	-
Tools and equipment	10,879,343	-	(10,879,343)	-
Furniture, fixture and office equipment	861,773	-	(861,773)	-
Total	41,811,116	-	(41,811,116)	-
<u>Accumulated depreciation</u>				
Building	(1,719,006)	(9,995)	1,729,001	-
Tools and equipment	(9,303,136)	(629,817)	9,932,953	-
Furniture, fixture and office equipment	(854,973)	(6,105)	861,078	-
Total	(11,877,115)	(645,917)	12,523,032	-
Allowances for impairment of assets	(10,859,653)		10,859,653	-
Net	19,074,348			-
<u>Depreciation expense for the year</u>				
December 31, 2019				645,917
December 31, 2018				2,532,249

In accordance with the resolution of the Extraordinary General Meeting of Shareholders No. 2/2561 on November 21, 2018, Demeter Corporation Public Company Limited resolved to approve the sale of assets of the Company .

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16. Intangible asset

Movements of intangible asset for the years ended December 31, 2019 and 2018, are as follow:

	(Unit : Baht)			
	Consolidated		Separated	
	2019	2018	2019	2018
<u>Cost</u>				
Beginning balance	618,867,737	618,867,737	618,867,737	618,867,737
Additions	-	-	-	-
Transfer out	-	-	-	-
Ending balance	618,867,737	618,867,737	618,867,737	618,867,737
<u>Accumulated amortization</u>				
Beginning balance	(241,228,065)	(241,228,065)	(241,228,065)	(241,228,065)
Accumulated amortization for the years	-	-	-	-
Transfer out	-	-	-	-
Ending balance	(241,228,065)	(241,228,065)	(241,228,065)	(241,228,065)
<u>Ending balance</u>	377,639,672	377,639,672	377,639,672	377,639,672
<u>Less</u> Allowance for impairment	(377,639,672)	(377,639,672)	(377,639,672)	(377,639,672)
Net	-	-	-	-

Accumulated amortization have changed during the years as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
Beginning balance	377,639,672	377,639,672	377,639,672	377,639,672
Increase - net	-	-	-	-
Ending balance	377,639,672	377,639,672	377,639,672	377,639,672

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Intangible asset are as follows:

- 16.1 On January 30, 2015, the Company entered into an Agreement relating to the purchase of the right to manage the broadcasting time (the “**Broadcasting Right Purchase Agreement**” or the “**BPA**”) with Media Agency Thai Company Limited (“**MAT**”). Under the BPA, the Company has been appointed as a co-manager, with the exclusive right to manage the broadcasting time, the purchase and sale of broadcasting time, lease or lease out the broadcasting time and products and services advertised through 5 satellite television channels (the “**Right to Manage the Satellite Television Broadcasting**”) for three years beginning on January 30, 2015 and ending on January 29, 2018. In consideration of the Right to Manage the Satellite Television Broadcasting, the Company agreed to make payments to MAT consisting of a) a onetime payment in the total amount of Baht 369,200,000 within 15 days from the date of the BPA, and monthly payments in the amount of Baht 10,300,000 (excluded VAT) throughout the term of the BPA. Under the BPA, MAT agrees to guarantee a monthly minimum income amount derived from the BPA for the Company in the amount of VAT included of Baht 24,000,000 for the first year, Baht 19,000,000 for the second year, and Baht 12,900,000 for the third year. If the income derived from the BPA is less than the aforementioned guaranteed amounts, MAT agrees to compensate the Company by making payments of the shortfall amount in order to procure that the Company receives the guaranteed amounts within the 25th day of each month, and the first payment shall be made by MAT on February 2015.

For the period between February 2015 and September 30, 2015, there are outstanding payments relating to the guaranteed minimum income consisting of the principal amount of Baht 93,543,538.46 and the default interest thereon in the amount of Baht 1,703,493.75 (together referred to as the “**Outstanding Payments**”) to be paid by MAT to the Company.

The Company and MAT negotiated on this matter and agreed to enter into the following agreements for the settlement of debts arising out of or that will arise from the BPA:

1. The Outstanding Payments

On November 11, 2015, the Company and MAT entered into the Debt Restructuring Agreement in order to set out a repayment plan for the Outstanding Payments (the principal amount of Baht 93,543,538.46 and the default interest thereon in the amount of Baht 1,703,493.75) for MAT. According to the Debt Restructuring Agreement, the Company and MAT agree that payment of the Outstanding Payments shall be made by 36 installments, provided that the first installment shall be made on the last business day of December 2015 and each of next installments shall be made on the last business day of each month. In this respect, MAT shall repay the unpaid default interest to the Company together with the last installment.

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2. Other future debts which may arise from the BPA

For other future debts which may arise from the BPA (including the guaranteed minimum income), MAT informed the Company that MAT will be entitled to the right to broadcast the Spain Copa del Rey 2015/16, 2016/17 and 2017/18 in Thailand and the right to broadcast the Golf European Tour Program in Thailand for 3 seasons i.e. the years 2016, 2017 and 2018 (together referred to as the “**Broadcasting Rights**”). In this regard, MAT agrees to negotiate with a broadcasting operator operating a television channel in order to grant the Broadcasting Rights to such operator. Based on the information provided by MAT, upon successful negotiation of this, MAT shall be entitled to the right to manage the advertising time during the broadcasting of such competition programs.

On September 1, 2015, MAT entered into the Sub-Lease Agreement for lease of a broadcasting channel for the broadcasting of the Golf European Tour Program with GTC Media Limited (the “**Sub-Lease Agreement**”). Under the Sub-lease Agreement, MAT is entitled to the right to manage the advertising time and receive the income derived from sale of the advertising time during the broadcasting of the Golf European Tour Program (the right to manage the advertising time during the broadcasting of the Spain Copa del Rey and the Golf European Tour Program shall be referred to as the “**Right to Sell the Advertising Time**”).

MAT proposed to the Company that, after receipt of the money derived from the Right to Sell the Advertising Time, MAT will use such money for the repayment of all outstanding payments and other debts owed to the Company. Nevertheless, the Company viewed that there was a possibility that MAT may fail to manage or sell such Right to Sell the Advertising Time or may default on other payments due. Consequently, the Company and MAT negotiated on this matter and agreed that MAT would transfer the Right to Sell the Advertising Time to the Company. In addition, the Company would still be entitled to the income derived from the BPA, provided that the Company sets off the outstanding debts arising from the BPA against the income generated by the Company as a result of the management or sale of the Right to Sell the Advertising Time.

Therefore, on November 10, 2015, the Company entered into the Agreement relating to the repayment method under the Broadcasting Right Purchase Agreement with MAT (the “**Repayment Agreement**”). The objective of the Repayment Agreement is to specify and set out the terms and conditions for the repayment of the outstanding debts and other future debts which may arise from the BPA between the Company and MAT (excluding the Outstanding Payments). In order to ensure that the Company shall receive all money derived from the management or sale of the Right to Sell the Advertising Time, the Repayment Agreement requires MAT to exclusively transfer to the Company the Right to Sell the Advertising Time.

According to the Repayment Agreement, MAT shall transfer to the Company the Right to Sell the Advertising Time. By execution of the Repayment Agreement, the Company shall be entitled to manage the broadcasting

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time, the purchase and sale of broadcasting time, lease or lease out the broadcasting time or do other actions for generating income from such Right to Sell the Advertising Time (As the mentioned right is a management right, therefore the Company shall be entitled to deduct other expenses relating to the management and sale of such right from the revenue generated from such right). The net profit derived from the Right to Sell the Advertising Time shall be set off against the debts arising out from the BPA owed by MAT to the Company.

The Company did not record the fair value of the "Right to Sell the Advertising Time" as non-intangible asset in the financial statement since the received right is not considered as a novation. In this regard, the Repayment Agreement does not restrain MAT from performing its duties and obligations under the BPA. The Company and MAT intend to set forth methods for the repayment of debts arising out of the BPA and entitle the Company to deduct the income generated by the Right to Sell the Advertising Time from outstanding debts owed by MAT under the BPA. The Company shall also be entitled to claim the guaranteed minimum income provided by MAT to the Company under the BPA.

Inter-company contingencies and liabilities under that agreement, as of December 31, 2019, remain at Baht 299.45 million, comprising:

a. Receivables under the Debt Restructuring Agreement remain as at December 31, 2019, of Baht 72.01 million (included VAT). The details are as follows:

Details	(Unit : Million Baht)
Accounts receivable under the Debt Restructuring Agreement	98.16
Less Payment received	(26.15)
Receivables under the Debt Restructuring Agreement as at December 31, 2019	72.01

b. Value under the Repayment Agreement of Baht 227.44 million (excluded VAT). The details are as follows:

Details	(Unit : Million Baht)
Fair value of the right to sell the advertising time during the broadcasting of Golf European Tour Program	254.79
Less Payment received	(27.35)
Value under the Repayment Agreement as at December 31, 2019	227.44

From the incident, the Company hasn't recognized revenues of the BPA on statement unless receipt of the money from MAT (Cash basis).

The Company recorded a provision for impairment of the rights with its net book value.

On September 7, 2017, MAT informed the Company that MAT was not entitled to the right to broadcast the Golf European Tour Program in Thailand for the years 2017 and 2018. The Company filed a lawsuit against MAT on

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September 21, 2017, which the Court arranged for the negotiation / plaintiff to testify on November 20, 2017. Later, the defendant postponed the mediation appointment to January 19, 2018, after which they could not mediate. The Court made the appointment to examine the plaintiff on May 17, 2018, and examine the defendant on May 18, 2018. On July 16, 2018, the court sentenced Media agency pay to the Company Baht 314.99 million plus interest at the rate of 12% per annum of principal amounting to Baht 243.36 million as from June 30, 2017 and pay interest at the rate of 7.5% per annum of principal amounting to Baht 68.76 million as from the date filing onwards (filing date on September 21, 2017) until the payment is completed. This case, the defendant did not appeal. The case has been to the end. At present, it is in the process of issuing regulations for the defendant to comply with the judgment. Currently, the company has investigated this debtor's assets and found that no business has been conducted and the debtor has not submitted financial statements for many consecutive years. The Legal Department has been approved to proceed suing the debtor as bankruptcy case. The lawsuit is expected to be filed within February 2020.

- 16.2 The rights to manage the satellite television channels for 16 channels at the cost of Baht 82 million including the rights for the period from December 2010 to November 2020 for 8 channels, and for the period from June 2013 to May 2023 for 8 channels.

On August 26, 2015, the Company signed an agreement of early termination of the satellite television co-production agreement with M.V. Television (Thailand) Co., Ltd. for the 8 satellite television channels for the period from June 2013 to May 2023 and wrote off intangible assets amount of Baht 31.62 million.

On November 17, 2015, the Company signed an agreement of early termination of the satellite television co-production agreement with M.V. Television (Thailand) Co., Ltd. for the 8 satellite television channels for the period from December 2010 to November 2020 by gradually termination. The Company wrote off intangible assets amount of Baht 20.26 million.

- 16.3 The rights of broadcasting and broadcast sounds in movies at the cost of Baht 117.44 million, the Company has recorded a provision for impairment amount of Baht 22.49 million in the year 2015, and amount of Baht 23.75 million in the year 2017.

The broadcasting and broadcast sounds in EDGE SPORT contents at the cost of Baht 67.84 million, the Company has recorded a provision amount of Baht 41.44 million in the year 2016.

- 16.4 The rights of live broadcast of soccer match at the cost of Baht 48 million. The Company has recorded a provision for impairment amount of Baht 43.66 million.

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17. Other non-current financial assets

	(Unit : Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
Hire-purchase contract receivables	102,959,690	102,959,690	102,959,690	102,959,690
<u>Less</u> Unearned interest income	<u>(17,447,740)</u>	<u>(17,447,740)</u>	<u>(17,447,740)</u>	<u>(17,447,740)</u>
Net	85,511,950	85,511,950	85,511,950	85,511,950
<u>Less</u> Current portion of hire-purchase contract receivables	-	-	-	-
Allowance for doubtful accounts	<u>(85,511,950)</u>	<u>(85,511,950)</u>	<u>(85,511,950)</u>	<u>(85,511,950)</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

- 17.1 Hire-purchase contract receivables : the Company signed a contract of selling lighting and air conditioning systems with a non-related company. The delivery and inspection tasks completed in August 2016 and the Company will receive payment under the contract in monthly installments totaling 84 installments in the amount of Baht 1,000,000 (excluded VAT), starting the first installment in September 2016. On November 11, 2016 signed a contract of selling lighting and air conditioning systems phase 2-1 and the Company will receive payment under the contract in monthly installments totaling 84 installments in the amount of Baht 407,853 (excluded VAT), starting the first installment in January 2017.

In the year 2018, the debtor has undergone difficulty of liquidity which causes a negotiation on payment time extending and the amount payable in each period. However, the negotiation is on process of signing The company recognized fully allowance for doubtful debts.

According to the resolution of the Board of Director's Meeting No. 8/2018 held on July 24, 2018, the Company has filed a lawsuit against IT Square Co., Ltd. On November 1, 2018. The Company has assigned Law Firm to proceed with further actions in filing a lawsuit against the debtors and the court made a mediation Which on March 20, 2019, the 1st mediation was not concluded. The court therefore postponed the appointment of the mediator No. 2 on May 22, 2019. Later, on May 22, 2019, the parties could not reconcile. The court appointed the plaintiff and defendant witnesses on 23 and 24 January 2020. which can be divided into 2 cases:

Case 1, Capital sued in total of Baht 27.09 million (including interest). This case has been completed on examining the plaintiff and the defendant. The court made an appointment for a hearing in March 2020.

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Case 2, Capital sued in total of Baht 63.41 million (including interest). On December 27, 2019, The Civil Court has ordered the defendant to pay Baht 59.91 million including interest at the rate of 7% per annum of the said capital from January 1, 2018 onwards until payment is complete to the plaintiff, but the total interest up to the date of filing is not to be more than Baht 3.49 million as requested by the plaintiff. And the defendant must pay compensation fees on behalf of the plaintiff, which the lawyer fee is set at Baht 0.15 million and the cost of litigation is Baht 0.01 million.

18. Deferred tax

As at December 31, 2019 and 2018, the components of deferred tax asset does not recognized are as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
Accumulated loss not exceed				
5 accounting periods	568,889,158	259,825,609	514,952,372	234,296,354
Net deferred assets	568,889,158	259,825,609	514,952,372	234,296,354

As at December 31, 2019 and 2018, The Company and subsidiaries has deductible temporary differences totaling Baht 409.77 million and 321.08 million, respectively (Separate Baht 377.94 million and Baht 296.95 million, respectively). On which deferred tax assets have not been recognized as the Company's management considers that there is uncertainty whether the Company will have sufficient future taxable income to utilize such items and or they might not be used to offset taxable income in the future.

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19. Other non-current assets

		(Unit : Baht)	
		Consolidated	Separated
		2019	2018
		2019	2018
Other deposits		28,085,916	29,011,668
<u>Less</u> Allowance for non-refundable			
deposit		(26,832,608)	(27,881,260)
Deposits - net		1,253,308	1,130,408
Venture capital		29,242,022	29,810,506
<u>Less</u> allowance for doubtful accounts			
venture capital		(29,242,022)	(29,810,506)
Venture capital - net		-	-
Withholding tax		7,712,869	7,908,418
Non-current assets held for sales		-	-
Total		8,966,177	9,038,826

A As at December 31, 2019 and 2018, non-current assets held for sales were non-operating assets represented the following assets for the construction stone mining which have been suspended, at the cost of Baht 17.02 million and the Company has made a provision for impairment all.

B Venture capital

The Meeting of the Board of Directors No. 18/2017 held on November 7, 2017 resolved to approve the joint investment with Triple Ch Holdings Company Limited (Triple CH), who is licensed to live broadcast football in the Philippines, having 35 percent stake in the joint investment, valued at Baht 30 million, to engage in the business of live broadcasting football in the Philippines. Triple CH had an agreement as regards the guarantee on business operation for a period of 18 months, starting from December 1, 2017 that revenue that the Company receives shall not be less than the investment that the Company has made to support the operation of live broadcasting football matches. In addition, the Company has a condition on the payment of the joint venture that the payment is subject to the opinions of the Company's legal advisor on legal status of Triple CH and the due authorization and license to operate the business of live broadcasting football matches.

The Company has already made a payment of Baht 20 million in November 2017 and made a payment of Baht 10 million in March 2018 after Triple CH is able to renew the license with beIN.

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The Company hired LEUNG WAI LAW FIRM through Norton Rose Fulbright (Thailand) Co., Ltd. to provide opinions on the status of Triple CH, which can be summarized as follows:

- Triple CH is a foreign company, registered in Samoa in accordance with the International Company Act 1988 on September 14, 2014 and would expire on November 30, 2017, unless it is being extended.
- Triple CH is a company duly established in accordance with the laws and has never violated any laws of Samoa.
- As the date of status inspection, Triple CH has a shareholder named Bernard Camacho Sumayao.
- Triple CH has the registered capital of USD 1,000,000, divided into 1,000,000 shares, at the value of USD 1 per share. The Company also hired Apisith and Alliance Co., Ltd. to review the rights under the Licensing Agreement between beIN Sports Asia Pte Limited (“**beIN**”) and Triple CH dated December 1, 2017, under which the terms can be summarized as follows:
 - beIN and Triple CH agreed on the prices of the licensing fees comprising of the higher of:
 - The amount which cannot be disclosed since such information is trade secrets per 12 months period which shall be calculated on prorated basis; or
 - 20 percent of all gross revenue and an additional 15 percent of any gross revenue in excess of the amount which cannot be disclosed since such information is trade secrets.
 - Triple CH agreed to pay the license fees as set out below:
 - 50 percent of the minimum guarantee upon execution of the agreement.
 - 50 percent of the minimum guarantee on or before March 1, 2018.
 - Any additional license fees must be paid within 30 days from receipt of the relevant monthly statement pursuant to the agreement.
- beIN agreed to grant to Triple CH the right to sub-license to ABS-CBN Corporation (“**ABS-CBN**”) the right to live broadcast the Premier League, UEFA Champions League and La Liga Season 2017-2018 (the “**Live Program**”) in the Philippines.
- beIN agreed to grant Triple CH the right to sub-license to ABS-CBN the right to use the logo of football clubs and trademarks which has been procured and authorized by the authorized persons of each of the clubs in connection with the Live Program, as well as the promotional activities relating to the Live Program.

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- The license to live broadcast exclusively belongs to Triple CH in the Philippines. However, Triple CH is only licensed to live broadcast and rerun through free TV (FTA TV transmissions) only.

The Company has considered the opinions of the legal advisor regarding the status of Triple CH and the license, as well as the method of business operation and then made a decision to enter into the joint investment.

However, the business performance did not align with the initial plan, therefore, the Company has set aside an allowance for the whole amount.

At present, it is in the process of collecting the investment funds.

20. Loans from other persons

Loans from other persons Which is a group of existing shareholders of a subsidiary of Baht 5.36 million and

Loan from other person that the subsidiary entered into a loan agreement in the amount of Baht 42,600,000 (equivalent to 1,000,000 pounds sterling), interest rate of MLR. The subsidiary agreed to pay interest of the loan on the date of the repayment of all loans.

The repayment terms are as follows:

- 1) Stock price traded is supposed to be a price traded on the relevant stock market for more than Baht 50,000 calculated according to the average exchange rate of commercial banks in Bangkok (middle rate) at the exercise date or
- 2) After the expiration of December 31, 2019, whichever occurs first.

The subsidiary agreed to pledge the shares to guarantee any liabilities, which the subsidiary will hold during the purchase of shares. The company agreed to complete the pledge of shares with the lender within 30 days from the date that the trading of the shares in the company was completed. Which the company agrees not to sell, transfer or cause any obligation to the pledged shares. On February 26, 2019, the parties agreed to cancel above a buy and sell in share agreement and related loan. Since consider the about details of the earning forecast, it is expected that there may be a risk of performance in the future because it is a new company (Startup). If the performance is not as expected, there will be an opinion to cancel the investment in the project. The subsidiary company has no obligation to pay any expenses between them.

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21. Long-term borrowing

	(Unit : Baht)			
	Consolidated		Separated	
	2019	2018	2019	2018
Long-term borrowing	1,011,761	1,108,068	1,011,761	1,108,068
<u>Less</u> Deferred interest expense	(193,725)	(53,168)	(193,725)	(53,168)
Net	818,036	1,054,900	818,036	1,054,900
<u>Less</u> Current portion due within one year	(255,846)	(948,524)	(255,846)	(948,524)
Net	562,190	106,376	562,190	106,376

22. Provision for employee benefits

An independent actuary carried out an evaluation of the Company's obligations for employees' long-term benefits using the projected unit credit method. The Company has provided the provision for employees' long-term benefits as follows:

	(Unit : Baht)			
	Consolidated		Separated	
	2019	2018	2019	2018
Provision for employee benefits - beginning	2,062,980	2,653,946	2,062,980	2,645,069
Employee benefit expenses				
Current service cost	1,123,197	751,950	1,123,197	751,950
Interest cost	29,412	72,475	29,412	72,475
Actuarial gain	-	(1,111,826)	-	(1,111,826)
<u>Less</u> liability decrease from actual paid	(2,261,100)	(294,688)	(2,261,100)	(294,688)
Decreased due to loss of control power	-	(8,877)	-	-
Provision for employee benefits - ending	954,489	2,062,980	954,489	2,062,980

Significant actuarial assumptions are summarised below.

	Consolidated		Separated	
	2019	2018	2019	2018
Discount rate (%)	2.10	2.10	2.10	2.10
Future salary increase (%)	5.00	5.00	5.00	5.00
Retirement age (years old)	60	60	60	60

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The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2019 and 2018 are summarised below:

	(Unit : Baht)			
	As at December 31, 2019			
	Consolidated		Separated	
<u>Assumptions that affect</u>	Increase	Decrease	Increase	Decrease
Discount rate (1.00%)	(145,527)	168,535	(145,527)	168,535
Salary increase rate (1.00%)	164,604	(145,082)	164,604	(145,082)
Turnover rate (1.00%)	(159,075)	56,597	(159,075)	56,597

	(Unit : Baht)			
	As at December 31, 2018			
	Consolidated		Separated	
<u>Assumptions that affect</u>	Increase	Decrease	Increase	Decrease
Discount rate (1.00%)	(90,235)	104,864	(90,235)	104,864
Salary increase rate (1.00%)	87,095	(76,178)	87,095	(76,178)
Turnover rate (1.00%)	(93,843)	40,960	(93,843)	40,960

The sensitivity analysis presented above may not be representative of the actual change in employee benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

As at December 31, 2019 and 2018, the maturity analyses of undiscounted cash flows of benefit payments are as follows:

	(Unit : Baht)			
	Consolidated		Separated	
	2019	2018	2019	2018
Within 1 year	-	1,221,600	-	1,221,600
Within 2 5 years	-	1,984,500	-	1,984,500
Within 6 - 10 years	4,024,509	4,119,508	4,024,509	4,119,508
Within 10 15 years	-	328,735	-	328,735

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	(Unit : Baht)			
	Consolidated		Separated	
	2019	2018	2019	2018
Guarantee received - co-production	2,830,050	2,830,050	2,830,050	2,830,050

24. Share capital and warrants**24.1 Share capital**

The Board of director's meeting No. 1/2019, held on April 26, 2019, the meeting resolved the following resolutions:

1. Approved to decreasing the Company's registered share capital from Baht 590,547,570 to Baht 587,407,772 by deducting 3,139,798 undistributed shares at Baht 1 par value.

2. Approved the increase of the registered capital of the company Baht 1,174,815,544 from the original registered capital of Baht 587,407,772 to Baht 1,762,223,316 by issuing new ordinary shares. 1,174,815,544 shares with a par value of Baht 1 per share support the allocation of shares to the existing shareholders of the company in proportion to the number of shares held by each shareholder (Right Offering).

3. Approved the registration by allocating the newly issued ordinary shares to the existing shareholders in proportion to the number of shares held by each shareholder (Right Offering) at the ratio of 1 existing share to 2 new shares at the offering price of Baht 0.50 per share.

The company has registered the capital reduction and capital increase with the Ministry of Commerce on May 23, 2019 and June 14, 2019 respectively.

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25. Earnings (loss) per share

Basic earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the net profit (loss) attributable to shareholders by the weighted average number of ordinary shares issued and paid-up during the years.

Diluted earnings (loss) per share

Diluted earnings (loss) per share is calculated by dividing the net profit (loss) attributable to shareholders by the weighted average number of ordinary shares issued and paid-up during the period adjusted for the effect of conversion of warrant to ordinary share.

The Company did not calculate diluted earnings per share for the year ended December 31, 2019 because the fair value of an ordinary share is lower than the exercised price of warrants.

26. Legal reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

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27. Financial information by segment

The Company and subsidiaries operate business on single geographic segment that is in Thailand. As revenue of other business segments is less than 10% of total revenue, there is no financial information by segment of other business segments presented in the financial statements.

Business unit segment information of the Company and subsidiaries for the years ended December 31, 2019 and 2018, are as follows:

	(Unit : Thousand Baht)			
	Consolidated			
	For the year ended December 31, 2019			
	Income from programme co-production	Income from Concert	Sales income	Total
Income	-	38,836	2,085	40,921
Cost	-	(41,403)	(1,353)	(42,756)
Gross profit	-	(2,567)	732	(1,835)
Other incomes				14,130
Profit before expenses				12,295
Expenses				
Administrative expenses				(40,449)
Doubtful accounts				(90,990)
Administrative of litigations				(29,038)
Loss from impairment of general investment				(2,864)
Loss from impairment of investments in associates				(77)
Management benefit expenses				(14,535)
Finance costs				(144)
Share of loss from associates				(107,169)
Total expenses				(285,266)
Loss before income tax				(272,971)
Income tax				-
Net loss				(272,971)

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	(Unit : Thousand Baht)			
	Consolidated			
	For the year ended December 31, 2018			
	Income from programme co-production	Income from broadcasting rights	Sales income	Total
Income	612	-	-	612
Cost	-	-	-	-
Gross profit	612	-	-	612
Other incomes				13,133
Profit before expenses				13,745
Expenses				
Administrative expenses				(47,781)
Allowance for impairment of venture capital				(29,810)
Doubtful accounts				(88,235)
Loss from impairment of goodwill				(51,203)
Loss from impairment of investment in associates				(107,784)
Management benefit expenses				(18,681)
Finance costs				(684)
Share of loss from associates				(89,498)
Total expenses				(433,676)
Loss before income tax				(419,931)
Income tax				-
Net loss				(419,931)

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28. Financial instruments

28.1 Financial risk management

The Company's financial instruments, principally comprise cash and cash equivalents, trade accounts receivable, investments, and short-term loan. The financial risks associated with these financial instruments and how they are managed is described below:

Credit risk

The Company is exposed to credit risk primarily with respect to receivables from co-production of satellite television programmes and broadcasting rights. However, due to its prudent credit policy and the close follow up of debt, the Company does not anticipate material losses from its debt collection in excess of those for which provision has already been set aside. And trade-accounts receivable of co-production of satellites television programmes had made the collateral.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks. However, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Foreign currency risk

The Company has no exposure to foreign currency risk because no significant trading transactions are denominated in foreign currencies.

28.2 Fair values of financial instruments

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

The fair value of cash and cash equivalents, trade and other accounts receivable, short-term loans, other current assets, trade and other accounts payable and other current liabilities is taken to approximate the carrying value.

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Fair values and the carrying values of financial assets and liabilities other than the aforementioned were as follows:

	(Unit : Million Baht)			
	Consolidated			
	Level 1	Level 2	Level 3	Total
As at December 31, 2019				
Financial assets				
Other current investments				
Open-end fund **	-	393.39	-	393.39

As at December 31, 2018

Financial assets				
Other current investments				
Open-end fund **	-	23.20	-	23.20

	(Unit : Million Baht)			
	Separate			
	Level 1	Level 2	Level 3	Total
As at December 31, 2019				
Financial assets				
Other current investments				
Open-end fund **	-	384.41	-	384.41

As at December 31, 2018

Financial assets				
Other current investments				
Open-end fund **	-	17.19	-	17.19

** Level 2 - The fair value determined by using the net asset value as published by the Asset Management.

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29. Agreement

On May 19, 2016, the Company executed 2 memorandums of understanding with Philippines investors in order to engage in the due diligence exercise on 2 companies registered under the laws of the Philippines and engaged in the energy business in the Philippines by acquiring 40 percent of the shares in the 2 companies. On August 11, 2016, the Company paid the security deposit for the land lease for the construction of the solar power plant in the amount of Baht 22.40 million to representatives or authorized persons of the 2 companies as the owners of the land. If the project is not approved by the shareholders of the Company, the lessor shall return the security deposit in full within the period specified by the Company. The payment of such security deposit is approved under the capped amount of Baht 50 million from the meeting of the Board of Directors of the Company held on July 13, 2016.

On January 26, 2017, the Company's Board of Directors approved the investment in the solar power plants of Negros PH Solar Inc. (NPSI) having the production capacity under the Solar Energy Contract at 50 megawatts, located in the Philippines, by the purchase of 40 percent of the total issued ordinary shares in NPSI, in the total amount of 600,000 US Dollars. Such investment must also be approved by the shareholders' meeting with the vote of not less than three-fourth of the total votes. The Company expects that the construction of this power plant project can be completed and commercially able to distribute power within 2017, with the project rate of return at the rate of not less than 15 percent. The Board of Directors considered this to be reasonable and beneficial to the Company and the shareholders. After the parties have fulfilled or waived as per the methods stipulated under the agreement within October 2017 (Revised May 19, 2017) the conditions precedent stipulated in the share purchase agreement, the Company has already made the payment.

Nevertheless, on November 10, 2017, it was informed by the Company that NPSI could not obtain the construction permit for the project and may not provide the progress summary since there was a change in the policy with respect of the process and procedures of approval for the permit by the Department of Energy, the Ministry of Energy of the Philippines. Therefore, the Company had to cancel the investment in the project and the Company recorded the reserve for the security deposit which may not be refunded in the amount of Baht 34.10 million (consisting of the security deposit of the land lease Baht 22.40 million, the operational costs for the acquisition of the construction permit of the project Baht 11.70 million) and wrote-off unrecallable security deposit (expenses for legal advisors, financial advisors, and technical engineering advisors) of Baht 8.63 million. However, the Company has officially given the notice to demand the security deposit for the land lease to the lessor twice and will proceed with legal procedures accordingly.

Later, on December 8, 2017, it was disclosed by the Company that the Company received the deposit for the sale shares in the amount of Baht 21.23 million from the escrow agent, while the security deposit for the land lease of Baht 22.40 million and the operational costs for the acquisition of the construction permit of the project in the amount of Baht 11.70 million, at the total amount of Baht 34.10 million, cannot be recalled.

In the consideration of the Board of Directors for the investment in the solar power plant project of Negros PH Solar Inc. (NPSI) on January 26, 2017, the Board of Directors resolved that the investment in NPSI's power plant

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was reasonable by considering the information from technical and commercial inspections, as well as legal due diligence.

For the technical inspection, the Company hired Infratech ASTM Co., Ltd. to conduct field inspection and evaluate the appropriateness of the area for the construction of the solar power plant through the tests of soil strength, the level of the area above the sea level and statistics of disasters, e.g. flood and wind storm in the past. For the construction of the power plant, the Company also prepared to hire a contractor which is a company ranked in the Fortune Global 500 to design and construct the power plant.

In the consideration on the commercial feasibility, due the high competitive in the construction market in Philippines, NPSI has been offered from a contractor to acquire 85 percent of the total funds for the construction of the project with NPSI being responsible for only 15 percent for the initial construction. The Company has further studied and found that other projects in the vicinity have received the same offer from other construction companies. This advantage results in the project rate of return of not less than 15 percent. In this connection, the Company hired Sims Property Consultant Co., Ltd. to evaluate the value of NPSI. From the result of the evaluation of NPSI, the value of 40 percent of NPSI's shares is Baht 757.20 million. The valuation of the project is the valuation of NPSI when it is fully operated. The valuation assumption includes the initial capital for start up in the amount of Baht 2,353.95 million. The project can immediately produce electricity with the duration of 25 years, and would be granted tax incentive from the government of Philippines, exempted from tax in the first 7 years, and pay corporate income tax at the rate 10 percent in the year of 8-13, and pay corporate income tax at the rate 30 percent in the year of 14-25, with the electricity tariff at 5.70 Baht per unit. Sims Property Consultant Co., Ltd. has evaluated at the discounted cash flow of the future subject to the condition that NPSI has a full capacity of 50 MW for 25 years calculated by the discounted rate at 8 percent.

Nevertheless, due to the investment of the Company was in the early stage of the application for a license to implement the project, the Company, therefore could negotiate for the purchase of 40 percent of shares at the price of 600,000 USD or approximately Baht 21 million. Comparing to the value of NPSI, with full operation, it is considered as reasonable remuneration.

In the part of the legal feasibility, the Company hired DFDL (Thailand) Ltd., which worked with a legal office in the Philippines, to review legal documents and licenses of NPSI. From the result of the review, NPSI was in the process of obtaining main documents, i.e. the construction permit for the project. The Company prescribes a condition for payment in the form of security deposit, whereby the security deposit shall be returned if the conditions precedent are not fulfilled, including the acquisition of the said construction permit by NPSI.

In the meeting of the Board of Directors, the consideration on the conditions and procedures for the acquisition of the construction permit of NPSI was considered and NPSI may obtain the construction permit when the Department of Energy, the Ministry of Energy of the Philippines has considered the application and conditions of the permits performed by NPSI and submitted to the Ministry of Energy. In this respect, the Ministry of Energy

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will announce the result of the approval of the development and construction of the project on the Ministry of Energy's website.

Nevertheless, the change of government of the Philippines resulted in the change in policy for the approval of the renewable energy power plant, whereby NPSI's project is pending for approval and the result of the acquisition of the construction permit of the project is delayed without a specified period.

The Board of Directors approve the payment of the security deposit of Baht 34.10 million before the shareholders approved of the investment in the project.

The Board of Directors has considered the payment of security deposit of Baht 34,102,184.62 because the Company is the new investor in the energy business in the Philippines. Therefore, if the Company acquires shares of the power plant project in such manner at the time when the project is almost to get commercial return, or the project has been granted relevant licenses, the Company expects that the prices of the projects would rise to the higher level, or at the market price of approximately Baht 700 million valued by an independent valuer. Comparing in the aspect of investor confidence, the Company may be more disadvantage than other companies in the market. Therefore, the Company has decided to invest in this project at an early stage which may jointly manage possible risks occurring from the investment in very greenfield stage. As such, the Company has negotiated to purchase 40 percent of shares in the amount of 600,000 USD or approximately Baht 21 million; provided that the Company would be responsible for reservation payment of land of the project.

However, such payment is under the terms for the refund in various conditions including the condition that the project needs the approval from the shareholders. The security deposit is an appropriate amount when comparing to the value of the NPSI when it is fully operated. Further, the security deposit of the land lease, and the operational costs are necessary as follows:

- 1) Deposit for the land lease in the amount of Baht 22,398,461.41 which was paid after the preliminary result of due diligence exercise on NPSI.

The Company considered making this part of payment prior to the approval of the shareholders because, for power plant projects in the Philippines, the location of the land for which the power plant is to be located is the material factor in the approval of the project. The reason is the land is one the conditions to get the license to study and explore the power plant project ("**Service Contract**") which must not overlap with other projects that have received a Service Contract. Therefore, NPSI was required to procure land in order to receive the Service Contract. Moreover, leasing the land at the beginning of the project will help to manage rental prices to be at the market level and does not let others take an opportunity to take advantage to raise prices if the project is licensed for Service Contract that has been specified the project area. Further, land procurement is considered as high risk because if the Company cannot enter into the land lease

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agreement according to the location specified in the Service Contract, it will result in an increase in the cost of the operation for new Service Contract application where the project could, in fact, enter into the land lease agreement. The Company, therefore, entered into an agreement to have the possessory right over the land so that NPSI may apply for the right to develop the project without the land procurement risk and for the liquidity of the project at the early stage which is competitive. The Company did not make this payment in proportion to the shareholding percentage because the Philipinos shareholders agreed to be responsible for the procurement of the possessory right over the land while the Company agreed to make the security deposit payment. Eventually when the project can be operated, the security deposit will be deemed as expenses of the project whereby NPSI has the duty to return to the Company in the propotion in which the Company has overly paid.

- 2) The payment for the operational costs for the acquisition of the project construction permit in the amount of Baht 11,703,723.21 was made after the consideration of the result from due diligence exercise on NPSI.

The Company considered and made the payment for this sum prior to the approval of the shareholders because, for power plant projects in the Philippines, NPSI must obtain the project construction permit. The Company did not make the payment in proportion to its shareholding because the Filipinos shareholders agreed to be responsible for the acquisition of the project construction permit while the Company agreed to make the payment for the operational costs. Eventually when the project can be operated, the security deposit will be deemed as expenses of NPSI whereby NPSI has the duty to return to the Company in the propotion in which the Company has overly paid.

Moreover, for the 2 investment items in the total amount of Baht 34,102,184.62, the Company paid for such payment on the condition that the Company can demand for a return of the capital investment from NPSI's shareholders if NPSI may not operate the project and if the shareholders of NPSI refuse to return the security deposit, the Company is entitled to file a suit against NPSI's shareholders under the conditions stipulated under the agreement.

The names of the shareholders of NPSI and the lessor of the land is MS. MARIA CELIA RAMONA S. MONFORT, a citizen of the Philippines, who has no relationship with the Company in terms of shareholding, director, executive, or related party.

However, the reason that the Philippines shareholder is the lessor is the Company has asked the Philippines shareholder to help to negotiate and to compile land from the owners. The Philippines shareholder does not own the land. Nevertheless, there is a duty to complied land for lease so as to the project can apply for relevant license such as Service Contract or construction licenses, etc.

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1. The deposit of Baht 22,398,461.41 is under the agreement for the Company to place the security deposit for the land reserved in order for NPSI to lease the land at a later date. The conditions for the Company to claim for the refund of the security deposit are as follows:

- (1) When the conditions of entering into the project land lease agreement has been fulfilled or waived by the relevant contracting party.
- (2) When NPSI may not enter into the project land lease agreement with the land owner.
- (3) When the Company is not approved to lease the project land.

Therefore, due to for the cancellation of the Company to invest in NPSI is considered as the disapproval of the lease of the land, the Company received the refund of the capital investment placed as the security deposit. Currently, the payment due date is under the negotiation and the Company expects that the Company will receive the refund within Quarter 3/2018.

2. For the security deposit for the operational costs for the acquisition of the construction permit, the conditions for the Company to receive the refund are as follows:
 - (1) When the parties may not procure that NPSI obtains the construction permit.
 - (2) When the Company is not approved to proceed with the project.

The cancellation of the investment in NPSI resulted in the Company's entitlement in the full refund of the security deposit. Currently, the Company is under the negotiation for the counterparty to return the security deposit. In this connection, the counterparty agreed to enter into the agreement to return the security deposit which has the payment period for the total amount within August 15, 2018. At present, the deposit has not yet been paid and the Company is in the process of asking for payment. The deposit has not yet been paid and is currently in the process of prosecution.

If the Company received a refund. The Company will recognize the allowance for reversed damages. And recognized as other income in the statement of income for the period of repayment.

30. Commitments

The Company has entered into building space rental agreement with an unrelated company. The lease term of 3 years expires on November 30, 2020. The rental rate is Baht 174,250 per month.

The Company has entered into service agreements with an unrelated company. The lease term is 3 years. The contract expires on November 30, 2020. The service fee is Baht 139,400 for the first year, Baht 156,825 for the second year and Baht 174,250 for the third year.

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31. Expenses by nature

Significant expenses by nature for the years ended December 31, 2019 and 2018, are as follow:

	(Unit:Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
Depreciation and amortisation expenses	5,985,150	7,788,843	5,339,233	5,256,593
Salaries and other employee benefits	10,225,439	11,624,516	10,225,439	11,624,516
Professional fees	8,511,314	9,938,788	7,216,014	9,010,388
Office rental and service expenses	3,990,325	3,972,600	3,990,325	3,763,800
Loss from impairment				
Goodwill	-	51,202,950	-	-
General investment	2,863,955	-	2,863,955	51,363,725
Investment in subsidiaries	-	-	22,410,352	-
Investment in associate	76,860	107,783,188	107,169,022	200,794,329
Venture capital	-	29,810,506	-	29,810,506
Allowance doubtful	90,990,310	88,234,704	99,069,651	154,525,362
Administrative of litigations	29,037,508	-	29,037,508	-
Share of loss from associates	107,169,020	89,497,899	-	-
Management benefit expenses	14,535,360	18,680,551	14,535,360	18,680,551

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32. Correction of error

The Company has restated the previous financial statements on the recognition of share of profit in associate since the associate has adjusted the new items for the year 2018.

Accordingly, the retroactively adjustment of consolidated financial position as at December 31, 2018 would be as follow:

(Unit : Baht)			
	Consolidated		
	As previously reported	Readjusted	As Restated
<u>Asset</u>			
Investment in a associates	124,205,303	(17,036,283)	107,169,020

Shareholders equity

Retained earnings

Unappropriated	(1,686,091,552)	(17,036,283)	(1,703,127,835)
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(Unit : Baht)			
	Separate		
	As previously reported	Readjusted	As Restated
<u>Asset</u>			
Investment in a associates	124,205,303	(17,036,283)	107,169,020

Shareholders equity

Retained earnings

Unappropriated	(1,683,102,891)	(17,036,283)	(1,700,139,174)
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33. Legal dispute

A company filed a lawsuit with the South Bangkok Civil Court on March 30, 2018 on the basis of violating the transaction agreement and claimed the damages from the company with a total capital of Baht 20.26 million in case the company does not receive advertising rights in golf tournament, Eurozone, 2017 and 2018 season. On May 22, 2018, the company sent a statement and countered the advertising rights that companies still have debt with a total capital of Baht 3.93 million, on October 10, 2019, the examination of the defendant's witnesses has been completed. The Court made an appointment to hear the verdict on December 19, 2019. The Court has ordered the defendant to pay Baht 25,653,371.51 including interest at the rate of 7.5 percent per annum of the said principal from the date of filing (filing on March 30, 2018) onwards until payment is complete to the plaintiff. And the defendant must pay compensation fees on behalf of the plaintiff, which the lawyer fee is set at Baht 10,000. Currently, this case is under the request to extend the period of appeal.

In this regard, the Company has recorded a provision for damage from lawsuits including interest totaling Baht 29.04 million in the financial statements.

34. Capital management

The primary objectives of the Company's capital management are to maintain their abilities to continue as a going concern and to maintain an appropriate capital structure.

As at December 31, 2019, debt to equity ratio in the consolidated financial statements is 0.09:1 (Separate: is 0.09:1).

35. Subsequent events

The Board of Directors Meeting No. 2/2020 held on February 25, 2020 has resolved to approve the acquisition of assets of N.E.X.T Company Limited ("NEXT"). By entering into the said transaction, The Company will pay cash of Baht 40,000,000 ("purchase price") to NEXT in order to acquire the assets, the right to operate the advertising media business, equipment related to advertising media business, patents for advertising media business, principal project administrator and the key person for business operation ("Transaction")

The Transaction shall be subject to the completion of the conditions precedent under the asset purchase agreement. After the Transaction completed, the company will receive the right to operate the advertising media business in the amount of 6 contracts, equipment related to advertising media 249 items, patents for advertising media business, principal project administrator and the key person for business operation. The Company expected that the Transaction will be completed within March 2020. Nevertheless, the Company shall not have any obligations before the conditions precedent fulfilled by NEXT. The significance of the asset purchase agreement are summarized as follows:

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The conditions precedent

1. The due diligence has been completed and there is no material adverse effect to the Transaction.
2. NEXT has proceed with the key person for business operation, who is specified by the Company, to enter into a management agreement with the Company with the content and duration as specified by the Company, for a period of not less than 4 years.
3. NEXT has proceed with the employees, who is specified by the Company, to enter into a employment agreement with the company in order that the said employees work as employees of the Company in accordance with the terms and conditions set by the Company.
4. NEXT has proceed to change the parties regarding the right to operate the advertising media business with a total value of half of all contracts relating to the right to operate the advertising media business in total.

The condition subsequent

1. NEXT change the parties regarding the right to operate advertising media business, agreed to which is not completed, within 60 days after the transaction is completed.
2. NEXT agreed to guarantee the use of acquired asset for a period of 90 days from the date of completion of the transaction.
3. NEXT has licensed to use the invention patent, which is under the process of registration to the Company.
4. NEXT agreed to continue to monitor and / or cooperate with the Company until the relevant registration is completed, including but not limited to the registration of the license agreement once the patent has been registered.

The payment methods

At the completion date, the Company will pay the purchase price to NEXT. In the event that NEXT does not complete the change of 6 parties as specified in the conditions precedent, NEXT agrees to have the company deduct the purchase price equivalent to the appraised value of the contract relating to rights in the advertising media business that the change of the parties has not completed. The company will pay the deducted purchase price to NEXT by each contract within 60 days from the date NEXT has completed the change of that parties. However, if NEXT is unable to change to the parties within the specified time period, NEXT agrees to reduce the purchase price by the amount equal to the appraised value of the contract that the parties cannot complete the change of that parties within the specified period.

Moreover, to facilitate the processes involved, Managing Director or the person appointed by Board of Directors shall negotiate, enter into agreement, decide, amend the details or conditions, and take any necessary and proper actions including, signing of agreement, memorandum, or other documents, and to contact with relevant government sectors for the benefits of the Company.

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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36. Reclassification

Certain reclassifications have been made in the financial statements for the year ended December 31, 2018, the Company and its subsidiaries to conform to the classification used in current period's financial statements. Such reclassifications have no effect to previously reported net profit and shareholders' equity.

37. Approval of the financial statements

These financial statements have been approved by the Company's Board of Directors on February 25, 2020.

6. 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
E-mail: audit@karinaudit.co.th
www.karinaudit.co.th

Verification Form for Auditor Professional Fee

For year ended on 31st December 2019

Audit Fee

Item	Payer's name	Auditor	Fee
1	Demeter Corporation PCL	Mr. Jirote Sirirorote	1,750,000
2	Demeter Power Co.,Ltd.	Mr. Jirote Sirirorote	300,000
Total auditor fee			2,050,000

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. Jirote Sirirorote)

Karin Audit Company Limited

Auditor of Demeter Corporation PCL

KLC Network: China, Hong Kong, Indonesia, Japan, Korea, Malaysia, Singapore, Taiwan, United Kingdom, United States, Vietnam

7. Corporate Governance's Related Policies

7.1 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 2019, the company had no accident, loss of organs, disability or death. And there is no accident that has stopped work.

7.2 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 2019, compensation and welfare benefits were paid to employees according to the policy set And the number of employee development training hours in 2019, a total of 731 hours, average / person / year, 27 hours, of which this is an environmental training, including 44 hours average / person / year 2 hours.

7.3 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 2019, the company did not have any disputes in human rights.

7.4 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 2019, the company did not have any disputes with customers, suppliers, service providers and competitors.

7.5 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 2019, the company did not have any disputes with the creditors.

7.6 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 2019, the company did not have any disputes that is a violation of intellectual property.

7.7 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 2019, the company did not have any disputes in conflict of interest.

7.8 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 2019, the company promoted and supported all forms of anti-corruption.

7.9 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 Activities In the year 2019, the company organized the following activities

The company is aware of the importance of nature and the environment. At present Environmental problems are increasing day by day. Whether in term of pollution, energy or natural resources, etc. It is the responsibility of everyone, every sector to help reduce the environmental problems mentioned, including energy conservation and environmental preservation as much as possible

For this purpose, the company has organized activities "DCORP Ruamjai Rak Join the environmental protection" on September 19, 2019 by carrying out activities in accordance with the royal initiative of the conservation program "Two hands Return Life to Nature". In this activity, the management and employees of the company attended the training on energy and environment conservation at the Energy for Environment Center Sirindhorn International Environmental Park, Rama VI Camp, Cha-Am District, Phetchaburi Province. The center is a learning and training center in the rehabilitation and conservation of natural resources and environment including energy conservation, creating innovations that connect science, technology, and local wisdom towards the goal of sustainable rehabilitation and conservation of natural resources and environment.

At the same opportunity the executives and employees of the company have released aquatic species which is a part of the activities at the Sirindhorn International Environmental Park In order to help increase the amount of aquatic animals in nature and return life to the sea and also to raise awareness about the importance and benefits of natural resources that are worth keeping and preserving.

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.

7.10 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 2019, 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%.

7.11 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. Poonsuk Tochanakarn, Chairman of the Audit Committee, E-Mail: poonsuk@demetercorporation.com
3. Ms. Kochakorn Ruksasuk, Company Secretary E-Mail: kochakorn@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

7.12 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.

8. 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 Customers and 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

- *Patsak Osathanugrah* -

Mr. Patsak Osathanugrah

Chairman of the board



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