

Asia Green Energy Public Company Limited  
บริษัท เอเชีย กรีน เอนเนอจี้ จำกัด (มหาชน)



Annual Report 2020  
รายงานประจำปี 2563



# ***Vision***

**To be a leader of renewable  
energy business,**

**to reserve environment,**

**to care the stakeholders.**

# ***Mission***

**Maximizing shareholders' satisfaction and  
consistently providing proper returns**

**Treating all stakeholders transparently, fairly and equally**

**Attaining and enhancing excellence in products and com-  
prehensive services**

**Operating business with responsibility to communities,  
society and the environment**

**Pursuing related business opportunities to achieve  
steady profit growth**

# Content

Financial Highlights	04
Message from the Chairman	06
Message from the Managing Director	07
Board of Directors	08
Management Team	17
Policy and Business Overview	18
Shareholding Structure	26
General information and Other Significant Information	27
Nature of Business	31
Risk Factor	45
Operating Assets	52
Legal disputes	56
Stock information and Shareholders	57
Dividended Policy	58
Management Structure	60
Corporate Governance	73
Corporate Social Responsibilities	92
Internal Control and Risk Management	117
Connected Transaction	119
Management Discussion and Analysis	127
The Board of Director's Responsibilities in Respect of The Financial Statement	134
Report of the Audit Committee	135
Independent Auditor's Report	137
Financial Statement	142
Notes to Financial Statement	149

## Financial Highlights

	2563	2562	2561	2560
<b>Profit and Loss Statement (Million Baht)</b>				
Sales and services income	7,897.52	6,196.23	7,900.78	5,931.95
Cost of sales and services	7,000.57	5,389.25	7,182.51	5,323.01
Selling and Administrative expenses	642.61	494.69	512.76	429.59
Profit before finance cost and income tax	306.49	350.63	215.46	196.74
Profit (loss) attributable to Equity holders of the Company	225.32	272.79	127.21	120.51
<b>Financial Statement (Million Baht)</b>				
Total assets	5,410.62	4,732.08	4,934.97	4,180.90
Total liabilities	3,545.50	2,916.46	3,391.38	2,763.32
Total shareholders' equity	1,865.12	1,815.62	1,543.59	1,417.58
<b>Financial Ratio (Percentage)</b>				
Liquidity Ratio (Times)	1.08	1.19	1.14	1.10
Number of days receivables (Day)	68	79	65	73
Number of days inventories (Day)	64	101	70	84
Gross Profit Margin (percent)	11.36	13.02	9.09	10.27
Operating Profit Margin (percent)	3.91	5.66	2.73	3.32
Net Profit (Loss) Margin (percent)	2.84	4.39	1.61	2.03
Returns on Equity (percent)	12.25	16.25	8.60	8.49
Return on Assets (percent)	6.08	7.25	4.73	4.76
Net Debt to Equity Ratio (Times)	1.90	1.61	2.20	1.95
Interest Coverage Ratio (Times)	6.67	7.28	3.93	3.48
Earning per share	0.2330	0.2821 <sup>2)</sup>	0.1316 <sup>2)</sup>	0.1246 <sup>2)</sup>

Note: 1) Liabilities refer to total liabilities in the consolidated financial statements.

2) Adjusted the number of new shares from the price of 0.25 baht per share to 0.50 baht for comparison.



# Core Value



# 1

## Teamwork

A great task can be accomplished if everyone in the team is united so that the organization can reach the goal with out much difficulty. Even when you are in a different sector, still you need some help and support from others to complete a job. Hence, teamwork is one of the most important factors that drives the whole organization.

# 2

## Service Mind

We put effort to respond to what the customers want for their highest satisfaction. We must care both internal and external customers. If we care and put our heart into the work, they will trust and give back participation for the strength and the success of the organization.

# 3

## Responsibility

We have to realize our roles and duties and aim to do our best for the assigned tasks in order to reach the goals according to the policy and the plan within the assigned deadline. We also have to accept our mistakes and search for opportunities to gain knowledge and continuously increase our potential and competency. Moreover, we have to be prepared to improve our work-

# 4

## Discipline

Practices and controlling of ourselves for good behavior and continuous self improvement will lead us to the completion of the works with positive attitude during the performance. By knowing how to properly manage time for various activities, one can accomplish the assigned job.

# 5

## Integrity

Honesty is an important issue including honesty to yourself, to your duty, and to others. The real honesty is required to be indoctrinated, and the awareness has to be raised. We also have to be sincere, be unbiased, be direct, say the truth, and differentiate between personal benefits and benefits for society.

## Message from the Chairman

The passing year of 2020 had been a year of global crisis affected by the virus Corona-2019 (COVID-19) epidemic, resulting in the overall image of the lesser energy utilization according to the deceleration of the economy. As for the imported coal, the increasing of 23 million tons had been required accounting to 9 percent being used in the cement industrial sector, food and power plant.

Asia Green Energy Public Company Limited or AGE, has taken into account of the impacts which might have affected both the Company and employees as well as the surrounding community. The internal risk measure has been strictly stipulated and concerns have also conferred to the community around the warehouse with activities through company social responsibility in every situation.

However, AGE business growth has been in satisfactory direction in 2020 with the business profit growth of 27 percent comparing to 2019. Additionally, the Company has ranked in the Thailand Sustainability Investment List (TSIL) of the Stock Exchange of Thailand for 3 consecutive years. The ranking is awarded to listed company which conduct its business in the extent of responsibility towards Environment, Social and Governance: ESG.

Moreover, the Company plans to expand its investment in overland and river transportation services as well as expand its port areas for goods transfers. With an aim to increase our capacity and build on our core businesses, the Company once again demonstrates our commitment to sustainable development.

As President, I would like to express my gratitude for the trust and confidence that shareholders, investors, banking institutions, business partners, and clients have in us. My thanks also go to all executives and employees for their collective efforts, dedication, sacrifices, and honesty, helping the Company to become as successful as it is today. The Company would like to affirm that we will conduct our business under the principles of good corporate governance, with considerations for all stakeholders and responsibilities for the environment and society so that the Company can continue to follow a sustainable path of growth.



A handwritten signature in blue ink, consisting of stylized initials and a long horizontal stroke.

**Mr. Apisit Rujikeatkamjorn**  
Chairman of the Board / Independent Director

# Message from the Managing Director

In the year 2020, Thailand and the world over had affected by the Corona Virus 2019 (COVID-19) epidemic. The Thai economic growth rate was lower by 3.5 percent while energy unitization was well lesser. However, the coal importation had been increased over 9 percent to serve requirement in the cement industrial sector, food and powerplant operation.

Amidst such challenging situations, AGE is still of the strong goal to continually expand our business following the sustainable development policy. The Company has initiated certain measures to take care our employees, the community, society and our business partners to prevent the virus epidemic spreading with our concern toward the community around the warehouse while moving forward to strengthen our business. We have expanded our logistics business investment. Presently, we do have 51 trucks, 36 barges of 93,600 gross tonnage with the increasing 3 piers facility to store over 700,000 – 1,000,000 tons of respond to customers' requirement. Apparently, in the year 2020 the business growth has been of satisfactory result at 7,897 million baht of 27 percent increasing. And the total coal sale, internally and externally, is of 4.4 million ton which is over the set target.

The Company not only focuses on maximizing the returns for shareholders, but also recognizes its responsibility for stakeholders in order to ensure sustainability in the business. The Company has raised awareness regarding social, environmental, and community responsibility among all members of our organization. As a result, in 2019, the Company was inducted into the Thailand Sustainability Investment list for the second consecutive year by the Stock Exchange of Thailand. This privilege is granted to listed companies that operate their businesses based on a sense of responsibility towards the environment, society, and management under good corporate governance principles, once again demonstrating our commitment to operating our business under a sustainable development framework.

As Managing Director, I would like to express my gratitude for all executives and employees for their collective efforts, dedication, patience, and honesty in their jobs, helping the Company to have a successful 2019. My thanks also go to shareholders, public sector clients, private sector clients, and all stakeholders for their continued support and trust in the Company. I would like to affirm that the Company will continue to operate our business under the good corporate governance principles as well as social and environmental responsibilities so that the Company is well-placed for a sustainable path towards growth.



  
**Mr. Panom Kuansataporn**  
**Director / The Chairman of**  
**Executive Committee /**  
**Managing Director**



## Board of Directors

**Mr. Apisit Rujikestkamjorn**

**Chairman of the Board / Independent Director**

**Age 76**

**Shareholding in the Company (%)** 0.7281%

**Family relationship among executives** -None

### **Education**

Master Degree of Civil Engineering, Lamar University, Texas USA

Bachelor Degree of Civil Engineering, Khon Kaen University

### **Training**

Director Accreditation Program 24/2004

Finance for Non-Finance Director 24/2005

Understanding the Fundamental of Financial Statements 5/2006

Audit Committee Program 22/2008

Role of the Chairman Program 26/2011

Director Certification Program 166/2012

**Appointed as the Director** April 25, 2014

### **Work Experiences**

2017 - present Director, LAO AGRO TECH Public Company Limited

2017 - present Director, Global House Cambodia Co., Ltd

2015 - present Director, D.T.C. Enterprise Co., Ltd.

2015 - 2019 Director, Global House International Co., Ltd.

2014 - present Chairman of the Board, Asia Biomass Public Company Limited

Apr. 2019 - present Chairman of the Board, Asia Green Energy Public Company Limited

14 Aug. 2015– Apr. 2019 Chairman of the Board and Independent Director, Asia Green Energy Public Company Limited

2014 – 13 Aug. 2015 Vice Chairman and Independent Director, Asia Green Energy Public Company Limited

2011- present Chairman of the Board, Sea Oil Public Company Limited

2011– Dec.2019 Chairman of the Board , Eco Lighting Co., Ltd.

2008 - present Chairman of the Board and Independent Director, Siam Global House Public Company Limited

**Others that may cause conflict of interests to the Company** -None

### **Other directorship positions / other positions at present**

#### **● Subsidiaries/Related Company**

-None

#### **● Other listed companies**

Director, LAO AGRO TECH Public Company Limited

Chairman of the Board, Asia Biomass Public Company Limited

Chairman of the Board, Sea Oil Public Company Limited

Chairman of the Board and Independent Director, Siam Global House Public Company Limited

#### **● Non-listed companies**

Director Global House Cambodia Co., Ltd

Director, Global House International Co., Ltd.

Director, D.T.C. Enterprise Co., Ltd.

Chairman of the Board , Eco Lighting Co., Ltd.



**Mr. Anant Sirisaengtaksin**

**Director / Independent Director/ Chairman of the Audit Committee**

**Age 70**



**สัดส่วนการถือหุ้น (%)**

-ไม่มี-

**Education**

Master of Business Administration /Commerce, Eastern New Mexico University, U.S.A.

Bachelor of Accounting, Chulalongkorn University

**Training**

Director Certification Program 73/2006, Thai Institute of Directors (IOD)

Advanced Audit Committee Program 22/2016, Thai Institute of Directors (IOD)

**Appointed as the Director** 29 April 2019

**Work Experiences**

- |                |  |
|----------------|--|
| 2019 – present | Chairman of the Audit Committee and Independent Director, Asia Green Energy Plc.                     |
| 2017 – present | Director and The Audit Committee, Villakunalai Company Limited                                       |
| 2017 – present | Chairman of the Board, AIRA Advisory Company Limited   |
| 2017 – present | Director and Chairman of the Audit Committee, Chiangmai Rimdoi Public Company Limited                |
| 2017 – present | Director and The Audit Committee, UBIS (Asia) Public Company Limited                                 |
| 2017 – present | Chairman of the Board and Chairman of the Audit Committee,<br>NPPG (Thailand) Public Company Limited |
| 2016 – present | Director and The Audit Committee, ASEAN Potash Chaiphum Public Company Limited                       |
| 2015 – present | Director, AIRA Capital Public Company Limited  |
| 2007 – present | Director, Bangkok Commercial Asset Management Public Company Limited                                 |

**Others that may cause conflict of interests to the Company** -None

**Other directorship positions / other positions at present**

● **Subsidiaries/Related Company**

-None

● **Other listed companies**

Director and The Audit Committee, Villakunalai Company Limited

Director and Chairman of the Audit Committee, Chiangmai Rimdoi Public Company Limited

Director and The Audit Committee, UBIS (Asia) Public Company Limited

Chairman of the Board and Chairman of the Audit Committee, NPPG (Thailand) Public Company Limited

Director and The Audit Committee, ASEAN Potash Chaiphum Public Company Limited

● **Director, AIRA Capital Public Company Limited**

● **Non-listed companies**

Chairman of the Board, AIRA Advisory Company Limited

**Mr. Panom Kuansataporn**  
**Director / The Chairman of Executive Committee**  
**Age 70**



**Shareholding in the Company (%)** 17.9267%

**Family relationship among executives**

Mr. Panus Kuansataporn's brother / Ms. Panita Kuansataporn's father.

**Education**

Master Degree of Political Science, Bangkokthonburi University

Bachelor Degree of Political Science, Bangkokthonburi University

**Training**

Director Accreditation Program 68/2008, Thai Institute of Directors (IOD)

**Appointed as the Director** March 18, 2004

**Work Experiences**

2020 –present	Direvtor AT Holdings Vietnam Co., Ltd.
2020 – present	Director AT Energy One Co., Ltd.
2019 - present	Director and Vice President, AT Energy Solution Co., Ltd.
2017 - present	Director, Nadee Asset Co., Ltd.
2017- present	Director, Kok Huad Property Co., Ltd.
2017 - present	Director, Sinsap Sataporn Co., Ltd.
2017 - present	Chairman of the Board, Managing Director and Chairman of Executive Committee, AGE Marine Logistics Co., Ltd.
2016 -present	Chairman of the Board, Managing Director and Chairman of Executive Committee, AGE Global Trade Co., Ltd.
2015 - present	Chairman of the Board, Managing Director and Chairman of Executive Committee, Pian Green Power Co., Ltd.
2015 - present	Director, Asia Biomass Public Company Limited
2014 - present	Chairman of the Board, Managing Director and Chairman of Executive Committee, Sabayoi Green Power Co., Ltd.
2014 - present	Chairman of the Board, Managing Director and Chairman of Executive Committee, A Engineering Consultant Co., Ltd
2014 - 2019	Chairman of the Board, Managing Director and Chairman of Executive Committee, Grand Power (2019) Co., Ltd.
2014 – 2019	Chairman of the Board, Managing Director and Chairman of Executive Committee, Multi Energy Trading (2020) Co., Ltd.
2013 - present	Director, Managing Director and Chairman of Executive Committee, Nathaphat Pattana Co., Ltd.
2012 - present	Director, Managing Director and Chairman of Executive Committee, K.H.Development Co., Ltd .
2010 - present	Chairman of the Board, Managing Director and Chairman of Executive Committee, AGE Terminal Co., Ltd.
2008 - present	Chairman of the Board, Managing Director and Chairman of Executive Committee, A.G.E. Transport Co., Ltd .
2004 - present	Director, Managing Director and Chairman of Executive Committee, Asia Green Energy Public Company Limited.



**Mr. Panom Kuansataporn**

**Director / The Chairman of Executive Committee**

**Age 69**



**Other directorship positions / other positions at present**

• **Subsidiaries/Related Company**

Director and Vice President, AT Energy Solution Co., Ltd.

Chairman of the Board, Managing Director and Chairman of Executive Committee, AGE Marine Logistics Co., Ltd.

Chairman of the Board, Managing Director and Chairman of Executive Committee, AGE Global Trade Co., Ltd.

Chairman of the Board, Managing Director and Chairman of Executive Committee, Pian Green Power Co., Ltd.

Chairman of the Board, Managing Director and Chairman of Executive Committee, A Engineering Consultant Co., Ltd

Chairman of the Board, Managing Director and Chairman of Executive Committee, Grand Power (2019) Co., Ltd.

Chairman of the Board, Managing Director and Chairman of Executive Committee, Multi Energy Trading (2020) Co., Ltd.

Chairman of the Board, Managing Director and Chairman of Executive Committee, AGE Terminal Co., Ltd.

Chairman of the Board, Managing Director and Chairman of Executive Committee, A.G.E. Transport Co., Ltd .

• **Other listed companies**

Director, Asia Biomass Public Company Limited

• **Non-listed companies**

Director, Nadee Asset Co., Ltd.

Director, Kok Huad Property Co., Ltd.

Director, Sinsap Sataporn Co., Ltd.

Director, Managing Director and Chairman of Executive Committee, Nathaphat Pattana Co., Ltd.

Director, Managing Director and Chairman of Executive Committee, K.H.Development Co., Ltd.

**Mr. Mongkhon Kittipoomvong**  
**Director / Independent Director**  
**Age 68**



**Shareholding in the Company (%)** 0.0083%

**Family relationship among executives** -None

**Education**

MBA Finance and Business Economics, The University of Toledo, Ohio USA

Bachelor of Economics, Thammasat University

**Training**

Director Certification Program 13/2001, Thai Institute of Directors (IOD)

Ethical Leadership Program (ELP), Class 20/2020, Thai Institute of Directors Association

**Appointed as the Director** April 28, 2018

**Work Experiences**

16 Dec. 2019 – present Specialist of the Economic Commission Senate Finance and Finance

Apr.2019 - present Director Independent Director and The Audit Committee,  
Asia Green Energy Public Company Limited.

Apr. 2018 – Apr.2019 Director and Independent Director, Asia Green Energy Public Company Limited.

2015 – present Director, Supreme Nana Tech Co., Ltd.

2015 – present Director and Independent Director, Team Precision Public Company Limited

2011 – present Director, D D Venture Co., Ltd.

1999 – present Director, D D Holding Co., Ltd.

1990 – present Director, Nantapoom Co., Ltd.

**Others that may cause conflict of interests to the Company** -None

**Other directorship positions / other positions at present**

● **Subsidiaries/Related Company**

-None

● **Other listed companies**

Director and Independent Director, Team Precision Public Company Limited

● **Non-listed companies**

Director, Supreme Nana Tech Co., Ltd.

Director, D D Venture Co., Ltd.

Director, D D Holding Co., Ltd.

Director, Nantapoom Co., Ltd.

**Ms. Pinmanee Makmantana**

**Director / Independent Director / The Audit Committee**

**Age 56**

**Shareholding in the Company (%)** 0.0480%

**Family relationship among executives** -None

**Education**

Master's Degree : Business Administration, The Nation Institute of Development Administration (NIDA).

Bachelor's Degree : Faculty of Commerce and Accountancy, Chulalongkorn University.

**Training**

Director Accreditation Program 89/2011, Thai Institute of Directors (IOD)

Ethical Leadership Program 5/2016, Thai Institute of Directors (IOD)

**Appointed as the Director** March 3, 2011

**Work Experiences**

Oct.2019 – present Senior Managing Director Investment Banking Division-Capital Market, KTB Securities (Thailand) PLC.

2018 - present Director and The Audit Committee, Teka Construction Co., Ltd.

2011 - present Director, The Audit Committee and Independent Director, Asia Green Energy PLC.

2011 - 2019 Managing Director, Triple A Plus Advisory Co., Ltd.

**Others that may cause conflict of interests to the Company** -None

**Other directorship positions / other positions at present**

● **Subsidiaries/Related Company**

-None

● **Other listed companies**

Senior Managing Director Investment Banking Division-Capital Market, KTB Securities (Thailand) PLC.

● **Non-listed companies**

Director and The Audit Committee, Teka Construction Co., Ltd.





**Mr. Panus Kuansataporn**  
**Director / Executive Director**  
**Age 68**

**Shareholding in the Company (%)** 0.0488%

**Family relationship among executives** Mr. Panom Kuansataporn's brother

**Education**

Vocational Certificate

**Training**

Director Accreditation Program 92/2011, Thai Institute of Directors (IOD)



**Appointed as the Director** September 14, 2011

**Work Experiences**

2011 - present Director and Executive Director, Asia Green Energy Public Company Limited

2008 - present Director and Executive Director, A.G.E. Transport Co., Ltd.

**Others that may cause conflict of interests to the Company** -None

**Other directorship positions / other positions at present**

• **Subsidiaries/Related Company**

Director and Executive Director, A.G.E. Transport Co., Ltd.

• **Other listed companies**

-None

• **Non-listed companies**

-None

**Ms. Panita Kuansataporn**  
**Director / Executive Director**  
**Age 36**



**Shareholding in the Company (%)** 3.7425%

**Family relationship among executives** Mr. Panom Kuansataporn's Daughter

#### **Education**

Master's Degree : Accounting and Finance, University of Technology, Sydney

Bachelor's Degree : Managerial Accounting, Assumption University of Thailand.

#### **Training**

Director Accreditation Program 68/2008 , Thai Institute of Directors (IOD)

Ethical Leadership Program (ELP) 2/2015 , Thai Institute of Directors (IOD)

**Appointed as the Director** February 28, 2007

#### **Work Experiences**

2020 – present	Director AGE INTERTRADE SINGAPORE PTE., LTD
June 22, 2018–present	Chairman of the Board and Chairman of Executive Committee, Winner 789 Logistics Co., Ltd.
2017 - present	Director, Nadee Asset Co., Ltd.
2017 - present	Director and Executive Director, AGE Marine Logistics Co., Ltd.
2017 - present	Director, VINA AGE CO., LTD. (Vietnam)
2016 - present	Director and Executive Director, AGE Global Trade Co., Ltd.
2016 - present	Director and Executive Director, Pian Green Power Co., Ltd.
2014 - present	Director and Executive Director, Sabayoi Green Power Co., Ltd.
2014 - present	Director and Executive Director, A Engineering Consultant Co., Ltd.
2014 – 2019	Director and Executive Director, Grand Power (2019) Co., Ltd.
2014 – 2019	Director and Executive Director, Multi Energy Trading (2020) Co., Ltd.
2013 - present	Director and Executive Director, Nathaphat Pattana Co., Ltd.
2010 - present	Director and Executive Director, AGE Terminal Co., Ltd.
2008 - present	Director and Executive Director, AGE Transport Co., Ltd.
2007 - present	Director, Assistant Managing Director and Executive Director, Asia Green Energy Public Company Limited

**Others that may cause conflict of interests to the Company** -None

#### **Other directorship positions / other positions at present**

##### **● Subsidiaries/Related Company**

Chairman of the Board and Chairman of Executive Committee, Winner 789 Logistics Co., Ltd.

Director and Executive Director, AGE Marine Logistics Co., Ltd.

Director, VINA AGE CO., LTD. (Vietnam)

Director and Executive Director, AGE Global Trade Co., Ltd.

Director and Executive Director, Pian Green Power Co., Ltd.

Director and Executive Director, Sabayoi Green Power Co., Ltd.

Director and Executive Director, A Engineering Consultant Co., Ltd.

Director and Executive Director, Grand Power (2019) Co., Ltd.

Director and Executive Director, Multi Energy Trading (2020) Co., Ltd.

Director and Executive Director, AGE Terminal Co., Ltd.

Director and Executive Director, AGE Transport Co., Ltd.

##### **● Other listed companies**

-None

##### **● Non-listed companies**

Director, Nadee Asset Co., Ltd.

Director and Executive Director, Nathaphat Pattana Co., Ltd.

**Mr. Prasert Tapaneeyangkul**  
**Director / Independent Director**  
**Age 69**



**Shareholding in the Company (%)** -None  
**Family relationship among executives** -None

#### **Education**

Ph.D. in Environmental Engineering (Distinction), I.N.S.A., TOULOUSE, FRANCE  
M.Sc. in Sanitary Engineering, I.H.E., DELFT, The NETHERLANDS  
B.Eng. in Sanitary Engineering, Chulalongkorn University  
LL.B., Thammasat University

#### **Training**

Director Certification Program 87/2007, Thai Institute of Directors (IOD)  
Finance for Non-Finance Director 36/2007  
Monitoring Fraud Risk Management 1/2009  
Audit Committee and Continuing Development Program 28/2009  
Monitoring the Quality of Financial Reporting 9/2009  
Role of the Chairman Program 23/2012, Thai Institute of Directors (IOD)  
Ethical Leadership Program 14/2018, Thai Institute of Directors (IOD)

**Appointed as the Director** April 27, 2017

#### **Work Experiences**

2017 - present      Director and Independent Director, Asia Green Energy Plc.  
2017 - present      Director, Index International Group Co., Ltd.  
2017 - 2019        Director, Delv Aerospace Co., Ltd.  
2008 - present      Director, The Grand UB Co., Ltd.

**Others that may cause conflict of interests to the Company** -None

#### **Other directorship positions / other positions at present**

- **Subsidiaries/Related Company**

-None

- **Other listed companies**

-None

- **Non-listed companies**

Director, Index International Group Co., Ltd.

Director, The Grand UB Co., Ltd.



## Management Team



Mr. Panom Kuansataporn  
Managing Director



Miss Panita Kuansataporn  
Assistant Managing Director



Mr. Boonlert Ploemsuebkul  
Senior Overseas Director



Miss Ni-orn Junjamsang  
Senior Director of Managing  
Director's Office



Mr. Akaradej Phantasarn  
Sales and Marketing Director



Mr. Likhit Laobowornseadthee  
Chief Financial Officer

# Policy and Business Overview

## Company History



Asia Green Energy Public Company (“the Company”) was founded by Mr. Panom Kuansataporn on 18 March 2004 to operate a business of distributing high-quality clean coals both domestically and overseas. Most of the coals are imported from Indonesia and Russia. The Company has conducted studies and analyses of coal quality so as to ensure the trustworthiness of its sources. In addition, it owns a port and warehouses in order to support coal transportation and stockpiling, along with coal screening plants equipped with high-efficient processes and machines that operate in a closed system in order to achieve product quality required by the market as well as responsibility to the environment, communities and society. The Company had been converted into a public limited company and listed on the Market for Alternative Investment (MAI) on 26 February 2009.

At present, the Company has developed and expanded logistics activities to support its coal business and also to serve general customers. The logistics services include barge transportation services, port services, warehouse services, coal screening and truck transportation services. These services are managed by the Company’s subsidiaries and become major sources of income in addition to the existing coal distribution business.

## The goal in business operation



The company has the goal to create benefits for all long-term stakeholders for the steady growth with the following goals.

**Human resource development** by setting up the policy of staff development to increase knowledge and potential for efficient working. This includes the treatment to human resource by respecting human rights and fair treatment to labor. This will result in the accomplishment, the success, and the steady growth of the business.

**Fulfilling the highest satisfaction of shareholders** and continuous proper return and treating to the shareholders with transparency fairness and equally.

**Attaining and enhancing excellence in products and comprehensive services** through delivery of quality product, provision of comprehensive and standardized services, along with constant development of products and services to meet the demand of all customers.

**Establishing business relationship and partnership**, by observing rules and contracts fairly and transparently in accordance with commercial terms and anti-corruption principles.

**Responsibility for community, society, and environment** by regulating the protection of the effects to the community where the company is located. Also, we will support activities for community development, culture promotion, and resource efficient usage for steady growth.

**Creating and pursuing additional related business opportunities** for business growth and expansion in order to achieve steady profit growth.

# Business Strength

## **Expertise in Coal Sourcing**

The Company is vastly experienced in obtaining coal from various sources across the world, particularly from Indonesia and Russia, and has strong relationship with leading coal mines in Indonesia and Russia. Purchases are made under both short- and long-term contracts in line with global coal prices and production capacity of the mines.

## **Availability of Stockpile and Port**

The Company's warehouses are situated in areas close to its customers, i.e. 1) Samut Sakhon, 2) yutthaya, enabling it to render comprehensive services. The Company also owns a port at Ayutthaya Warehouse, its main depot with the maximum storage capacity of 700,000 –1,000,000 tons.

## **Advanced and Environmental-friendly Coal Screening Plant**

The Company's coal screening plants are equipped with high-standard and efficient machines to sort the coal into sizes that best meet the need of each customer. The plants operate in a closed system in order to minimize pollution in the production process as well as to prevent environmental impact on surrounding communities. In addition, the Company pursues continual quality improvement and development by applying ISO 9001:2015 Quality Management System to every step of its coal transportation services via ports, warehouse services for coal stockpiling, and operating system within the coal screening plants. In order to continuously improve the quality as well as the most environmentally conscious operation under the ISO 14001: 2015 environmental management system. In addition, in 2018, the company also received the Green Industry Award (Green Culture ) from the Ministry of Industry.

## **International Standard Quality Control**

Taking steps to control good quality of coal, the Company implements ASTM International Standard in coal quality assessment, performed by a test team with efficient tools such as moisture meter, infrared precision balance system, etc. Thus, customers are assured that the Company can deliver coal of good quality and high standard.

## **Delivery Promptness**

The Company adopts a logistics management system to serve the need of both domestic and international customers, by selecting high-standard transport operators so that products are delivered in good time and good conditions. Customer service staffs are assigned to provide close assistance in order to ensure punctual and accurate delivery of coal to the customers and to heighten its transportation efficacy. The Company has established AGE Marine Logistics Co., Ltd. to operate a marine transportation business and support the transportation of its coal which amounts to not less than 2 million tons per year. It has also established Winner 789 Logistics Co., Ltd. to operate a land transportation business to support the domestic transportation and support the expansion of its logistics services to general customers.

## **Efficient Risk Management**

The Company has a policy to manage risks under constant monitoring and assessment of risk potential and magnitude in all exposed aspects, and correspondingly sets a target plan to reduce, mitigate and control the risks from various factors to a level that poses no significant impact on the Company. It oversees that the risk management is conducted efficiently in keeping with both internal and external changes, and progress reports are submitted on a monthly basis.

# Significant Changes in 2019

## Important changes in 2020

On April 2, 2020, AGE Terminal Company Limited (subsidiary) was certified for occupational health and safety management system or ISO 45001: 2018.

On April 29, 2020, the Annual General Meeting of shareholders approved as follows:

- The dividend payment from the 2019 operating results was approved by cash payment at the rate of 0.09 baht per share or totaling 174.04 million baht.
- It was approved to reduce the Company's registered capital from 483,447,437 baht to 483,446,871.75 baht by eliminating 2,261 unissued registered shares with a par value 0.25 baht per share.
- It was approved to reduce the Company's registered capital from 483,446,871.75 baht to 483,446,871.50 baht by reducing only the number of ordinary shares held by Mr. Apisit Rujikeatkamjorn, one share with a par value of 0.25 baht per share to be in line with the reduction of its registered capital.
- It was approved to change the Company's par value from 0.25 baht per share to 0.50 baht by combining two existing shares equal to 1 new share to reflect the change in its par value.

On August 10, 2020, the Board of Directors' meeting resolved that AGE Global Trade Co., Ltd. (subsidiary) invested in establishing a subsidiary company named AGE INTERTRADE SINGAPORE PTE. LTD. The registered capital is US \$ 0.03 million (1,000,000 baht. ), operating a coal distribution business in Singapore 100% held by AGE Global Trade Co., Ltd.

On October 29, 2020, the Company was listed on the Stock Exchange of Thailand (SET) in the Resource Industry, Energy, and Utilities Sector.

On November 17, 2020, AGE Terminal Co., Ltd. (subsidiary) received a trophy with an award for the Eco-Social Value Factory at the Silver Awards level from the Department of Industrial Works.

On November 17, 2020, the Company and AGE Terminal Company Limited (subsidiary) received the CSR-DIW CONTINUOUS AWARDS for 2020 in corporate social responsibility from the Ministry of Industry.

On December 15, 2020, the Company received the Thailand Sustainability Investment (THSI) Award or list of sustainable stocks for 2020 at the SET Awards 2020 from Thailand's Stock Exchange.

On December 22, 2020, the Company received the Sustainability Disclosure Recognition Award for the year 2020 from Thaipat Institute.

## Privileges under Investment Promotion Scheme

AGE Terminal Co., Ltd., a subsidiary, obtains BOI tax privileges pursuant to the Investment Promotion Act B.E. 2520. Approved by the Board of Investment under specified conditions, the tax privileges granted to AGE Terminal Co., Ltd. are as summarized below

Investment Promotion Certificate No.	1718(2)/2012
1. Privilege recipient	AGE Terminal Co., Ltd.
2. Type of business	Freight transportation services for shipping business
3. Major privileges <ul style="list-style-type: none"> <li>- Exemption from corporate income tax on profits derived from operation of promoted business, and exemption from inclusion of dividends derived from the promoted business granted corporate income tax exemption in the tax calculation</li> <li>- In case the company incurs loss during the corporate income tax exemption period, it is allowed to deduct such loss amount from the profits earned within five years from the expiry of the exemption period.</li> <li>- Exemption from import duty on machinery, as approved by BOI.</li> </ul>	8 years (being exempt for an amount not exceeding investment capital, exclusive of land cost and working capital)
4. Date of exercising the rights under promotion certificate	12 June 2012



## Privileges under Investment Promotion Scheme

Investment Promotion Certificate No.	63-0137-1-00-1-0
1. Privilege recipient	AGE Terminal Co., Ltd.
2. Type of business	Freight transportation services for shipping business
3. Major privileges	5 years (being exempt for an amount not exceeding investment capital, exclusive of land cost and working capital)
<ul style="list-style-type: none"> <li>- Exemption from corporate income tax on profits derived from operation of promoted business, and exemption from inclusion of dividends derived from the promoted business granted corporate income tax exemption in the tax calculation</li> <li>- In case the company incurs loss during the corporate income tax exemption period, it is allowed to deduct such loss amount from the profits earned within five years from the expiry of the exemption period.</li> <li>- Exemption from import duty on machinery, as approved by BOI.</li> </ul>	
4. Date of exercising the rights under promotion certificate	30 June 2020

## Privileges under Investment Promotion Scheme

AGE Marine Logistics Co., Ltd., a subsidiary, obtains BOI tax privileges from the Investment Promotion Department pursuant to the Investment Promotion Act B.E. 2520. Approved by the Board of Investment under specified conditions, the tax privileges granted to AGE Marine Logistics Co., Ltd. are as follows:

Investment Promotion Certificate No.	61-0394-1-00-1-0
1) Privilege recipient	AGE Marine Logistics Co., Ltd.
2) Type of business	Marine transportation business
3) Major privileges <ul style="list-style-type: none"> <li>- Exemption from corporate income tax on profits derived from operation of the promoted business, and exemption from inclusion of dividends derived from the promoted business being granted corporate income tax exemption in the tax calculation.</li> <li>- In case the company incurs loss during the corporate income tax exemption period, it is allowed to deduct such loss amount from the net profits earned within five years from the expiry of the exemption period.</li> <li>- Exemption from import duties on machinery, as approved by BOI.</li> </ul>	8 years (being exempt for an amount not exceeding investment capital, exclusive of land cost and working capital)
4) Date of exercising the rights under the certificate	29 June 2018

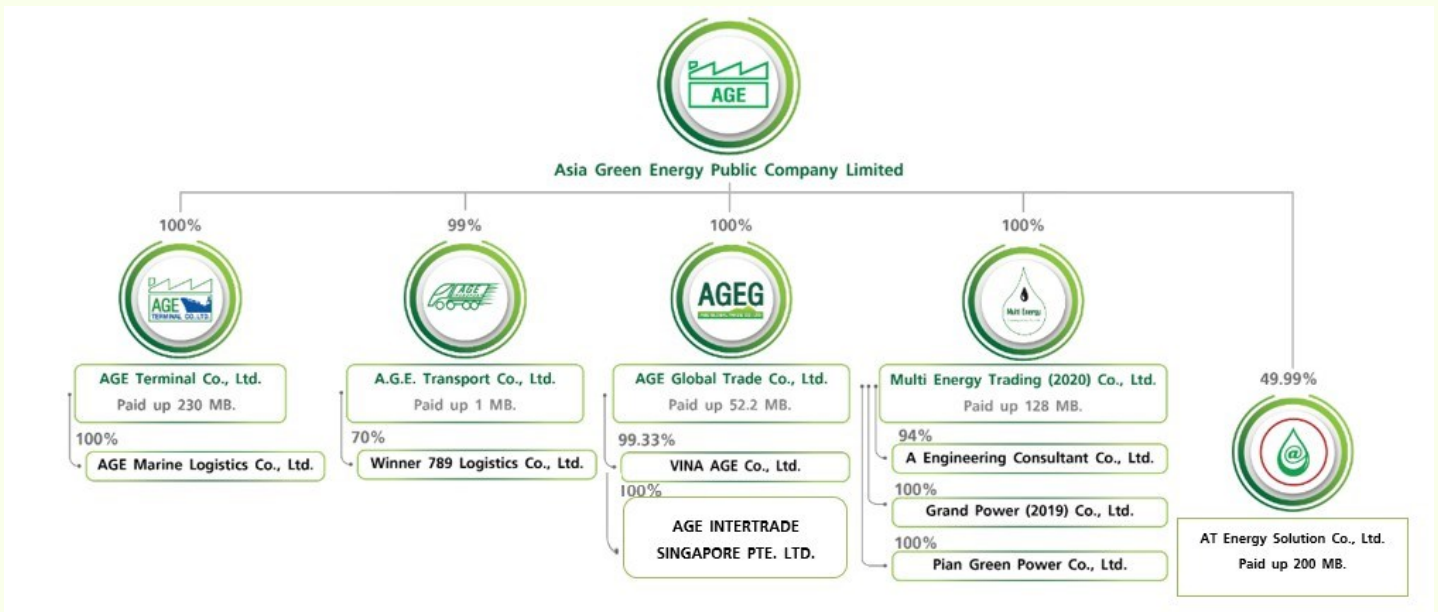
## Privileges under Investment Promotion Scheme

Investment Promotion Certificate No.	61-1407-1-00-1-0
1) Privilege recipient	AGE Marine Logistics Co., Ltd.
2) Type of business	Marine transportation business
3) Major privileges <ul style="list-style-type: none"> <li>- Exemption from corporate income tax on profits derived from operation of the promoted business, and exemption from inclusion of dividends derived from the promoted business being granted corporate income tax exemption in the tax calculation.</li> <li>- In case the company incurs loss during the corporate income tax exemption period, it is allowed to deduct such loss amount from the net profits earned within five years from the expiry of the exemption period.</li> <li>- Exemption from import duties on machinery, as approved by BOI.</li> </ul>	8 years (being exempt for an amount not exceeding investment capital, exclusive of land cost and working capital)
4) Date of exercising the rights under the certificate	11 February 2019

## Privileges under Investment Promotion Scheme

Investment Promotion Certificate No.	62-1159-1-00-1-0
1) Privilege recipient	AGE Marine Logistics Co., Ltd.
2) Type of business	Marine transportation business
3) Major privileges <ul style="list-style-type: none"> <li>- Exemption from corporate income tax on profits derived from operation of the promoted business, and exemption from inclusion of dividends derived from the promoted business being granted corporate income tax exemption in the tax calculation.</li> <li>- In case the company incurs loss during the corporate income tax exemption period, it is allowed to deduct such loss amount from the net profits earned within five years from the expiry of the exemption period.</li> <li>- Exemption from import duties on machinery, as approved by BOI.</li> </ul>	8 years (being exempt for an amount not exceeding investment capital, exclusive of land cost and working capital)
4) Date of exercising the rights under the certificate	29 January 2020

# Shareholding Structure



## Asia Green Energy PCL (“Company” or “AGE”)

Operates a high-quality clean coal distribution business, both domestically and overseas. Most of the coal are sourced from Indonesia and Russia.

### AGE Terminal Co., Ltd. (“AGEM”)

Operates a port and warehouse business, and provides coal screening services in Nakhon Luang, Ayutthaya, with a warehouse capable of storing 700,000 tons of coal, three coal screening plants, and 2 ports.

### A.G.E. Transport Co., Ltd. (“AGET”)

Operates as a provider of coal transportation and land logistics services.

### AGE Global Trade Co., Ltd. (“AGEG”)

Operates an investment business in other businesses overseas.

### Multi Energy Trading (2020) Co., Ltd. (“MET”)

Operates as selling fuel, steam, gas, oil and all types of energy used in the industry.

*Note: \* Multi Energy Trading (2020) Company Limited registered to change the name from AGE Trading Company Limited on 3 July 2019.*

### AGE Marine Logistics Co., Ltd. (“AGEML”)

operates a marine transportation business.

### Winner 789 Logistics Co., Ltd. (“WNL”)

Operates a land transportation business.

### VINA AGE Co., Ltd. (“VNAGE”)

Operates a coal importation and distribution business in Vietnam.

### AGE INTERTRADE SINGAPORE PTE. LTD. \*

Engages in coal distribution business.

### A Engineering Consultant Co., Ltd. (“AEC”)

Operates a renewable electricity generation and distribution business.

### Grand Power (2019) Co., Ltd.

Operates a business of distributing various types of fuels which used in industrial plants And transportation.

*Note: \* AGE INTERTRADE SINGAPORE PTE.LTD was established on August 26, 2020.*

### Pian Green Power Co., Ltd. (“PGP”)

Operates a renewable electricity generation and distribution business.

### At Energy Solution Co., Ltd. (Joint Venture Company)

Operates mainly in energy business, procurement and utilities services especially energy for general industry such as the production and distribution of steam, electricity and water for industrial plants etc.

#### Policy on Division of Operations of Subsidiaries

The Company has divided its operations into 2 groups, one is businesses relating to distribution of clean coal by the Company and its subsidiaries to domestic and oversea markets, the other is businesses relating to provision of land and marine transportation services, port services, cargo loading and discharging services, and full-range warehouse services.

#### Relationship with Businesses of Major Shareholders

-None



## General Information and Other Significant Information

### General Information

#### (1) Company Information (as of 31 December 2019)

Company Name in Thai	บริษัท เอเชีย กรีน เอนเนอจี้ จำกัด (มหาชน)
Company Name in English	Asia Green Energy Public Company Limited
SET Abbreviation	AGE
Nature of Business	Coal distributor
Registration No.	0107551000011
Registered Capital	483,446,871.50 baht
Paid-up Capital	483,446,871.50 baht
Total Shares Sold	966,893,743 ordinary shares
Par Value per Share	0.50 baht
Head Office Address	273/1 Rama II Road, Samaedam, Bang Khuntian, Bangkok 10150 Telephone : 02-894-0088 Facsimile : 02-453-1258
Website	<a href="http://www.agecoal.com">www.agecoal.com</a>
Corporate Secretary	Telephone : 02-894-0088 ext. 807 Facsimile : 02-453-1139 Email : <a href="mailto:ni-orn@agecoal.com">ni-orn@agecoal.com</a>
Investor Relations and Corporate Communications	Telephone : 02-894-0088 ext. 704 Email : <a href="mailto:ir@agecoal.com">ir@agecoal.com</a>

(2) Name and Address of Juristic Person in which the Company Holds 10 Percent or More of Shares

Name	Office Address	Nature of Business	Registered Capital	Paid-up Capital	Total Paid-up Shares (shares)	Shareholding Ratio (%)
<b>Subsidiary</b>						
A.G.E. Transport Co., Ltd .	273/1 Rama II Road, Samaedam, Bang Khuntian, Bangkok	Land transportation services of coal, and full-range logistics services	1 million baht	1 million baht	10,000 shares (par value of 100 baht each)	99 (Held by Asia Green Energy PCL)
Winner 789 Logistics Co., Ltd.	273/1 Rama II Road, Samaedam, Bang Khuntian, Bangkok	Land transportation services	1 million baht	1 million baht	10,000 shares (par value of 100 baht each)	70 (Held by A.G.E. Transport Co., Ltd.)
AGE Terminal Co., Ltd.	273/1 Rama II Road, Samaedam, Bang Khuntian, Bangkok	Port and warehouse business, which involves screening and transferal of the Company's main product	230 million baht	230 million baht	2,300,000 shares (par value of 100 baht each)	100 (Held by Asia Green Energy PCL)
AGE Marine Logistics Co., Ltd.	273/1 Rama II Road, Samaedam, Bang Khuntian, Bangkok	Marine transportation business	187 million baht	126.10 million baht	1,870,000 shares (par value of 100 baht each)	100 (Held by AGE Terminal Co., Ltd.)
Multi Energy Trading (2020) Co., Ltd. <sup>1</sup>	273/1 Rama II Road, Samaedam, Bang Khuntian, Bangkok	Invest in other businesses that operate power plant and renewable energy business and procure and sell fuel	128 million baht	128 million baht	1,280,000 shares (par value of 100 baht each)	100 (Held by Asia Green Energy PCL)
A Engineering Consultant Co., Ltd.	273/1 Rama II Road, Samaedam, Bang Khuntian, Bangkok	Generation and distribution of renewable electricity	50 million baht	50 million baht	500,000 shares (par value of 100 baht each)	94 (Held by AGE Power Holding Co., Ltd.)
Grand Power (2019) Co., Ltd. <sup>2</sup>	56/290,56/291,56/ 292 Village Moo.7 Phanthai Norasing, Mueang Samut Sakhon, Samut Sakhon Province	Distributing various types of fuels which used in industrial plants And transportation.	51 million baht	31.15 million baht	510,000 shares (par value of 100 baht each)	100 (Held by Multi Energy Trading (2020) Co., Ltd.)
Pian Green Power Co., Ltd.	273/1 Rama II Road, Samaedam, Bang Khuntian, Bangkok	Generation and distribution of renewable electricity	20 million baht	5.75 million baht	200,000 shares (par value of 100 baht each)	100 (Held by AGE Power Holding Co., Ltd.)

(2) Name and Address of Juristic Person in which the Company Holds 10 Percent or More of Shares

Name	Office Address	Nature of Business	Registered Capital	Paid-up Capital	Total Paid-up Shares (shares)	Shareholding Ratio (%)
<b>Subsidiary</b>						
AGE Global Trade Co., Ltd.	273/1 Rama II Road, Samaedam, Bang Khuntian, Bangkok	Investment in other businesses overseas	104 million baht	52.20 million baht	1,040,000 shares (par value of 100 baht each)	100 (Held by Asia Green Energy PCL)
VINA AGE Co., Ltd.	Floor 5B, Smartview Building, 161A-163-165 Tran Hung Dao Street, Co Giang Ward, District 1, HCMC	Coal importation and distribution business in Vietnam	1.5 million US dollar	1.5 million US dollar	-	99.33 (Held by AGE Global Trade Co., Ltd.)
AGE INTERTRADE SINGAPORE PTE. LTD. <sup>1)</sup>	80 ROBINSON ROAD #02-00 SINGAPORE (068898)	Selling coal for industrial use	0.03 million US dollar	0.03 million US dollar	30,000 shares (par value of 1 US dollar )	100 (Held by AGE Global Trade Co., Ltd.)
<b>Joint Venture Company</b>						
At Energy Solution Co., Ltd.	8 Soi Sukhaphiban 5 Soi 32, Tha Raeng, Bang Khen, Bangkok	Production and distribution of steam Electricity and water are used for industrial plants.	200 million baht	200 million baht	2,000,000 shares (par value of 100 baht each)	49.99 (Held by Asia Green Energy PCL)

Note : 1) AGE INTERTRADE SINGAPORE PTE. LTD registered on 26 August 2563

### (3) General Reference Person

#### **Registrar of Ordinary Shares**

Thailand Securities Depository Co., Ltd.  
Floor 1, The Stock Exchange of Thailand Building  
Tower B (adjacent to Embassy of China) 93  
Ratchadapisek, Dindaeng, Dindaeng, Bangkok  
Telephone: 02-229-2800 Facsimile: 02-654-5472

#### **Auditor**

EY Office Co., Ltd.  
Floor 33, Lake Rajada Building  
193/136-137 Ratchadapisek Road, Klongtoey,  
Bangkok 10110  
Telephone: 02-264-0777  
Facsimile: 02-264-0789 - 90  
Mr. Termphong Opanaphan,  
Certified Public Accountant No. 4501, or  
Mrs. Poonnard Paocharoen,  
Certified Public Accountant No. 5238, or  
Miss Vissuta Jariyathanakorn,  
Certified Public Accountant No. 3853

#### **Regularly Contacted Financial Institutions**

Kasikornbank PCL.  
Thai Military Bank PCL.  
Krung Thai Bank PCL.  
United Overseas Bank (Thai) PCL.  
Bank of Ayudhya PCL.  
CIMB Thai Bank PCL.  
Siam Commercial Bank PCL.  
Export-Import Bank of Thailand

#### **Legal Advisor**

Mr.KANPOL. KHUNNUCH  
  
Mackal law Associates office  
  
104/244 Moo 3 Pruklada Village Mahachai  
Bang Ya Phraek Subdistrict Mueang Samut Sakhon  
District Samut Sakhon Province 74000

#### **Other Significant Information**

-None-

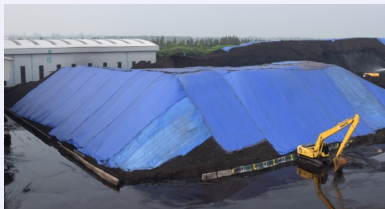
## Nature of Business

The Company undertakes the business of distributing Bituminous coals, high-quality clean coals, from Indonesia and Russia for sale locally and internationally. The coals it markets are preferably utilized in power plants, cement industry, textile industry, food industry and others that use boilers, all of which form the majority of the Company's customers. Generally, the coals are imported in various sizes ranging from 0-55 mm. To serve diverse usage needs of customers, the coals are to be screened into sizes appropriate for fuel feeder system or for particular type of boilers used. For example, trailing gate boilers operate well on coals of 10-25 mm. or 25-50 mm. in size, using ones of sizes other than that shall affect the efficiency of the boilers. Once screened to the size requested by customers, the sorted coals are put in a storage under required quality control. When the delivery is due, the Company shall proceed to supply the goods to the customer on the agreed schedule.

In addition, the Company engages in services operations both to support its core businesses and to be rendered to external customers. Managed by subsidiaries, these services include:



**Port and loading services** : The Company owns 3 ports, located by Pasak River, with a maximum daily handling capacity of 15,000 tons.



**Stockpile services** : With a maximum coal stockpiling capacity of 700,000 -1,000,000 tons, the Company also offer coal stockyard-for-rent services to external customers.



**Coal screening services** : Coal screening plants operate in a 100% closed system on advanced machines with a daily production capacity of 7,500 tons to sort coal sizes according to customer order.



**Trucking Services** : By a fleet of over 351 trucks, comprising straight trucks, flatbed trucks, trailers, flatbed trailers, which are chartered from contractual business partners.



**River Transportation Services** : The company has 36 barges, with a combined tonnage capacity of 93,600 tons, including 200 barges from the partners that provide for transportation services for the Group of company and external customers such as cement and mineral products, Gypsum, Agricultural products, biomass and fuel products, etc.



# Product Characteristics

Coals originate naturally from dead plants that deposited and were decomposed by chemical reaction, but then stopped decaying due to occasional natural changes, and piled up. Upon land subsidence or rise of water level in the area, such plant remains fell underneath the water and were covered by rocks, dirt or sand washed in. When the sediment amassed, the pressure of its weight together with the rising heat effect induced chemical changes and transformed the plant matter into coals. Composed of carbon, volatile matter, humidity and various minerals, coals are solid substance of variable crystal shapes, and dark brown to jet-black in color. With usability as fuel, coals become valuable natural resources in that they are an important source of energy and provide great economic benefits.

Coals can be classified by numerous systems according to purpose of usage. Presently, the most popular system is the standard classification of coals by rank, which measures the metamorphic degree of coalification. The American Society for Testing and Materials (ASTM) has set coal content values as criteria for classifying coals into anthracite, bituminous, sub-bituminous, lignite and peat. General characteristics of coals can be arranged in ascending order of properties as follows:-



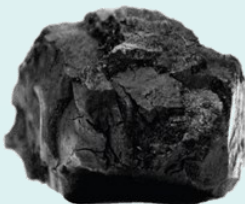
**Peat** is formed in the initial phase of coalification. Consisting of dead plant materials that are partly degraded, it is high in oxygen and moisture contents. It is thus the first product of the coalification process



**Lignite** contains a slight amount of plant remains and high moisture. It is a form of coal usable as fuel.



**Sub-Bituminous coal** takes the form of a wax-like black material, and serves as good quality fuel suitable for electricity generation.



**Bituminous coal** is a dense and solid coal, typically composed of shiny jet-black coal layers, and popularly used as substitute fuel for furnace oil in industrial plants.



**Anthracite** is a black and glossy , very low moisture content and high calorific value. it is difficult to ignite and thus becomes preferred coal for metal smelting.

Coals are a type of fuel suitable for use in small, medium and large plants. Although prices of furnace oil have currently dropped, coals remain the alternative fuels with lower costs, which help reduce the cost of production.

**Comparative Table on Properties of Each Coal Type**

Type	Calorific Value	Moisture	Ash	Sulphur
Anthracite	High	Low	Low	Low
Bituminous	High	Low	Low	Low
Sub-bituminous	Medium - High	Medium	Medium	Medium
Lignite	Low - Medium	High	High	Low - High

Source: Department of Alternative Energy Development and Efficiency, Ministry of Energy

According to the table, bituminous coal is of good quality for its high calorific value against low moisture, ash and sulphur contents, therefore causing less environmental pollution. Types of coals imported and distributed by the Company are entirely bituminous and sub-bituminous coals.

Properties of bituminous and sub-bituminous coals imported for sale by the Company are as follows:-

Calorific value: 4,200 - 6,500 kcal/kg

Total moisture: 25-30%

Ash content: 5 - 9%

Sulphur: 0.3 - 1 (max)%

The Company's operations start from importing coals from mines in Indonesia and Russia. Its coal sales can be divided into 3 categories, namely:-

**Category 1** Unscreened coals that can be delivered to domestic customers straightaway.

**Category 2** Screened-to-order coals that are sorted into sizes by coal screening plants using high-efficient machines. Sizes of coals the Company supplies to domestic customers are as follows:-

- Larger than 50 mm.
- 25-50 mm.
- 10-25 mm.
- Smaller than 10 mm.
- Smaller than 5 mm.

**Category 3** Coals for sale to overseas customers, which require no screening and can be delivered directly to the customer destinations without the need to import into Thailand.

# Markets and Competition

## Customer Group Targets

### Domestic customer group target

Customer group targets of the company will be distributed in various industries including power plant, food and beverage industries, cement industry, paper industry and energy industry, etc

### Foreign customer group target

There are from medium to large Especially developing countries with high growth potential such as Vietnam, Cambodia, China and other foreign markets which most customers are power plants and cement industry etc.

## Domestic Coal Market Outlook and Competition

Overall, the country's energy consumption declined in line with the slowing economy. Including the situation of the coronavirus outbreak Which affects overall fuel consumption In terms of coal consumption increased. From the use of coal in the industrial sector. At present, Thailand is dependent on coal imports at approximately 64.27 percent or approximately 23.83 million tons a year. However, the domestic production of lignite is only 35.78 percent or 13.25 million tons a year, a decrease of 5.87 percent compared to the same period of the previous year. Nonetheless, coal has lower costs compared to other energy sources such as fuel oil, which means that coal still remains the preferred choice of domestic businesses. Furthermore, the quantity of coal in the country is not sufficient and domestic coal suffers from quality issues. There is thus an opportunity to import and sell good-quality coal from overseas.

At present, there are more than 20 coal importers and distributors in the country, resulting in a highly competitive market. Well aware of these factors, the Company has adjusted its competition strategies by focusing on optimization of cost management and coal quality control across the process in order to stay competitive in the current industrial situation. Despite numerous operators, large-scale industrial customers will purchase a considerable amount of coals constantly. Thus, sufficient coal inventory must be maintained for deliveries at any specified volume and time. This requires substantial investment, which is one major obstacle to retail coal operators. Presently, the Company has 4 warehouses with an aggregate stockpiling capacity of over 700,000-1,000,000 tons, a coal screening plant with a maximum daily production capacity of 7,500 tons and a maximum daily handling capacity at port of 15,000 tons. Simultaneously, the Company attaches much importance to communities and the environment, by assigning a team of staff specifically for the matters. It has also received awards for environmental concern, which reflects its policy toward being a responsible industrial plant and pursuing benevolent activities for the society, communities and the environment in order to achieve sustainable growth in the future. Customers can thus be confident that the coals bought from the Company are produced through processes caring for and friendly to the environment and communities.

Unit: Thousand Tons

Table Showing Statistics of the Country's Lignite and Coal Procurement from 2013 - 2020

	2013	2014	2015	2016	2017	2018	2019	2020
Mae Mo (EGAT)	17,071	17,140	14,588	16,450	15,843	14,443	13,841	13,250
Other	1,039	842	562	529	416	409	236	0
Domestic Supply	18,110	17,982	15,150	16,979	16,259	14,852	14,077	13,250
Coal Imports	18,030	20,933	21,931	21,772	22,189	24,759	21,686	23,834
Nationwide	36,140	38,915	37,081	38,751	38,448	39,611	35,700	37,084

Source : Energy Policy Planning and Office, Ministry of Energy

According to the country's coal supply statistics over the past five years, imports have increased from 21.77 million tonnes in 2016 to 23.83 million tonnes in 2020, and the proportion of coal sourced from foreign sources has increased. It rose slightly, respectively, from 56.18 percent in 2016 to 64.27 percent in 2020, in contrast to domestic coal supply. Of which the total lignite coal amounted to 16.97 million tons. The year 2020 is in contrast to the domestic supply of coal. Of which, total lignite was 16.97 million tonnes in 2016, down to 13.25 million tonnes in 2020, or 21.92 percent due to lower domestic lignite production. Both from the Mae Moh mine and other sources

## Use of Coal in Thailand

Overview of the domestic coal market It was found that there was a slight increase in the consumption of coal in Thailand in 2020, the total consumption of 35.87 million tons, an increase of 0.58 percent from the previous year, divided into 59.41 percent for electricity generation, or 21.31 million tons. And used in other manufacturing sectors 40.59 percent or 14.56 million tons.

Source: Energy Policy Planning and Office, Ministry of Energy

**Table: National Consumption of Lignite and Imported Coal for 2017 - 2020**

	Volume (million tons)				Growth (%)
	2017	2018	2019	2020	
<b>Lignite consumption*</b>	<b>16.30</b>	<b>14.59</b>	<b>13.99</b>	<b>13.43</b>	<b>-4.00</b>
Electricity (EGAT)	15.90	14.17	13.67	13.23	-3.21
Industry	0.40	0.42	0.32	0.20	-37.5
<b>Coal consumption**</b>	<b>22.19</b>	<b>23.74</b>	<b>21.67</b>	<b>22.44</b>	<b>3.55</b>
Electricity (SPP and IPP)	7.84	8.70	8.08	8.08	0.37
Industry	14.35	15.04	13.59	14.36	5.43
<b>Overall needs</b>	<b>38.48</b>	<b>38.32</b>	<b>35.66</b>	<b>35.87</b>	<b>0.58</b>

Source: Energy Policy Planning and Office, Ministry of Energy

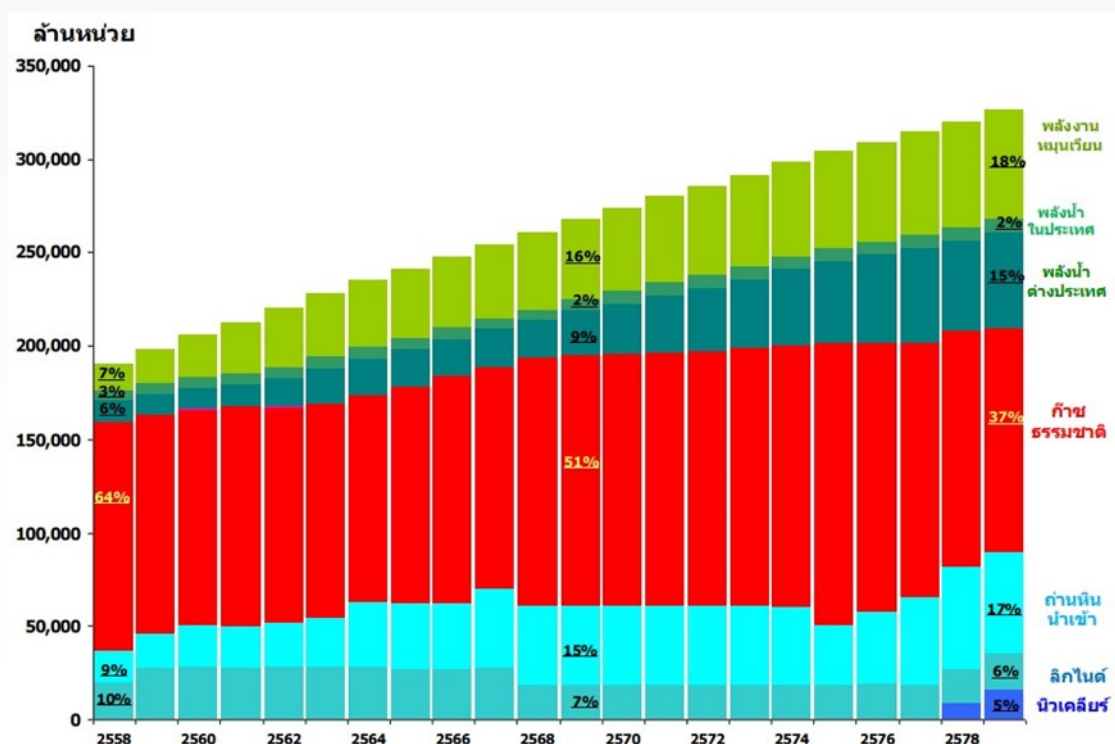
Notes: \* is the volume of consumption of lignite produced in Thailand. The main lignite production source in Thailand is Mae Moh with the maximum proportion of production of 97 percent;

\*\*Volume of consumption of all types of imported coals

Considering the type of coal, it was found that in 2020, the total consumption of imported coal was 22.44 million tons, an increase of 3.55 percent from the previous year, classified as used in various industries of 14.36 million tons or 64 percent of the remaining approximately. 8.08 million tons, or 36 percent, is used as fuel to generate electricity for the private sector.

While the consumption of lignite in 2020 totaled about 13.43 million tons, a 4 percent decrease from the previous year, which is divided into 13.23 million tons of the electricity generating sector of the Electricity Generating Authority of Thailand (EGAT) or 98.51 percent and another 0.20 million tons or equal to 1.49 percent used in various industrial sectors.

The graph shows the proportion of electricity production



(Source : <http://www.eppo.go.th>)

The Energy Policy and Planning Office, the Ministry of Energy has drafted the country's power development plan (PDP 2015) and expects an increase in the demand of coal fuel usage in the power generation of the country between 2015 - 2036 while the trend of lignite coal use is declining according to the energy conservation plan.

## Domestic Sale and Marketing Policy

The company is an import and distributor of bituminous coals which are suitable for industries that require high heat energy while concerning with maintaining the environment and society in a sustainable way. Main policies include:

### 1. Policy on Products and Services

The company emphasizes thoroughness and careful consideration in procuring coals from high quality sources that correspond to customers demand. In order to ensure customer confidence in the quality of coals, the company has a set of procedures for detailed inspection of the quality of coals that include the study of information from distributors on quality sources that have to be inspected from institutions that obtain inspection standards from Indonesia. Samples of coals will be collected for inspection of various measurement values including carbon, moisture, ashes and sulphur, Volatile value and percentage value (% size) by using a highly efficient inspection tool (referring to the ASTM Standards), thermal energy measuring device, moisture measuring device, coal size measuring device, as well as considering the coal reserve volume to be ordered from each distributor. All measurements must pass the criteria set by the company before the company makes an order contract with the distributor.

Nonetheless, once an order is placed with the distributor, before coals being imported into Thailand the quality of coals will be re-inspected and the company will inspect once again before delivering to customers. The inspection will be carried out by leading organizations with accepted standards such as SGS (Thailand) Co., Ltd., etc. After the inspection, the coals will be sent for screening by types of coals and by receiving orders. The company places high importance in the delivery of goods by having own trucks and some transportation partners. Thus the company has more than 1,000 trucks ready for 24-hour delivery services, and can support both large to small customers who do not have storage space for coal stock. The company Also focus on providing services

before and after sales with an engineer team to look after and give advice to the existing customers. There is a training to educate how to use the boiler and have the service to collect ashes by licensed contractors in order to maximize the efficiency of the boiler.

## **2. Policy on Cost Management**

The company places high importance on cost management due to competition in the domestic market. The price is the most important factor. Thus, the company has a policy on effective cost management by starting from formulating a coal procurement plan which the company has good relations with coal distributors in Indonesia. Even though the buying price is in line with the world market price, the company manages to negotiate to buy coals at the competitive price. Nonetheless, the formulation of coal buying plan is carried out along with the management of inventory to an appropriate level. Every step of goods delivery is planned systematically. The company has 3 branches of warehouses and screening houses, namely one in Tambon Nadee, Samut Sakhon Province, another in Amphoe Khao Yoi, Petchburi Province, and the other in Amphoe Nakhon Luang, Ayutthaya Province. The branch in Amphoe Nakhon Luang, Ayutthaya Province has a warehouse and a jetty within the same area. Altogether 3 branches can support and deliver goods to customers located in every region in the vicinity of each particular branch, making it convenient and cost-saving with respect to transportation.

## **3. Policy on Distribution Channels**

From the trend of industrial plants changing the use of fuel in the production processes from the fuel oil towards coals in order to reduce the cost of production as well as modern technology that allows incorporation of an efficient trap door to the boiler, the company has planned and set up a goal in expanding the customer base to include more industrial plants that use the fuel oil as there are a larger number of this group of customers. The company has set up a team of advisors who are full of experienced, knowledge and expertise that can provide advices regarding a change of boiler for industrial plants that are about to build a new boiler or change a boiler system to using coal fuel. The team is expected to suggest the benefits and savings of expenses that customers will get from using coals as fuel in place of the fuel oil. Besides, the company has expanded channels of distribution by selling to a group of customers who are coal selling companies who will buy coals from the company and sell to medium and small industries in Thailand.

## **4. Maintenance of the environment and community**

Thailand has placed high importance to the maintenance of the society and environment. The company understands and realizes that if the shipping management system is not sufficiently controlled, it may affect neighboring communities. In recent years, the company aims to implement various processes that are community and environmental friendly including a shipping system that is closed completely, the screening plant that is of a closed system for coal heap covering, having ridges and high trees to prevent dust diffusion to the outside, installing water spray within the coal screening plant and coal yard. In addition, the company has hired a surveyor company to inspect the quality with respect to water, dust and noise in the plant surrounding areas and nearby communities on a regular basis, so that the company can constantly follow and improve the working processes up to the relevant determined standards. In doing so, it is to ensure the company obtains the green industry certificate level 4 (Green Culture) from the Ministry of Industry by having a systematic environment management system, evaluation and reviews for future development on a constant basis, as well as being given the CSR-DIW Continuous award which is a social responsibility standard for industrial entrepreneurs and last received is Rising Star Sustainability Awards 2018 From the Stock Exchange of Thailand and also achieved Environmental Management System Accreditation or ISO 14001:2015. This is an indicator that the business running of the company well concerns with the environment and community. Customers can be assured that the company's working processes will take care of the environment and community from the production, shipping, storage and delivery, generating a good supply chain throughout the processes.



## Trends and Competitive Conditions Abroad

China still has a strong influence on the global coal market. As the world's largest coal consumer, in 2020, China consumes 56% of the world's coal consumption. Which consumes more than 75% of the coal from Asian countries. With countries that will use more coal. Namely, Asian countries such as China, India and Southeast Asian countries. According to the plan to increase the number of coal-fired power plants of each country because coal is still a cheaper fuel than other fuels and also has large reserves.

In 2020, world coal prices have dropped in the first three quarters. From the COVID-19 situation and began to rise in the fourth quarter due to the economic recovery in Asia. And cold weather in December. From the previous year with an average price of USD 60.5 per ton, down from the average price of USD 78 per ton in 2019, with global coal consumption in 2020 down 4% from 2019.

**Graph Showing Coal Prices in 2020 (ICE Newcastle Coal Chart)**

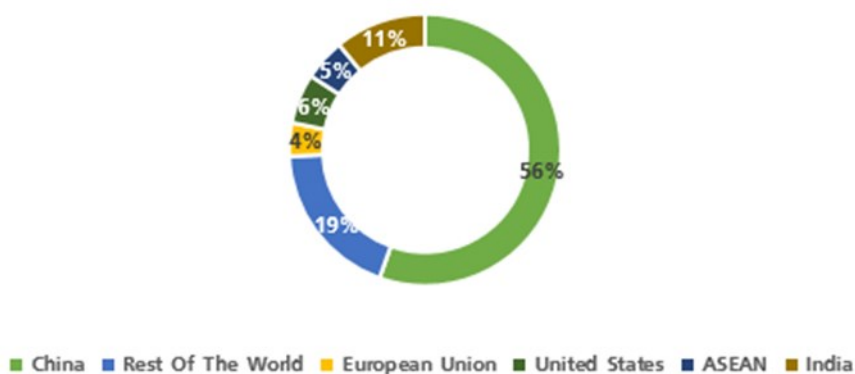


(Source : Thai Quest )

### Global demand for coal, 2021 - 2025

Coal remains the second largest energy source in the world after petroleum. The International Energy Agency (IEA - international Energy Agency) has estimated. Global coal demand between 2021-2025 is expected to increase at an average rate of 2.6% per year and will begin to slow in 2025. The coal demand is projected in the year. By 2025 at approximately 7.4 billion tonnes, demand will grow significantly in China, India and Southeast Asia.

**Shares of coal consumption of different countries and regions, 2020**



(Source: International Energy Agency or IEA)

## Coal Market in China

In 2020, despite being affected by the COVID-19 situation, China still saw a 0.5 percent increase in coal consumption from a year ago. This results in overall coal consumption at 3.86 billion tons, the fourth largest consumption in China's history. From the very cold in winter And recovery in the industrial sector The total coal import volume of approximately 304 million tons, an increase of 1.5 percent from 2019.

## Coal Market in Vietnam

In 2020, Vietnam has approximately 55 million tonnes of coal imports, with imports from Australia, Indonesia, Russia and Africa respectively. Although affected by the 2020 COVID-19 outbreak, coal imports And the consumption of electricity did not decrease. Including the increasing quantity of completed coal-fired power plants Therefore, it can be expected that in 2021, Vietnam's coal demand will continue to increase.

(Source : Vietnam Customs / IHS CERA)

Vietnam is still a new target market that the Company Marketed Due to the country's economic expansion due to the relocation of foreign production bases to invest more every year, the demand for energy and coal in production increases as well. At present, the company Is one of the coal exporters in Vietnam Both large and small It mainly focuses on cement power plants in accordance with the plan to increase the number of coal-fired power plants. And the growth of the industrial sector in the country.

In 2017, the company invested in a warehouse and coal sorting plant in Dong Nai, Vietnam. It is about 60 kilometers from Ho Chi Minh City by investing through a newly established subsidiary, VINA AGE Company Limited, operating in the import and distribution of coal in Vietnam. With a registered capital of USD 1,500,000, there is a warehouse and coal sorting house. The total area size is approximately 25 rai with a maximum production capacity of 1,000 - 1,500 tons per day. A maximum amount of coal can be stored about 150,000 tons.

## Coal Market in Cambodia

Cambodia is a new target market which the Company has penetrated in 2018. Major customers are in cement and power plant industries with coal consumption of about 4.3 million tons per year. In 2018, most of the coals were imported from Australia and Indonesia.

(Source: Survey by sales team of the Company)

## Philippines Coal Market

The Philippines is another new target country for the company. It expanded its market in 2020, with major customers in the cement industry and power plants. In 2020, the Philippines has about 28 million tons of coal consumption due to energy demand and national development.

## Overseas Sales and Marketing Policy

### 1. Policy on Maintaining Current Customers

The company has a sales team who regularly visits current customers and new customers in order to build good relations and confidence in the company from the customers.

### 2. Policy on Expanding New Customer Base

The company aims to expand the customer base from medium to large customers. Including users in coal-fired power plants. The company has set a goal to expand the market in Asian countries. Especially developing countries with high growth potential such as Vietnam, Cambodia, Taiwan, Philippines and China and other countries. The Company has expanded its production base to Vietnam.

### 3. Policy on Market Promotion and Stimulating Confidence in the Company

In order to make confidence for customers, the company uses quality coal from coal sources in Indonesia and Russia to distribute to other foreign markets and also providing alternative coal resources from Australia to support the needs of customers in the future as well.

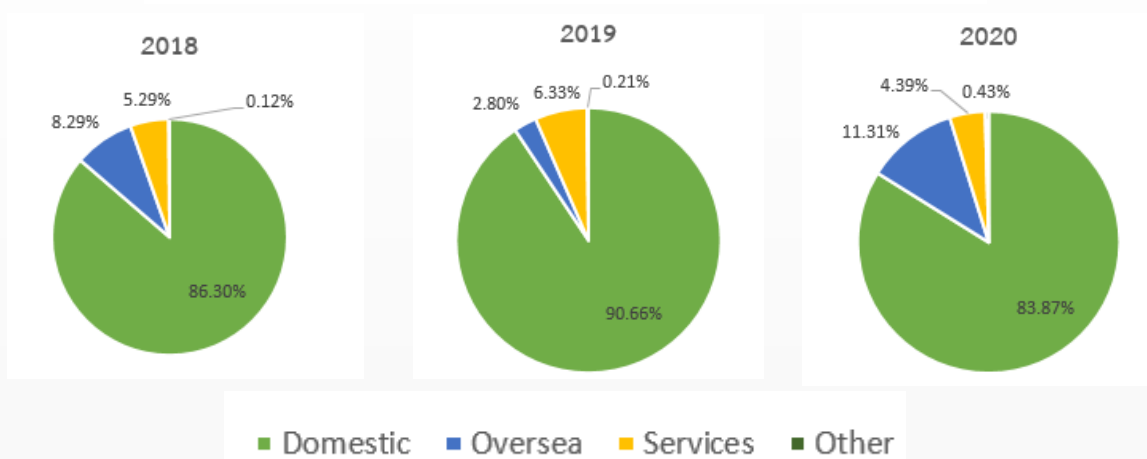
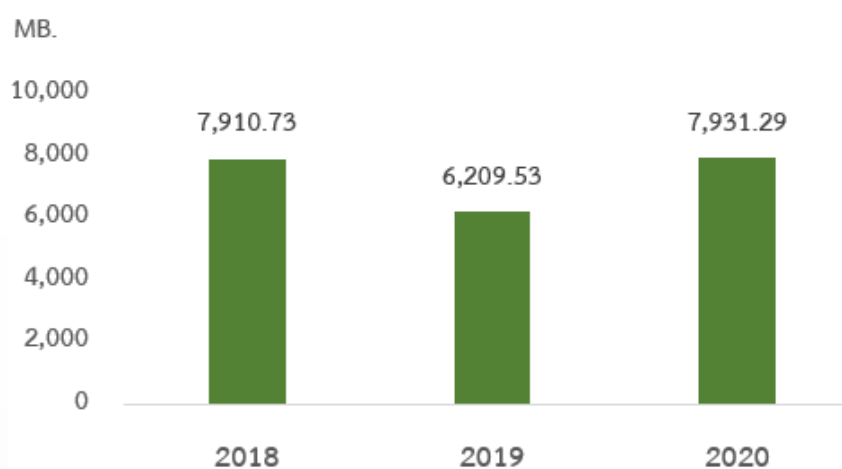
Map shows Oversea Sale and Marketing



## Income Structure

The financial information has been prepared by including the financial statements of Asia Green Energy Public Company Limited (hereinafter referred to as the "Company") and its subsidiaries. (Which follows "Subsidiaries") (collectively referred to as the "Group") as follows:

	Managed by	2020		2019		2018	
		MB	%	MB	%	MB	%
Revenue from Domestic sales	AGE/GPW	6,651.84	83.87	5,629.78	90.66	6,827.00	86.30
Revenue from Oversea sales	AGE/ VNAGE	897.30	11.31	173.45	2.80	655.65	8.29
Total Revenue		7,549.14	95.18	5,803.23	93.46	7,482.65	94.59
Revenue from Services	AGET/AGEM/ AGEML/WNL/MET	348.38	4.39	393.00	6.33	418.13	5.29
Revenue from Sales Services		7,897.52	99.57	6,196.23	99.79	7,900.78	99.88
Other		33.77	0.43	13.30	0.21	9.95	0.12
<b>Total Revenue</b>		<b>7,931.29</b>	<b>100.00</b>	<b>6,209.53</b>	<b>100.00</b>	<b>7,910.73</b>	<b>100.00</b>



## Coal Procurement and Supply

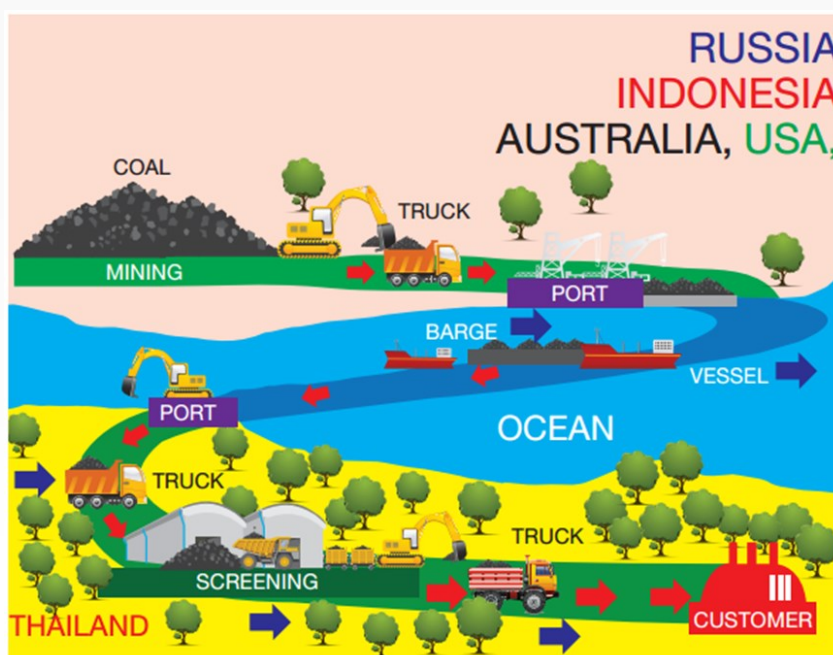
In procuring, selecting and importing coals, which are mostly acquired from Indonesia, Russia and Australia, the Company gives first priority to the selection of coal distributors. Therefore, it has established business contacts with coal mines and distributors having credibility and extensive experience in coal business.

As for coal trade with a new distributor, the Company shall initially assign a team of staff to inspect the distributor's mine and port of shipment in order to review the distributor's readiness. Coal samples are also collected at the mine for further test by a recognized private laboratory as to whether the coals are of required quality. Once the test result confirms that said coals are qualified under the requirements, the transportation date shall be fixed. On such date, the Company shall assign its staff to inspect the goods before loading the coals onboard to ensure that Customers will receive coal exactly as needed.

**The Company's procedures for coal procurement and delivery to customers in brief are as follows:-**

1. The Company imports coals from coal mines in Indonesia Russia and Australia, where coal reserves are found in abundance. Coals are selected solely from the sources capable of providing quality coals that meet the needs of both domestic and overseas customers. In attempt to ensure that customer needs are catered for in all dimensions through product variety, competitive price, and quality of future coal sources, the Company has a clear policy of seeking more coal sources in America, South Africa, Chile, Iran, Kazakhstan, Malaysia and other countries. It has also assigned its staff or professional inspector companies to examine the coal quality at many steps to make certain that the coals are of required quality.
2. The Company arranges for a freight liner to transport coals from the country of production to Thailand via customs post at Sichang Island, Chonburi, where customs clearance formalities are processed and cargos are transferred onboard barges for forwarding to Ayutthaya port. For its coal transfer process at Sichang Island, the Company takes preventive measures against environmental impact of sea freight, as follows:-
  - 2.1 In case of coal transfer at Sichang Island, the activity shall be handled at a site remote from communities in order to ensure that the coal transfer has no environmental impact on the communities.
  - 2.2 During the coal transfer, operating officers are required to seal the grab tightly and position it as close to the cargo deck as possible before releasing the coals thereon
  - 2.3 To prevent the coals from rolling off during the transfer, the Company has developed an automatic tarp system, whereby the cargo moves flexibly with the tide and any slipping lumps will roll back onboard.
  - 2.4 The Company sets the speed of the coal transfer at a low level in order to prevent diffusion of coal dust.
3. On arrival at the port, some of the coals shall be delivered to customers straightaway and the rest stored in the warehouse for screening by high-efficient machines into various sizes according to customer demand.
4. The Company coordinates with its customers to confirm the delivery schedule and makes delivery on the date specified by the customers, using trucks as the main transporting vehicle.

## Summary Diagram of the Company's Raw Material Procurement Process



### Stockpile and Coal Screening Plants

The Company presently owns warehouses and coal screening plants at 3 locations so as to serve the need for coals of customers in the respective vicinity of each site with rapid and in-time delivery, as follows:-

#### **Stockpile No. 1: Situated in Tambon Nadee, Amphoe Mueang, Samutsakhon**

Consist of the warehouse and coal screening plant for 1 plant cover a total area of 35-1-82 rai, with a maximum daily production capacity of 1,000 tons and a maximum storage capacity of 20,000 tons. The facilities serve the customers in Samutsakhon, Nakhonpathom, Samutprakan, Bangkok and peripherals. The facilities No. 1 have been improved to operate in a totally closed system.

#### **Stockpile No. 2, and a port: Situated in Tambon Mae-la, Amphoe Nakhonluang, Ayutthaya**

Consist of the warehouse and coal screening plant for 3 plants and the port cover a total area of 334-2-22.9 rai, with a maximum daily production capacity of 6,000 tons, a maximum stockpiling capacity of 700,000 tons and a maximum daily handling capacity of 10,000 tons. Supported by the investment promotion scheme of the Board of Investment (BOI), the facilities serve the customers in the northern, northeastern and upper central regions with comprehensive operations of coal handling port, coal stockyard and coal screening plant.

## Logistics

The Company has expanded its logistics services comprehensively to synergize with port services, stockpile services and coal separation plant services for external clients. At present, the Company has 36 lighters. The total tonnage is 93,600 tons. The total number of lighters from contract service partners is not less than 300. The lighters of the company group are under the management of AGE Terminal Co., Ltd. and AGE Marine Logistics Co., Ltd. The company group also has 51 trucks. The total number of trucks from contract service partners is not less than 300. The trucks of the company group which are under the management of AGE Transport Co., Ltd. consist of single trucks, flat-bed single trucks, trailers, flat-bed trailers, etc.

These lighters are not only utilized for shipping coal, the Company's product, but they are also available for providing services to external clients such as in shipping cement, Gypsum, agricultural products and biomass fuels. Most of the service routes are in the Sichang Island, Chonburi Province area. The routes then run through the Chao Phraya River and Pa Sak River, reaching the company groups' port in the Phra Nakhon Si Ayutthaya Province. This route is the main transportation route of Thailand's bulk cargo imports and exports. Furthermore, service routes along the Gulf of Thailand coast to the country's south and towards Cambodia to the east can also be offered.

Having assessed the potential and trends for growth in the river transportation business, in 2019, the company group ordered additional lighters, which means that by mid-2020 the company group will increase its number of haulage ships to 40, with a total tonnage of 104,000 tons. These additional lighters will enable the company group to expand its client base using river transportation services, thereby reinforcing and increasing the company group's capacity in the river transportation business.

In addition, having identified an opportunity to expand the market share in the river transportation industry, the company group continuously works on its strategy, marketing plans and service improvements for clients. In December 2019, the company group received an ISO 9001:2018 certification in river transportation services, which helped improve the clients' confidence in our river transportation services.

In addition to the river transportation business, the company group operates an overland transportation business under the name AGE Transport Co., Ltd. and partner companies. Moreover, in 2017, the company group initiated a joint venture to establish a subsidiary company named Winner 789 Logistics Co., Ltd. AGE Transport Co., Ltd. owned 70% of the shares. This company also operates a truck-based overland transportation service to increase the operating capacity of the overland transport service for the company group and external clients. The total number of trucks from service contract partners is not less than 300, all of which are under the management of the said subsidiary company.

Furthermore, the Company is ready to operate a port service and a stockpile area rental service for external clients. The goal is to bolster our comprehensive logistics service, and provide convenient, speedy and effective services for general clients. It is expected that the revenues from this logistics service will grow quickly and steadily, playing a more important role.

**Undelivered Work • None**



# Risk Factors

Risks stated herein are based on the current information and a best possible prediction of future events. Certain significant risks could have impacts on the Company's share value. There could also be other risks in the future affecting the business, income and operating performance of the Company.

The Company adopts a policy to manage risks under constant monitoring and assessment of risk potential and magnitude in all exposed aspects, and correspondingly sets a target plan to reduce, mitigate and control the risks from various factors to a level that poses no significant impact on the Company. It oversees that the risk management is conducted efficiently in keeping with both internal and external changes, and progress reports are submitted on a monthly basis.

## 1. Operational Risks in Coal Business

### 1.1 Risks from Overseas Freight Transportation

As the Company imports coals for sales from Indonesia, there is a need for transportation of coals by sea freight. Risks may occur in that cargo ships might be unavailable or insufficient, and that freight charges are likely to change constantly.

With substantial experience in the business, the Company is well aware of these risks and has therefore rented vessels from cargo ship agencies under both temporary and long-term (not exceeding 1 year) contracts, thereby ensuring that it is able to arrange for ships to make deliveries to the customers as well as to estimate relevant freight expenses more precisely. In addition, the Company has been keeping up with industry updates and preparing forecast on freight charges so that it can make adjustment and contingency plan in response to possible changes.

Apart from devising a risk mitigation plan pertinent to arrangement of transoceanic freight ships, the Company realizes the possibility of risks occurring en route. It has consequently secured freight insurance policies for all shipments, either in the form of Cargo-Insurance (coverage of goods in transit) for such cases as shipwreck, explosion, fire including coal blast, or Charter Liability (coverage of ship) for vessel insurance covering all steps in the course of freight transportation. These insurance policies are taken out both in normal seasons and the annual monsoon season from October to December.

### 1.2 Risks in Delivery of Goods

Delivery of coals from mines in Indonesia, Russia and Australia to Thailand and from the Company's stockpiles in Thailand to its domestic customers may involve risks in relation to quality and quantity of coals, and delivery duration. The Company has formulated a risk mitigation plan against said risks as follows:-

**Quality of Coals:** The Company controls the coal quality by using modern and high-quality inspection tools According to ASTM Standard. The inspection procedures are carried out at steps of order placement, receipt of goods and pre-delivery of goods to customers in order to ensure that the coals are of desired quality as per the customer needs.

**Quantity of Coals:** The Company implements a plan for prescheduled purchases of coals to cover the estimated sales volume throughout the year. It has therefore settled many coal supply contracts with medium to large distributors in Indonesia Russia and Australia both in the form of forward and spot contracts, to ensure availability of goods in the agreed quantity. Besides, the Company keeps a domestic stock of coals adequate for sales for a period of not less than 3 months.

**Delivery of Coals:** The Company has developed a delivery management system with emphasis on punctuality, reduction of environmental impacts, and delivery cost control with the truck of the subsidiary. It has also established long-term relationships and executed transportation services contracts with many third-party freight carrier companies. The Company is thus confident that sufficient trucks are available for delivering coals to the customers, enabling it to efficiently control the duration and cost of coal delivery as well as to achieve maximum customer satisfaction.

### **1.3 Risks from Emphasis on Other Non-Coal Alternative Energy**

In the past, most industrial plants used furnace oil as the main fuel in their production process. As such the oil carries higher cost than other fuels, it affects the production cost and competitiveness. As a result, numerous industrial plants have substituted other fuel alternatives for furnace oil. Other than coal, there are various types of alternative energy, e.g. natural gas, or such biomass fuels as husk ; palm shell bagasse, chopped wood, biomass briquette rice husk, bagasse, sawdust etc.

However, coals are regarded as a low cost fuel with a large reserve volume when compared to natural gas or other types of fuels. In addition to the advantages of cost and reserve availability, coals hold greater efficiency in high calorific value and convenience of use.

### **1.4 Risks from Environmental Complaints**

Naturally, when minerals like coals are used by means of combustion, oxygen in the air will react with the coals, which contain sulphur. The reaction produces toxic gas, namely sulphur dioxide, that causes Pneumonia and also environmental pollutions from coal dusts that may trigger allergies. Nevertheless, there are many types of coals, i.e. anthracite, bituminous, sub-bituminous and lignite, each of which generates toxic gas and pollution in a different amount depending on the quality of each type.

Types of coals imported and distributed by the Company are entirely bituminous and sub-bituminous coals, which are high-quality clean coals with low ash and sulphur contents. The coals contain 0.3-0.5% sulphur, while furnace oil 2.0-3.0%. Although coals produce less sulphur than furnace oil does, the Company puts much importance on environmental management. In regard to coal screening process that is most likely to cause noise and dust pollutions, the Company has had it operated in a completely closed system. In part of stockpiles, the Company has imposed measures to control coal dust by covering coal piles thoroughly with canvas tarps, planting tall trees surrounding the stockpiles, and installing a water spray system around the areas to prevent dust diffusion. As for transportation, all the trucks must be secured with tarps, and their tires shall be cleaned by a washing system before leaving the stockpiles. At the port where coal transfer takes place, a water spray system is fitted to prevent coal dust diffusion as well. The Company also recognizes the significance of promoting understanding and gaining the trust of communities in the vicinity of its stockpiles and screening plants. Therefore, it has set up a community relations and environment unit responsible for particular duties, especially handling complaints from community members and promptly addressing environmental problems that may affect nearby communities.

### 1.5 Risks in Inventory Management

Being a coal importation and distribution business operator, the Company must be able to deliver its goods at all times and therefore needs to keep the coal inventory in an amount sufficient for sales and in line with customer demands. Besides, the Company has currently expanded its sales base into energy and cement industries, where demand for coal utilization is huge. This makes it necessary for the Company to maintain a sufficient amount of coal inventory to ensure prompt delivery to customers. Hence, the Company holds a large volume and high value of coal inventory, for which measures are as follows:-

- The Company manages its sales duration to an average period of 3.5 months, dividing into 0.5 month for coals shipping from distributors and 3 months for coal screening and stockpiling in the stockpiles.
- Noise Prevention: The Company sets limit on working hours and adheres to the terms agreed with the communities, e.g. transporting coals during 6:00-20:00 hrs. Production and screening activities are undertaken in closed buildings to prevent loud noise, with inspection of noise sources to curb the noise level to legal safety standards.
- Dust Prevention: Tall trees are planted and water sprayers are installed around stockyard areas, a water spray system is also installed in the screening house, water service trucks are stationed at the premises to prevent coal dust diffusion, and the environmental staff shall perform close inspection during the entire operating hours.
- Odor Prevention: The environmental staff shall watchfully inspect the stockpile for self-ignition of coals so as to prevent or extinguish the fire.
- Coal Contamination of Waterway Prevention: Sedimentation ponds are constructed at all operating sites in order to collect coal debris and reuse water without releasing it into public waterways. Water quality in the ponds shall be regularly inspected to be at the level not exceeding requirements set out by both the government regulations and the ISO 14001:2015 management system.
- The Company implements a quality control policy for the coal inventory so as to deliver coals of the quality agreed with its customers. The inventory must pass 3 quality inspections as follows:-
  - No. 1            At the pre-delivery preparation stage, Quality Control staff collect product samples according to the specified standards and submit the inspection results to an authorized person for consideration before each delivery.
  - No. 2            When trucks check in at the weigh station in preparation for delivery, coal samples are collected from each truck and all information thereof shall be recorded in the information system.
  - No. 3            Upon delivery at the customer's destination, coal samples are collected for laboratory testing and analysis by a professional analyst that is acceptable to both parties, in order to ensure that the delivered goods are qualified in accordance with the mutual agreed requirements and to prevent return of goods issues. This is one of key practice of the Company's inventory management measures.
- The Company has taken out all types of insurance on the whole inventory in order to prevent potential risks. Apart from the insurance, the Company has devised a flood protection system by constructing levee of over 6 meters high around the stockpile and screening plants at Amphoe Nakhonluang, Ayutthaya, which is the largest stockpile of the Company.

- The Company hires a stocktaking services company to perform inventory count of its entire stockpiled coals on an annual basis. Such a service provider can conduct the inspection independently and is not related with or involved as a person with possible conflict of interest of the Company. The stocktaking procedures, which are acceptable under the international standards, include stockpile layout mapping, theodolite position marking, measurement of horizontal angles as well as horizontal and vertical distance, measurement of 150-800 coordinate points depending on the stockpile volume, density measurement, etc. The external auditors are invited to observe every stocktaking session so as to ensure the accuracy, completeness and reliability of the amount of the Company's coal stock.

### 1.6 Risks from Fluctuation in Coal Prices

Coal prices in the global market typically change according to market mechanism, reflecting economic conditions, demand and supply at that time. The change directly affects domestic coal prices and the Company's operating performance, particularly when the global coal prices fluctuate.

Regarding fluctuation in coal prices as a significant risk to its operations, the Company has therefore laid down preventive guidelines by executing coal supply contracts, quoted on the global prices, with coal distributors and producers in advance for a period of about 3 to 6 months to maintain an adequate amount of goods for sales at a cost proportional to the prices offered to customers. The Company shall make decision to enter into a forward purchase contract for coals based on close monitoring and assessment of the trend in the world coal prices along with its domestic distribution plan and the amount of the existing forward sales contracts for coals, in order to reduce the risks from volatility of the world coal prices. This is a flexible policy that enables the Company to adjust to the fluctuation in the global oil prices nowadays.



(Source : Thai Quest)

## 2. Financial Risks

### 2.1 Risks from Fluctuation in Foreign Exchange Rates

Since the Company purchases coals from Indonesian distributors in US dollar, it is exposed to the risk from changes in the value of US dollar against baht. In case of buying coals for exportation to overseas customers, it will manage the risk via natural hedge approach, by paying for the coal purchase with the US dollar income from exportation, both are in the same currency. In case of buying and importing coals for sales to domestic customers in baht term, the Company will manage the risk by opening forward contracts to buy US dollar in an amount changeable according to situation assessment and exchange rate trend at the time. This is to mitigate the adverse effects of the exchange rate fluctuations, and to prevent any impacts on the cost of coal

## **2.2 Risks from Interest Rates**

The Group is exposed to interest rate exposure primarily concerning loans, borrowings, and lease liabilities. Most of the financial assets and liabilities carry market interest rates or a fixed interest rate close to the current market rate.

The Group manages its interest rate risk by providing loans with a similar fixed and variable interest rate ratio. The Group has entered into an interest rate swap agreement to exchange interest based on a variable rate and fixed rate interest based on the principal value and interest rate.

## **2.3 Risks Pertaining to Debt Settlement and Loan Contract Observance Ability**

The Company and its subsidiaries have long-term liabilities from loan contracts with certain domestic financial institutions. Said contracts have specified some practices and requirements, such as the maintenance of financial ratios under the contract terms, and the execution of guarantee contracts between the Company and its subsidiaries for debt settlement with the financial institutions. Therefore, the Company and its subsidiaries bear the risk pertaining to their abilities to settle debts and observe the loan contracts, which may affect their respective operational liquidity if a financial institution demands full repayment of debt before maturity by reason of breach of contract.

Well aware of such risks, the Company attaches importance to the cash flow management and the control of financial ratios in strict conformity to the loan contracts. It has also put in place regular monitoring and reporting on financial information, financial ratios and results of contract fulfillment, along with assessment of future situations that may disrupt the Company's financial status. This enables the Company to lay financial plan compatible with installment due dates and financial ratio targets, as well as to set corrective instructions in advance in case there is a tendency of contract default.

## **3. Management Risks**

### **Risks from Major Shareholders Holding More Than 50% Stake**

As of 31 December 2020, Mr. Panom Kuansataporn and his family hold in aggregate 54.6083 % of the Company's total shares sold. This major shareholder group gains controlling power over the Company and can influence the Company's decision-making on transactions that require a majority vote. Besides, as a result of the concentration of shareholding by this major shareholder group, the Company cannot make business decisions without the consent of the group, even though other shareholder groups view the matter as a beneficial opportunity.

## **4. Sustainability Risks**

### **4.1 Risks in Community Acceptance**

The Company endeavors to undertake businesses with consideration of impacts on communities, society and the environment. Community acceptance is one of the risks to be efficiently and effectively managed, as lack of such may affect the Company's operations. It has thus specified that assessments of environmental impact and of other risks, as necessary, must be conducted annually with assessment results according to acceptable standards. In 2017, AGE Terminal Co., Ltd. (subsidiary) was certified to ISO 14001:2015, which could assure the communities of the Company's environmental management standards and also received the green industry certification level 4 from the Department of Industrial Works.

### **4.2 Risks in Procurement of Raw Materials**

To avoid problems of raw materials procurement and to capably cater for customer needs, the Company has business alliances to procure raw materials (coals) with coal mines in many countries, since coals properties vary from mine to mine and can serve different customer needs. Recognizing significance of environmental man-

### 4.3 Risks in Obtaining of Licenses

Organizational management is crucial. All activities of the Company are carried out in accordance with the laws. As obtaining of business licenses and relevant permits is a top priority, all concerned officers must monitor expiry dates of licenses and accuracy of documents with a zero-error rate. In this regard, responsible staff must set a reminder timetable for 30 days in advance so that all licenses and permits can be renewed before the expiry dates.

### 4.4 Risks of Product Costs

The Company prepares the coal purchase plan well in advance in order to match the annual sales volume forecast. It has signed both forward and spot coal purchase contracts with over 20 trade partners who are medium- to large-scale distributors in many countries. Hence, the Company is confident that it can control the product costs while receiving products in the agreed quality and quantity.

## 5. Emerging Risks

Emerging risks arise as a result of global changes that affect the Company's value chain. Realizing future impacts of such risks, the Company has conducted emerging risks assessment and developed measures in response to possible changes. Major emerging risk is the risk from climate change.

## 6. Risks from Climate Change

### 6.1 Risks to the Company

Natural disasters induced by climate change have direct impacts on the Company's businesses. For example, heavy rainfall shall put the Company's stockpiles and ports by Pasak River at risk of flooding. Such incident occurred in 2011, where the great flood caused the ports and stockpiles in Amphoe Tharuea and Amphoe Nakhonluang, Ayutthaya, to stop operating.

#### Management approaches:

- **Prevention of damages to product delivery capacity:** The Company has an action plan in case the ports and stockpiles in Amphoe Nakhonluang are unable to operate. This includes contingency stockpiles off the area and other ports that can handle coal transportation.
- **Prevention of property damages:** Nakhonluang stockpiles are structurally designed to be flood-proof, with earthen levee of 6 meters high surrounding the whole premises. In addition, the Company has taken out a flood insurance policy every year. In 2011, the flood water submerged the areas around the stockpiles, but was fended off the Company's premises by the levee.
- **Investment in alternative energy projects and execution of energy conservation projects to reduce greenhouse gas emissions:** The Company has invested in solar roof project to decrease electricity consumption in the stockpiles, and run an energy conservation project on lessening consumption of water and electricity in the Head Office and stockpiles, in effort to reduce scope 2 greenhouse gas emissions.

## 7. Risks from Logistics Service Business

### 7.1 Factors in Land Transportation Business

- **Economic Volatility**

Risks from global, regional or even national economic conditions can lead to lower consumption of raw materials or fuels, the latter being the Company's core product, and the resultant decrease in service revenue. The Company thus prevents said risk by hiring subcontractors to handle transportation activities appropriately proportional to business situations and economic circumstances.

- **Laws and Government Regulations**

Amended and newly enforced laws and government regulations can result in higher costs or be hindrances to business operations. The Company has therefore monitored tendencies for changes that may affect use of trucks, formulated a policy on service life of trucks and also added new trucks to the fleet in order to keep its trucks legally qualified and ready for use.

- **Transportation Cost Management**

Trucking transportation carries higher costs than such other modes as marine or rail transportation. Hence, the Company seeks to optimize its transportation efficiency by carrying freight on both outward and return legs and setting speed limit, in order to control its per-kilometer costs of transportation to a competitive and profitable rate.

## **7.2 Risk Factors of River Transportation Business**

- **Management of Lighters' Duration Days**

In the rainy season or during the time river currents are stronger than usual, management of lighters' duration days gets difficult and marine transportation slows down as lighters take longer time per cargo trip and so become scarce. The Company has enhanced the efficiency of cargo handling at its Ayutthaya port in order to enable fast unloading of lighters, better time management, and more cargo trips.

- **Risk of Transportations**

At present, traffic on Chao Phraya River and Pasak River is relatively congested due to business growth and ever-increasing need for marine transportation of shipping operators year by year. This poses a risk of accidents to cargo vessels during travelling along the waterways.

Consequently, the Company has prevented such risk by taking out insurance policies with leading insurance companies, covering 3 types of risks as follows:

7.2.1 Hull and Machinery Insurance: H&M

7.2.2 Protection and Indemnity Insurance: P&I

7.2.3 Carrier's Liability



## Operating Assets

Fixed assets and right-of-use assets that the Company and its subsidiaries use for business Operations

Type/Characteristics	Ownership	Net Book Value as of 31 Dec. 2020 (Million Baht)	Netbook value as of 31 Dec.2020 with the obligation
Land and land improvement, 93 plots <sup>1)</sup> at Amphoe Nakhonluang, Ayutthaya Amphoe Mueang, Samutsakhon Total area: 435-1-47.4 rai	Company Group	678.53	651.10 million baht mortgage
Land, buildings, port and improvement <sup>2)</sup> at Amphoe Mueang, Samutsakhon Amphoe Nakhonluang, Ayutthaya Long Thanh District, Dong Nai Province, Vietnam	Company Group	171.11	213.37 million baht
Machinery and equipment	Company Group	112.29	None
Furniture and office equipment	Company Group	8.05	None
Vehicles	Company Group	2.83	None
	Company Group	602.90	602.90 million baht mortgage
Utilities system	Company Group	15.96	None
Assets under installation and construction	Company Group	71.93	None
Total Fixed assets		<b>1,663.60</b>	
Rights of use assets	Contract period between 1-8 years	<b>264.57</b>	None

Note 1) The Company reclassified 11 land and land improvements to investment property during the year, with an area of 284 rai 92 square wah with a book value of 41.77 million baht.

2) The Company has classified the building, building improvement as investment properties during the year, with a book value of 4.19 million baht.

## Policy on Investment in Subsidiaries

The Company has a policy of investing in businesses relating to or supporting its operations, e.g. transportation services, energy industry, etc. in effort to enhance corporate stability and operating performance. With respect to policy on oversight of subsidiaries, the Company appoints representatives to each subsidiary's board of directors in a proportion of not less than one-half of the total board members of respective subsidiary in order to keep close supervision of subsidiaries' financial policy formulation and business operations. The Board of Directors jointly makes consideration in accordance with the Company's investment policy, taking into account the necessity, suitability and the benefit of the shareholders and the Company, and in strict compliance with the requirements of the Stock Exchange of Thailand concerning the entry into a connected transaction or the acquisition or disposal of assets.

### Investment in Subsidiaries as of 31 December 2020

Subsidiary	Type of Business	Paid-up Capital (Million Baht)	Par Value (Baht per Share)	Investment Ratio (%)	Historical Cost (Million Baht)
A.G.E. Transport Co., Ltd	Land transportation services	1.00	100	99	0.99
AGE Terminal Co., Ltd.	Port and Stockpile services	230	100	100	230
Multi Energy Trading (2020) Co., Ltd. *	Invest in other businesses that operate power plant and renewable energy businesses	128	100	128	128
AGE Global Trade Co., Ltd.	Investment in other companies operating coal business overseas	52.20	100	100	52.18
<b>Total</b>					411.17
<b>Less: Allowance for losses on investment in subsidiaries</b>					-
<b>Net investment in subsidiaries</b>					411.17

Note: \* The company was first registered under the name AGE Power Holding Co., Ltd., then changed the name to AGE Trading Co., Ltd. on 15 January 2019 and now changed its name to Multi Energy Trading (2020) Co., Ltd. on 3 July 2019

## Investment of Subsidiaries as of 31 December 2020

Multi Energy Trading (2020) Co., Ltd. has invested in subsidiaries as follows:

Name	Type of Business	Investment Ratio (%)	Date of Incorporation	Registered Capital (Million Baht)	Paid-up Capital (Million Baht)
A Engineering Consultant Co., Ltd.	Electricity Generation and	94	23 August 2007	50.00	50.00
Grand Power Co., Ltd.**	Procurement and distribution of fuels	100	26 August 2014	51.00	31.50
Pian Green Power Co., Ltd.	Electricity Generation and	100	18 February 2015	20.00	5.75
<b>Total</b>				121.00	87.25

Note: \*\* This company was formerly known as Saba Yoi Green Power Company Limited, registered to change the name to Grand Power (2019) Co., Ltd. on 2 August 2019.

A.G.E. Transport Co., Ltd. has invested in a subsidiary as follows:-

Name	Type of Business	Investment Ratio (%)	Date of Incorporation	Registered Capital (Million)	Paid-up Capital (Million)
Winner 789 Logistics Co., Ltd.	Freight forwarding and management services	70	13 July 2017	1.00	1.00
<b>Total</b>				1.00	1.00

AGE Terminal Co., Ltd. has invested in a subsidiary as follows:-

Name	Type of Business	Investment Ratio (%)	Date of Incorporation	Registered Capital (Million Baht)	Paid-up Capital (Million Baht)
AGE Marine Logistics Co., Ltd.	River transportation, cargo handling and River transport consulting.	100	19 September 2017	187.00	126.10
<b>Total</b>				<b>187.00</b>	<b>126.10</b>

On 11 September 2019, the general meeting of shareholders of AGE Marine Logistics Co., Ltd. a subsidiary of AGE Terminal Co., Ltd. has a special resolution to increase the registered capital of 87,000,000 baht to

AGE Global Trade Co., Ltd. has invested in a subsidiary as follows:-

Name	Type of Business	Investment Ratio (%)	Date of Incorporation	Registered Capital (Million USD)	Paid-up Capital (Million USD)
VINA AGE Co., Ltd.	Coal importation and distribution in Vietnam	99	17 May 2017	1.50	1.50
AGE INTERTRADE SINGAPORE PTE. LTD.	Coal Sales	100	26 August 2020	0.03	0.03
<b>Total</b>				<b>1.53</b>	<b>1.53</b>

On 8 August 2018, the Board of Directors Meeting of VINA AGE Co., Ltd., a subsidiary of AGE Global Trade Co., Ltd., passed a resolution to increase its registered capital from 1.5 million US dollars to 2.5 million US dollars. As of 31 December 2018, VINA AGE Co., Ltd. had not registered the capital increase yet.

On August 10, 2020, the Board of Directors' Meeting No.3 / 2020 of the Company passed a resolution approving the establishment of AGE INTERTRADE SINGAPORE PTE.LTD., A subsidiary of AGE Global Trade Company Limited.

## Legal Disputes

As of 31 December 2020, the company and its subsidiaries faced a legal case or dispute that did not seem to have affected the assets of the company or its subsidiaries, which were higher than 5 percent of the shareholders' equity and did not seem to have had a significant impact on the business operations of the company or its subsidiaries

### Breach of Maritime chartering contract

- a) On November 11, 2019, a marine freight forwarder (Petitioner) submitted the dispute to the Singapore arbitration proceedings to claim the Company for the compensation for the maritime chartering contract's breach dated January 21, 2019, US \$ 2.4 million. Subsequently, in December 2020, The Company has also submitted the dispute to the arbitral tribunal against the coal supplier to compensate for the coal purchase contract's breach dated January 18, 2019. Subsequently, on February 16, 2021, the coal supplier negotiated a compromise with the Company. The coal supplier agreed to compensate the Company in total, and the Company has already paid the said compensation to the Petitioner.
- b) On May 15, 2020, a marine freight forwarder (Petitioner) filed a complaint to the Singapore arbitration proceedings to claim compensation to the Company to compensate for the maritime chartering contract's breach dated October 30, 2019, for the US \$ 0.6 million. Currently, the arbitral tribunal is considering the reply of the Company against the petitioner's claimant. The Company has also submitted the dispute to the arbitral tribunal against the coal supplier for compensation for the coal purchase contract's breach dated August 13, 2019. The Company's management believes that the arbitral tribunal's award will not cause any damage and will not have a material financial impact on the Company. Therefore, the Company has not recorded an estimate for damages that may arise from the case in the financial statement.

### Breach of the coal purchase agreement

On September 29, 2020, a coal supplier (Petitioner) filed a complaint to the Singapore arbitration proceedings to claim compensation to the Company to breach the coal purchase contract for US \$ 0.4 million. Currently, the arbitral tribunal is considering the reply of the Company against the petitioner's claimant. The Company's management believes that the arbitral tribunal's award will not cause any damage and will not have a material financial impact on the Company. Therefore, the Company has not recorded an estimate for damages that may arise from the case in the financial statement.

# Stock information and Shareholders

## Amount of Registered and Paid Up Capital

As of 31 December 2020, the company's registered capital amounted to 483,446,871.50 baht, of which 483,446,871.50 baht has already been paid and divided as 966,893,743 shares at 0.50 baht marked price per share.

## Shareholders

No.	Name	No. of Shares	%
1	Mr. Panom Kuansataporn's Group <sup>1)</sup>	528,004,103	54.6083
2	Mr. Winai Kuansataporn	32,128,752	3.3229
3	Mr. Prasert Lohawibunsap	19,137,950	1.9793
4	Mr. Pongsak Thanasriwanichai	14,541,983	1.5040
5	Mrs. Khanthong Udomahantisuk	13,552,000	1.4016
6	Mr. Wisit Pisankunakit	12,209,623	1.2628
7	Thai NVDR Company Limited	10,062,722	1.0407
8	Mr. Kittichai Dechpaiboonys	8,710,735	0.9009
9	Mr. Viroj Chanpichai	8,136,251	0.8415
10	Other Shareholders	320,409,624	33.1380
Total		966,893,743	100

Note: <sup>1)</sup> Mr. Panom Kuansataporn's group consists of

	Name	Shares	%
1	Mr. Panom Kuansataporn	173,332,142	17.9267
2	Mr. Atipat Kuansataporn	75,169,428	7.7743
3	Mrs. Natpapha Kuansataporn	63,556,828	6.5733
4	Mr. Nattapat Kuansataporn	63,556,827	6.5733
5	Miss Pimyada Kuansataporn	36,266,334	3.7508
6	Ms. Panita Kuansataporn	36,186,332	3.7425
7	Miss. Thiyada Kuansataporn	36,186,331	3.7425
8	Miss Pimchaya Kuansataporn	36,186,331	3.7425
9	Mrs. Panida Kuansataporn	7,563,550	0.7823

For other shareholders apart from the group of Mr. Panom Kuansataporn as shown in the above Table, each individual shareholder is not a related person according to Section 258, or a shareholder under the same controlling authority.

## Issuance of Other Securities

- None

## Dividended Policy

Each year the company and its subsidiaries has a dividend allocation policy at the rate of at least 40 per cent of the net profit after deducting all types of reserves as specified in the rules and regulations of the company and by relevant laws if there is no necessary reason not to do so or such a dividend payment does not significantly affect the normal operations of the company.

### Historical dividend in 5 consecutive years

Dividend Payment Description	2019	2018	2017	2016	2015
Rate of Dividend Payment in Dividend Share (Baht : Share)	-	0.01667	0.025	-	-
Rate of Dividend Payment in Cash (Baht : Share)	0.09	0.00190	0.0028	0.07	0.05
Rate of Dividend Payment in Cash (Baht : Share)	0.09	0.01857	0.0278	0.07	0.05
Rate of Dividend Payment per Net Profit (%)	86.14	35.59	42.53	202.19	60.32



## Changes of Asset Possession of the Executive Committee in the Company for the 2020 Period

Information as of 31 December 2020

First-Last Name	Position	No. of Shares			
		As of 31 Dec 2019	As of 31 Dec 2020	Increase/ (Decrease) In 2020	Shareholding proportion in the company in 2020 (%)
1. Mr. Apisit Rujikeatkamjorn	Chairman of the Board	14,080,000	7,039,999	(7,040,001)	0.7281
2. Mr. Panom Kuansataporn	Director	127,700,321	173,332,142	45,631,821	17.9267
Mrs. Natpapha Kuansataporn	Spouse	127,113,654	63,556,828	(63,556,826)	6.5733
3. Mr. Panus Kuansataporn	Director	943,876	471,938	(471,938)	0.0488
4. Ms. Panita Kuansataporn	Director	127,113,655	36,186,332	(90,927,323)	3.7425
5. Mr. Prasert Tapaneeyangkul	Director	-	-	-	-
6. Mr. Anant Sirisaengtaksin	Chairman of the Audit Committee	-	-	-	-
7. Mr. Mongkhon Kittipoomvong	The Audit Committee	161,333	80,666	(80,667)	0.0083
8. Ms. Pinmanee Makmantana	The Audit Committee	929,234	464,617	(464,617)	0.0480
9. Mr. Boonlert Ploemsuebkul	Senior Overseas Director	2,214,699	1,107,349	(1,107,350)	0.1145
Mrs. Rawiwan Ploemsuebkul	Spouse	226,072	113,036	(113,036)	0.0116
10. Ms. Ni-orn Junjamsang	Senior Director of Manag- ing Director's Office	635,080	317,540	(317,540)	0.0328
11. Mr. Akaradej Phantasarn	Sales and Marketing Direc- tor	70,452	35,226	(35,226)	0.0036
12. Mr. Likhit Laobowornseadthee	Chief Financial Officer	-	-	-	-

**Note:** The decreased number of shares resulted from the change in share value from 0.25 baht to 0.50 baht.

[illegible]

The company's structure is composed of the Board of Directors and two sub-committees, namely, the Audit Committee and the Executive Committee.

## Board of Directors

As of 31 December 2020 the Board of Directors was composed of the following nine directors:

First-Last Name	Position	Director Type	Date of Appointment
1. Mr. Apisit Rujikeatkamjorn	Director Chairman of the Board	Independent Director Non-executive Director	25 April 2014
2. Mr. Panom Kuansataporn	Director	Executive Director	18 March 2004
	Managing Director	Director with Signatory Authority	
	The Chairman of Executive Committee	Director with Signatory Authority	
3. Mr. Panus Kuansataporn	Director	Non-executive Director	14 September 2011
	Executive Director	Director with Signatory Authority	
4. Ms. Panita Kuansataporn	Director	Executive Director	28 February 2007
	Executive Director	Director with Signatory Authority	
5. Mr. Prasert Tapaneeyangkul	Director	Independent Director	27 April 2017
		Non-executive Director	
6. Mr. Anant Sirisaengtaksin	Director	Independent Director	29 April 2019
	Chairman of the Audit Committee	Non-executive Director	
7. Mr. Mongkhol Kittipoomvong	Director	Independent Director	28 April 2018
8. Ms. Pinmanee Makmantana	Director	Independent Director	3 March 2011
	The Audit Committee	Non-executive Director	

Ms. Ni-orn Junjamsang as the Secretary of the Board of Directors.

## **Authorized Directors**

Mr. Panom Kuansataporn is authorized to sign and use the company's official stamp, or Miss Panita Kuansataporn and Mr. Panus Kuansataporn jointly sign and use the company's official stamp.

## **Scope of Authority and Duties of the Chairman**

- 1) Responsible as the leader of committee in directing, examining, looking over the execution of the Executive Committee and the Sub-Committees to reach the predetermined plans.
- 2) The Chairman are the Chairman of the Board meeting and follow up all Directors to receive correct, punctual, and clear information for decision making, which will lead to the success of the company. They aim for good time management for the Board to consult and to give suggestion in all associated issues during the important meetings.
- 3) The Chairman are the Chairman during the Annual General Meeting of shareholders. They will allocate enough time for the meeting and run the meeting properly with honesty. During the meeting, they allow the participants to use their rights to protect their own benefits by asking questions, giving suggestion, and voting for important issues that could affect the company.
- 4) The Chairman are the final voters in the case that the meeting of the committee or the annual general meeting have the same number of votes.
- 5) Perform their duties with honesty, advise the structure of the committee, and understand the importance of company performance in order to follow the laws and the decision from the shareholders.

## **The Scope of Authority and Duties of the Board of Directors**

- 1) Carry out its functions according the relevant laws, the company's objectives and regulations, as well as the resolutions of the meeting of shareholders, with honesty and thoroughness for the benefits of the company. as to not result in conflict of interest which may affect the interested groups.
- 2) Responsible to the shareholders on a regular basis, perform functions by ensuring the benefits of the shareholders, disclose information to investors in a correct, complete and standardized manner.
- 3) Formulate vision, mission, and strategy including business target, the policy and directions of the company's operations.
- 4) Consider to approve the authorization chart.
- 5) Regulate, control and supervise the management team to ensure their operations consistent with the determined policy in an efficient way in order to maximize the economic value to the business.
- 6) Consider to approve investments in business expansion as well as joint venture with other entrepreneurs.
- 7) Responsible for the preparation of financial reports to the auditor for examination or verification and submit to the Audit Committee.
- 8) Appoint the Executives Board and determine its authority and functions as well as the responsibilities of the Executives Board.
- 9) They determine the guideline for internal control and relation and cover all risk factors for the highest efficiency.
- 10) Review and approve the vision mission Code of Business Ethics and Code of Conduct of the company every 3 years.

Nonetheless, a member of the Board or other persons with a potential conflict regarding the interests of the company, or other benefit conflicts with the company are not permitted to vote in such an issue.

Moreover, in the following cases, an approval is needed from the Board of Directors and the Meeting of Shareholders with the proportion of votes no less than three-fourth of the total votes of the shareholders who attend the meeting and has the right to vote.

- (A) Sale or transfer all of the company's business or some important parts;
- (B) Sale or endorse the business of other company or a private company to be in the possession of the company;
- (C) Making, amending, or terminating contracts relating to leasing of the whole business of the company or some important parts; Assigning other person to manage the company's business or merge the business with other person with the objective of sharing profits and losses
- (E) Amending the Memorandum of Association or the regulations;
- (F) Increasing capital, decreasing capital, issuing debentures, merging and terminating the company.

The company requires at least one of the Board, who is non-executive director must have the experience working with the business of the company. The company appointed Mr. Apisit Rujikeatkamjorn to be a Director and Vice Chair-man on April 25, 2014. He has all qualifications and experiences of associated work with the company business.

### The Audit Committee

The audit committee shall be responsible for verifying the financial reports of the company, checking the adequacy of the internal control system, and the risk management system, the compliance of requirements, laws, and related regulations, In addition, the Audit Committee considers to select and determine the remuneration for the company's auditor, verifies related items or items that may have benefit conflicts so as to ensure accuracy, completeness and transparency, supervises and considers work plans, budgets, and workforce of the internal audit office. In 2018, the Audit Committee has meeting 5 times and all of the directors attended the meetings. The meetings went according to the specified agendas. There was coordination and monitoring of the operations according to the recommendations of the Audit Committee which were recorded in the minutes of the meetings.

As at 31 December 2019, the Audit Committee consists of 4 independent directors.

Name		Position
1. Mr. Anant	Sirisaengtaksin	The Chairman of The Audit Committee / Independent Director
Mr. Mongkhol	Kittipoomvong	The Audit Committee / Independent Director
3. Ms. Pinmanee	Makmantana	The Audit Committee / Independent Director

Miss Ni-orn Junjamsang's is secretary's the Audit Committee Meeting.

The audit committee of the company consists of 2 persons namely Mr. Thawatchai Worrawantha and Miss Pinmanee Mekmanthana, who have knowledge and experiences in accounting and finance.

### Authority and Functions of the Audit Committee

- 1) Verify to ensure that the company has accurate and adequate financial reports.
- 2) Verify to ensure that the company has an internal control system and appropriate and effective internal audit.
- 3) Verify to ensure that the company complies with the laws and regulation on the Stock Exchange Market or related laws on the company's business.
- 4) Consider, select, propose to appoint, remove and propose remuneration of the auditor of the company and the head of the internal audit agency, or other agency that is responsible for the internal audit.
- 5) Consider the disclosure of the company's information in case of related items or items that may have benefit conflicts in order to ensure accuracy and completeness.
- 6) Prepare the report on the control of business of the Audit Committee by disclosing in the annual report of the company which has to be signed by the Chairman of the Audit Committee.
- 7) Carry out other tasks as assigned by the Board of Directors upon approval from the Audit Committee.

## Terms of the Audit Committee

The Audit Committee has the term of 3 years in the position. A member of the Audit Committee whose term is ended due to the maturity of term according to the company's regulations may be appointed again. If a position in the Audit Committee is vacant due to a reason other than the end of term, the Board of Directors shall appoint a qualified person to become a member of the Audit Committee so as to ensure the complete set of the committee as specified by the Board of Directors. The person who is newly appointed will have the term length equal to the remaining term of the member of the Audit Committee he/she replaces.

## The Executives Committee

The Executives Committee consists of 3 directors who are responsible for the determination of business operation strategies of the company under the objectives and/or the company's policy. The Board has the authority to give instructions, make plans, and operate the company according to the policy determined by the Board of Directors; pro-poses an investment plan and/or raising capital of the company to the Board of Directors and/or the Meeting of Share-holders for approval as the case may be; has authority to consider determining the welfare support to employees as it sees appropriate with respect to circumstances, traditions and effective laws; given the amount authorized by the Board of Directors, the Executives Committee has the authority to approve purchases, procurement, rental, hire-purchase of any assets as well as to invest and pay any expenses that are considered necessary to the operations of the company; given the amount authorized by the Board of Directors, the Executives Committee has the authority to approve borrowing, making overdrafts from banks, corporate or other financial institutions for the benefits of the company's business operations; and the Executives Committee has the authority to approve purchases of assets or pay any prices incurred from the operations of the company according to contracts and/or agreements with clients. The details of the authority coverage are given by the approval authorization chart as determined by the Board of Directors.

### Authority and Functions of the Executives Committee

Name		Position
1. Mr. Panom	Kuansataporn	The Chairman of Executive Committee
2. Mr. Panus	Kuansataporn	Executive Director
3. Ms. Panita	Kuansataporn	Executive Director

- 1) Have the authority to give instructions, make plans, and operate the company according to the policy determined by the Board of Directors.
- 2) Determine business operation strategies given the objective and/or policy of the company.
- 3) Propose an investment plan and/or raising capital of the company to the Board of Directors and/or the Meeting of Shareholders for approval as the case may be.
- 4) Approve the appointment of advisors considered necessary to the operations of the company.
- 5) Have authority to consider determining the welfare support to employees as it sees appropriate with respect to circumstances, traditions and effective laws.
- 6) Given the amount authorized by the Board of Directors, the Executives Board has the authority to approve purchases, procurement, rental, hire-purchase of any assets as well as to invest and pay any expenses that are considered necessary to the operations of the company. The details of the authority coverage are given by the approval authorization chart as determined by the Board of Directors.
- 7) Given the amount authorized by the Board of Directors, the Executives Board has the authority to approve borrowing, making overdrafts from banks, corporates or other financial institutions for the benefits of the company's business operations. The details of the authority coverage are given by the approval authorization chart as determined by the Board of Directors.
- 8) Have the authority to approve purchases of assets or pay any prices incurred from the operations of the company according to contracts and/or agreements with clients. The details of the authority coverage are given by the approval authorization chart as determined by the Board of Directors.

Nonetheless, the aforementioned delegation of authority and responsibilities to the Executives Committee will not include the authority and/or sub-delegation in any item approval that the Board or the Sub-delegate or a person who may have a conflict (as defined in the announcements and/or related laws) may have interests or benefits in any forms that conflict with the company or its subsidiaries. The approval of such items requires the approval from the Board of Directors and/or the Meeting of Shareholders (as the case may be) as determined by the regulations of the subsidiaries or related laws.

In 2020, the Board of Directors' Meeting and Committees' s Meeting as following ;

First-Last Name		Number in Attendance / Total Number of Meeting		
		Board of Directors	Audit Committee	Executive Committee
1. Mr. Apisit	Rujikeatkamjorn	4/4	-	-
2. Mr. Panom	Kuansataporn	4/4	-	3/3
3. Mr. Panus	Kuansataporn	4/4	-	3/3
4. Ms. Panita	Kuansataporn	4/4	-	3/3
5. Prasert	Tapaneeyangkul	4/4	-	-
6. Mr. Anant	Sirisaengtaksin <sup>1</sup>	4/4	4/4	-
7. Mongkhon	Kittipoomvong	4/4	4/4	-
8. Ms. Pinmanee	Makmantana	4/4	4/4	-

## Executives

As of 31 December 2020, the company had the following 6 executives:

List of Executives		Position
1. Mr. Panom	Kuansataporn	Managing Director
2. Miss Panita	Kuansataporn	Assistant Managing Director
3. Mr. Boonlert	Ploemsuebkul	Senior Overseas Director
4. Miss Ni-orn	Junjamsang	Senior Director of Managing Director's Office
5. Mr. Akaradej	Phantasarn	Sales and Marketing Director
6. Mr. Likhit	Laobowornseadthee	Chief Financial Officer



## Authority and Functions of the Managing Director

The managing director will be empowered to carry out tasks as assigned by the Board of Directors which follow the rules and regulations of the company. Details of the authority and functions of the managing director can be summarized as follows:

- 1) Act as a managing executive and control the normal business operations of the company.
- 2) Carry out tasks as assigned by the Board of Directors or the Executives Committee.
- 3) Determine and control the overall practical operations so as to ensure the consistency with the policy set by the Board of Directors.
- 4) Have the authority to approve purchases, rental, or investments according the work plans that are already approved or authorized to do so, or to cancel the purchase, employment, rental, hire-purchase, sales of assets, investments and payments of any expenses that are considered necessary to the operations of the company. The details of the authority coverage are given by the approval authorization chart as determined by the Board of Directors.
- 5) Have the authority to approve purchases of assets or pay any prices incurred from the operations of the company according to contracts and/or agreements with clients. The details of the authority coverage are given by the approval authorization chart as determined by the Board of Directors.
- 6) Consider the issues of business strategies and capital raising of the company and propose to the Board of Directors by the order of priority.
- 7) Have the authority to open and close various types of deposit accounts with the banks and financial institutions in order to facilitate the normal business operations of the company by largely considering the benefits to the company.
- 8) Request for the appointment of advisors in various fields that are necessary to the operations of the company through the Executives Committee.
- 9) Have the authority to employ, appoint, discharge, dismiss, fire, determine the wage rates, grant rewards, increase salaries, remunerations and bonuses for employees regardless of levels according to the remuneration de-termination policy of the company.

Nonetheless, the aforementioned delegation of authority and responsibilities of Managing Director will not include the authority and/or sub-delegation in any item approval that the Board or the sub-delegate or a person who may have a conflict (as defined in the announcements and/or related laws) may have interests or benefits in any forms that conflict with the company or its subsidiaries. The approval of such items requires the approval from the Board of Directors and/or the Meeting of Shareholders (as the case may be) as determined by the regulations of the subsidiaries or related laws.

In other circumstances apart from the aforementioned authority and functions, Managing Director may not be able to do so except being assigned from the meetings of the Board of Directors on a case-by-case basis.

## The approval authorization chart

Position	Chattel buy-sell	Property buy-sell	Loans from financial institutions
Board of Directors	Non-limit	Non-limit	Non-limit
Executive Committee	No more than 20,000,000	No more than 50,000,000	No more than 200,000,000
Managing Director	No more than 5,000,000	No more than 20,000,000	No more than 150,000,000

For the order to purchase tools, equipment, and raw materials for the purpose of business operations, if the order is made in order to support the normal business operations of the company, then the managing director can approve as normal without any limit on the approved amount.

Nonetheless, the normal business operations of the company include importing, exporting, coal screening, and selling of coal fuels.

## Corporate Secretary

The Board of Directors has appointed Miss Ni-orn Junjamsang as a Corporate Secretary since 2008. The position holder must be knowledgeable and understands the company's business and the role of the company's secretary, having knowledge of laws, regulations of the Office of the Securities and Exchange Commission and the Stock Market of Thailand, as well as having good understandings in corporate governance and the code of conduct with the authority and functions as stipulated in the Securities and Exchange Act B.E. 2535 and its amendments (No.4) B.E. 2551 and other operations as announced by the Capital Market Supervisory Board. The Scope of Authority and Duties of Corporate Secretary as following:-

1. Prepare and keep the company's documents including records of directors, director's invitation letters, meeting minutes, annual reports, invitation letter to shareholders' meetings, minutes of the shareholders' meetings and interest reports prepared by directors or executives, and so on.
2. Coordinate and communicate to shareholders for acknowledgement of rights and look after shareholders appropriately.
3. Communicate with the Stock Exchange of Thailand and regulatory agencies appropriately.
4. Ensure information disclosure under own responsibility in line with the corporate governance..

Additionally, the company supports the company's secretary in receiving continuous training with improved knowledge about the law, accounting and performance of duties as the company secretary.

## Remunerations of Directors and Management

### 1) Cash compensation

#### (a) Remunerations of Directors

The company has the proper rate of compensation for the Board by considering from the outcome of the operation of the company as overall and considering the suitability of the company size. The rate will agree with the roles and responsibility of each Board including the expansion and the growth of the company. Similar industry businesses with similar size will be compared. The compensation is divided into 3 parts :-

- 1) Meeting attendance fee for the importance of attend meeting.
- 2) Monthly remuneration for the responsibility as a Board.
- 3) The Directors annual bonus as extra compensation.

Moreover, the Board presented the principle for compensation for the Board at the Annual General Meeting for the Shareholders to consider and approve for the compensation every year. During the meeting of the year 2020 on April 29, 2020, the compensation for directors in 2020 was already approved as following details

Position	Monthly Remuneration (Baht)	Meeting Attendance Fee (Baht)
The Chairman	25,000	25,000
Director	18,000	18,000
The Chairman of the Audit Committee	25,000	25,000
Members of the Audit Committee	18,000	18,000

The total director remunerations for the accounting year of 2020 which consist of monthly remunerations, meeting attendance fee and director commission, amount to no more than 10,000,000 baht (ten million baht only). In year 2020, total amount of Cash Compensation of Board of Directors in the form of monthly compensation and director pension are Baht 4,744,000 . Details are as following :-

First-Last Name	Position	Directors' Remuneration (baht)			
		Monthly	Meeting Fee	Pension	Total
1. Mr. Apisit Rujikeatkamjorn	Director	300,000	100,000	300,000	700,000
	Chairman of the Board				
	Director				
2. Mr. Panom Kuansataporn	Managing Director	216,000	72,000	500,000	788,000
	The Chairman of Executive Committee				
3. Mr. Panus Kuansataporn	Director	216,000	72,000	300,000	588,000
	Executive Director				
4. Ms. Panita Kuansataporn	Director	216,000	72,000	400,000	688,000
	Executive Director				
5. Mr. Prasert Tapaneeyangkul	Director	216,000	72,000	200,000	488,000
	Independent Director				
6. Mr. Anant Sirisaengtaksin	Director	300,000	172,000	300,000	772,000
	Independent Director				
	The Chairman of The Audit Committee				
7. Mr. Mongkhol Kittipoomvong	Director	216,000	144,000	200,000	560,000
	Independent Director				
	The Audit Committee				
8. Ms. Pinmanee Makmantana	Director	216,000	144,000	200,000	560,000
	Independent Director				
	The Audit Committee				
Total		1,896,000	848,000	2,000,000	4,744,000

## (b) Remunerations of Management

The Management of the company receive the compensation as monthly remuneration and bonus which agree well with the outcome of the company and the results from execution of each member. The evaluation will be in the form of Key Performance Index (KPI). Above all, the managing director will consider the suitability for determining the personal compensation, bonus and the annual allowance-increasing rate and provident fund of executives which the company will pay contribution in the rate of 2 percent of the salary

Remuneration for Executive Director and Management for the first 4 executives next to the position of Managing Director and every executive in the same level as fifth management executive in total of 6 executives (in exclusion of Accounting and Finance Manager), In year 2020 Cash Compensation of Executives, total amount Baht 27,822,344.31.

## 2.) Other Remunerations

### Other Remunerations of Directors

The directors' and officers' liability insurance project provides insurance for directors and high-ranking officers or executive officers of the company and has an insurance capital of approximately 50,000,000 baht.

## Employees

The company has total employees of 444 persons. The company has a policy to pay remuneration to employees by considering the organizational structure, industrial trends, the organizational performance and work assessments, and so on. The company paid salary, overtime, living allowance, bonus, special allowance, social security, and provident fund in 2020 equal to the total amount of 102,334,269.28 baht. Moreover, the subsidiaries paid the compensation for the same items, totally of 29,869,721.45 baht. Details are as following :-

Year 2019	Operating (people)	Manage- ment (people)	Head Quarters (people)	Total (people)	Compensation (Baht)
Asia Green Energy PCL.	41	50	68	159	102,334,269.28
A.G.E. Transport Co., Ltd.	55	1	1	57	4,395,460.30
AGE Terminal Co., Ltd.	140	7	6	153	47,849,577.00
VINA AGE Co., Ltd.	17	1	-	18	7,190,545.16
AGE Marine Logistics Co., Ltd.	31	1	5	37	12,958,249.14
Grand Power (2019) Co., Ltd.	18	2	0	20	5,325,466.85
<b>Total</b>	<b>302</b>	<b>62</b>	<b>80</b>	<b>444</b>	<b>180,053,567.73</b>

## Other Remunerations

In addition to remuneration in the form of salary, bonus, provident funds paid by the company to employees, the company also offers other benefits to its employees as follows:

1. Annual employee health examinations.
2. Support as follows:
  - Financial support for funerals of employee dependents.
  - Hospital visits/child deliveries.
  - Assistance with moving/travel fees.
  - Financial compensation retirement.
  - For disaster or natural impacts according to notifications of government agencies.
  - Marriage.
3. Health/accident benefits.
4. Social security fund benefits.
5. Compensation fund benefits.
6. Provident fund benefits.
7. Employee uniform benefits.
8. Remuneration benefits:
  - Annual bonus.
9. Sports benefits.
10. Vehicle fee/accommodation fee/allowance benefits.
11. Travel insurance benefits.
12. Leave benefits:
  - Sick leave.
  - Business leave.
  - Maternity leave.
  - Leave for training or skill development.
  - Sterilization leave.
  - Military service leave.
  - Leave for male employees to care for spouse before or after child delivery.
  - Monk ordination leave.
  - Funeral leave.
  - Marriage leave.
13. Annual vacation holidays.
14. Various activities.

### Major labor disputes in the past 3 years.

- None -

### Important disputes on labor over the last 3 years

- None -

## Policy on employee development

The company emphasizes on trainings and development of employee potentials so that it has formulated a policy specifically on development and trainings with the aim to encourage development of knowledge and capability of employees on a continuous basis. The policy includes:

1. Consideration of the arrangement of training courses necessary for employees in each position.
2. Provision of the training guidelines for employees in order to support their career path.
3. Preparation of the annual training plan.
4. Evaluation of the results of trainings in order to improve the training arrangements.

During 2020, the training department has prepared the work manual on training arrangements with a policy to arrange trainings for all levels of employees as well as prepare a questionnaire to survey the need for trainings in various topics for the year to ensure the consistency and appropriateness of the working of employees. The survey was done during November – December 2020 by asking executives from each division to propose courses and put them in the training plan for the year 2021.

In 2020, the Company arranged both in-house and external training courses for its executives and employees. The total training hours amounted to 204 hours, divided into 58 hours attended by executives (6 persons) and 204 hours by employees (123 persons). Nevertheless, for new company employees, training courses are provided to increase their knowledge through six hours of orientation in which the company's background, business characteristics, governance policies, anti-corruption, labor benefits information, including on-the-job training (OJT) to provide information about the organization, work characteristics and preparations for actual work practice. Furthermore, the company provides regular employee training on an annual basis to increase skills and expertise in courses relevant to work under their responsibilities for an average duration of at least twelve hours per person per year. The training courses of the company are aimed toward improving work and communication skills such as computer skills, teamwork, leadership skills, good supervisor skills and safety skills about preventing accidents from work and machines.

### In-house training courses:

#### Executives 3 Programs

- Document Management
- Fire evacuation
- Training to provide knowledge about TQM insurance group.

#### Employees 3 Programs

- Document Management
- Fire evacuation
- Training to provide knowledge about TQM insurance group.

The Company has encouraged its employees, executives and directors to attend various training institutes' courses appropriate and beneficial to the development of their working potentials.

## **External training courses include:**

### **Executives 8 Programs**

- Personal Data Protection Act
- "Competency System" to achieve Corporate Target 2020
- CFO Refresher course Class 1
- TFRS 9- Hedging
- Business combination
- Management account for planning and decision making, Class 2/63
- Risk management (step Advance) -COSO
- TFRSs, a group of financial instruments

### **Employees - Programs**

The Company Group has spent a budget of approximately 51,014.11 baht on in-house and external training courses.

# Corporate Governance

The company realizes the importance of business operation by relying on good corporate governance, which agrees with regulation by the Stock Exchange of Thailand and the Stock Exchange Commissioner. Ethics and consciousness are well indoctrinated for treating with stakeholders. The goal is to operate the company with honesty, efficiency, and trust to the investors and all stakeholders, which is important for stability of the company.

## Corporate Governance Policy

The Board always holds the principle of systematic management and process as of corporate good governance important factor. The Board has determined Good Corporate Governance Policy including Code of Business Ethics and Code of Conduct, in a written form so that the Board, the Management, and the employees can rely as a way to perform their duties. Also, there is an update of Good Corporate Governance policy and Code of Business Ethics and Code of Conduct to be modernized and suitable to the environment, business operation, and more modern. We require having the conference to re-evaluate the management policy every year.

### **The Board of the company determines the Good Corporate Governance Policy as the followings.**

- 1) The Board, Management and employees will perform their duties with full effort and responsibility to maximum the benefits of the company. They will rely on Good Corporate Governance Policy, Code of Business Ethics and Code of Conduct as a way to operate.
- 2) The Board has a role with the Management to determine visions, strategies, policy, and business goal of the company to cover the planning of management and proper business operation.
- 3) The Board, Management and employees will treat all stakeholders with fairness and will examine, control and prevent any action or decision that will lead to any conflicts.
- 4) The Board, Management and employees will perform their duties with honesty, fairness, and transparency.
- 5) The Board accepts to reveal the information on finances and non-finance matter with creditability and punctuality so that shareholders, investors and stakeholders of the company can access such information with fairness.
- 6) The Board will provide an access to communicate with shareholders, investors, administrating organizations, shareholders and general audiences who are interested in.



The Board of Directors is aware of the importance of promoting the duty and responsibility of Director, Management and employees to be in accordance with the principle of Good Corporate Governance as stipulated by the Board of Directors. Thus, the Board of Directors has undertaken a communication of Good Corporate Governance Policy and Code of Business Ethics and Code of Conduct issues to Director, Management and employees through communication channels :-

- Employee Handbook
- Handbook “Good Corporate Governance Policy”
- Handbook “Code of Business Ethics and Code of Conduct”
- Company intranet system and Company’s website (www.agecoal.com)
- Company’s e-mail.
- Company’s public relation sign Board

Furthermore, the company has opened the training for Good Corporate Governance principle during the courses of orientation for new employees. The Stock Exchange of Thailand (SET) created “Principles of Corporate Governance for Registered Companies in 2012” which contains principles about how to govern and manage for the companies to apply. In 2014, our company had evaluated, applied such principles, and continuously performed the duties in 5 categories.

**Category 1** Rights of Shareholders

**Category 2** Equitable Treatment of Shareholders

**Category 3** Roles of stakeholders

**Category 4** Disclosure and Transparency

**Category 5** Board Responsibilities

## Category 1 - Rights of Shareholders

The Board realizes the rights of shareholders and promotes the shareholders to use their rights according to basic rights of shareholders by allowing them to receive sufficient information and supporting them to vote during the general annual meeting. The Board will not commit any action that will violate the rights of the shareholders.

The Board determines the policy to provide convenience and to promote all shareholders (both Thai and foreign investors, Individual Investor and Institution Investors) to participate in the meeting of the shareholders, as follow:-

### Facilitating and Promoting the Shareholders to Attend the Shareholders' Meeting Policy

- 1) The Annual General Meeting of shareholders is determined to be held every year within 4 months after the ending of the accounting year of the company. In case of urgency that there is a need to consider a special agenda that may affect or relate to the benefits of the shareholders and is required an approval from shareholders, the Extraordinary General Meeting of shareholders can then be called upon on a case-by-case basis.
- 2) Invitation letter to the Annual General Meeting of shareholders is prepared and sent to every type of shareholders including institutional shareholders, together with the details of meeting agendas; important and necessary information for the shareholders’ consideration; all types of letters of power of attorney namely Form A, Form B, and Form C as determined by the Ministry of Commerce; and indicating how to authorize clearly by indicating location, date, time and a map of the meeting venue. In the meeting invitation letter, details of documents that shareholders need to present in the meeting in order to preserve the right in attending the meeting will be given. The letter will be sent to shareholders at least 21 days in advance of the meeting date so that shareholders will receive sufficient, accurate, complete, and transparent information in making a decision to cast a vote. In addition, the letter will be announced in the newspapers in Thai for 3 consecutive days before the meeting date at least 3 days. Moreover, the company determines to distribute a complete book of the general annual meeting and the documents about the meeting on the website in Thai version for at least 30 days prior to the meeting day and in English version for at least 7 days prior. The shareholders can then use the information to make a decision for voting with completeness and honesty. The provided documents are intended for the shareholders to be prepared before attending the meeting. The company also broadcasts this news via the channel of SET that the company has distributed the meeting book and related documents on the company website.

3. Shareholders will be informed in case there are additional agendas in the meeting. For an urgent case regarding the preserving of rights or benefits of the company, a meeting invitation letter will be sent in advance no less than 7 days before the meeting date, while relevant information of the meeting agendas will be publicized on the website in advance before sending the documents.
4. On the meeting day, shareholders will be assisted equally by arranging sufficient welcoming officers to provide information on document inspection and meeting registration. The company uses barcode system for registration to increase efficiency and swiftness and prepares revenue stamps for the shareholders to transfer the proxy with free of charge. The company also arranges a spacious meeting place to accommodate the shareholders, and the place will be easy to transport in Bangkok area.
5. The company will not take any actions that are considered limiting the rights of attendance of shareholders. Every shareholder has to right to attend the meeting of shareholders throughout the length of the meeting.
6. Every time before starting the meeting, the chairman of the Board of Directors will inform all of the rules relevant in the meeting such as the opening of the meeting, the methods of voting and counting of votes of shareholders in order to reach a resolution for each agenda according to the regulations of the company, and so on. In counting votes, the company will carry on counting the votes of shareholders who do not cast a vote for every agenda in the meeting venue, and present a summary of the votes for every agenda clearly in the meeting venue. The company will ensure to separate the votes for each agenda clearly so as to preserve the rights of shareholders.
7. In counting votes, the company will arrange an independent outsider to count or examine the vote counts in ordinary and extra Annual General Meetings, for example the legal division or shareholders who are selected and approved from the meeting, etc. The vote counts will be available to present to the meeting and will be recorded in the minutes of the meeting.
8. The chairman of the Board of Directors will allocate time adequately in the meeting and proceed the meeting properly and transparently. During the meeting, attendants are given an opportunity to exercise their rights in taking care of their benefits by asking questions, sharing opinions, giving recommendations and casting a vote in the meeting of shareholders in important issues that may affect the company such as the appointment or removal of directors, nominating a person for an independent director, approval of the auditor, dividend allocation, decreases or increases of capital, determination or amendments of rules, memorandum of association, and special items that require approval, and so on.
9. The chairman, Directors, and related Management are responsible for attending the meeting of shareholders to answer questions arising from shareholders.
10. Shareholders are given the right to attend the meeting of shareholders after the meeting has been declared open, and have the right to cast a vote in the agenda in-between consideration that has not been voted.
11. The company has indicated the interests of directors in the invitation letter to the meeting of shareholders. And in the meeting of shareholders, if any director has an interest or is related in any of the agendas, the chairman of the meeting will inform the meeting attendants in advance before considering the agenda. The director with an interest to that agenda will not attend the meeting and be refrained from casting a vote in such an agenda.
12. The company will disclose the result of the votes for each agenda in the ordinary and extraordinary meetings of shareholders on the next working day on the company's website.
13. The company will prepare the minutes of the meeting of shareholders to be submitted to the Stock Exchange of Thailand within 14 days after the meeting date according to the requirements of the Stock Exchange of Thailand. The detailed record of the meeting, the minutes of the meeting, casting of votes and questions from shareholders in each agenda must be publicized in a complete and appropriate way.

In 2020, the company organized the general meeting of shareholders of 2020 on Monday 29 April 2019 at 2:00 pm at the Bright City Lifestyle Mall, The Bright Conference 3rd Floor Building A, 15/9 Rama 2 Road, Thakham, Bangkhuntien, Bangkok 10150, in which 9 directors were in attendance. The Managing Director and the chairmen of all committees, including the Chief Financial Officer, secretary, auditor and legal consultant of the company were all present at the meeting to answer any inquiries on various issues of shareholders. The company drafted invitation letters to the general meeting of shareholders in Thai and English and submitted them to Thailand's Securities Depository Co., Ltd., which is the company's shares registrar and who delivered the general meeting invitation letters to shareholders in advance. Additionally, a meeting invitation was disseminated on the company's website, [https://www.agecoal.com/ir\\_shareholder\\_meet.php](https://www.agecoal.com/ir_shareholder_meet.php) 29 days before the meeting date. Furthermore, the report of the general meeting of shareholders of 2019 was published on the company's website 13 days after the meeting date. As for granting rights to shareholders to propose issues as meeting agendas for consideration and nomination of directors, the company proceeded by making an announcement to the Stock Exchange of Thailand to inform shareholders. Accordingly, acceptance of issues started on 1 October 2019 and lasted up to 30 December 2019, a period of three months. Additionally, an announcement was made on the company's website specifying clear and transparent consideration procedures and methods shown on the investor relations website. At the general meeting of shareholders of 2020, no shareholders proposed any meeting agenda or nominated any person to become a director. Accordingly, in registering to attend the meeting, the company made arrangements to provide convenience to shareholders by providing suitable and sufficient staff and computer systems. A bar-code system was used for meeting registration. Additionally, voting ballots were printed for each agenda for shareholders.



## Category 2 Equitable Treatment of Shareholders

- 1) The company gives importance to every shareholder by giving an opportunity to shareholders to exercise their right in raising an additional agenda to be added to the meeting and in nominating for an expert to be elected as a company's director at least 3 months in advance of the Annual General Meeting of shareholders. In addition, the company will publicize the rules of such execution of the right through channels of the Stock Exchange of Thailand as well as clearly inform the consideration rules in accepting the proposed agenda by publicizing on the company's website as well.
- 2) Shareholders have the right to give a proxy to other person to attend the meeting and cast a vote, and obtain the document and suggestions in giving a proxy. The legal proxy once giving the letter of power of attorney to the director in the meeting will have the right to attend the meeting and cast a vote in the same way as a shareholder.
- 3) The company nominates independent directors in the letter of power of attorney of the company so as to provide options for shareholders to choose to give a proxy to one of the listed independent directors.
- 4) The company will carry out the meeting of shareholders by the order according to the meeting agenda as informed in the invitation letter and has a policy not to add an agenda in the meeting without informing shareholders in advance. This is to ensure that shareholders have an opportunity to study information relevant to the agenda before making a decision.
- 5) The chairman, directors and related Management are responsible for attending the meeting of shareholders to answer questions from shareholders. Important questions and opinions will be recorded in the minutes of the meeting so that shareholders can examine.
- 6) Shareholders are given an opportunity to register and even after the registration time shareholders who desire to attend the meeting are given an opportunity to register and attend the meeting without losing the right.
- 7) Ballots will be prepared using a barcode system and sorted by important issues in every agenda so that shareholders can cast a vote as they see appropriately. Then the voting results will be added with the voted cast in advance in letters of power of attorney before announcing the resolution of the votes in the meeting. To ensure transparency, the company will keep the ballots from shareholders for later inspection.
- 8) Updated information will be disclosed through the company's website so that shareholders can receive important changing news of the company including information required to be disclosed by relevant regulations. After disclosure to the Stock Market, such information can be disclosed on the company's website both in Thai and English. and allow the communication channels between the company and the shareholders on the company website so that the shareholders can ask questions and receive fair information.
- 9) Also, the Board and Managements cannot buy or sell the stocks during 1-month period before financial statement data or other data that can affect the price of the stock will be revealed to general audiences. They cannot buy or sell the stocks until 24 hours since the data revelation to public have passed. When the Board and Managements buy or sell the stocks, there will be a report of stock holding to the meeting of the Board to acknowledge and will be reported to the Stock Exchange Commissioner within 3 days to release to the public.
- 10) Directors or high-level Management must report their interests to the meeting of the Board of Directors for acknowledgement.
- 11) Directors and high-level executives are required to report on buying the company's shares at least 1 day before the date trading to the company's secretary.

## Conflicts of Interest

The company takes this as an important policy to not allow the Board, Managements, and the employees to use their status for personal benefits. The Board thus determines the policy for the Board, Managements, and the employees to avoid any transactions that might involve them personally and might lead to the benefit conflicts to the company. In the case that it is necessary to do so, the conditions and the price must be as if the transactions to the outsiders. The Board or the employee who are considered as stakeholders will not be a part of approval. If any transaction is related transaction under the Stock Exchange of Thailand, there must be a strict following to the rules, principles, and data revelation to public.

During the meeting of the company Board in the case the Board becomes stakeholders, the Chairman of the Board will ask Directors to explain to the meeting and will not allow the votes.

### Category 3 Roles of stakeholders

The Board recognizes the importance of rights of all stakeholders including internal groups (employees and Management of the company) and external groups (shareholders, customers, trade partners, creditors, competitors, government staffs, and other associated parts such as community where the company is located, environment, and society). The company understands the driven force from the stakeholders, which will create the ability to compete and make profits to the company, contributed to the long-term success of the company. Above all, the company realizes the importance of rights of stakeholders, detail as following :-

#### Shareholders

The company treats shareholders fairly and equally with the basic rights and adheres to the practices according to the good corporate governance. In addition, the company is determined to be a representative of shareholders in doing a transparent business with reliable accounting and financial systems. In ensuring every share-holder being treated equally in various issues related to the company, for example the right in attending the meeting and casting a vote in the meeting of shareholders, giving a proxy, providing information in advance on a timely manner in order for shareholders to use in decision making, the proper meeting venue and time allocation, disclosure of information on the interests and rights to share opinions freely in the meeting, and so on. Besides, the Board of Directors will not take any actions that may cause conflicts with the benefits of the company, seek for own benefits, and disclose confidential information to outsiders.

#### Employees

The company has given importance to every employee who is regarded as a part of the company. Therefore, it has determined a policy related to various issues that concern employees, for example salary, bonus welfares on the compensation fund, provident fund, employee uniforms, sports, annual health check-up, and assistance for child delivery, injuries or disabled, etc. In addition, the company provides development for every level of employees in order to increase their potentials necessary for the future business growth. In this regard, the company arranges training courses to enhance knowledge and capability suitable for employees in each department, reasonable and appropriate to the performance of each employee at each level, as well as ensures the transfer of knowledge to employees in that particular department.

##### Regulations and practices include:

- Ensure the working environments are safe to lives and assets of employees.
- Support and encourage the arrangements of trainings in order to provide knowledge to employees in every aspect such as development of working potentials, emphasis on the environment, and so on;
- Appointment, removal, rewarding and giving penalty to an employee must be done with equality, sincerity, and on the basis of knowledge, capability, appropriateness, and the actions or practices of the employee;
- Treat employees on the basis of fairness, and give importance to development transfer of knowledge, and employee capability, while providing opportunities to employees on a throughout and regular basis;
- Listen to opinions and suggestions from every level of employees on a fair and equal basis;
- Strictly follow the laws and regulations relevant to employees;
- Manage the operations by avoiding to take any unfair actions that may affect the job security of the employee;
- Treat employees with politeness and give respect to individualism and human dignity;
- Encourage the understanding of the code of conduct and mantle in order to promote behaviors that are in the code of conduct throughout the employees;
- Encourage employees to participate in the determination of working directions as well as the solutions to the problems of the agency and the company as a whole.
- Trainings in the business regulatory system and anti-corruption are set in the new employee's orientation course.

## Compensation and Benefit Policy

- The company will employ and allow all employees to progress in jobs and works with fairness.
- The company will allow all employees to work with their best abilities and will properly compensate to motivate their works as a form of allowance, annual bonus, and overtime.
- The company will offer various compensation in comparable amount to other business in same category according to the position, experience, degrees, and qualification of the employees. The compensation will also depend on the profits of the company in each year. It will depend on the evaluation and competency assessment system as a tool to manage and evaluate by determining KPIs or Key Performance Indicators to measure the success the work of the employees as well.
- The company will provide the fair and proper compensation according to knowledge, responsibility, and the out-come of each employee.
- The company offers benefits for basic needs of the employees such as mutual fund, annual physical examination, compensation fund, uniforms, various compensation, and training to increase professional skills.

## Channel for complaints to our employees

The Company provide a channel for complaints to our employees that indicate misconduct and illegal actions by announcing on internal Boards and websites of the company regarding channels for opinions and complaints, including opinion and complaint boxes within the company and only the managing director has a key to open the box, as well as the email of the Managing Director “panom@agecoal.com”

## Safety, Occupational Health and Working Environment Policy

The company realizes that employee is one of the success factors, so the company has polices on safety, health, and work environment to prevent and control any accidents that might occur from working. This is one of the main protocols to control and prevent any danger from working, and this is considered as duties and responsibilities of all employees to commit, examine, and investigate for safe workplace.

In 2020, 2 employees of the main office and branch office were injured in a serious work accident (causing three days or more of work absence). The company is determined to reduce accidents and will not neglect accidents and unsafe incidents or incidents that cause impacts to the health of employees. The company will provide assistance to employees who are endangered or encounter health impacts to the full extent of the company's abilities without delay and will take action to investigate into causes and carry out serious corrections to prevent recurrence of the aforementioned problems.

## Customers

The company is determined to provide goods and services that are of good quality and standards. The inspection of goods quality is ensured, the delivery of goods is accurate and in-time. Contracts, agreements and conditions made with customers must be fulfilled in a transparent and fair manner. The various forms of customer demand in each industry will be attended by having an agency to contact customers as well as giving recommendations and listening to suggestions or opinions from customers and the confidentiality issue is promised.

- Arrange a system that takes care, keeps, and protects securities or assets that customers entrust the company to look after in a concise and appropriate manner;
- Maintain sufficient amounts of various types of assets according to the officially determined laws and rules in order to create customer confidence;
- Do not call for, request or receive monies, gifts, prizes, or other rewards from customers or other persons except the acceptance from traditional giving;
- Adhere and maintain honesty as a principle in running a business;
- Follow standards that relate to running the company's business and are generally accepted;
- Run a business legally and according to official regulations, and will not provide assistance, encourage or support any illegal activities or transactions;
- Monitor occurring development and changes, initiate innovations in order to build customer satisfaction, and exert all the efforts in the work;

Professionally apply knowledge, capability, expertise, carefulness and attention to produce quality products to customers;

- Concisely and properly keep and take care of confidential information of customers, and such confidential information will not be disclosed to other persons except being granted consent from the customers or implemented according the law;
- Communicate information on products or services of the company to ensure correct understanding of customers.

In 2019, the Company was survey the customer satisfaction and the results is very satisfied level or 60%.

## Clients

The company takes into account the importance of its clients. The company purchases goods and services from clients according to the trading conditions as well as ensures its implementation following the laws, rules and con-tracts made with the clients in a fair and transparent manner. In addition, the company gives importance to the on-time payment for goods. Nonetheless, the company has a system of selecting clients that are reliable, responsible to the society and environment so as to ensure that customers get goods and services of specified standard quality.

- Do not call for, receive, pay any trade benefits to clients with dishonesty, and strictly follow the contracts, agreements and conditions made with clients. In case of failure to follow the conditions, the company will notify clients in advance at the first instance so that a solution to the problem at hand is jointly considered under the principle of reasonableness;
- Appropriately control or prevent in case there may be conflicts in benefits related to the business running, and will not seek for benefits in an illegal manner or opposing to official regulations;
- Do not take any actions related to the violation of intellectual property, encourage Managements and employees to efficiently use resources and assets of the company, use goods and services with the legal copyrights, and discourage the use of goods and services that is related to the violation of intellectual property;
- Strictly follow the trade conditions and agreements in order to create standard trades both with domestic and foreign clients.
- Payment on time with the terms of payment agreement.

## Creditors

The company has determined the conditions and practices with creditors who are financial institutions that provide financial support to the company appropriately with the business situations. Regarding this, the company has taken care of the financial situations of the company to ensure that the company can control the financial risk involved and follow the borrowing conditions according to the agreements.

- Comply with agreements made with creditors. In case of possible non-compliance, negotiations must be held with relevant creditors in advance in order to jointly seek solutions and prevent any damages.
- Provide financial information that is correct, complete and accurate.
- Not solicit, accept or offer any improper benefits from or to creditors. If there is any information suggesting an act of such, discussions should be held with relevant creditors to jointly resolve the matter fairly and promptly.

## Competitors

The company behaves according to the rules of fair competition and bases on the fair returns on both sides. In addition, the company avoids using dishonest methods to destroy its trade competitors and does not seek for its trade competitors' confidential information using dishonest or inappropriate ways, as well as do not destroy its trade competitors' reputation by accusing without the actual facts.

- Compete under the rules of fair competition on the basis of mutually fair returns.
- Not seek confidential information of business competitors by using dishonest or illegal approaches.
- Not discredit business competitors' reputation through defamatory accusations without facts.

## The Communities and society

The company is well aware of creating understanding and trusts from communities surrounding the locations of warehouses and sorting houses, thus it has set up a community relation on the environment and society unit responsible for various issues, particularly responsibilities related to conservations, protection and solving of the environmental problems that may arise to the surrounding communities and nearby the company, and taking care of complaints from members of the communities. In addition, the company has supported the public part of the surrounding communities such as giving donations to build a school, donating computers to government offices, supporting religious activities, supporting activities of school students and the elderly, and so on as the opportunity arises. In the private front, the company corporates with client companies in arranging revenue earning projects for members of the communities, as an example. Moreover, in the recruitment, the company will emphasize potential employees who have domiciles in the surrounding areas in order to create jobs for the locality and provide support to those living nearby which will result in revenue and business prosperity in those communities.

## The environment

The company is well aware of the environmental issues that may arise as a result of running the business. Since the company runs a business that involves importing, screening, and selling coals, the potential effects inevitably include dust diffusion in the areas of the sorting houses and warehouses, port, and the routes in which trucks use to deliver goods to customers. Therefore, the Company has adopted a policy to undertake the business under the Environmental Management System Standard, also known as ISO 14001:2015 to protect the environment also noise, air, and water pollutions. Within the 3 locations of warehouses and sorting houses, namely Samut Sakhon Branch, Phetchaburi Branch, and Ayutthaya Branch, which are branches that have coal sorting processes, the company has constructed a building covering machinery to ensure they are protected from noise and dust getting out. Regarding the coals resting outside the building, the company covers them with canvases and installs water spray systems in the surroundings in order to prevent dust diffusion. In preventing the water pollution, the company has built a clarifier together with ditches around the warehouses and sorting houses in preventing water from the coals leaking out directly. In the Nakhon Luang branch, the company has built 6-meter ridges and grows more than 20,000 trees in order to conserve the environment. Moreover, in terms of coal transportation, the company uses canvases covering every coal transporting truck tightly and every truck will be inspected before moving out of the port and warehouse area. In the port area where it is used as a coal transferring point to customers or the sorting houses, there will be a water spraying system to prevent dust diffusion as well. The aforementioned policies and measures result from the due attention and importance placed by the company in preventing the potential problems and environmental effects. In addition to these measures, the company also gives importance to improvements and corrections of existing measures in order to increase their effectiveness. And the policy in business running under the environmental standards (details of the activities can be found in sustainability development report year 2019)

In 2020, the company organized its annual environmental knowledge provision and training for employees to educate employees on the company's environmental conservation measures and environmental responsibility measures. Additionally, the company has created a report on monitoring quality such as on water every three months and dust, noise and air regularly every six months. In 2019, the aforementioned environmental quality monitoring values ranged within the standard values set by the company. Accordingly, the company has established a public relations agency on environmental and social issues to perform duties relevant to environmental management and dealing with the complaints of surrounding communities. Furthermore, the company has set measures to prevent, resolve and reduce environmental impacts that could occur to surrounding communities and communities near the company (details can be viewed in the Sustainable Development Report 2019).



## Efficient usage of resources

The Board realizes and promotes the indoctrination of efficient usage of resources within the organization by providing knowledge and planning on efficient usage of resources as the followings.

- Plans on resource usage and plan on water reusing in various steps.
- Plans and activities on water and electricity saving.
- Plan on reducing paper uses.
- Activities for natural resource and environment preservation.
- Media for campaign.

## Intellectual Property and Rights

The Board of Directors has policy to comply with laws related to intellectual property and rights by subjecting works or information belonging to outside parties that are accepted or to be used within the company to examination to ensure that no violation of intellectual property rights or other rights of others occur.

### Practice Guidelines

- 1) The Company must undertake the business in conformity with relevant laws and regulations of every country in which it invests, including contractual obligations in relation to valid intellectual property rights, patents, copyrights, trade secrets, and other proprietary information.
- 2) The Company shall not infringe on or misuse the valid intellectual property rights.
- 3) The Company's personnel have a duty to protect the confidentiality and prevent leakage of trade secrets, trade secret formulas, product manufacturing processes or secret business methods to the best of their ability.
- 4) The Company's personnel must respect the intellectual property rights of others and must not use not even a part of other people's works for personal gain without prior permission from or compensation payment to the work owner.

## Category 4 Disclosure and Transparency

The Board of Directors gives importance to the disclosure of key information of the company including financial reports, non-financial information, and other information according to the criteria set by the Stock Exchange of Thai-land and the Office of the Securities and Exchange Commission in an accurate, clear, complete, transparent, rapid and equal manner. In addition, the company provides report on policy and regulatory structure in the annual data form (Form 56-1), annual report (Form 56-2) and on the website [www.agecoal.com](http://www.agecoal.com) both in Thai and English within 120 days from the ending date of the accounting period. In addition, the company has revealed the minutes of shareholder's meetings so that shareholders can monitor details in the meetings. In case of any further enquiries, one can contact the investor relations and organization communication at the telephone number +662-894-0088 ext. 704, and email: [ir@agecoal.com](mailto:ir@agecoal.com) so as to ensure shareholders and interested persons having equal access to the information.

In this regard, the Company has placed prime significance on managing relations with investors, analysts and related parties so that they obtain information on a sufficient, accurate, complete, transparent and equitable manner. In 2020, it held 1 analyst meetings, along with attended Opportunity Day Quarter 4/2020. The Company also responded to enquiries from investors and shareholders on the telephone as well.

The Board of Directors has maintained the effective internal control system so as to ensure that the records of accounting items are accurate, complete, and adequate for the preservation of assets for the purpose of preventing misconduct or any significant abnormal operations.

In this regard, the Board of Directors has appointed the Audit Committee which consists of non-Executive Director and sufficiently independent. The Audit Committee is responsible for the quality of the financial reports and the internal control system including risk management.

Besides, the company has a measure on prevention of the misuse of internal information by specifying that every level of employees must not use confidential information for own or other persons' benefits and must keep the internal information and documents that cannot be disclosed to outsiders and may be used to seek for own or family's benefits, or friends in an abusive way. Such information includes information that affects the share price, trade secrets, or invention formulas, etc. Employees who disclose such information to outsiders without approval from the managing director will be considered a disciplinary action according to the company's regulations and may be legally charged as well

## Creating Financial Reports

The Board of Directors is responsible for important business operations and governance along with the company's financial statements and financial information available to the public as shown in annual information forms and annual reports. Creation of the aforementioned financial reports concurs with generally accepted accounting standards. Suitable accounting policies are chosen and practiced regularly and with careful judgement and the best projections. Furthermore, significant information is sufficiently disclosed in financial remarks, and the Board of Directors also creates reports of the responsibilities of the Board of Directors on financial reports conjunctively with auditor's reports appearing in annual reports.

In the aforementioned regard, the Board of Directors has established the Audit Committee composed of independent non-executive directors in overseeing the quality of financial reports and internal control. The opinions of the Audit Committee are shown in the Audit Committee's reports shown in annual reports.

## Category 5 Board Responsibilities

The Board of Directors consists of experts with knowledge, capability and experiences from diversified professions including engineering, management and other experiences that are beneficial to the running of the company and have independence in making decision for the maximum benefit of the company and shareholders. The Board of Directors participates in formulating the vision, missions, targets, policies, long-term business strategies and annual budget of the company, by assigning the management to present, and the Board of Directors shares opinions and discusses with the management. This is to create mutual agreement as well as to supervise the management to carry out the business according to the business plan and specified budget in an efficient manner. Moreover, the Board of Directors also supervises the procedures for assessing adequacy of the internal control system, financial reporting and performance monitoring on a regular basis.

In 2019, the Board of Directors Meeting No. 1/2019 on 27 February 2019 reviewed corporate vision, mission, strategy and the goal of the business operation considered that they were still appropriate to the present business operations of the Company such as Corporate Governance Policy, Anti Corruption Policy.

### Structure of the Board of Directors

The Board of Directors consists of 8 experts which is an appropriate number for the company and efficient to function, 2 executives, 2 non-executive and not an independent director, and 4 directors who are not executives and qualified as independent directors, which accounts for more than one-third of the total number of directors. Furthermore, the Board of Directors promote diversity in the structure of the Board of Director to have experts from diversified fields fully equipped with experiences, knowledge, expertise that are beneficial to the business running, adhering to morale and integrity, regardless of gender, race, religion, age, professional skills or other specific qualifications.

### Board of Directors' Meetings

The Board of Directors' meetings follow the regulations, laws related to public limited company, and regulations of the Stock Exchange of Thailand. Special meetings are arranged if necessary. The meetings are held at least 4 times a year when the company secretary office will send an invitation letter with the meeting agenda and meeting documents as attachments to the directors no less than 7 days before the date of the meeting so that the directors have time to study the information adequately before attending the meeting.

The Board of Directors requires that the meeting must have directors attending the meeting at least 2 out of 3 of the total number of directors to constitute a quorum. Every director must attend the meetings at least 75 per cent of the total number of meetings over the year. The company has an accurate and complete record of the meetings such that shareholders can inspect.

The Board of Directors requires that directors who are not executives to arrange their own meetings as appropriate by not having executive or management directors attending the meetings. This is so that they can have an opportunity to discuss issues or express opinions relating to the company's business and management of interest independently. Nonetheless, the results from such meetings shall be reported to the chairman and the Board of Directors for acknowledgement so as to convey to the management to implement accordingly.

In 2020, the schedule of the 2021 board of director meetings was set in advance. (The meeting schedule may change), not including the meeting on special agenda as follows ;

No.	Board of Director	Board of the Audit Committee
1	23 February 2021	23 February 2021
2	13 May 2021	13 May 2021
3	11 August 2021	11 August 2021
4	11 November 2021	11 November 2021

## Compensation for the Board and Managements

The company has determined the remuneration of directors in a clear and transparent manner as well as asked for approval from the ordinary meeting. The criteria in determining the remuneration of directors is considered from the appropriateness with the responsibilities of each director. The remuneration uses the same rate as the industry and at the level that provides incentives to retain directors who are capable and have appropriate qualifications for the responsibilities.

## Report of the Board of the Directors

The Board of Directors is responsible for the financial reports preparation including the Company's financial statements, the consolidated financial statements of the Company and subsidiaries and financial information memorandum as shown in annual report. The financial statements are prepared based on generally accepted accounting standard. The Company applies proper and acceptable accounting standard and complies with such standard regularly. The Company is very careful to prepare and manage sufficient information to disclose in the notes of financial statements.

## Self-evaluation of the Board of Director

The Board has evaluated their performance every year with three formats 1) person 2) team 3) sub-team in order for the Board to assess the outcome, the problems, and the obstacles during the previous year in order to fix and increase efficiency. The evaluation as a team and as a sub-team will be based on the protocols suggested by the Stock Exchange of Thailand, leading to properly changes of the company. With this,

### 1. Collective Evaluation of the Operating Outcome of the Company's Board of Directors

**The evaluation consists of 6 topics as follows**

- 1) Structure and qualifications of the board of directors
- 2) Roles, duties and responsibilities of the board of directors
- 3) Meeting of the board of directors
- 4) Performance of Directors
- 5) Relationship with the management
- 6) Self-development of Directors and Development of Managers

**The evaluation process is as follows**

- 1) The collective evaluation of the performance of the board of directors occurs at least once every year.
- 2) The Company's secretary concludes and presents the results of the effectiveness of the board of directors' performance to the meeting of the Company's board of directors in order to consider the evaluation results and methods for improving the effectiveness of the operations.

### 2. Individual Evaluation of the Performance of the Company's Board of Directors (Self-evaluation)

**The evaluation consists of 3 topics as follows.**

- 1) Structure and qualifications of the board of directors
- 2) Meeting of the board of directors
- 3) Roles, duties and responsibilities of the board of directors

**The evaluation process is as follows**

- 1) The directors perform an individual self-evaluation at least once per year.
- 2) The Company's secretary concludes and presents the results of the effectiveness evaluation of individual directors to the meeting of the board of directors in order to consider the evaluation results and methods for improving the effectiveness of the operations.

### 3. Collective performance evaluation of sub-committees

**The evaluation consists of 3 topics as follows.**

- 1) Structure and qualifications of the board of directors
- 2) Meeting of sub-committees
- 3) Roles, duties and responsibilities of sub-committees

**The evaluation process is as follows**

- 1) The collective performance evaluation of sub-committees occurs at least once per year.
- 2) The Company's secretary concludes and presents the results of the performance evaluation of all sub-committees to the meeting of the board of directors in order to consider the evaluation results and methods for improving the effectiveness of the operations.

In 2019, there were performance evaluations of the board of directors in the form of the collective evaluation of the board of directors, self-evaluation of the individual directors and collective evaluation of the sub-committees. The overall evaluation result is "very good."

## Consolidation or Separation of Position

The Board of Directors requires that it's the Chairman and Managing Director be two different persons. There are clearly separated to achieve a healthy balance between management and good corporate governance. The current Chairman of the Board is an independent director.

## Knowledge development of the Board

### Training for Directors and Executives

The company encourages the Board of Directors and the management to attend seminar courses that are beneficial to their functions. Courses that the Board of Directors should attend at least are courses arranged by the Thai Institute of Directors (IOD) namely Directors Certification Program courses from related supervisory agencies on a regular and constant basis. The Board of Directors has assigned the company's secretary to be a coordinator with directors to inform training courses so that directors can bring in knowledge and experiences to continuously develop the company.

Mr. Mongkol Kittipoomwong Director Member of the Audit Committee And independent director

- Attended the Ethical Leadership Program (ELP) class 20/2020 organized by the Thai Institute of Directors Association.

However, the Board requires that every year at least one Board member will attend such training to develop and increase knowledge in roles of the Board.

Currently, the Board has 9 persons that attended such trainings by passing the program of Director Certification Program (DCP) or Director Accreditation Program (DAP) by Thai Institute of Directors (IOD).

## Orientation of New Directors

The Board of Directors has specified for orientation to be provided to newly appointed directors by assigning the company secretary as the person responsible for preparing the company's information, business overview, share structure, organization structure, director's manual and meeting schedules to provide new directors information about the roles, duties and responsibilities of directors, policies and practice guidelines for governing the company's business in addition to building understanding in business and operations and risk management and to provide explanation to inquiries along with visiting various operation units of the company in order to prepare new directors for performing their duties.

## Policy on re-positioning to the Board position, managing director, and executives in other company

Corresponding to the good corporate governance and the suggestion from the Stock Exchange of Thailand, the Board has determined the policy on limiting the number of the re-positioning to the Board of other companies that are registered in the Stock Exchange of Thailand to be no more than 5 companies. All current 9 Board members hold the position in no more than 5 other companies

Also, the Board determines the managing directors and Managements to take the positions in other company as necessary in a way that it will not affect the duties and the responsibilities of the company. There also requires approval from the Board or the one in charge first.

## Succession Plan

In order to ensure that the company shall have continuity in administration, the Board of Directors sees the necessity and importance of position succession of the high-level executives and positions that are considered, Critical Position by considering the age criterion close to retirement (60 years), difficulty for replacement in the labor market or being likely to be on demand in the market, the company thus arranges to have position succession for the following positions: managing director, deputy managing director, assistant managing director and division director, so as to select appropriate persons for the position who are equipped with knowledge, capability, experiences, visions, leadership, honesty and key qualifications required by the position (Key Jobs) as well as there are regular revisions consistent with the current situations.

In the high-level executive position, the company has made a position succession plan in support of the positions from division directors upwards. Replacement persons are identified. In case no persons who can replace instantly, the company has arranged a personnel development system for preparing persons in subordinate positions along with external selection. This is to ensure confidence in investors, organizations as well as employees that the business running of the company shall be succeeded in time.

### **Report of conflicts of interests**

The Board has determined the protocol in reporting of conflicts of interests of the Board and Managements for transparency in order to prevent the problem that will lead to benefit conflicts as the followings

- The Board or Managements including family members that are associated or are the shareholders must report the conflict of interest to the company by each member must report the information since the day he or she started.
- The Board determines the evaluation of the conflicts of interests in August of every year or within 7 days after known changing of the data.
- The Board or Managements have the duties to report the stock holding of the company. If any changes, they must report to the Stock Exchange Commissioner within 3 days after changes.
- The Board assigns the Corporate Secretary to record the report of conflicts of interests.

### **Recruitment and Appointment of Directors and Management**

#### **Independent Director**

The company defines definition of independent director follow the minimum requirements of the Securities and Exchange Commission or the Stock Exchange of Thailand in accordance with the Capital Market Supervisory Board No. TorJor.4/2552 dated 20 February 2009. The Company's independent director shall have the following qualifications.

Independent Director Means a director who has no business or any related work which may affect their independent judgment. The features of the independent directors in accordance with regulations of The Stock Exchange of Thailand details are as follows: -

1. Holding shares not over one percent of the total shares with voting right of the company, holding company, subsidiary, affiliation, major shareholder or authorized person of the Company for license, however, it includes share-holding by related persons of the independent director also.
2. Not being or has been a director with management participation on employees, consultant with regular salary or authorized person of the Company, holding company, subsidiary, affiliation subsidiary in same level, major share-holder or of authorized person of the Company, except relieved from aforesaid characteristic at not less than two years before submitting permission to the Office. However, the prohibited characteristics do not include that of civil service or consultant of government body holding major shareholding or authorized person of the Company.
3. Not being person of whole blood or registration as stated in the law, in the manner of being father or mother, spouse, brotherhood and offspring including spouse of the offspring of the management, major shareholder, authorized person of person designated to be management of authorized person of the company or subsidiary.
4. Not have or has been in business relation with the Company, holding company, subsidiary, affiliation, major shareholder or authorized person of the Company, in the manner that may obstruct the independent exercise of discretion including in not being or has been a significant shareholder or authorized person of the person with business relation with the Company, holding company, subsidiary, affiliation, major shareholder or authorized person of the Company, except relieved from aforesaid characteristics at not less than two years.
5. Not being or has been auditor of the Company, holding company, subsidiary, affiliation, major shareholder or authorized person of the Company and shall not be significant shareholder, authorized person or partner of auditing office with the auditor of the Company, holding company, subsidiary, affiliation, major shareholder or authorized person of the Company in attachment, except relieved from such characteristic at not less than two years.

6. Not being or has been professional provider which includes legal consulting or financial consulting with service fee over two million baht a year from the Company, holding company, subsidiary, affiliation, major shareholder or authorized person of the Company, and not being a significant shareholder, authorized person or partner of the professional provider, except relieved from such characteristic at not less than two years.
7. Not being a director appointed to be agent of the director of the Company, major shareholder or shareholder with relation with the major shareholder.
8. Not operating similar or significant competitive business to the business of the Company or subsidiary or not being significant partner in the partnership of directorship with management participation on employees, consultant with regular salary or holding shares over one percent of the total shares with voting right in other company, operating business similar or competing with business of the Company or subsidiary.
9. Not having any characteristics that will hinder free independent opinion in relation with the operation of the Company.

After having been appointed as an independent director following the qualifications specified under items (1) through (9) above, the independent director may be assigned by the Board of Directors to make decisions on the operation of the company, the parent company, the associates, the affiliates, the associates of the same level, the major shareholders or the entities with the authority to control the company in the manner of a collective decision.

The Board contains 6 independent members, which are the persons with knowledge or competency and truly have the freedom to operate such as no business connection to the company, no connect to other influences that might affect the independent performance.

### **Terms of the Independent Director**

The Board determines the independent Director to be in position for 3 years and will circulate and retire as 1 in 3 of the entire team accordingly. When the term comes, the committee could be presented to the Annual General Meeting of Shareholders to continue as the Board and to come back in the position. The independent committee will in the position for no longer than 3 terms or 9 years starting from the day of accepting the position. In 2016, no independent committee stays more than 9 years.

### **Nomination of Directors and High-ranking Executives**

The company does not have a specific nomination and remuneration specification committee, because the company has a small organizational structure. However, a nomination and remuneration specification committee might be established in the future based on changes in the company's organizational structure and income. Accordingly, candidates for company directors and executives are required to meet the qualifications in Section 68 of the Public Company Limited Act, B.E. 2535 (A.D. 1992) in addition to the company's regulations without the prohibited characteristics in the Notification of the Capital Market Supervisory Board No. Tor. Jor. 28/2008 on Requesting for Authorization and Authorization for Offering Newly Issued Shares for Sale dated 15 December 2008.

In recruitment of qualified persons to takeover positions of directors vacating from office according to term or other cases, proposals are made to the Board of Directors to make considerations on nominated persons, who are subsequently proposed to a meeting of shareholders for further consideration of approval. The company has processes to select qualified persons based on expertise, vision and leadership with fairness and transparent work background who can express opinions independently. Persons chosen to become directors required to be consistent with the company's business operations. Accordingly, the company created the Board Skill Matrix to provide information for accompanying director recruitment with considerations based on necessary knowledge and expertise that are lacking in the Board of Directors. The Board of Directors evaluates qualified persons for becoming directors based on nominations of persons to become directors by shareholders, professional search firm, director pool or other recruitment processes deemed appropriate by the Board of Directors.

In searching and appointing the Board member of the company, the Board determines the structure of the Board to contains diverse qualities in terms of skills, experiences, special expertise, and gender. At least one of the Board must not be executives but must have the knowledge in business and industry. The composition of the company's directors and the selection, appointment, or removal from the position of a director of the company has been determined in the regulations of the company which can be concluded as follows:

1. The Board of Directors consists of at least 5 directors but not exceeding 15 directors who are elected in the meeting of shareholders. The members of the Board must contain at least 3 directors from the Audit Committee and at least a half of the total number of directors must reside in Thailand.
2. The meeting of shareholders is responsible for electing directors according to the following rules and methods:
  - Each shareholder has 1 vote for 1 share.
  - Each shareholder will cast all of their votes according to (1) to elect one person or more than one person to be a director. In case of electing more than one person, the votes will not be divided unequally between the elected persons.
  - Persons with the highest votes in order respectively will be elected as directors equaling to the number of directors that are supposed to be or to elect in a particular occasion. In case that persons in the second orders have the same number of votes and more than the number of directors that are supposed to be or to select in a particular occasion, the chairman of the meeting shall have the deciding vote.
3. In every Annual General Meeting of shareholders, the terms of one-third (1/3) of the current number of the Directors will be ended. If the number of Directors could not be divided into three proportions, the number of Directors whose terms will be ended will be the closet number to the one-third proportion. Directors whose terms are ended in the first and the second years after the registration of the company will be decided by drawing lots. For the consecutive years, the Directors who are in the positions the longest will be removed. However, those Directors who are removed may be elected to fill the positions again.
4. Any director who is resigning from the position should submit the letter of resignation to the company with the effective date from the date that the letter of resignation reaches the company.
5. In casting a vote on which Directors whose terms should be ended before seeing out their actual terms, the number of votes must be at least no less than three-fourth of the number of shareholders attending the meeting and having the right to vote, and that the total number of shares must be no less than a half of the number of shares held by the shareholders who attend the meeting and having the right to vote

The Board must allow the shareholders to present a name with qualifications to become a Board member. In 2018, no name was nominated by shareholders

### **Composition and Appointment of the Audit Committee**

The Audit Committee of the company must be the company's director who is appointed from the Board of Directors and have qualifications as specified by the securities law and the Stock Exchange of Thailand. The Audit Committee must contain no less than 3 persons and at least 1 director must have knowledge on accounting and finance.

### **Composition and Appointment of the Executives Committee**

The Board of Directors is responsible for proposing the appointment of the Executives Committee by electing from Directors and/or a certain number of Management as it sees appropriate and the Board of Directors will appoint one of the members of the Executives Committee to be the chairman of the Executives Committee.

## Corporate Governance of the Subsidiaries

The company always gives importance to the good corporate governance along with the business running, and has formulated the corporate governance policy and prepared the business ethics manual in writing with the objective to control the operations of the company and its subsidiaries. The Board of Directors has disseminated the good corporate governance policy and Code of Business Ethics and Code of Conduct to Directors, Management, and every level of employees so as to ensure understanding and observance. The company believes that good corporate governance will help the company to achieve the company's missions and that the principle of good corporate governance is to control the business running of the organization so as to ensure functional responsibility with transparency, accountability, and creation of moral competitive-ness. In addition, the practices of good corporate governance help to reduce risks and create long-term competitiveness for the organization while focusing on the maximum benefits of shareholders.

Nonetheless, in nominating and using the right to vote to appointing a person as a Director of the subsidiary is carried out by the management. Since 2010, the company has determined the regulations that such nominating and using the right to vote must be granted approval from the Board of Directors as well. The person who is appointed to be a director in the subsidiary is responsible for operating for the best benefits of the subsidiary. And the company has determined that the appointed person must be granted approval from the Board of Directors before casting a vote or using the right to vote in issues as important as those required the approval from the Board of Directors for the case of the issues operated by the company. Nonetheless, the number of Directors to represent the company in the subsidiary will be determined by the proportion of the company's shareholding.

Besides, in case of a subsidiary, the company has set the regulations that a person being appointed from the company must ensure that the subsidiary has the regulations regarding the preparation of related items, acquisition or sales of assets, or preparation of any important issues of the company in a complete and accurate manner. In addition, the subsidiary must be ensured to use the rules regarding disclosure of information and preparation of the aforementioned items in the same way as the rules of the company as well as to keep information and bookkeeping of the subsidiary in such a way that the company can examine and gather for the preparation of the consolidated financial statements on a timely basis.

## Use of Internal Information

Directors must perform their duties according to the relevant laws, the company's objective and regulations, as well as the resolutions from the meeting of shareholders. For disclosure of information that is important and affects the company, if it is information on operations, approval must be required from the managing director. If the information may affect investors, approval must be required from the meeting of the Board of Directors. For the policy and method of monitoring the misuse of internal information for own benefits, the company has assigned the Board of Directors to supervise and consider misconduct of a director and/or executive by assigning the managing director to consider the misconduct according to the penalty as agreed in the meeting of the Board of Directors in case the company's employee makes the offence. In addition, the Board and Managements cannot buy or sell the stocks during 1 month period before financial statement data or other data that can affect the price of the stock will be revealed to general audiences. They cannot buy or sell the stocks until 24 hours since the data revelation to public have passed.



## Policy on internal control

The Board realizes the importance of internal control that is sufficient and proper for all performance levels. The control must cover all aspects including control conditions, risk management, law protocols, regulations, associated rules, and assessment mechanism in order to efficiently balance and to prevent and monitor the investment of shareholders and the assets of the company.

The Board assigns the Audit Committee to review and to assess the internal control system and directly report to the Audit Committee and hires external unit to evaluate the sufficiency of internal control system to give opinions and suggestions to modify the internal control system of the company. The Board requires the report to the Audit Committee for every 3 months for better efficiency and performance.

The Audit Committee has appointed Dharmniti Auditing Co., Ltd. to internally investigate the company since 2009 until present and Dharmniti Auditing Co., Ltd. appoint Miss Somcharee Kawkomdee as the head of internal audit of the company, who is responsible for internal audit of the company (details can be found in internal audit report in attachment 3 in form 56-1) by assigning in Ms. Ni-orn Junjamsang also liaises with external hires from internal auditors

## Process in following and evaluating the outcome of the principles of good corporate governance

The Board has determined the process to follow and evaluate the outcome from the principles of good corporate governance including ethics and business ethics

- Following up and evaluating by Dharmniti Auditing Co., Ltd., internal audit of the company
- Self evaluation by Managements and employees

The company has communicated to Managements and the employees in the managing levels to follow up their subordinates. There must be an immediate report to the direct senior in the case that the performance does not follow the predetermined policy. Such policies will be a part of annual evaluation of Managements and the employees.

## Auditor Fee

The audit committee will consider the auditors according to the assessment standard of the company, namely, independence in performance, quality, performance standards, and audit committee. And the auditors are qualified according to the notification of the Stock Exchange of Thailand. And present to the Board of Directors to approve the appointment of shareholders

Mr.Termphong Opanaphan (CPA No.4501)

Mrs.Poonnard Paocharoen (CPA No.5238)

Ms.Vissuta Jariyathanakorn (CPA No.3853)

Of EY Office Company Limited (EY) with networks covering many countries Be the auditor of Asia Green Energy Public Company Limited for the year 2020 with an audit fee of 1,600,000 baht, including acknowledgment of the audit fee for the annual and quarterly consolidated financial statements of the Company and its subsidiaries. 3,865,388.30 baht (Three million eight hundred sixty five thousand three hundred eighty eight thirty satang) and pay for other services (Non-audit fee) which is the examination fee for the usage of investment promotion certificate in the past fiscal year totaling 150,000 baht (one hundred and fifty thousand baht only)

The Company's auditors Qualified according to the announcement of the Stock Exchange of Thailand and approved by the Securities and Exchange Commission and has no relationship or interest with the Company, subsidiaries, management, major shareholders. Or those related to such person in any way They are independent in auditing and expressing opinions on the Company's financial statements.

## The principles of good corporate governance in other issues

In 2020, the Board, Managements, and the employees of the company have followed the principles of good corporate governance and consistently followed up the outcome in many issues; however, there could be some principles that cannot be applied by the company as the followings.

- **The company should have the Remuneration & Nomination Committee**

The company does not have Remuneration & Nomination Committee due to the small structure of the company. In the future, there might be Remuneration & Nomination Committee from the changing in the structure and the profits of the company. However, the Board has performed well in determining the compensation and the committee payment (which are approved by the Annual General Meeting of Shareholders).

- **The company should set up CG Committee and Risk Management Committee**

The company does not specifically set up CG Committee and Risk Management Committee due to the small structure of the company. In the future, there might be initiation by considering the changed structures. However, the Audit committee has well performed in checking upon the company, the audit on risk management, and other issues, consistent to the scope and the roles of the Audit Committee and the assignment from the Board.

The Board of Directors has considered and reviewed the adoption of CG Code Practices in the Company's context prudently, responsibly cautiously, and opined that the Company has complied with CG Code under 37 practice clauses in its operations, whereby:-

- There are 24 items operated under standard policies and practice guidelines (65%)
- There are 10 items operated without good practice guidelines (27%)
- There are 3 items operated without policies and practice guidelines (8%)

This opinion shall be a part of the Board resolution, and disclosed in the Annual Report and Form 56-1.

# Corporate Social Responsibility

The company was founded in 2004 and did a business as an importer and distributor of clean coal. With the consideration of community and the environment surrounding the plant area, the company therefore developed processes for shipping, screening and storing constantly so as to ensure that its activities did not affect the society and neighboring environment and ready to solve such impacts. The business running of the company adheres to the corporate social responsibility guideline that is specified by the Stock Exchange of Thailand and the GRI Standard .as well as carries out CSR in process and CSR after process activities with the aim that activities arranged by the company will be a part that supports sustainable development in economic, social and environmental aspects. Simultaneously, the company ensures all stakeholders be taken care of with virtue, morality and ethics, as well as having governance being a controlling tool in ensuring the implementation of activities being honest, transparent and just. The company believes that “the business is to be sustainable in the society and the environment is developed sustainably” and in order for employees to realize the social responsibility, the Board of Directors has determined the social and environment responsibility policy to be used as the main policy in running the business that employees at all level can follow.

## Overall Policy

The company adheres to the business operation under the principles of Good Corporate Governance and good ethics along with true responsibility for environment and society. The company has determined the protocols of good performance according to the principles of the Stock Exchange of Thailand. The company operates the business by considering the effect to the stakeholders from within and outside the organization ranging from shareholders, employees, customers, community, and overall society. This is to reach the expectation from the stakeholders, leading to the sustainable business growth.

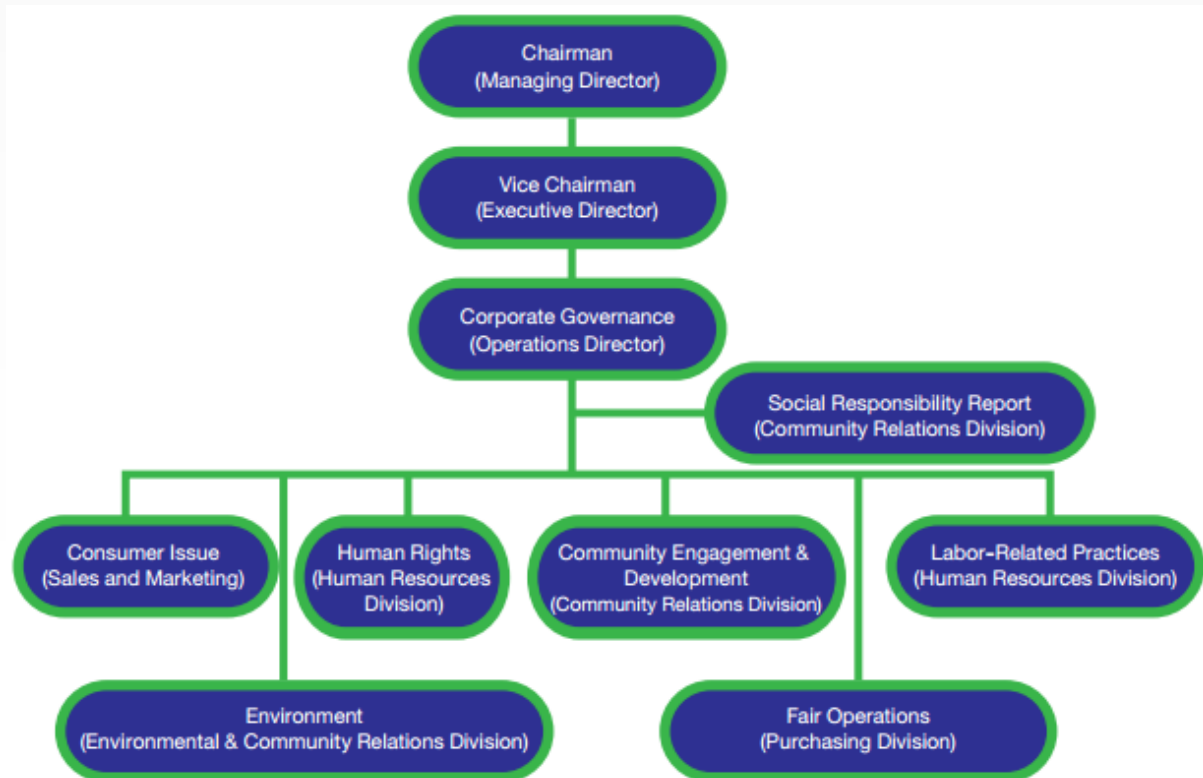
## Corporate Social Responsibility Policy

Asia Green Energy Public Company Limited and subsidiaries (“Company Group”) is committed to operating with responsibility to the society, environment and communities both in close proximity to and distant from the areas in which the Company Group directly or indirectly operates. Focuses are placed on establishing participation toward sustainable development, adhering to transparent and accountable business practices, complying with the laws, requirements or relevant international practices, as well as paying regard to ethical values, respect for human rights, impacts on the society, environment, communities and all stakeholders’ interests. To this end, the Company Group has set forth its Corporate Social Responsibility Policy as follows:

1. Strive to develop the Company Group’s businesses toward sustainable growth, while attaining environment care and concern for impacts on the society, environment and communities in general.
2. Carry out corporate social responsibility activities by focusing on participation of communities alongside public and private organizations associated both directly and indirectly with business operations of the Company Group.
3. Encourage participation of its employees and inculcate in them social responsibility values as a part of the corporate culture.
4. Attach great importance to operational safety and environmental management in order to avoid adverse impacts on the society, environment and communities.
5. Utilize knowledge, experience and expertise of the Group’s personnel along with its equipment in helping out and developing the society, environment and communities in order to bring utmost benefits to the society, environment and communities in general.

## Committee and working team of Corporate Social Responsibility

The company realizes the importance of responsibility to society, community, and environment. The company thus set up a committee and a working team of corporate social responsibility to operate the work of corporate social responsibility (CSR) with efficiency and steady development.



The committee and the working team of corporate social responsibility (CSR) have the following duties.

- 1) Announce the policy of corporate social responsibility that agrees with the company policy.
- 2) Communicate with all employees in all levels, business partners, investors, and related persons to acknowledge and understand the social responsibility.
- 3) Determine proper planning that agrees with the business strategies. It should reach the key performance index of corporate social responsibility and support the key performance index of the work.
- 4) Propose the budget, follow up on the outcome, and all report of the operation with social responsibility from various sectors and departments. It also requires the evaluation of budget and plan for maximum efficiency.
- 5) Issue regulation, order, or announcement about social responsibility of the company.
- 6) Investigate to understand the problems, advise, and solve the problems according the standard of corporate social responsibility.
- 7) Support for exchanging of ideas, knowledge, success, and experiences of corporate social responsibility (CSR) among inside and outside units.
- 8) Consider in changing or appointing staffs and committee of corporate social responsibility in department level.
- 9) Have a meeting of the committee and the outcome of corporate social responsibility for at least once a month.

Information related to corporate social responsibility can be seen from Sustainability Development Report year 2019.

## Stakeholder Groups



Stakeholder	Expectation	Response to Expectation	Communications Approach
Public and Private Sectors	<ul style="list-style-type: none"> <li>Fair business operation</li> <li>And transparent</li> <li>Compliance with laws, regulations</li> <li>And various regulations set forth</li> <li>Environmental Management And efficient use of resources</li> <li>Cooperate in providing information quickly and support government projects.</li> </ul>	<ul style="list-style-type: none"> <li>Submission of full information disclosure report in compliance with laws and requirements</li> <li>- Assessment of completeness of performance in compliance with laws, rules and regulations</li> <li>Disclose complete and sufficient information</li> <li>Responsibility to the community Society and environment, and specify guidelines and campaign for efficient use of resources within the organization.</li> <li>Build good relationships with government agencies</li> <li>Support government programs that are beneficial to the public</li> </ul>	<ul style="list-style-type: none"> <li>Dialogue "AGE Open House" Project (4 times / year)</li> <li>Tripartite meetings and informational</li> <li>Environmental impact report</li> <li>Company visit</li> <li>Opening up channels for receiving complaints Comments and suggestions</li> </ul>
Social Sector	<ul style="list-style-type: none"> <li>Compliance with laws</li> <li>Conducting business with the least impact on the environment and community</li> <li>Participation in environmental stewardship and community development</li> <li>Disclosure of complete and correct information Enough and timely</li> </ul>	<ul style="list-style-type: none"> <li>Disclosure of annual operating performance</li> <li>Communications through all channels, e.g. website, mass media and Investor Relations Department</li> <li>Responsibility to the community, society and environment</li> </ul>	<ul style="list-style-type: none"> <li>Meeting and opinion exchange session</li> <li>Visit on occasion</li> <li>Relationship building activities</li> <li>Press conference and interview</li> </ul>

Stakeholder	Expectation	Response to Expectation	Communications Approach
Employee	<ul style="list-style-type: none"> <li>Employee engagement survey</li> <li>Welfare Committee</li> <li>MD-employee meeting</li> <li>Employee suggest box</li> <li>Intranet</li> <li>E-mail</li> <li>Board</li> </ul>	<ul style="list-style-type: none"> <li>Safety at work</li> <li>Proper employee welfare</li> <li>Career progression planning</li> <li>Good work environment</li> </ul>	<ul style="list-style-type: none"> <li>Occupational health and safety policy and procedures</li> <li>Annual capacity development trainings</li> <li>Successor group trainings for preparedness</li> <li>Happy Workplace activities</li> </ul>
Community	<ul style="list-style-type: none"> <li>Community relations activities</li> <li>Discussion with community committee</li> <li>Evaluation of community activities</li> <li>Disclosing business information transparently</li> <li>Supporting community activities</li> <li>Participation in the development of the quality of life of the community</li> </ul>	<ul style="list-style-type: none"> <li>Business operations with no impact on communities</li> <li>Good environmental management with no impact on communities</li> <li>Participation in community events</li> <li>Proactive environmental management system according to ISO 14001: 2015</li> <li>Proactive environmental surveillance By creating a surveillance program and evaluating the situation while working to reduce environmental impact</li> <li>Commitment to requesting standard system certification Occupational Health and Safety ISO 45001: 2018</li> </ul>	<ul style="list-style-type: none"> <li>Community relations activities consistent with community needs</li> <li>Promotion of understanding and engagement with communities</li> <li>Good environmental management</li> <li>Disclosure of environmental quality evaluation information</li> <li>Evaluation of community relations activities</li> <li>Evaluation of community dialogue</li> <li>Entering the communication area with the community By community relations officers</li> <li>Membership and information Organize activities with the community conservation group And the port operator club In Nakhon Luang district area</li> </ul>
Shareholder / Investor	<ul style="list-style-type: none"> <li>Annual general meeting of shareholders</li> <li>Quarterly operating performance reporting</li> <li>Company visit for investors</li> <li>AGE Green News</li> </ul>	<ul style="list-style-type: none"> <li>Good Corporate Governance</li> <li>Growing operating performance</li> <li>Good return on investment</li> <li>Sustainability Management</li> </ul>	<ul style="list-style-type: none"> <li>Sufficient information disclosure</li> <li>Operations under good corporate governance principles</li> <li>Appropriate dividend payment</li> <li>Management under sustainable management</li> </ul>
Customer	<ul style="list-style-type: none"> <li>Customer visit</li> <li>Customer satisfaction survey</li> <li>Group activities with customers</li> <li>Company visit for customers</li> </ul>	<ul style="list-style-type: none"> <li>High-standard goods, and punctual delivery</li> <li>Quality services</li> <li>Reasonable prices</li> </ul>	<ul style="list-style-type: none"> <li>Management by ISO 9001 system</li> <li>Arrangement of CRM system to serve customer needs</li> <li>Problem solving of customer complaints</li> </ul>
Business Partner	<ul style="list-style-type: none"> <li>Meeting with business partners</li> <li>Company visit</li> <li>Business communication and negotiation</li> </ul>	<ul style="list-style-type: none"> <li>Fair and transparent price competition</li> <li>Fulfillment of contracts</li> <li>Recognized credibility and reputation</li> <li>Ability to support business operations</li> </ul>	<ul style="list-style-type: none"> <li>Anti-corruption policy</li> <li>Procurement procedures manual</li> <li>Assessment of confidence in partners to determine relevant indicators</li> </ul>
Creditor	<ul style="list-style-type: none"> <li>Operating performance and financial statements of the Company</li> <li>Meeting and visit on occasion</li> <li>Company visit</li> </ul>	<ul style="list-style-type: none"> <li>Ability to make payment on time</li> <li>Ability to make profits from operating performance</li> </ul>	<ul style="list-style-type: none"> <li>Good financial planning</li> <li>Analysis and assessment of business risks</li> </ul>

## Guideline for Corporate Social Responsibility

The company operates the business and its subsidiary with responsibility for society, environment, and stakeholders by relying on the following principles.

### 1. **Business operation with justice**

The company realizes the business operation with justice since the company is convinced that operating business with justice lead to trust from stakeholders and will result in sustainable development and growth. The company avoids any operation that might cause conflicts, promotes free trade competition, does not promote any violation of intellectual property or copyright, and lastly promotes to employees in all levels the importance of anti-corruption and all forms of bribery.

### 2. **Anti-Corruption Practices**

The Board of Directors encourages directors, executives and employees of all levels to operate with conscience, transparency and corporate governance principles, and not to abet corruption in all forms, either directly or indirectly. The Board has therefore set forth the Anti-Corruption and Bribery Policy, which prohibits directors, executives, employees as well as related third parties of the Company from committing any acts indicative of corruption, either by offering, promising, soliciting, demanding, giving or accepting bribes. The Company has zero tolerance to corruption, the value of which applies to all businesses and transactions of the Company in any country and all relevant units. The Company will review its operating procedures regularly to ensure alignment with changes in the laws and industry and to uphold reputation of the Company.

#### **Definitions Relating to Anti-corruption**

Corruption refers to the commission of any acts by means of offering, promising, soliciting, demanding, giving or accepting assets or any other benefits to government officials or any other persons doing business with the Company, either directly or indirectly; or the omission of an act of duty in attempt to gain or retain undue business benefits, unless otherwise allowed by the laws, regulations, local traditions or business norms.

#### **Anti-Corruption Policy**

**Asia Green Energy PLC (“AGE”)** exhibits strong intention to raise awareness among all-level employees that the solid and sustainable corporate success rests on the trust the customers, shareholders, all stakeholders and the public have in the Company and in its integrity, transparency and fairness.

Thus, the Board of Directors has devised the Anti-Corruption Policy determining duties, responsibilities and practice guidelines for all-level employees to observe, with the aim of preventing doubt about integrity of the Company’s employees. The Company has also put in place channels for complaint and prompt response process, in order for all employees to keep watch on suspicious case or improper behavior in violation of the Company’s Anti-Corruption Policy and Code of Conduct. All complaints will be addressed on an equal, transparent, attentive and fair manner.

## **Duties and Responsibilities**

### **1. Board of Directors**

Duties and Responsibilities: The Board of Directors is responsible for formulating policies and supervising to establish a system conducive to efficient anti-corruption practices, in order to ensure that the Management recognizes and values the importance of anti-corruption practices and instills the anti-corruption mindset into corporate culture.

### **2. Audit Committee**

Duties and Responsibilities: The Audit Committee is responsible for reviewing financial and accounting reporting system, internal control system, internal audit system and risk management system in order to ensure that they are compliant with international standards, prudent, suitable, up-to-date and efficient; regularly assessing possible corruption risks in such processes as sales and marketing, purchasing, contract execution, human resources management, finance and accounting, etc., and suggesting appropriate solutions thereto; as well as reviewing the Company's business operations. The Committee will oversee to ensure that the Company's internal control system is sufficient for preventing corruption risks, and report results along with recommendations for improvement of anti-corruption measures to the Board of Directors.

### **3. Executive Committee**

Duties and Responsibilities: The Executive Committee is responsible for making plans and encouraging personnel as well as all related parties to gain understanding of the Anti-Corruption Policy, practice guidelines and measures; promoting and encouraging group companies to adopt or apply this Anti-Corruption Policy and measures as appropriate; implementing comments and advice of the Board of Directors and sub-committees; and reviewing the suitability of relevant measures and systems.

### **4. Managing Director**

Duties and Responsibilities: The Managing Director is responsible for establishing systems; promoting, supporting and communicating the Anti-Corruption Policy to employees and all related parties; together with reviewing the suitability of systems and measures in line with changes in the business, rules, regulations and provisions of laws.

### **5. Director of the Office of Managing Director**

Duties and Responsibilities: The Director of the Office of Managing Director is responsible for examining and reviewing practices to ensure that they are compliant with policies, practice guidelines, entrusted authorities, regulations and applicable laws, and that control systems are suitable and sufficient for countering possible corruption risks; and reporting the results to the Audit Committee and the Board of Directors on a quarterly basis.

### **6. Internal Audit Office**

Duties and Responsibilities: The Internal Audit Office is responsible for auditing and reviewing practices to ensure that they are compliant with policies, practice guidelines, entrusted authorities, regulations and applicable laws, and that control systems are suitable and sufficient for countering possible corruption risks; and reporting the results to the Audit Committee.

### **7. Working Group**

Duties and Responsibilities: The working group, comprised of responsible members appointed from each division, is responsible for communicating policies and practice guidelines concerning anti-corruption measures to all units and related parties; following up and reporting the results to the Executive Committee.



## **The process in risk evaluation from corruption**

The company determines to have the system for risk evaluation by indicating the event or the opportunity that corruption might occur such as giving or receiving bribe, donation, business relation, and purchasing. The system considers all aspects of corruption in such false financial statement, asset losing, corruption, management override of internal controls, modification of critical information, and unjustified receive or spending of assets. The system also has to evaluate the chance for the corruption to occur and its severity from both internal and external factors. Moreover, it has to determine the proper anti-corruption policy with assessable risk and follow up the outcome evaluation.

## **Guidelines for governing and controlling to prevent and investigate the risk from corruption**

The company has determined guidelines for governing and controlling to prevent and investigate the risk from corruption as the followings.

- 1) The Board, Managements, and the employees in all levels must strictly the anti-corruption policy by not joining any corruption matter both directly and indirectly.
- 2) The employees do not ignore or neglect when the action of corruption is found. They must notify their senior or the associated officers and collaborate in finding the truth. If there is any question, please consult the senior or the associated officer or the officer who is responsibility with anti-corruption via pre-determined channels.
- 3) The company will give justice and protection to the employee who is refused to notify about the corruption by using the protocols for protection of requester or to the person who collaborates in the report of corruption.
- 4) The person who commits corruption violates the anti-corruption policy for the company and will be punished according to the rules. He or she might face charges if that act is against the federal laws.
- 5) The company realizes the importance in distributing and providing knowledge and understanding to all staffs associated with the company and affected by this anti-corruption policy.
- 6) The company intends to build and preserve the culture inside the organization by adhering that corruption is unacceptable in transactions with both public and private sectors.

## **Anti-Corruption Guidelines**

- 1) This Anti-Corruption Policy covers the personnel management processes, starting from recruitment, selection, induction, training, performance evaluation, appreciation, promotion, benefit program, and disciplinary action. Supervisors of all levels are required to communicate to staff for understanding and implementation in business activities under their responsibilities, and to oversee to ensure efficient practices.
- 2) Any actions under the Anti-Corruption Policy will be in accordance with the guidelines specified in the Corporate Governance Handbook, Code of Conduct and Code of Ethics, Anti-Corruption Measure Handbook, including relevant rules and operation manuals, as well as any other guidelines to be specified further by the Company.
- 3) For clarity of practices in matters with high possibility of corruption risks, the Company requires that the directors, executives and employees of all levels must discharge their duties carefully in the following cases:-

### 3.1 Political Contribution

The Company has a policy of political neutrality, by not supporting or acting in support of any particular political party, either directly or indirectly, as well as not utilizing the Company's resources in activities that could jeopardize the neutrality of the Company and/or cause damages as a result of the involvement in such activities. However, the Company advocates for conformity to the laws and democratic system. Therefore, all employees have the right and duty to freely and personally engage in political activities, provided that they do so out of office hours, do not use the Company's assets therein, and refrain from conduct that may create a perception that it has been done on behalf of the Company.

### 3.2 Charitable Donation and Sponsorship

Charitable donations constitute a part of AGE corporate culture to assist the underprivileged in the society, to alleviate the suffering of natural disaster victims, or to promote better living quality. All charitable donations must be approved in accordance with the procedures specified by the Company and be made in a transparent manner. The payment will clearly identify the recipient, which is a registered organization, and clearly indicate the purpose of the donation.

Monetary sponsorships, typically made for promoting corporate image or reputation, are generally carried out through social activities. All sponsorships must be considered in a transparent manner with valid and sufficient contracts or evidences of payment, and be approved by authorized persons according to the specified levels. No sponsorship will not be used as subterfuge for corruption and bribery.

### 3.3 Giving or Receiving of Gifts, or Assets, or Any Other Benefits, Hospitality, and Other Expenses

Giving or receiving gifts, or assets, or any other benefit, hospitality expenses, reception expenses and other expenses may lead to risks in corruption. Therefore, all directors and employees must not offer or accept gifts, or any other assets or benefits, hospitality expenses, reception expenses and other expenses that may conventionally be perceived as creating an obligation or expectation to return the favor, or leading to corruption. Such requirement applies to the giving or receiving of gifts, or assets, or other benefits, hospitality expenses, reception expenses and other expenses to and from third parties.

However, if the giving or receiving of gifts, or assets, or other benefits, hospitality expenses, reception expenses and other expenses does not create an obligation or expectation to corruptively return the favor and is consistent with traditions, customary practices or social etiquettes, such giving or receiving is allowed, provided that it conforms to the Company's Code of Conduct, rules and regulations.

Corporate gifts must be given in the name of the Company only, with corporate logo thereon, and on proper occasions, e.g. New Year, Songkran, Chinese New Year, etc.

**In case a gift received is of a value less than 5,000 baht**, it must be delivered to the Labor Relations and Administration Department for record of receipt, and allotted to employees by means of lucky draw in arranged activities.

**In case a gift received is of a value exceeding 5,000 baht**, it must be delivered to the Accounting Department for record of receipt, and registered as the Company's asset. The Company will subsequently consider whether the gift can be utilized by any unit. If not, approval for disposal of asset will be processed.

### 3.4 Business Relationship and Procurement

All the Company's business operations, particularly those relating to procurement with public and private sectors, both locally and overseas, must be carried out in a transparent, honest and fair manner without offering or accepting of bribes, and in accordance with the laws of Thailand and of the nations with which the Company contacts. The Company will also comply with anti-corruption laws of all localities where it operates.

- 4) Directors, executives and employees must not demand or accept money, benefits or items of improper, dishonest or exaggerated nature from persons related to the Company's business.
- 5) Directors, executives and employees must not, either for themselves or other persons, demand or accept money, benefits, items or any other benefits from persons or juristic persons doing business with the Company, which indicates an attempt to influence improper commission/omission of duties or legal offences.
- 6) It is prohibited to give, offer to give, or accept donations, monetary sponsorships, items, or any other benefits to and from third parties, e.g. government officials, brokers, representatives, trade partners, customers or persons with decision-making power, etc., with the intention of persuading such persons to commit or omit acts in violation of the laws or in abuse of duty, or bringing about advantages or exchanges for undue privileges. Giving or receiving of monetary donations or sponsorships must be carried out in a transparent and lawful manner, and it must be ensured that such the donation or sponsorships are not used as subterfuge for bribery.
- 7) In case a juristic person or third party associated with the Company's business gives an item or benefit to an executive or employee as a token of gratitude, discretion must be exercised as to the appropriateness and/or righteousness of the circumstance, taking into account governing rules and regulations. If refusal of the gift would be a gesture of insensitivity and affect the good business relationship, such an executive or employee is allowed to accept the gift, provided that it is of a reasonable value.
- 8) Receiving gifts or assets should be handled on ethical basis, be it assets or any other benefits. Such assets may be received from related persons or acquaintances, and should be so in a general and nonspecific manner. The gifts and assets must not be received illegally, and not illegal in nature.
- 9) Personnel of the Company and affiliates, as well as their families, are prohibited from demanding or accepting gifts or any other benefits from contractors, subcontractors, customers, trade partners or persons associated with the Company's business in any case, which may affect the decision in discharge of duties with bias or difficulty, or constitute a conflict of interest.
- 10) Personnel of the Company and affiliates must not give bribes or any benefits in-kind to personnel of the Company or to third parties, particularly government officials. In giving gifts, assets or any other benefits to government officials, both locally and overseas, it must be ensured that such the giving does not violate the laws and local customs.
- 11) It is undesirable on whatsoever occasion between supervisors and subordinates to give and receive gifts of a value greater than the norm which a reasonable man would do.
- 12) Directors, executives, employees and affiliates must refrain from giving or receiving items or any other benefits from trade partners or persons associated with the Company's business, except for the benefits in normal business operations, or in festivals, or by customary practices.
- 13) Directors, executives, employees and affiliates must acquaint customers, trade partners, contractors, persons or juristic persons doing business with the Company with the understanding that the Company does not support any acts identified as corruption, and will not be involved in corruption, no matter by demanding, receiving and paying bribes in all forms. If such an act is found, the Company must be notified immediately.
- 14) This policy is specified to apply to subsidiaries, affiliates or other companies over which the Company has controlling power, including persons associated with business operations.
- 15) Directors, executives and employees who do not comply with this Policy will be deemed as committing a disciplinary offence under the Company's rules and regulations. If such violation of or non-compliance with this Policy is a legal offence, the Company will report to the competent law enforcing officers for legal proceedings against the offender.

- 16) The Company and persons associated with its business
  - 16.1 Subsidiaries and affiliates over which the Company has controlling power must comply with this Anti-Corruption Policy.
  - 16.2 Business agents and intermediaries (if any): All directors, executives and employees are prohibited from employing any business agents or intermediaries for the purpose of giving or receiving bribes, or corruption.
- 17) The Company has arranged for internal auditing by employing external auditors to audit the internal operations of the Company, in order to ensure accurate financial reporting system, and compliance with the policies, requirements, regulations and the laws for the achievement of the intended objectives.

### **Guideline in following up and evaluating the anti-corruption policy**

The company determines to have guideline for following up and evaluating the anti-corruption policy.

- 1) Determine to have internal audit team to audit the internal control system, risk management, operation management, and continuous suggestion by investigating from the annual plan that is approved by the Audit Committee. The internal audit team must be responsibility in testing and evaluating risk from corruption in order to efficiently apply the protocol for anti-corruption. The team needs to evaluate and modify the anti-corruption policy frequently by presenting the risk evaluation to the Audit Committee and by reporting to the Board, respectively.
- 2) The company determines Managements and the employees to evaluate themselves every year about the practices of the good corporate governance, business ethics, company ethics, the anti-corruption policy, guideline for preventing corruption action, and ethics for employees.
- 3) If the investigation reveals that the data or the appeal show the matter of corruption that has significance to financial status and overall outcome of the company, violation of ethics, illegal action, guideline for corruption preventing, financial statement, internal control system, the Audit Committee will report to the Board to solve such issues within the proper time frame.

### **The promotion of the anti-corruption policy**

In order for all employees to receive the anti-corruption policy, the Board determines to promote and distribute the policy as the followings.

- 1) To distribute the anti-corruption policy via communication channel of the company such as intranet system of company website, annual information form (56-1), and annual report (56-2)
- 2) To have a training of the anti-corruption policy to new employees
- 3) To evaluate the anti-corruption policy every year

### **Whistleblowing/Complaint Policy**

Placing an importance on acknowledgment of complaints and suspected cases, the Board of Directors set forth a policy providing an opportunity and channel for employees and stakeholders to submit complaints, opinions, and suspected cases regarding legal offence, corruption, inaccurate financial report, defective internal control system, infringement of rights, unequal treatment, negligent and reckless act, including complaints concerning the Company's corporate governance, code of conduct, and behaviors indicative of corruption.

## Practice Guidelines

### 1. Measures on Complaints and Whistleblowing

The Company has made available safe channels through which employees can confidently access upon seeking advice about implementation of anti-corruption, complaints and whistleblowing measures, which entail provision of advice, receipt of complaints, examination of facts, summary of results, as well as protection of complainants, whistleblowers and related persons. These channels are provided for receiving complaints, opinions or suggestions of stakeholders being affected or at risk of being affected by the Company's business operations or by the discharge of duties of its directors, executives and employees in relation to acts against the laws or code of conduct, including behaviors indicative of corruption.

### 2. Scope of Complaints and Whistleblowing

2.1. Acts in violation of or non-compliance with the laws and state regulations, or the Company's corporate governance policy, code of conduct and regulations, as well as unfair treatment in operations.

2.2 Acts indicative of corruption, which refers to any acts in attempt to gain unlawful benefits for oneself or other persons, for example embezzlement, corruption, fraud, etc.

### 3. Persons Eligible to Lodge Complaints

All-level employees of the Company or third parties coming across or becoming aware of suspicious acts, as well as persons affected by the Company's business operations or by the discharge of duties of its directors, executives and employees who violate or disobey the laws and state regulations, or the Company's corporate governance policy, code of conduct and regulations, including acts indicative of corruption.

### 4. Process of Complaints and Whistleblowing

Upon coming across violation of or non-compliance with the laws, state regulations, corporate governance policy, code of conduct, corporate policies or regulations, as well as any acts indicative of corruption by the Company's directors, executives and employees, one can report the incidents via complaint/whistleblowing channels. In case an employee comes across such an incident, he/she should inquire or consult the supervisors or Corporate Secretary first. If unsure or uneasy to do so, he/she can report the incident via the provided channels. Upon receiving the complaint, the recipient can consider taking appropriate action or forward the case to relevant person, taking into account the independence to take action pertinent to the details or matter at issue, in order to find facts and follow the progress to ensure appropriate action on the complaint. Practice guidelines are as follows:-

- 1) In case of a violation of or non-compliance with personnel policies and procedures, the complaint will be forwarded to the Human Resources Manager.
- 2) In case of a violation of or non-compliance with the laws, state regulations, corporate governance policy and principles, code of conduct, and corporate regulations, the complaint will be forwarded to the Corporate Secretary.
- 3) In case of an act indicative of corruption, which refers to any acts in attempt to gain unlawful benefits for oneself or other persons, e.g. embezzlement, corruption, fraud, etc., the complaint will be forwarded to the Audit Committee.
- 4) In case the complaint under (4.1), (4.2) and (4.3) is complicated or involves several units, it will be forwarded to the Executive Committee Chairman and the Managing Director for appointment of an Investigation Committee to investigate the matter.
- 5) The complaint will be subsequently notified to the Corporate Secretary, who will register the case and record information for progress monitoring. However, if the complaint for a violation of or non-compliance with the laws and the Company's regulations or a commission of corruption is proved valid, the guilty person will undergo disciplinary action according to the Company's regulation and/or a legal action if such act is a legal offence.

### 5. False Reporting

If the reported information is proved to be false due to intentional distortion of facts or false accusation, the person reporting it is guilty of violation of the Company's code of conduct. Punishment for such offence will be in accordance with the Company's regulations and/or the provisions of laws.

## Measures on Protection of Complainants, Whistleblowers, and Related Persons

Complainants or whistleblowers will be protected appropriately and fairly by the Company from such reprisals as reassignment, demotion, relocation, suspension, threat, work harassment, termination or any other unfair treatment against them. The complaint information will be kept confidential and not be disclosed to unrelated persons, unless it is required by the laws. Related persons knowing about the complaint or information pertinent to it must maintain the confidentiality thereof and not disclose it to third parties. In case of an intentional violation of non-disclosure, the Company will take punitive actions in accordance with the Company's regulations and/or legal actions, as the case may be.

## Channels for Complaints and Whistleblowing

To treat all stakeholders equally and fairly under the corporate governance principles, the Company has provided channel for submitting complaints, suspected cases, opinions, or any suggestions indicating that stakeholders are affected or at risk of being detrimentally affected by the Company's business operations or by the discharge of duties of its employees in relation to acts against the laws or code of conduct, inaccurate financial report, or defective internal control system, including behaviors indicative of corruption, unequal treatment, or negligent and reckless act. Such incidents can be reported directly or by mail, expressly marked 'Confidential' via the following channels:-

### 1) Registered mail

Address to: Independent Director / Audit Committee Member  
Asia Green Energy Public Company Limited  
273/1, Rama II Road, Samaedam  
Bangkhunthian, Bangkok 10150

### 2) E-mail

Board of Director	bod@agecoal.com
Audit Committee	ac@agecoal.com
Independent Director	id@agecoal.com
Corporate Secretary	ni-orn@agecoal.com
Investor Relations	ir@agecoal.com

### 3) Telephone

Corporate Secretary 02-894-0088 ext. 807  
Investor Relations and Corporate Communications Department 02-894-0088 ext. 704

### 4) Drop Box

### 5) Corporate Website, "Channel for Complaints" section

The Corporate Secretary is responsible for compiling documents received via these channels, and summarizing all the suggestions and issues for submission to the Board of Directors on a quarterly basis, except for letters addressed to the Audit Committee that will be sent directly to the Committee. In the event of urgency, the case can be reported directly to the Managing Director at panom@agecoal.com. The Company will further carry out the examination procedures and record the investigation in writing without disclosing the identity of the whistleblower. All relevant information will be kept confidential in order to protect the whistleblower against any possible adverse impact.

## Measures

- 1) Directors, executives and employees of all levels of the Company must comply with the Anti-Corruption Policy by not involving in corruption, either directly or indirectly.
- 2) Persons committing corruption constitute an offence against the Company's Anti-Corruption Policy and Code of Conduct. They are subject to disciplinary action under the set regulations, and also legal action if such act is a legal offence.
- 3) Employees should not disregard or ignore behaviors identified as corruption relate to the Company, when coming across or suspicious of one. They must report the case to the supervisors or responsible persons, or via the designated channels, and cooperate in the examination of facts as specified by the Company's regulations.
- 4) The Company will ensure fairness and protection for and will not punish or pose any consequences on the directors, executives and employees who reject or report corruption related to the Company's activities, even if such actions cause it to lose business opportunities. It will strictly implement measures for protecting complainants or persons cooperating in reporting corruption as specified in the Company's complaint and whistleblowing measures.
- 5) The Company communicates the Anti-Corruption Policy and Measures, including available channels for whistleblowing, complaints or suggestions to its directors, executives, employees, affiliates and all related parties through various means, e.g. director and employee induction, internal communications within the Company group via such media as bulletin board and pamphlet in order to promote better understanding and implementation of this Policy, etc.
- 6) The Company communicates the Anti-Corruption Policy and Measures, including available channels for whistleblowing, complaints or suggestions to the public and stakeholders through various means, e.g. corporate website, annual report, etc.
- 7) The Company puts in place corruption risk management by the Audit Committee, which entails risk assessment, prioritization, appropriate measures, and progress monitoring of the executed measures. The Internal Audit is assigned to review pertinent practices.
- 8) The Company puts in place a personnel management process that reflects its commitment to the Anti-Corruption Policy and Measures. The process entails recruitment, selection, induction, training, performance evaluation, appreciation, promotion, benefit program, appropriate segregation of duties to ensure checks and balances, as well as execution to ensure sufficiency of resources and skilled personnel appropriate for the implementation of the Policy.
- 9) The Company sets forth the Corporate Authorization Procedure that is clear, prudent, efficient, transparent and accountable.
- 10) The Company puts in place an internal control system that covers financial, accounting, record keeping as well as other organizational processes pertinent to anti-corruption measures, and communicates internal control results to responsible persons.
- 11) The Company puts in place an internal audit system that covers major activities of the Company, e.g. commercial operations, procurement, etc. This is to ensure that the stated objectives of the internal control system are fulfilled, to monitor that the operating practices comply with relevant procedures, rules and regulations, and to provide advice on improvements to operating systems to achieve greater efficiency consistent with the Policy.
- 12) The Company sets forth the complaint and whistleblowing measures along with protective measures for complainants, whistleblowers and related persons, as well as means for communicating the anti-corruption measures internally through employee induction, e-Newsletter, bulletin board, pamphlets, and externally to its trade partners and customers through policy statement letter and corporate website.
- 13) The Company is committed to creating and sustaining the corporate culture of zero tolerance for corruption in business transaction with both public and private sectors.

## **Punishment**

Any person who violates laws, regulations, various policies, and other company rules will be punished and disciplined by considering from intention, environment, outcome, participation in investigation, and action that person will take to avoid the same mistake, that person will be disciplined ranging from warning to dismissal.

### **3. Respect for human rights and justice for labor**

The Board realizes that respect for human rights is the foundation for human resource development, which leads to the increase in value of the business. All employees has a right and freedom to work in a clean and safe workplace, with good hygiene, without all forms of suppression or harassment, with fair employment, and without forcing involuntarily child labor. We promote the employees to show their potential and value in them to be a part of organization development to continuous and steady growth. Hence, the Board determines the policy for all management and employees to follow in all issues including justice application and sincerity in management of fare, benefits, and interest. The company sets up benefit funds to promote saving so that the employees will have some retirement money. Moreover, the company has the process of submitting a clue and proper appeal for the employees that are unfairly treated. The process is also confidential.

The company insists in fair compensation to the employees including allowance, benefits, and other forms of compensation that are related to the value increasing for the long-term shareholders. The company also manages personnel with justice along with increasing opportunities of the employees in consistent and equal knowledge learning and full competency development. In summary, the company always promotes knowledge learning and potential development of the employees (the details of employee development can be found in the topic of operation structure, sub topic personnel).

### **4. Responsibility to customers**

The company intends to search and distribute quality products with standard, to examine the quality of the products that can be certified and respond to the demand of the customers, to deliver the products on time, to provide services before and after the sell, to realize the importance of contracts, agreement, and conditions with justice, honesty, and fairness, to give knowledge and information required to make a decision, and to keep the information of the customers as confidential.

### **5. Community and society development**

The company realizes the importance of nearby community and society since the company's business running requires acceptance from the surrounding communities while at the same time its business also creates jobs for the locals. Therefore, supporting the strengthening of the community and sustainable development is a factor that contributes to the sustainable growth of the company. And to prevent effects that may affect the nearby communities, the company has guidelines and carries out community and society development according to the CSRDW principle of the Department of Industrial Works which is a project that encourages plant entrepreneurs to carry out according to the responsibility standards of the entrepreneurs to the society, creates a network in social and community activities and participation and support activities in every part of the society such as the public sector and local administrations. This is done by exchanging knowledge, experiences and expertise which the company has provided by focusing on 4 main activities as follows:

#### **1) Education and Youth Development Activities**

The Company wishes to be part of the efforts to elevate the education level in the vicinity of the factory. The Company strongly believes that education and morality are important factors in the development of national resources, forming the significant foundation of future economic and social prosperity of the country.

#### **2) Arts and cultural supporting activities :** Given the arts and cultures that are regarded as the country's identity, the company realizes and maintains arts and cultures, traditions

#### **3) Social Support and Public Interests Activities**

The Company focuses on cohabitation and cooperation with communities, supporting participation in sustainable development, emphasizing the support, promotion and improvements regarding quality of life as well as the prosperity of communities and society alongside the Company in a sustainable manner.

#### **4) Environmental Promotion Activities**

The Company aims to operate its business with a sense of social responsibility. It considers the economic, social and environmental balances. Cohabitation with communities is also important and the Company adheres to the operating and performance principles under the environmental quality policy, leading to management practices that are systematic, effective and friendly toward communities and the environment in accordance with the international standards.



### “Rak Choomchon” Group

Since 2013, the Company has signed a memorandum of understanding (MOU) as a member of “Rak Choomchon Group” and participated in the Group’s activities for 5 years. Founded by 9 members organizations in Amphoe Nakhonluang, Ayutthaya, namely Thai Cement Manufacturers Association (TCMA), SCG, Siam City Cement PCL, Asia Cement PCL, Banpu PCL, Asia Green Energy PCL, Lanna Resources PCL, Unique Mining Services PCL and Premthai Energy Co., Ltd., the Group works toward 3 main aspects as follows:

#### 1. Working team on environmental impact measurement, which engages in:

- Biannual environmental quality monitoring, which includes monitoring of ambient air quality at 7 spots for 3 consecutive days and monitoring of surface water quality at 5 spots. The monitoring process is conducted within the scope of environmental quality monitoring as specified by the working team of Rak Choomchon Group in accordance with the National Environment Board’s notifications no. 24 (B.E. 2547) and no. 8 (B.E. 2537).
- Monthly environmental quality monitoring, which is conducted by the assigned officers who shall visit operating premises of Rak Choomchon members without prior notice and monitor air quality using handheld particle counters.



#### 2. Working team on port assessment and monitoring

The Group has set forth 19 practice benchmarks requiring the working team to make assessment and monitoring visits on a monthly basis. For sustainability, the Central Commission from TCMA shall visit the Group members every month for assessment and the members must perform loading activities on the day.



### 3. Working team on CSR

The team aims at building confidence of, reaching out to, and also giving back to the communities. Activities are divided into 3 areas as follows:

- Religion: Organizing “Rak Choomchon Robe Offering” activities for 17 temples;



- Education: Arranging “Educational Promotion Scholarships” activities for 11 schools;



- Community: Hosting 7 “Rak Choomchon Sanjorn” recreational activities.



“Community Maintenance” group has planned to provide information that is beneficial openly and transparently in order to show sincerity in being a part of the community in developing working standards and arranging social activities and that to make industries can be with the community, society and environment in a supporting and sustainable way. This is done by applying the environmental governance and green industry according to the policy of the Ministry of Industry.



## **6. Caring for the Environment**

The company realizes the environmental conservation and efficient use of resources, thus it has set up environmental and social mass relations agency which is responsible for taking care, develop, protect and manage the environment as well as receiving complaints from the community to improve the operations of the company in the future, and promoting employees to have conscience in using resources in the most efficient and effective way.

### **Policy on business operation under the environmental standard**

The company intends to operate the business with responsibility to environments with following principles. Run the business with the goal to prevent any harm to the environment by following the regulation. Aim to develop the process according to the international standard and to consistently evaluate and assess the outcome. Indoctrinate and promote employees and others associates to be responsible to the environment. Search for opportunity to exchange ideas and experience from collaborating with other units to consistently adjust our process.

In the year 2019, the company provided knowledge and training about environment to the employees about policy on environment preservation and standard on environmental responsibility.

### **Implementation Measures for Environmentally Protected Plants**

The company truly realizes the environmental problem that may arise from running the business of the company as the company is running a business of importing, screening and selling of coals that may result in diffusion of dust in the areas around the sorting houses and warehouses, the port, and the areas where trucks are loaded the coal for delivery.

In 2011, the Nadee warehouse branch in Samut Sakhon terminated its operations by the Order of Samut Sakhon Province No. 1179/2554 dated 13th July 2011 on the suspension of the coal business of coal entrepreneurs in Samut Sakhon Province which the company had followed the guidelines, measures and procedures in solving the problem arising from the running of the coal business as determined by Samut Sakhon Province. In this regard, the company adjusted its warehouses into a 100% closed system, installed slans and planted tall trees around the sorting houses for dust protection, removed the coal stock outside buildings and never kept the coal stock outside buildings, improved the traffic system and the wheel cleaning system as well as the whole transportation system which took more than 9 months. In addition, the communities, government agencies and various organizations were allowed to periodically

inspect the improvement progress of the company in order to create understanding and acceptance from the communities and related government agencies. Nonetheless, the company signed a memorandum of understanding (MOU) between the Municipal District of Nadee, the Industrial Office of Samut Sakhon, and Amphoe Muang Samut Sakhon dated 15th November 2012. Consequently, the Province of Samut Sakhon cancelled the order of suspension of the coal business of the company. The company was then able to run a normal business and was ensured that its business running followed the relevant laws and regulations.

The company has applied the aforementioned case in other branches of its warehouses and sorting houses in order to prevent the effects that may arise to the surrounding communities. The company has set up preventive measures with respect to noise, air and water pollutions by implementing the following measures around the areas of the 3 locations of warehouses and sorting houses, namely Tambon Nadee Branch in Samut Sakhon Province, Amphoe Khao Yoi Branch in Phetchaburi Province and Amphoe Nakhon Luang Branch in Ayutthaya Province:

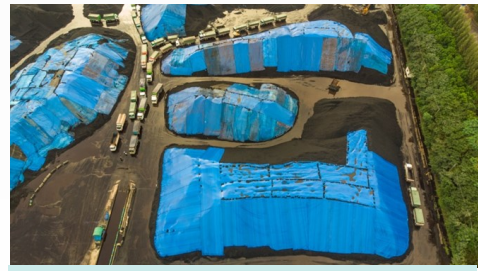
- 1) Impose measures for weight control and tarp cover on all the trucks of the Company and its business partners.
- 2) Lay vast concrete floor over the ground around stockpiles in order to reduce contamination and diffusion of coal dust into communities and to enable fuel efficiency for trucks.
- 3) Construct automatic washing bay to clean trucks and tires before leaving stockpile areas in order to reduce contamination of coal debris into communities.
- 4) Install holding and sedimentation ponds around stockpiles for reuse of wastewater and prevention of its leakage into public water sources.



- 5) Run closed-system stockpiles and screening plants, in which a water spray system is installed to prevent dust diffusion.
- 6) Arrange water service trucks for environmental care purposes to serve both the Company and communities in such works as concrete floor cleaning, community services and emergency relief.
- 7) Construct levee, plant tall trees of over 20 meters high, and install water spray system around stockpile areas to prevent dust diffusion.
- 8) Have all coal piles covered with canvas tarps.
- 9) Install safety tarps around merchandise loading point at the port to prevent coals from falling into water sources and reduce contamination.
- 10) Hire a surveyor company certified by the Department of Industrial Works to inspect noise, dust and heat emissions around ports and stockpiles twice a year, and to monitor water quality once every 3 months.



Concrete floor over the ground around stockpiles



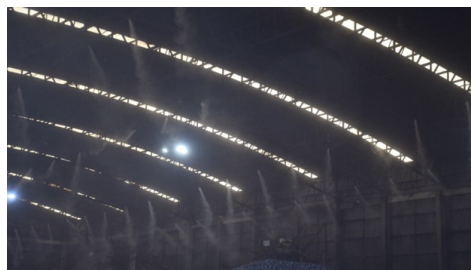
Coal piles covered with canvas tarps



Closed-system screening plants



Install water spray system around stockpile areas



Water spray system in screening plants



Automatic washing bay to clean trucks



Safety tarps around merchandise loading point

## Corporate social and environmental responsibility activities 2020

### Development of education and youth

The Company aims to be a part of driving up the education in the area around the factory. It adheres that education and morality are the critical factors in developing national resources and are the cornerstone of creating prosperity in both the country's economic and social aspects. If the foundation is good, stable, and strong, it will lead to the country's development. Therefore, the Company supports and drives educational development for youth in the factory area by enhancing youth in various aspects, including learning for survival in daily life, effectively utilizing knowledge to help others, expressing their potential and abilities. The Company is, therefore, a part in promoting, developing, supporting, enhancing sustainable education to children and youths in the year 2020 as follows:

- Project AGE TUTOR, intensive O-NET tutoring, grade 6



- Support project "Temporary teacher," Wat Pridaram School for the fourth consecutive year develop educational opportunities for local children and youth.



- Scholarship Program, Developing Student Potential for the seventh consecutive year: Wat Pridaram School, Wat Lai School (Thaweepanya), and Wat Samakan School (Pieamwittaya Ratbumrung)



- We supported National Children's Day activities to enrich experiences and to inspire local youth.





## 2. Promoting good arts and culture, and traditions of Thailand

Religion, art and culture, and Thailand traditions are essential to indicate Thailand's uniqueness, as the Thai people's pride.

The Company is therefore committed to preserving, promoting, conserving the Thai traditions to continually remain with the Thai people forever by implementing various activities in the year 2020, as follows:

- Participate in monthly support for the Sangha meeting at the Abbot, Deputy Abbot, Assistant Abbot, and Secretary at all Nakhon Luang District areas.



- Continue and revive the Tak Bat Devorohana tradition at the Prasat Nakhon Luang archaeological site, Nakhon Luang District, Ayutthaya Province.



- Promote the culture of the Kathina ceremony. Each year, the Company will host the Kathin Ceremony for the temples in the area of responsibility. In 2020, the Company hosted Wat Kaew, Mae La Subdistrict, Nakhon Luang District, Phra Nakhon Si Ayutthaya Province to fund the Sermon Hall restoration.



### 3. Social and Public Benefit Support

The Company places great importance on coexistence with the community, focusing on promoting sustainable development, building love, unity, and solidarity with the community and society, which is essential in business sustainability. The Company, therefore, focuses on promoting, supporting, developing, improving the community and society to have a good quality of life, prosperity alongside the Company sustainably, with ongoing activities in the year 2017, as follows:

- **Promote participation with the elderly club** in the Mae La sub-district (every 10th of every month) and the elderly club in the Bang Phra Kru sub-district (every 26th of every month).



- **Community assistance and relief projects from the coronavirus outbreak** Support antiseptic for preventing COVID-19 in the communities surrounding the factory.



- **Education activities on the prevention of COVID-19 and distribution of cloth masks to the elderly.**



- **AGE Caring for the Community to Fight COVID-19:** Providing subsistence bags to relieve and support the community's people from the COVID-19 epidemic situation in 3 sub-districts 11 villages, totaling more than 1,000 households.



- **Together with the Community Development Office, the Company organized a vegetable gardening project** to build food security to fight the threat of COVID-19. It supported more than 10,000 vegetable seedlings and 5,000 vegetable seed packs to support 12 sub-districts 74 villages in the Nakhon Luang District, Ayutthaya Province, to grow home-grown vegetables, building food security against COVID-19.





- **Community Livelihood Promotion Project** aims to develop honest livelihoods according to the local community, empower and develop potential, raise community products, create jobs, create sustainable household income.
- ◇ **Wat Chan Pattana, Farmer Housewife Group, Bang Phra Kru Sub-district** created awareness of making ancient Thai desserts be known to a broader audience by joining the making of Thai Traditional Dessert (Ka Nom Kong). It aims to push the OTOP registration and generate community income.



- ◇ **Dokmai Chan Housewife Group, Pridaram Temple, Moo 3, Mae La Subdistrict** joint development, build value-added to products, support products, generate income for the community sustainably.



- ◇ **Processed loincloth community enterprise, Moo 2, Bang Phra Kru Subdistrict** promote capacity building in group management, public relations, and online marketing channels.



- ◇ **Ban Tha Yai Farmer Housewife Group, Moo 1, Mae La Subdistrict** promote career creation, push for standardization, and group management.



- ◇ **Community Honest Livelihood Groups, Ban Mae La, Moo 2, Mae La Sub-district:** Promote occupation, push for standardization, and group management.





#### 4. Environmental promotion

- AGE Love Community Project Protect the environment Join in creating a model for a livable community Environmental management

◇ Energy-saving water pumping bicycle prototype project Is a further development project To utilize water from the groundwater bank at Wat Lai (Thaweepanya) School.



◇ Model community promotion project Environmental management in Mae La Subdistrict in collaboration with Mae La Subdistrict Administrative Organization Encourage pushing for a model home Environmental management With participants in the project totaling 20 houses.



◇ Project to jointly build a model community for sustainable water management in the community Promote building "The underground water bank (closed system) solves the problems of flooding and drought in the community. By joining forces to create underground water bank prototypes (closed systems) in the metropolitan area, totaling 10 points.



◇ Utilization project "Green Fermentation Tank" and "Groundwater Bank" surrounding the factory.



- ◇ Project to promote participation of employees producing "green paper bags" from wrapping paper Office waste material Used to make paper bags. Hand over to the district health promoting hospital Put the medicine on the patient Replace the use of plastic bags. In the year 2020 Has delivered over 1,000 eco-friendly paper bags to 3 hospitals in the area surrounding the factory.



- ◇ AGE project to help fight drought and help farmers Share water sources from the factory's reservoir. Help farmers



- ◇ Machine Love Community Project Support heavy machinery to help victims. And improve the environmental development in the community.



The Company's projects and activities in 2020 gained active cooperation from its employees, local people, communities as well as public and private sectors. The Company remains resolute in running its CSR projects and activities so as to be a part in creating sustainable and pleasant society in the future.



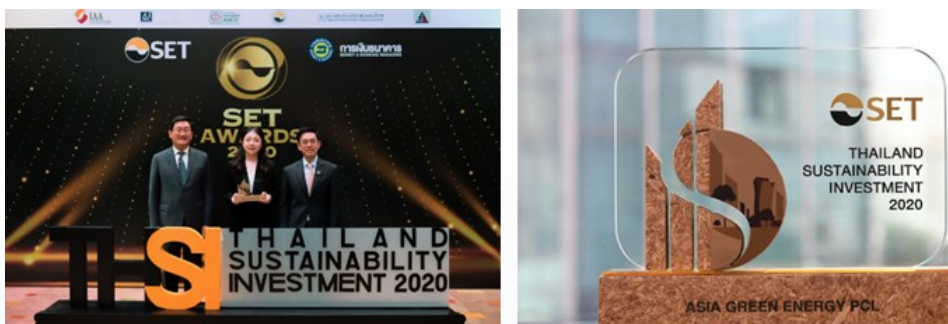
## Awards for Corporate Social Responsibility



In November 2020, Asia Green Energy Public Company Limited and AGE Terminal Company Limited (subsidiary) received the CSR-DIW CONTINUOUS AWARDS Award 2020, type of participation in the community. And Corporate Social Responsibility from the Ministry of Industry.



In November 2020, AGE Terminal Company Limited (subsidiary) received a trophy. With the announcement of honor Eco Social Value Factory at the Silver Awards level from the Department of Industrial Works.



In December 2020, Asia Green Energy Public Company Limited received the Thailand Sustainability Investment (THSI) in SET Sustainability Awards 2020 for the 3rd year from the Stock Exchange of Thailand.

# Internal Control and Risk Management

## Opinion of directors for using sufficient evaluation form for Internal control system

The Board realizes the importance of internal control by assigning the Audit Committee composed of independent committee to examine and assess the internal control system to appoint the Dharmniti Auditing Co., Ltd. to internally audit the company and directly report to the Audit Committee. This company has a duty to inspect working system of each department of the company according to the yearly examination approved by the Audit Committee. The objective is to ensure efficient performance, good resource usage, correct financial operation, following on regulation and rules, evaluation of efficiency of control system so that the business can be operated and reaches maximum benefits for all stakeholders. The Audit Committee also has a duty in considering and choosing auditors and auditor compensation, and in considering the publicizing the company information for correctness in the case of related issues and benefit conflicts.

In 2020, the Audit Committee had 5 meetings with the attendance of management. The Board and the Audit Committee had evaluated the internal control system according to the sufficiency of the internal control system composed of organization structure and environment, risk management, executives control, information and communication, and follow-up system. The Board also used the result from inspection by the Dharmniti Auditing Co., Ltd. which stated that the company had sufficient control system and proper for business operation without any deficiency regarding to the significant internal control system. The report stated that the company could protect the assets of the company and the subsidiary from false spending or corrupted power. The financial report was properly done following the general accounting principles. The financial data revelation was correct. The business operation followed the rules of assets and the stock market and other related rules.

The Board and the Audit Committee, and the auditors agreed that the business operation was done with transparency, with good internal control, with efficiency, and can prevent the assets from misusing by management and employees.

## Opinions of the Audit Committee that are different from the Board and the auditor

- None -

## **Risk Management**

The Company recognizes the importance of good organizational management in driving the organization toward sustainable growth, strong business expansion, solid financial position and capacity to deliver appropriate returns to shareholders. The Board of Directors and executives thus adopt risk management system in the business operations as a key foundation for achieving corporate goals. The risk management policy is set forth as follows:

- 1) Risk management is specified as a responsibility of executives and employees at all levels, so that they realize the risks in performing their duties. Each unit shall be responsible for identifying and assessing impacts of the risks involved in its tasks, as well as setting appropriate measures on risk prevention or mitigation. In addition, risk management reports shall be prepared in accordance with the enterprise risk management procedure and be presented to the Risk Management Committee meeting every month.
- 2) Risk management process is specified as a part of decision making and planning of strategies, action plans and business goals.
- 3) Risk management must be carried out under systematic internal control mechanism at an acceptable and appropriate level, and be consistent with the organization's action plan and business goals.
- 4) Executives and employees are encouraged and supported to gain an understanding of risk management process, through both in-house and external training courses.
- 5) The risk management body of the Company is assigned the following responsibilities:
  - Hold meetings on a monthly basis;
  - Determine risk management framework and plan;
  - Oversee and facilitate that the Company's risk management functions align with business strategies and goals, by taking into account the changing circumstances both internally and externally;
  - Give advice, monitor and evaluate risk management results to ensure highest effectiveness and accordance with principles;
  - Review the risk management efficiency and provide the Board of Directors with comments for improvements.

Management of risks must be monitored and reviewed by the Board of Directors and/or executives.

## **The head of internal Audit and the head of performance directing**

The Audit Committee had set up the Dharmniti Auditing Co., Ltd. to internally Audit the company since 2009. Currently, this company had assigned Miss Somcharee Kawkomdee as the head of internal investigation of the company, who is responsible for internal audit of the company.

The Audit Committee had checked the qualifications of the Dharmniti Auditing Co., Ltd. and of Miss Somcharee Kawkomdee and agreed that they are suitable to perform such duties since they are independent and have 14 years of experience of internal investigation. The company also set up the internal audit sector by assigning Miss Ni-orn Junjamsang to coordinate with the investigator from the outside.

Appointment or dismissal of the head of internal audit of the company must be approved by the Audit Committee. Qualification of the person who holds the position of head company operation governance can be seen in attachment 3 in form 56-1.

## Connected Transactions

The company's transactions between the company and related persons and persons with potential conflict of interest for the year ending on 31 December 2020

Person with Conflict of Interest	Relationship	Transaction Type and Value	Rationale and Necessity
1. Asia Biomass PCL operates a business of supplying and distributing biomass fuels.	Asia Biomass PCL is a listed company on the Market for Alternative Investment (MAI), with major shareholders being family members of Mr. Panom Kuansaporn, who is the Managing Director of the Company.	<p><b>1.1 Revenue from Transportation Service</b></p> <p>Two subsidiaries have provided transportation to Asia Biomass Public Company Limited, with a value of 6.31 million baht in 2020. As of December 31, 2020, the outstanding balance is 0.98 million baht.</p>	<p>Service provided by A.G.E. Transport Co., Ltd., and AGE Marine Logistics Co., Ltd., a subsidiary. Business services for all types of cargo transportation including consulting services on transportation and logistics. There are trucks and transport vessels belonging to the subsidiary company. In the event of a contract with a related company it conducts normal trade and is on the same terms as other customers, provides the prices offered by other service providers for comparison.</p> <p>The Audit Committee has considered the aforementioned transactions and considers that this transaction is a reasonable transaction. And it is for the added benefit of the subsidiary company.</p>
		<p><b>1.2 Revenue from the sale of coal</b></p> <p>The Company and a subsidiary sold coal to Asia Biomass Public Company Limited. In the year 2020, the value was 59.10 million baht. As of December 31, 2020, the outstanding balance was 19.17 million baht.</p>	<p>Selling coal by the Company and Grand Power (2019) Co., Ltd., a subsidiary company engaged in coal distribution for industrial use. In selling to related companies, the Company shall conduct normal and same trading conditions as other customers by providing different service providers prices for comparison.</p> <p>The Audit Committee has considered the transactions mentioned above. It is of the view that the transaction is reasonable and for the added benefit of the Company and its subsidiaries.</p>
		<p><b>1.3 Items of transportation expenses</b></p> <p>A subsidiary used a vehicle to transport coal from Asia Biomass Plc. in the year 2020, valued at 3.17 million baht. As of December 31, 2020, the outstanding balance was 2.16 million baht.</p>	<p>The transaction is a service for A.G.E. Transport by Asia Biomass Plc. greatly facilitates the Company's operation. It is also ready to service 24 hours a day. The pricing between each other follows the normal business practice and is the same condition as other customers.</p>

## Connected Transactions

The company's transactions between the company and related persons and persons with potential conflict of interest for the year ending on 31 December 2020

Person with Conflict of Interest	Relationship	Transaction Type and Value	Rationale and Necessity
2. Sataporn Thanapat Co., Ltd. operates a business of truck and transportation services.	Sataporn Thanapat Co., Ltd. is a subsidiary of Asia Biomass PCL which has major shareholders being family members of Mr. Panom Kuansataporn, who is the Managing Director of the Company.	<b>2.1 Revenue from selling oil</b> A subsidiary has sold oil to Sathaporn Thanapat Co., Ltd., in the year 2020, valued at 1.42 million baht. As of December 31, 2020, the outstanding balance was 0.51 million baht.	<p>The oil selling business operating by Multi Energy Trading (2020) Co., Ltd., a subsidiary company, engages in the business of distribution, including exploration, research, development, production, or procurement of any products, oil, fuel, and all types of energy used in the industry. In selling to related companies, the Company shall conduct normal and same trading conditions as other customers by providing different service providers prices for comparison.</p> <p>The Audit Committee has considered the transactions as mentioned above. It is of the view that the transaction is reasonable and</p>
		<b>2.2 Items of transportation expenses</b> Three subsidiaries used coal vehicles from Sathaporn Thanapat Co., Ltd. in the year 2020, valued at 13.98 million baht. As of December 31, 2020, the outstanding balance was 2.86 million baht.	<p>Incurred Transactions are services for the benefit of the business operation of Co., Ltd. Transport, A.G.E. Terminal Co., Ltd., and Winner 789 Logistics Co., Ltd., a subsidiary. The Sathaporn Thanapat Co., Ltd. has greatly facilitated the Company's operation and is also ready to service 24 hours a day. The pricing between each other follows the normal business practice and is the same condition as other customers.</p> <p>The company has expanded its customer base to cover more areas from the original. Therefore, in the delivery management in the past year, services from Sathaporn Thanapat Co., Ltd. Due to the fact that external service providers are unable to provide service in some areas</p> <p>The Audit Committee has considered the above transactions. Saw that this transaction was a reasonable transaction And have a fair</p>

### Connected Transactions

The company's transactions between the company and related persons and persons with potential conflict of interest for the year ending on 31 December 2020

Person with Conflict of Interest	Relationship	Transaction Type and Value	Rationale and Necessity
3. Papapat Co., Ltd. operates a business of biomass fuel distribution.	Papapat Co., Ltd. is a subsidiary of Asia Biomass PCL which has major shareholders being family members of Mr. Panom Kuansataporn, who is the Managing Director of the Company.	3.1 Income transaction from transportation service provision A subsidiary has contracted the transportation to Papaphat Co., Ltd. in the year 2020 worth 2.81 million baht, as of December 31, 2020, the outstanding balance of 0.08 million baht.	Service was provided by AGE Transport, a subsidiary operating transportation service for all types of products, including consultation services on transportation and logistics. Accordingly, trucks are used in the company's transportation and in employment by related companies, trade operations occur normally and with terms offered to other customers and with comparison of prices offered to other service providers. Accordingly, the Audit Committee has evaluated the aforementioned transaction and view that the aforementioned transaction was reasonable and for the added benefit of the company.



## Connected Transactions

The company's transactions between the company and related persons and persons with potential conflict of interest for the year ending on 31 December 2020

Person with Conflict of Interest	Relationship	Transaction Type and Value	Rationale and Necessity
4. K. H. Development Co., Ltd. operates a real estate rent business	K. H. Development Co., Ltd. is a company under the family of Mr. Panom Kuansaporn, who is the company's Managing Director.	4.1 Expense transaction for rent of office space The company entered into a rent contract with K. H. Development Co., Ltd. to use the aforementioned office space, which had an area of 826.27 square meters located at 273/1 Rama II Rd., Kwang Samaedam, Bang Khuntian, Bangkok, which is the company's main office. In the year 2020, the value is 3.25 million baht, as of December 31, 2020, there are no outstanding items.	<p>The transaction was conducted for providing space for the main office of the company and occurred for the benefit the company's business operations. The specified price was reasonable and created advantage for the company because the price was lower when compared to prices evaluated by asset evaluators.</p> <p>Accordingly, the Audit Committee has evaluated the aforementioned transaction and views the aforementioned transaction as reasonable.</p>
		4.2 Utilities transactions The company conducted a transaction to pay for utilities to K. H. Development as payment for electricity. The transaction occurred in 2020 and has a value of 0.80 million baht as of 31 December 2020, there are no outstanding unpaid.	<p>The transaction occurred as payment for utilities because the company rents office space from K. H. Development for use as the company's main office. The sales price to the company is appropriate with calculation of expense ratios according to actual rented space. Additionally, the price is equivalent to the price paid by K. H. Development paid to government agencies and state enterprises according to units and prices actually collected.</p> <p>Accordingly, the Audit Committee has evaluated the aforementioned transaction and view that the aforementioned transaction was reasonable and that the price was fair.</p>

## Connected Transactions

The company's transactions between the company and related persons and persons with potential conflict of interest for the year ending on 31 December 2020

Person with Conflict of Interest	Relationship	Transaction Type and Value	Rationale and Necessity
5. Pornpreecha Co., Ltd. operates a real estate development business.	Pornpreecha Co., Ltd. is a company under the family of Mr. Panom Kuansataporn, who is the company's Managing Director.	5.1 Land lease transaction The company entered into a rent contract of Land Title Deeds No. 122, 123, 559394 and 86564 located at 99/99 Moo 2, Na Dee, Muang District, Samut Sakhon, from Pornpreecha Co., Ltd. to use the aforementioned land for the construction of a warehouse and coal sorting office branch to operate the company's business. In 2020, the transaction value equaled 2.15 million baht, there are no outstanding unpaid.	<p>The transaction was for payment of land rental, as the Company has rented a plot of land from Pornpreecha Co., Ltd. for use in construction of its branch office, warehouse and coal screening plant for business operations of the Company.</p> <p>The transaction occurred for the benefit of the company's business operations. The specified price was reasonable and created advantage for the company because the price was lower when compared to prices evaluated by asset evaluators.</p> <p>Accordingly, the Audit Committee has evaluated the aforementioned transaction and view that the aforementioned transaction was reasonable and created advantage for the company</p>
6. FK Machinery Service Co., Ltd. provides rental services of backhoes, tractors, cranes, forklifts, loaders, forklifts, rollers or other types of vehicles, used in all types of industries.	FK Machinery Service Co., Ltd. is the family business of Mr. Panom Kuansataporn, with Mr. Atiphat Kuansataporn being the managing director of the company.	6.1 Income from oil sales A subsidiary Has sold oil to FK Machinery Co., Ltd., with a value of 6.26 million baht in 2020, as of December 31, 2020, the outstanding balance is 0.63 million baht.	<p>Oil is distributed by Multi Energy Trading Co., Ltd. (2020), a subsidiary company whose business is to sell, explore, conduct research on, develop, produce or procure all types of fuel and energy products used in the industry. Distribution to a related company include normal business operations and the same conditions as other customers that provide prices quoted by other service providers for comparison.</p> <p>In this regard, the Audit Committee has considered the aforementioned transaction and considers that the transaction is reasonable and beneficial to a subsidiary.</p>
		6.2 Backhoe rental A subsidiary leased a backhoe loader of F.K Machinery Co., Ltd. For the Company's business operation, in the year 2020, the value is 20.82 million baht, as of December 31, 2020, the outstanding balance is 1.82 million baht.	<p>The transaction occurred was the results of the rental of backhoes. AGE Terminal Company Limited, a subsidiary company, has rented backhoes from F.K Machinery Service Co., Ltd. for use in the business of the company.</p> <p>The transaction occurred for the benefit of the company's business operations by setting the price between each other at a reasonable price and with a price that is of advantage to the company. The price is lower compared to the price that the company appraised.</p> <p>In this regard, the Audit Committee has considered the aforementioned transaction and considers that the transaction is reasonable and the price is of an advantage to a subsidiary.</p>

## Connected Transactions

The company's transactions between the company and related persons and persons with potential conflict of interest for the year ending on 31 December 2020

Person with Conflict of Interest	Relationship	Transaction Type and Value	Rationale and Necessity
7. Kok Huat Property Co., Ltd., operating rental business for real estate, land, and buildings.	Kok Huat Property Co., Ltd. belongs to the Mr.Panom Kuansataporn family, with Mr. Panom Kuansataporn as the Company's Managing Director.	<b>7.1 List of service fees for document storage</b> The Company and three subsidiaries have payment for document storage service paid to Kok Huat Property Co., Ltd. It is a payment transaction for a document storage service. This transaction occurred in the year 2020 with a value of 0.03 million baht. As of December 31, 2020, the outstanding balance was 0.01 million baht.	Incurring Transactions are paid for the document storage service. Since the Company, A.G.E. Terminal Co., Ltd., A.G.E. Co., Ltd. Transport, A.G.E. Terminal Co., Ltd. and Winner 789 Logistics Co., Ltd., a subsidiary company, use the document storage service from Kok Huat Property Co., Ltd. to manage the Company's documents. The price sold to the Company is reasonable. The calculated expenses were proportional to the actual quantity and are conducted as normal trade with other service providers' prices for comparison.  The Audit Committee has considered the transactions mentioned above and viewed

## Opinions of the Audit Committee

The Audit Committee proposed that this could create conflicts between the company and the subsidiary in the future according to the announcement of The Securities and Exchange Commission Thailand. The meeting agreed that the price was reasonable, and the market price was determined just like with other prices. There was no mutual benefit between the company and the persons that might have conflict.

## Measure or Process of Approval for Connected Transaction

The Board had considered and approved the trading agreement and the transactions between the company and the subsidiary with the Board, Managements, and the associated persons. The item that was the transaction between the company and the subsidiary that could post a conflict must agree the trading conditions and market price

under reasonable conditions that can be examined. There must be no benefit transferring. Managements could operate after the Board had approved. The company would summarize the report for the Audit Committee to check every quarter.

Connected transactions not occurring as a result of normal trade activities must be submitted to the Audit Committee for consideration of suitability before the aforementioned transactions can occur. If the Audit Committee lacks expertise in evaluating the aforementioned transactions, the company will consider having an independent valuator or specialist to provide opinions about the aforementioned connected transactions to the Audit Committee to accompany the Audit Committee's decision-making and opinions to the Board of Directors or shareholders, depending on the case, for consideration of approving the aforementioned transactions. Accordingly, actions are to comply with laws governing securities and exchange and rules, notifications, orders and specifications of the Stock Exchange of Thailand. Additionally, persons with interest in connected transactions are not entitled to vote in the aforementioned transactions.

## Policies or Trends for Future Connected Transactions

The company has set policies on conducting connected transactions that if it is necessary in the future for the company to conduct connected transactions with persons with conflicts of interest with the company, the company has policy to specify various conditions in concurrence with normal trade activities and market prices comparable to prices for outside parties. Additionally, the company will assign the Audit Committee or the company's auditor or an independent specialist to make considerations, examine and provide opinions about the reasonability of transactions and suitability of prices. Accordingly, Board of Directors' meetings already make considerations on approving principles about trade agreements with general trade conditions for transactions between the company and subsidiaries, directors, executives and related persons.

However, on potential future connected transactions, directors are required to comply with various regulations that are specified. Furthermore, directors are prohibited from authorizing any transaction in which they or other persons might have conflicts of interest in any other form with the company and are required to disclose the aforementioned transactions to the Board of Directors for the Board of Directors to make considerations. Accordingly, the company is required to comply with laws governing securities and exchange and regulations, notifications and specifications of the Stock Exchange of Thailand, including specifications on disclosure of connected transactions and acquisition or disposal of assets of the company or subsidiaries. Additionally, the company will no longer conduct connected transactions with connected companies outside of the company's normal business activities.

Accordingly, if connected transactions of Asia Green Energy PCL. Occur with persons with potential conflict of interest or stakeholders or if future potential conflict of interest occur, the company will assign the Audit Committee to render opinions about prices, remunerations and necessity and rationale of the aforementioned transactions. In cases where the Audit Director lacks the expertise to evaluate potential connected transactions, the company will assign an independent specialist or the company's auditor to provide opinions about the aforementioned transactions to accompany the decision-making of the Board of Directors or shareholders, depending on the case. Additionally, the company discloses connected transactions in financial statement annotations audited by the company's auditor, annual information forms (56-1) and the company's annual reports (56-2).

**Investors' Protection Measures**

In order to provide protection to investors if in the future connected transactions of the company occurs with persons with potential conflict of interest or stakeholders or future potential for conflict of interest, the company will subject the aforementioned transactions through meetings of Board of Directors with the attendance of the Audit Committee to oversee the fair conduct of connected transactions with policies for appropriate price specification. The Board of Directors is required to carry out their duties in strict compliance with laws governing securities and exchange and regulations, notifications and specifications of the Stock Exchange of Thailand, including specifications on disclosure of information about connected transactions and acquisition and disposal of important assets of registered companies.

# Management Discussion and Analysis

## Performance overview

The operation in 2020 is another year that Asia Green Energy Public Company Limited and its subsidiaries ("the Group") face challenges from global economic and financial volatility from the impact of the COVID-19 epidemic. It will be a factor affecting the broader economic conditions both at home and abroad. However, the Group persists in its dedication and commitment to create growth and generate consistent and sustainable returns over the long term with a strong commitment to management following the principles of good corporate governance and the development of communities, society, and the environment. The Group intends to operate to continuously generate profit and pay dividends to shareholders according to the established policies regularly.

Since last year, the Group has continued to focus on and accelerate its expansion in domestic and international markets despite the COVID-19 epidemic. In 2020, the Group had a total domestic sales volume of 3.76 million tons, an increase of 1.07 million tons from 2019 or an increase of 39.52 percent, and the overseas market sales volume was 0.65 million tons, an increase of 0.52 million tons from the previous year or an increase of 408.04 percent. The sales volume increased from exports to Vietnam, Cambodia, China, Taiwan, Myanmar, etc. As a result, in 2020, the Group has a total coal sales volume of 4.41 million tons, an increase of 1.59 million tons in 2019 or 56.37 percent. The proportion between domestic to foreign coal sales is 85:15. Also, the Group has continuously expanded its integrated logistics business since 2017, including water transport by barge, land transport by truck, port and warehouse service, product screening service, and distribution of oil.

Therefore, in 2020, the Group had overall sales and service income significantly better than the previous year, with sales and service income of 7,897.52 million baht, increasing from the last year by 1,701.29 million baht or 27.46 percent. The growth mainly came from the coal business, with revenue from 7,549.14 million baht, an increase of 1,745.91 million baht, or 30.09 percent. At the same time, logistics revenue amounted to 348.38 million baht, a decrease of 44.62 million baht or 11.35 percent, with the proportion of revenue from logistics business as 4.41 percent of revenue from sales and services compared to 6.33 percent of the previous year.

The Group had a gross profit from sales and services of 896.95 million baht, an increase of 89.97 million baht or 11.15 percent. The gross profit margin at 11.36 percent, decreasing from the previous year, which was 13.02 percent. Last year lower average selling price caused the gross profit margin to decline due to the global economic conditions.

Other income of the Group in 2020 amounted to 33.77 million baht, an increase of 20.47 million baht from the previous year.

The Group had operating profit before interest and tax of 308.47 million baht less than the previous year. It was caused by the decrease in gross profit margin and the increase in selling and distribution expenses by the Group. In the year 2020, the Company had finance costs of 46.27 million baht, a decrease of 1.87 million baht from the previous year. However, the Group had an exchange gain of 20.36 million baht and a return on equity of 12.25 percent, lower than the last year at 16.25 percent.

As of December 31, 2020, the Group had total assets of 5,410.62 million baht, an increase of 678.54 million baht from the previous year. The Group's current assets increased by 300.13 million baht. It was mainly due to increased trade and other receivables of 857.40 million baht, caused by increased sales revenue from the previous year. In comparison, the inventories decreased by 546.20 million baht in line with the increase in sales. At the same time, cash and cash equivalents, derivative assets, and other current assets decreased by 11.07 million baht. However, the Group increased non-current assets by 378.41 million baht, mainly due to an increase in the asset right-to-use list of 264.57 million baht from the first implementation TFRS 16. Investment in joint ventures increased by 72.64 million baht and other non-current assets increased, totaling 41.20 million baht.

As of December 31, 2020, the Group had total liabilities of 3,545.50 million baht, an increase of 629.04 million baht or 21.57 percent from the previous year. It was mainly due to an increase in trade and other payables of 369.64 million baht and an increase in lease liabilities of 247.26 million baht from the first implementation of the TFRS 16. At the same time, other types of liabilities increased by 12.14 million baht.

The shareholders' equity of the Group of companies as of December 31, 2020, totaled 1,865.12 million baht, increasing from the previous year by 49.51 million baht or 2.73 percent, which has details of significant changes as follows:

- Net profit and other comprehensive income for the year 2020 increased by 228.90 million baht and 1.84 million baht, respectively.
- A decrease of 3.39 million baht from the impact of accounting policy changes regarding the first implementation of TFRS 9 and 16.
- Decreased from dividend payment of 174.04 million baht, and a subsidiary paid a dividend to non-controlling parties of 3.80 million baht.

## Past performance

### A. Revenue from sales and services

Revenue from sales and services	2020		2019		Volume change Increase (decrease)		Sales change Increase (decrease)	
	Million tons	Million baht	Million tons	Million baht	Million tons	%	Million baht	%
Revenue from domestic sales	3.76	6,651.84	2.69	5,629.78	1.07	39.52	1,022.06	18.15
Revenue from foreign sales	0.65	897.30	0.13	173.45	0.52	408.04	723.85	417.33
<b>Total sales revenue</b>	<b>4.41</b>	<b>7,549.14</b>	<b>2.82</b>	<b>5,803.23</b>	<b>1.59</b>	<b>56.37</b>	<b>1,745.91</b>	<b>30.09</b>
Revenue from services		348.38		393.00			(44.62)	(11.35)
<b>Revenue from sales and services</b>		<b>7,897.52</b>		<b>6,196.23</b>			<b>1,701.29</b>	<b>27.46</b>

In 2020, the Group had total sales and service income of 7,897.52 million baht, an increase from the year 2019 by 1,701.29 million baht or 27.46 percent due to:

1. Revenue from coal sales in 2020 was 7,549.14 million baht or 95.59 percent of the revenue from sales and services, increasing 1,745.91 million baht or 30.09 percent from the previous year. The source of income is still mainly from domestic coal sales, accounting for 84.23 percent. The Group still has a strategy to focus on expanding markets to other countries. Apparently that in 2020, the Group has a greater percentage of sales and overseas market share and a 417.33 percent increase in overseas growth from 2019.
2. Service income in 2020 was 348.38 million baht or 4.41 percent of revenue from sales and services, a decrease of 44.62 million baht or 11.35 percent from the previous year. The subsidiary's logistics business's revenue comprises both water and land transportation services, port and warehouse service income, merchandise screening service, oil sales revenue, etc.

## B. Other income

Other income	2020		2019		2019		
	Million baht	Percentage of sales	Million baht	Percentage of sales	Million baht	Million baht	%
Other income	33.77	0.43	13.30	0.21	20.47	20.47	153.91

Other income in 2020 amounted to 33.77 million baht, which was compensation income, interest income, profit from property sales, etc.

## C. Cost of sales and expenses

			2020		Increase (decrease)	
Cost of sales and expenses	Million baht	Percentage of total income	Million baht	Percentage of total income	Million baht	%
Cost of sales	7,000.57	88.27	5,389.25	86.79	1,611.32	29.90
Cost of sales and distribution	437.24	5.51	308.82	4.97	128.42	41.58
Administrative expenses	205.37	2.59	185.87	2.99	19.50	10.49
Profit (loss) from foreign exchange	20.36	0.26	25.74	0.41	(5.38)	(20.90)
Financial cost	46.27	0.58	48.14	0.78	(1.87)	(3.88)
Income tax expenses	31.32	0.39	26.51	0.43	4.81	18.14

1. Cost of sales in 2020 increased by 1,611.32 million baht or 29.90 percent, with the proportion of the cost of sales compared with a total income of 88.27 percent, higher than the previous year in line with the increase in sales volume.
2. Cost of sales and distribution in 2020 increased from the previous year by 128.42 million baht or a 41.58 percent increase due to the increase in shipping expenses in line with the increase in sales revenue.
3. Administrative expenses in 2020 increased from the previous year by 19.50 million baht or 10.49 percent from an increase in personal expenses and consulting services, etc.
4. The Group's foreign exchange earnings in 2020 of 20.36 million baht from US dollar currency futures contracts, and the US dollar weakened against the Thai Baht.
5. Financial costs in 2020 decreased from the previous year by 1.87 million baht or decreased by 3.88 percent, due to the Group's ability to find lower-cost sources of funds and a decrease in market interest rates.
6. Corporate income tax in 2020 increased by 4.81 million baht from the previous year.



## D. Gross profit

Unit: million baht	Coal business		Logistics business		Total segment		Adjustments and Eliminations		Consolidated financial statements		Change Increase (decrease)	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	Million baht	%
Third party income	7,549.14	5,803.23	348.38	393.00	7,897.52	6,196.23	-	-	7,897.52	6,196.23	1,701.29	27.46
Revenue between segments	886.29	143.60	1,082.30	811.38	1,968.59	954.98	(1,968.59)	(954.98)	-	-		
<b>Cost of sales and services</b>	<b>(7,872.60)</b>	<b>(5,380.49)</b>	<b>(1,109.17)</b>	<b>(976.24)</b>	<b>(8,981.77)</b>	<b>(6,356.73)</b>	<b>1,981.20</b>	<b>967.48</b>	<b>(7,000.57)</b>	<b>(5,389.25)</b>	<b>1,611.32</b>	<b>29.90</b>
Gross profit by segment	562.83	566.34	321.51	228.14	884.34	794.48			896.95	806.98	89.97	11.15
Gross profit margin (percentage)	6.67	9.52	22.47	18.94	8.96	11.11			11.36	13.02		(1.66)

The Group's gross profit in 2020 was 896.95 million baht, an increase of 11.15 percent or accounted for 11.36 percent of the gross profit margin of revenue from sales and services. It decreased from the previous year with a 13.02 percent gross profit margin. Last year lower average selling price caused the lower gross margin to decline due to the global economic conditions.

## E. Net Profit

Item	2020		2019		Increase (decrease)	
	Million baht	Percentage of total income	Million baht	Percentage of total income	Million baht	%
Net profit attributable to the Company's shareholders	225.32	2.84	272.79	4.39	(47.47)	(17.40)
Basic earnings per share (baht per share) attributable to the Company's shareholders		0.2330		(0.0491)	(0.0491)	

Total net profit attributable to the Company's shareholders for the year 2020 was 225.32 million baht, a decrease of 47.47 million baht or 17.40 percent from the previous year, representing 2.84 percent of the net profit margin, compared with 4.39 percent in 2019.

Basic earnings per share (EPS) was 0.2330 baht per share, a decrease of 0.0491 baht per share from the previous year.

## Analysis of financial position

### A. Asset

Summary of Statement of Financial Position	Unit: million baht		Increase (decrease)	
	2020	2019	Million baht	%
Million baht	5,410.62	4,732.08	678.54	14.34
<b>Total Liabilities</b>	<b>3,545.50</b>	<b>2,916.46</b>	<b>629.04</b>	<b>21.57</b>
<b>Total Equity</b>	<b>1,865.12</b>	<b>1,815.62</b>	<b>49.50</b>	<b>2.73</b>

As of December 31, 2020, the Group has total assets of 5,410.62 million baht, an increase of 678.54 million baht or 14.34 percent compared to December 31, 2019, details as follows:

1 The Group has current assets of 3,156.54 million baht, an increase from the year 2019 by 300.13 million baht, with significant changes as follows:

1.1 Trade accounts receivable (net) increased from the year 2019 by 845.49 million baht.

Details of trade accounts receivable	Unit: million baht		%	
	2020	2019	2020	2562
<u>Trade receivables - related parties</u>				
Not yet due	20.78	1.23	1.10	0.12
Not more than 3 months overdue	0.59	0.04	0.03	n/a
More than 12 months	-	0.18	n/a	0.02
<u>Trade accounts receivable – unrelated parties.</u>				
Not yet due	1,355.58	865.87	71.73	83.34
Overdue				
Up to 3 months	497.82	153.42	26.34	14.77
Over 3 - 6 months	0.90	3.97	0.05	0.38
Over 6-12 months	0.69	2.96	0.04	0.29
Over 12 months	<u>13.35</u>	<u>11.25</u>	<u>0.71</u>	1.08
<b>Total</b>	<b>1,889.71</b>	<b>1,038.92</b>	<b>100.00</b>	<b>100.00</b>
<u>Less allowance for doubtful accounts</u>	<u>(17.53)</u>	<u>(12.23)</u>	<u>(0.93)</u>	(1.18)
<b>Net</b>	<b>1,872.18</b>	<b>1,026.69</b>	<b>99.07</b>	<b>98.82</b>

Most of the Group's trade receivables are not yet due or overdue for not more than three months, accounting for 99.20 percent. Most of them are large clients with long-term trade relations or large foreign trade clients. Trade accounts receivable overdue for more than three months but not more than six months is the proportion of 0.05 percent, and overdue more than six months, accounting for 0.75 percent.

The Group has the policy to set credit terms for domestic customers on average 30-90 days, and for international customers, the terms are specified in the L / C (Letter of Credit). It depends on many factors considered, such as the past trading history, order volume, etc. Also, the Group uses a simple method to calculate expected credit losses for trade accounts receivable, and expected credit losses are recognized over the life of the trade receivables. It is based on historical credit loss data, updated with forward-looking information about the receivable and the economic environment.

1.2 Inventories (net) decreased from the year 2019 by 546.20 million baht, and the Group has made an allowance for reduction of cost to the net realizable value of 6.55 million baht.

13 Cash and cash equivalents, other receivables, derivative assets, and other current assets increased by a net 0.84 million baht from the year 2019.

2.The Group has non-current assets of 2,254.08 million baht, an increase of 378.41 million baht. Significant changes include an increase of Baht 264.57 million from the first implementation of TFRS 16, an increase in joint ventures by 72.64 million baht, and other types of non-current assets totaling 41.20 million baht.

## B. Liabilities

As of December 31, 2020, the Group had total liabilities of 3,545.50 million baht, an increase of 629.04 million baht or 21.57 percent from the previous year.

1. The increase of trade payable and other payable by Baht 369.64 million from the purchase of products to increase sales volume.
2. An increase in lease liabilities of Baht is 247.26 million from the first application of IFRS 16.
3. Other types of liabilities increased in a total amount of 12.14 million baht.

### C. Shareholders' Equity

As of December 31, 2020, the Group had shareholders' equity equal to 1,865.12 million baht, an increase of 49.50 million baht or 2.73 percent from the previous year, with retained earnings equivalent to 895.54 million baht.

### Cash flow analysis

Summary of Consolidated Cash Flows	Unit: million baht	
	2020	2019
Operating profit before changes in operating assets and liabilities	457.54	452.75
Operating assets (increase) decrease		
Trade and other receivables	(871.89)	607.78
Inventory	545.37	(27.61)
Other operating assets	7.77	(1.26)
Operating liabilities increase (decrease)		
Trade and other payables	343.47	(172.90)
Other current liabilities	8.94	(18.29)
Reserve long-term employee benefits	(0.97)	(1.39)
<b>Cash from operating activities</b>	<b>490.23</b>	<b>839.08</b>
Pay interest	(50.49)	(57.26)
Pay income tax and withholding income tax	(25.58)	(50.95)
<b>Net cash from operating activities</b>	<b>414.16</b>	<b>730.87</b>

In 2020, the Group had operating profit before changes in operating assets and liabilities amounted to 457.54 million baht. The Group has increased working capital based on net change in operating assets and operating liabilities totaling 32.69 million baht, and interest and tax payments during the year totaled 76.07 million baht. As a result, the Group has net cash from operating activities totaling 414.16 million baht.

The Group's cash flows related to investing and financing activities in 2020 - 2019 are as follows:

Summary of cash flow statements	Unit: million baht	
	2020	2019
Net cash from operating activities	414.16	730.87
Net cash used in investing activities	(273.41)	(218.88)
Net cash used in financing activities	(148.84)	(384.79)
Difference arising from translation of financial statements Increased (Decreased)	1.83	(0.17)
Net increase (decrease) in cash and cash equivalents	(6.26)	127.03
Cash and cash equivalents at the beginning of the year	263.76	136.73
<b>Cash and cash equivalents at the end of the year</b>	<b>257.50</b>	<b>263.76</b>

In 2020, the Group spent a total of 273.41 million baht in cash flow, comprising key items such as land, buildings, and equipment, most of which were cargo ports, coal sorting plants, conveyors, trucks, and others, which increased 214.77 million baht. Investment in joint ventures increased by 74.63 million baht, bank deposits with guarantee obligations decreased by 8.44 million baht, and other items decreased by 7.55 million baht. Net cash used in financing activities for the year 2020 totaled 148.84 million baht, mainly due to the dividend payment of 177.84 million baht. The Group had net cash received from loans from financial institutions amounting to 29.00 million baht.

## **Analysis of financial ratios**

### **A. Liquidity Ratio**

The Group's current ratio and quick ratio are 1.08 times and 0.75 times, respectively. The liquidity ratio decreased from the previous year, which was 1.19 times, due to the Group's increased proportion of trade payables from purchasing orders to support the increased sales volume. The quick turnover ratio increased from the previous year by 0.56 times, mainly due to increased trade accounts receivable and other receivables due to increased sales revenue from the previous year.

### **B. Profitability ratio**

The Group's gross profit margin in 2020 is 11.36 percent compared to 13.02 percent in 2019. While the net profit margin in 2020 is 2.84 percent compared to the year 2019, equal to 4.39 percent. Also, the Group of companies has a return on equity in 2020 of 12.25 percent compared to 16.25 percent in 2019, decreasing in line with the lower profit margin.

### **C. The ratio of operating performance.**

The Group's total asset turnover ratio in 2020 is 1.56 times compared to that of 2019, 1.28 times, increasing from the previous year. The return on assets ratio decreases from 7.25 percent in 2019 to 6.08 percent in 2020.

### **D. Financial policy analysis ratios and borrowing and debt repayment capacity**

The Group's Debt to Equity Ratio increased from 1.61 times in 2019 to 1.90 times in 2020. It was mainly due to an increase in trade and other payables of 369.64 million baht and an increase in lease liabilities of 247.26 million baht from the first implementation of TFRS 16.

## The Board of Director's Responsibilities in Respect of The Financial Statement

The Board of Directors is responsible for Asia Green Energy Public Company Limited's financial statements and the Company and its subsidiaries consolidated financial statements, including the financial information presented in this Annual Report. The aforementioned financial statements are prepared in accordance with generally accepted accounting principles. Important information is adequately and transparency disclosed in the notes to financial statements for the Company shareholders and investors.

In this regard, the Board of Directors has appointed an Audit Committee comprising independent directors to be responsible for reviewing quality of the financial reports and the company's internal control process. The Audit Committee also reviews a disclosure of related party transactions. All their comments on these issues are presented in the Audit Committee Report included in this annual report.

The Board of Directors considers the Company's overall internal control system satisfactory and provides credibility and reliability to Asia Green Energy Public Company Limited's financial statements and the Company and its subsidiaries' consolidated financial statements for the year ended 31 December 2020. The Board of Directors also believes that all these financial statements have been prepared in accordance with generally accepted accounting principles and related regulations.



**Mr. Apisit Rujikeatkamjorn**  
Chairman of the Board



**Mr. Panom Kuansataporn**  
Managing Director

# Report of the Audit Committee

## Shareholders of Asia Green Energy Public Company Limited

The Audit Committee consists of three independent qualified members. The Committee has Mr. Anant Sirisaengtaksin as Audit Committee President, Mr. Mongkhon Kittipoomvong, and Ms. Pinmanee Makmantanaas Audit Committee Members. In addition, Ms.Ni-orn Junjamsang the Company's Secretary and Senior Director of the Office of Managing Director serves as Secretary of the Audit Committee.

In 2020, the Audit Committee held meetings with the management, Head of Internal Audit, and auditors for a total of 4 times. All Committee members attended every meeting. The Audit Committee reported its findings and recommendations to the Company's directors every quarter so that appropriate actions could be taken. The summary of the Committee's work is as follows:

1. **Financial Statement:** The Committee conducted an audit of quarterly and annual financial statements of the year 2020 and the accessibility of information in the Company's financial statement addendums which had undergone auditing and inspection by auditors. Furthermore, the Committee held meetings with the management and auditors to discuss estimates and the use of discretion in the creation of financial statements, the effects of changes in the accounting policy according to newly amended accounting standards, important accounting issues, and Key Audit Matters as indicated in the auditors' report.
2. **Internal Control and Internal Audit:** A review of the effectiveness and appropriateness of the internal control system and internal audit system was conducted, covering anti-corruption measures. An assessment form on the adequacy of an internal control system provided by the Securities and Exchange Commission was used. The review was conducted jointly with accounting auditors and internal auditors along with an evaluation of the internal audit plan of the year 2019. A review was also conducted on the independence, direction, strategies, and adequacy of resources regarding the operation of the internal audit agency which was hired externally.
3. **Compliance with the Law :** A review was conducted regarding the Company's compliance with the law on securities and stock exchange as well as regulations of the Stock Exchange of Thailand and other laws related to the Company's businesses.
4. **Accounting Auditors :** The Committee considered the selection of accounting auditors and payments for the Company's accounting auditors. It was the Committee's view that auditors from EY Office Co., Ltd., a leading company offering international accounting audit services, were independent, credible, and competent in auditing while also offering a reasonable rate and a good work record from the previous year. Thus, the Committee made a recommendation for the Company's board of directors to consider and request an approval from the shareholders' meeting to appoint auditors from EY Office Co., Ltd. to serve as the Company's accounting auditors for the year 2019.
5. **Relevant Matters:** A review was conducted regarding the reasonableness and the maximization of utility for the Company of relevant matters and matters with potential conflict of interests. The review also included the revelation of such information in a correct and complete manner in accordance with the law and regulations of regulators and the Stock Exchange of Thailand.
6. **Corporate Governance:** A review was conducted to ensure that the Company would implement the Corporate Governance Code provided by the Securities and Exchange Commission and also implemented the good corporate governance principles according to the regulations outlined in the Corporate Governance Report of Thai Listed Companies of Thai Institute of Directors (IOD) . Further reviews were conducted to ensure the Company's compliance with the specified corporate governance policy.

## Report of the Audit Committee

7. **Acceptance of Reporting of Lead / Complaints on Corruption and Unlawful Acts** : A review was conducted on the process of the acceptance of lead / complaints on corruption and unlawful acts by the Company and the company group. Such reports were received via various channels every quarter. In 2020, the Company did not receive any complaints.
8. **Performance Self-Evaluation**: The Committee performed a self-evaluation and self-review of its annual performance. The self-evaluation was based on the good practice principles and the charter. The results showed that the Committee performed its tasks effectively and within the framework specified in the charter.

In conclusion, the Audit Committee is certain that in 2020, the Audit Committee performed its tasks completely and independently, making use of its knowledge, skills, and prudence. The Audit Committee finds that the Company wrote its financial statements in a proper manner and up to the required standards. Information was revealed sufficiently and credibly. The reports were relevant, reasonable, and represented maximum utility for the Company. The internal audit system and risks management system were adequate and effective. In addition, the Company complied with relevant laws and regulations as well as the good corporate governance principles without serious flaws throughout the year.



(Mr. Anant Sirisaengtaksin)

The chairman of the Audit Committee

# Independent Auditor's Report

To the Shareholders of Asia Green Energy Public Company Limited

## Opinion

I have audited the accompanying consolidated financial statements of Asia Green Energy Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2020, and the related consolidated 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, and have also audited the separate financial statements of Asia Green Energy Public Company Limited (the Company) for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Asia Green Energy Public Company Limited and its subsidiaries, and of Asia Green Energy Public Company Limited as at 31 December 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

## Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the 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.

## Emphasis of matter

I draw attention to Note 3 to the consolidated financial statements. In the fourth quarter of 2020, the Group has assessed the financial impacts of the uncertainties of the COVID-19 Pandemic on the valuation of assets. As a result, in preparing the consolidated and separate financial statements for the year ended 31 December 2020, the Group has decided to discontinue application of all relief measures which the Group elected to apply under the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic issued by the Federation of Accounting Professions. This has no significant impact on the Group's consolidated and separate financial statements.

My opinion is not modified in respect of this matter.



## **Key Audit Matter**

Key audit matter is the matter that, in my professional judgement, was of most significance in my audit of the financial statements of the current period. This matter was addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.

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

The key audit matter and how audit procedures respond to this matter are described below.

### ***Revenue recognition***

Revenues from sales is a significant account of the Group because the amount that is recorded in the account directly affects the Group's annual profit or loss. For the year ended 31 December 2020, the Group has revenues from the distribution of coal amounting to Baht 7,549 million, and this business is subject to fluctuations in price and market demand. Therefore, I have focused on the amount and timing of revenue recognition.

I examined the revenue recognition of the Group by assessing and testing the Group's internal controls with respect to the sales revenue cycle, by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls, with special consideration given to expanding the scope of the testing of the internal controls which respond to the risks related to the amount and timing of revenue recognition, applying a sampling method to select sales transactions to assess whether revenue recognition was consistent with the conditions stipulated in the sales documents, and in compliance with the Group's policy. In addition I examined, on a sampling basis, supporting documents for sales transactions occurring during the year and near the end of the accounting period, reviewed credit notes that the Group issued after the period-end date and performed analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

## **Other Information**

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

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

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

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

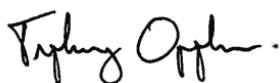
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the Group audit. I remain solely responsible for my audit opinion.

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

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

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

I am responsible for the audit resulting in this independent auditor's report.



Termphong Opanaphan

Certified Public Accountant (Thailand) No. 4501

EY Office Limited

Bangkok: 23 February 2021

Asia Green Energy Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	8	257,499,420	263,755,001	38,432,751	151,855,792
Trade and other receivables	9	1,903,091,044	1,045,688,139	2,047,521,680	1,111,898,969
Short-term loans to subsidiaries	7	-	-	287,000,000	161,300,000
Current portion of long-term loan to subsidiary	7	-	-	25,245,086	25,245,086
Inventories	10	959,296,632	1,505,499,942	926,954,926	1,434,003,662
Derivative assets		529,015	-	529,015	-
Other current assets		36,118,992	41,464,069	11,442,798	19,593,552
<b>Total current assets</b>		<b>3,156,535,103</b>	<b>2,856,407,151</b>	<b>3,337,126,256</b>	<b>2,903,897,061</b>
<b>Non-current assets</b>					
Restricted bank deposits	11	118,065,730	126,502,846	115,039,969	123,493,350
Long-term loan to subsidiary - net of current portion	7	-	-	100,420,370	125,665,457
Investments in subsidiaries	12	-	-	411,172,840	411,172,840
Investment in joint venture	13	97,320,181	24,677,998	99,999,900	25,374,900
Investment properties	14	67,849,126	21,889,000	542,659,178	502,858,923
Property, plant and equipment	15	1,663,594,842	1,667,653,076	122,193,592	143,586,517
Right-of-use assets	19	264,574,907	-	28,883,517	-
Deferred tax assets	26	14,171,589	15,185,405	7,091,587	5,264,110
Other non-current assets		28,509,128	19,759,608	8,530,189	1,466,514
<b>Total non-current assets</b>		<b>2,254,085,503</b>	<b>1,875,667,933</b>	<b>1,435,991,142</b>	<b>1,338,882,611</b>
<b>Total assets</b>		<b>5,410,620,606</b>	<b>4,732,075,084</b>	<b>4,773,117,398</b>	<b>4,242,779,672</b>

The accompanying notes are an integral part of the financial statements.

Asia Green Energy Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	16	1,879,223,187	1,791,210,948	1,879,223,187	1,791,210,948
Short-term loans from subsidiaries	7	-	-	15,000,000	27,000,000
Trade and other payables	17	831,585,867	461,945,053	957,809,693	514,753,891
Current portion of liabilities under finance lease agreements	18	-	30,238,726	-	3,690,240
Current portion of lease liabilities	19	58,462,031	-	9,605,419	-
Current portion of long-term loans from financial institutions	20	125,576,985	103,632,540	76,168,896	76,168,896
Income tax payable		8,784,790	4,387,763	1,638,776	1,727,747
Derivative liabilities		226,852	381,189	226,852	381,189
Other current liabilities		28,903,882	8,182,819	16,662,237	1,760,007
<b>Total current liabilities</b>		<b>2,932,763,594</b>	<b>2,399,979,038</b>	<b>2,956,335,060</b>	<b>2,416,692,918</b>
<b>Non-current liabilities</b>					
Liabilities under finance lease agreements					
- net of current portion	18	-	79,066,576	-	7,731,506
Lease liabilities - net of current portion	19	188,799,620	-	19,253,022	-
Long-term loans from financial institutions					
- net of current portion	20	402,380,279	418,959,301	151,777,123	227,946,019
Provision for long-term employee benefits	21	21,557,904	18,454,570	17,838,674	15,771,334
<b>Total non-current liabilities</b>		<b>612,737,803</b>	<b>516,480,447</b>	<b>188,868,819</b>	<b>251,448,859</b>
<b>Total liabilities</b>		<b>3,545,501,397</b>	<b>2,916,459,485</b>	<b>3,145,203,879</b>	<b>2,668,141,777</b>

The accompanying notes are an integral part of the financial statements.

**Asia Green Energy Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

**As at 31 December 2020**

(Unit: Baht)

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Shareholders' equity</b>					
Share capital	22				
Registered					
966,893,743 ordinary shares of Baht 0.50 each					
(2019: 1,933,789,748 ordinary shares of					
Baht 0.25 each)		483,446,872	483,447,437	483,446,872	483,447,437
Issued and fully paid					
966,893,743 ordinary shares of Baht 0.50 each					
(2019: 1,933,787,487 ordinary shares of					
Baht 0.25 each)		483,446,872	483,446,872	483,446,872	483,446,872
Share premium		483,461,112	483,461,112	483,461,112	483,461,112
Retained earnings					
Appropriated - statutory reserve	23	48,344,744	48,344,744	48,344,744	48,344,744
Unappropriated		847,196,783	799,246,216	612,660,791	559,385,167
Other components of shareholders' equity		1,837,390	14,516	-	-
Equity attributable to owners of the Company		1,864,286,901	1,814,513,460	1,627,913,519	1,574,637,895
Non-controlling interests of the subsidiaries		832,308	1,102,139	-	-
<b>Total shareholders' equity</b>		<b>1,865,119,209</b>	<b>1,815,615,599</b>	<b>1,627,913,519</b>	<b>1,574,637,895</b>
<b>Total liabilities and shareholders' equity</b>		<b>5,410,620,606</b>	<b>4,732,075,084</b>	<b>4,773,117,398</b>	<b>4,242,779,672</b>
		-	-	-	-

The accompanying notes are an integral part of the financial statements.

Directors

**Asia Green Energy Public Company Limited and its subsidiaries**

**Statement of comprehensive income**

**For the year ended 31 December 2020**

(Unit: Baht)

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Profit or loss:</b>					
Sales and services income		7,897,523,199	6,196,229,644	7,334,882,636	5,762,524,986
Cost of sales and services		(7,000,570,818)	(5,389,247,429)	(6,807,927,553)	(5,187,896,060)
<b>Gross profit</b>		<b>896,952,381</b>	<b>806,982,215</b>	<b>526,955,083</b>	<b>574,628,926</b>
Dividend income	12	-	-	217,599,226	-
Other income		33,772,581	13,297,012	49,527,007	39,413,023
<b>Profit before expenses</b>		<b>930,724,962</b>	<b>820,279,227</b>	<b>794,081,316</b>	<b>614,041,949</b>
Selling and distribution expenses		(437,239,306)	(308,815,567)	(390,791,468)	(302,891,498)
Administrative expenses		(205,368,509)	(185,869,664)	(155,330,960)	(62,463,674)
Gains on exchange		20,358,980	25,737,122	19,829,267	26,693,330
<b>Total expenses</b>		<b>(622,248,835)</b>	<b>(468,948,109)</b>	<b>(526,293,161)</b>	<b>(338,661,842)</b>
<b>Operating profit</b>		<b>308,476,127</b>	<b>351,331,118</b>	<b>267,788,155</b>	<b>275,380,107</b>
Share of loss from investment in joint venture	13	(1,982,817)	(696,902)	-	-
Finance cost	24	(46,272,234)	(48,137,853)	(34,583,707)	(46,513,863)
<b>Profit before income tax expenses</b>		<b>260,221,076</b>	<b>302,496,363</b>	<b>233,204,448</b>	<b>228,866,244</b>
Income tax expenses	26	(31,321,715)	(26,512,403)	(1,764,469)	(26,822,710)
<b>Profit for the year</b>		<b>228,899,361</b>	<b>275,983,960</b>	<b>231,439,979</b>	<b>202,043,534</b>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Exchange differences on translation of					
financial statements in foreign currency		1,835,949	(178,918)	-	-
<i>Other comprehensive income not to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Actuarial gains	21	-	3,976,224	-	2,862,441
Income tax effect	26	-	(795,244)	-	(572,488)
<b>Other comprehensive income for the year</b>		<b>1,835,949</b>	<b>3,002,062</b>	<b>-</b>	<b>2,289,953</b>
<b>Total comprehensive income for the year</b>		<b>230,735,310</b>	<b>278,986,022</b>	<b>231,439,979</b>	<b>204,333,487</b>

The accompanying notes are an integral part of the financial statements.



**Asia Green Energy Public Company Limited and its subsidiaries**

**Statement of comprehensive income (continued)**

**For the year ended 31 December 2020**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements		
	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Profit attributable to:</b>					
Equity holders of the Company		225,321,651	272,787,278	231,439,979	202,043,534
Non-controlling interests of the subsidiaries		3,577,710	3,196,682		
		<u>228,899,361</u>	<u>275,983,960</u>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		227,144,525	275,790,560	231,439,979	204,333,487
Non-controlling interests of the subsidiaries		3,590,785	3,195,462		
		<u>230,735,310</u>	<u>278,986,022</u>		
<b>Earnings per share</b>	27				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.2330	0.2821	0.2394	0.2090

The accompanying notes are an integral part of the financial statements.

Asia Green Energy Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2020

(Unit: Baht)

Consolidated financial statements								
Equity attributable to owners of the Company					Other components of shareholders' equity			
					Exchange differences on translation of financial statements in foreign currency	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
Note	Issued and paid-up share capital	Share premium	Retained earnings Appropriated - statutory reserve	Unappropriated				
<b>Balance as at 1 January 2019</b>	453,231,972	483,461,112	45,323,239	559,870,404	192,214	1,542,078,941	1,509,077	1,543,588,018
Profit for the year	-	-	-	272,787,278	-	272,787,278	3,196,682	275,983,960
Other comprehensive income for the year	-	-	-	3,180,980	(177,698)	3,003,282	(1,220)	3,002,062
Total comprehensive income for the year	-	-	-	275,968,258	(177,698)	275,790,560	3,195,462	278,986,022
Stock dividend	30 30,214,900	-	-	(30,214,900)	-	-	-	-
Dividend paid	30 -	-	-	(3,356,041)	-	(3,356,041)	-	(3,356,041)
Transferred to statutory reserve	23 -	-	3,021,505	(3,021,505)	-	-	-	-
Subsidiary paid dividends to its non-controlling interests	-	-	-	-	-	-	(3,602,400)	(3,602,400)
<b>Balance as at 31 December 2019</b>	<u>483,446,872</u>	<u>483,461,112</u>	<u>48,344,744</u>	<u>799,246,216</u>	<u>14,516</u>	<u>1,814,513,460</u>	<u>1,102,139</u>	<u>1,815,615,599</u>
<b>Balance as at 1 January 2020</b>	483,446,872	483,461,112	48,344,744	799,246,216	14,516	1,814,513,460	1,102,139	1,815,615,599
Cumulative effect of changes in accounting policies	4 -	-	-	(3,330,391)	-	(3,330,391)	(58,216)	(3,388,607)
<b>Balance as at 1 January 2020 - as restated</b>	483,446,872	483,461,112	48,344,744	795,915,825	14,516	1,811,183,069	1,043,923	1,812,226,992
Profit for the year	-	-	-	225,321,651	-	225,321,651	3,577,710	228,899,361
Other comprehensive income for the year	-	-	-	-	1,822,874	1,822,874	13,075	1,835,949
Total comprehensive income for the year	-	-	-	225,321,651	1,822,874	227,144,525	3,590,785	230,735,310
Dividend paid	30 -	-	-	(174,040,693)	-	(174,040,693)	-	(174,040,693)
Subsidiary paid dividends to its non-controlling interests	-	-	-	-	-	-	(3,802,400)	(3,802,400)
<b>Balance as at 31 December 2020</b>	<u>483,446,872</u>	<u>483,461,112</u>	<u>48,344,744</u>	<u>847,196,783</u>	<u>1,837,390</u>	<u>1,864,286,901</u>	<u>832,308</u>	<u>1,865,119,209</u>

The accompanying notes are an integral part of the financial statements.

Asia Green Energy Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2020

(Unit: Baht)

		Separate financial statements			
	Note	Issued and paid-up share capital	Share premium	Retained earnings Appropriated - statutory reserve	Total shareholders' equity
<b>Balance as at 1 January 2019</b>		453,231,972	483,461,112	45,323,239	1,373,660,449
Profit for the year		-	-	-	202,043,534
Other comprehensive income for the year		-	-	-	2,289,953
Total comprehensive income for the year		-	-	-	204,333,487
Stock dividend	30	30,214,900	-	-	(30,214,900)
Dividend paid	30	-	-	-	(3,356,041)
Transferred to statutory reserve	23	-	-	3,021,505	(3,021,505)
<b>Balance as at 31 December 2019</b>		<u>483,446,872</u>	<u>483,461,112</u>	<u>48,344,744</u>	<u>1,574,637,895</u>
<b>Balance as at 1 January 2020</b>		483,446,872	483,461,112	48,344,744	559,385,167
Cumulative effect of changes in accounting policies	4	-	-	-	(4,123,662)
<b>Balance as at 1 January 2020 - as restated</b>		483,446,872	483,461,112	48,344,744	555,261,505
Profit for the year		-	-	-	231,439,979
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	-	-	231,439,979
Dividend paid	30	-	-	-	(174,040,693)
<b>Balance as at 31 December 2020</b>		<u>483,446,872</u>	<u>483,461,112</u>	<u>48,344,744</u>	<u>612,660,791</u>

The accompanying notes are an integral part of the financial statements.

## **Asia Green Energy Public Company Limited and its subsidiaries**

### **Notes to consolidated financial statements**

**For the year ended 31 December 2020**

#### **1. General information**

##### **1.1 Corporate information**

Asia Green Energy Public Company Limited (the Company) is a public company incorporated and domiciled in Thailand. Its major shareholders are Kuansataporn family. The Company is principally engaged in distribution of coal for industrial use. The registered office of the Company is at 273/1 Rama II Road, Samaedum, Bangkhuntien, Bangkok. The Company currently has 2 branches located in 2 provinces which are Samutsakorn and Ayudthaya (2019: 3 branches located in 3 provinces which are Samut sakorn, Petchburi and Ayudthaya).

On 29 October 2020, the Company changed the secondary market for trading its security, from the Market for Alternative Investment (MAI) to The Securities Exchange of Thailand (SET).

##### **1.2 Coronavirus disease 2019 Pandemic**

The Coronavirus disease 2019 Pandemic is adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

#### **2. Basis of preparation**

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

## 2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Asia Green Energy Public Company Limited (the Company) and the following subsidiary companies (the subsidiaries) (collectively as “the Group”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2020</u> %	<u>2019</u> %
<u>Subsidiaries directly held by the Company</u>				
A.G.E. Transport Co., Ltd.	Transportation and management	Thailand	99	99
AGE Terminal Co., Ltd.	Water transportation and port services, cargo services and extraction of coal and water transportation consultant	Thailand	100	100
Multi Energy Trading (2020) Co., Ltd.	Distribution of fuel	Thailand	100	100
AGE Global Trade Co., Ltd.	Holding company	Thailand	100	100
<u>Subsidiary held by A.G.E. Transport Co., Ltd.</u>				
Winner 789 Logistics Co., Ltd.	Transportation and management	Thailand	70	70
<u>Subsidiary held by AGE Terminal Co., Ltd.</u>				
AGE Marine Logistics Co., Ltd.	Water transportation, cargo services and water transportation consultant	Thailand	100	100
<u>Subsidiaries held by Multi Energy Trading (2020) Co., Ltd.</u>				
A Engineering Consultant Co., Ltd.	Generation and supply of electricity	Thailand	94	94
Grand Power (2019) Co., Ltd.	Distribution of coal	Thailand	100	100
Pian Green Power Co., Ltd.	Generation and supply of electricity	Thailand	100	100
<u>Subsidiaries held by AGE Global Trade Co., Ltd.</u>				
VINA AGE Co., Ltd.	Distribution of coal for industrial use	Vietnam	99	99
AGE INTERTRADE SINGAPORE PTE. LTD.	Distribution of coal for industrial use	Singapore	100	-

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) In the current year, the Group structure is changed through an addition of a new subsidiary, i.e., AGE INTERTRADE SINGAPORE PTE. LTD., of which 100% interest held by AGE Global Trade Co., Ltd. The subsidiary was incorporated in Singapore and is engaged in the distribution of coal for industrial use.

- e) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
  - f) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.
  - g) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
  - h) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements present investments in subsidiaries and joint venture under the cost method.

### **3. New financial reporting standards**

#### **a) Financial reporting standards that became effective in the current year**

During the year, the Group has adopted the revised (revised 2019) and new 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. 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:

## Financial reporting standards related to financial instruments

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:

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 Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. They also include stipulations regarding the presentation and disclosure of financial instruments.

The adoption of these standards has the impact on the Group's financial statements to result in the following adjustments.

- Recognition of expected credit losses - The Group recognises an allowance for expected credit losses on its debt instruments, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables and the general approach to consider impairment of loans to.
- Recognition of derivatives - The Group initially recognises derivatives at their fair value on the contract date and subsequently measures them at fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised in profit or loss.

The Group recognised the cumulative effect of the adoption of these financial reporting standards as an adjustment to retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4.

## **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 recognise 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.

The Group recognised the cumulative effect of the adoption of this financial reporting standard as an adjustment to retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4.

## **Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic**

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impacts of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

During the period from the first quarter to the third quarter of 2020, the Group elected to apply the temporary relief measures on accounting alternatives relating to measurement of expected credit losses using a simplified approach and reversal of deferred tax assets and provisions.

In the fourth quarter of 2020, the Group has assessed the financial impacts of the uncertainties of the COVID-19 Pandemic on the valuation of assets. As a result, in preparing the financial statements for the year ended 31 December 2020, the Group has decided to discontinue application of all temporary relief measures on accounting alternatives with no significant impact on the Group's financial statements.



**b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2021**

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

**4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards**

As described in Note 3 to the financial statements, during the current year, the Group has adopted the set of financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards was recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts of changes in accounting policies on the statements of financial position at the beginning of 2020 due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	The effect of			1 January 2020
	31 December 2019	Financial reporting standards related to financial instruments	TFRS 16	
<b>Statement of financial position</b>				
<b>Assets</b>				
<b>Current assets</b>				
Trade and other receivables	1,045,688	(2,834)	-	1,042,854
Other current assets	41,464	-	(154)	41,310
<b>Non-current assets</b>				
Property, plant and equipment	1,667,653	-	(123,729)	1,543,924
Right-of-use assets	-	-	263,033	263,033
Deferred tax assets	15,185	834	-	16,019

(Unit: Thousand Baht)

## Consolidated financial statements

	31 December 2019	The effect of		1 January 2020
		Financial reporting standards related to financial instruments	TFRS 16	
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Current portion of liabilities under finance lease agreements	30,239	-	(30,239)	-
Current portion of lease liabilities	-	-	57,329	57,329
Derivative liabilities	381	1,389	-	1,770
<b>Non-current liabilities</b>				
Liabilities under finance lease agreements - net of current portion	79,066	-	(79,066)	-
Lease liabilities - net of current portion	-	-	191,126	191,126
<b>Shareholders' equity</b>				
Retained earnings - unappropriated	799,246	(3,331)	-	795,915
Equity attributable to non-controlling interests of the subsidiaries	1,102	(58)	-	1,044

(Unit: Thousand Baht)

## Separate financial statements

	31 December 2019	The impacts of		1 January 2020
		Financial reporting standards related to financial instruments	TFRS 16	
<b>Statement of financial position</b>				
<b>Assets</b>				
<b>Current assets</b>				
Trade and other receivables	1,111,899	(3,766)	-	1,108,133
Other current assets	19,593	-	(154)	19,439
<b>Non-current assets</b>				
Property, plant and equipment	143,587	-	(12,423)	131,164
Right-of-use assets	-	-	33,873	33,873
Deferred tax assets	5,264	1,031	-	6,295

(Unit: Thousand Baht)

	Separate financial statements			
	The impacts of			
	31 December	Financial reporting standards related to financial instruments	TFRS 16	1 January
	2019			2020
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Current portion of liabilities under finance lease agreements	3,690	-	(3,690)	-
Current portion of lease liabilities	-	-	9,039	9,039
Derivative liabilities	381	1,389	-	1,770
<b>Non-current liabilities</b>				
Liabilities under finance lease agreements - net of current portion	7,732	-	(7,732)	-
Lease liabilities - net of current portion	-	-	23,679	23,679
<b>Shareholders' equity</b>				
Retained earnings - unappropriated	559,385	(4,124)	-	555,261

#### 4.1 Financial instruments

- a) Details of the impact on retained earnings as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Recognition of an allowance for expected credit losses on financial assets	2,278	3,013
Recognition of derivatives at fair value through profit or loss	1,111	1,111
Impacts of the adoption of financial reporting standards related to financial instruments	3,389	4,124

- b) As at 1 January 2020, classification and measurement of financial assets required by TFRS 9, in comparison with classification and the former carrying amount, are as follows:

(Unit: Thousand Baht)

Consolidated financial statements					
	The former carrying amount	Classification and measurement in accordance with TFRS 9			
		Fair value			Total
		Fair value through profit or loss	through other comprehensive income	Amortised cost	
<b>Financial assets as at 1 January 2020</b>					
Cash and cash equivalents	263,755	-	-	263,755	263,755
Trade and other receivables	1,045,688	-	-	1,042,854	1,042,854
Restricted bank deposits	126,503	-	-	126,503	126,503
<b>Total financial assets</b>	<b>1,435,946</b>	<b>-</b>	<b>-</b>	<b>1,433,112</b>	<b>1,433,112</b>

(Unit: Thousand Baht)

Separate financial statements					
	The former carrying amount	Classification and measurement in accordance with TFRS 9			
		Fair value			Total
		Fair value through profit or loss	through other comprehensive income	Amortised cost	
<b>Financial assets as at 1 January 2020</b>					
Cash and cash equivalents	151,856	-	-	151,856	151,856
Trade and other receivables	1,111,899	-	-	1,108,133	1,108,133
Short-term loans to subsidiaries	161,300	-	-	161,300	161,300
Current portion of long-term loan to subsidiary	25,245	-	-	25,245	25,245
Restricted bank deposits	123,493	-	-	123,493	123,493
Long-term loan to subsidiary net of current portion	125,665	-	-	125,665	125,665
<b>Total financial assets</b>	<b>1,699,458</b>	<b>-</b>	<b>-</b>	<b>1,695,692</b>	<b>1,695,692</b>

As at 1 January 2020, the Group has not designated any financial liabilities at fair value through profit or loss except for derivative liabilities of which fair value is Baht 1.7 million (The Company only: Baht 1.7 million).

## 4.2 Leases

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases that previously classified as operating leases measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020. For leases that previously classified as finance leases, the Group recognised the carrying amount of the lease assets and lease liabilities before transition as right-of-use assets and lease liabilities, respectively at the date of initial application.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Operating lease commitments as at 31 December 2019	136,668	4,900
Less: Short-term leases	(5)	-
Add: Option to extend lease term	20,878	20,878
Less: Contracts reassessed as service agreements	(4,689)	(2,400)
Less: Others	(680)	-
Less: Deferred interest expenses	(13,022)	(2,082)
Increase in lease liabilities due to TFRS 16 adoption	139,150	21,296
Liabilities under finance lease agreements as at 31 December 2019	109,305	11,422
Lease liabilities as at 1 January 2020	248,455	32,718
Incremental borrowing rate (percent per annum)	1.9 - 4.5	1.9 - 4.5
Comprise of:		
Current lease liabilities	57,329	9,039
Non-current lease liabilities	191,126	23,679
	248,455	32,718

## **5. Significant accounting policies**

### **5.1 Revenue and expense recognition**

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns and discounts.

#### *Rendering of services*

Service revenue is recognised over time when services have been rendered taking into account the stage of completion.

#### *Interest income*

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

#### *Finance cost*

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

#### *Dividends*

Dividends are recognised when the right to receive the dividends is established.

### **5.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

### **5.3 Inventories**

Finished goods are valued at the lower of cost (under the weighted average method) and net realisable value. The cost of inventories includes all production costs and attributable factory overheads.

Fuel are valued at the lower of cost (under the weighted average method) and net realisable value.

Raw materials are valued at the lower of average cost (under the weighted average method) and net realisable value and are charged to production costs whenever consumed.

#### **5.4 Investments in subsidiaries and joint venture**

Investment in joint venture is accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries and joint venture are accounted for in the separate financial statements using the cost method.

#### **5.5 Investment properties**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment property which is building is calculated by reference to its cost on the straight-line basis over estimated useful lives of 10 and 20 years. Depreciation of the investment properties is included in determining income. No depreciation is provided for land classified as investment property.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

#### **5.6 Property, plant and equipment/Depreciation**

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Land improvement - coal stockyard	-	5, 10 and 13 years
Buildings and building improvement	-	5, 10 and 20 years
Machinery and equipment	-	3, 5 and 10 years
Furniture and office equipment	-	5 years
Motor vehicles	-	5 - 12 years
Lighters	-	20 years

Depreciation is included in determining income.

No depreciation is provided on land, land improvement except for coal stockyard, and assets under installation and construction.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

## **5.7 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

## **5.8 Intangible assets**

The intangible assets are carried at cost less any accumulated amortisation and allowance for impairment loss (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

Intangible assets with finite useful lives of the Group, which is computer software, have approximately useful life 5 years.

## **5.9 Leases**

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### **The Group as a lessee**

#### **Accounting policies adopted since 1 January 2020**

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

#### ***Right-of-use assets***

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.



Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Land and land improvement	-	1 - 8 years
Buildings and building improvement	-	1 - 4 years
Machinery and equipment	-	1 - 2 years
Furniture and office equipment	-	1 - 3 years
Motor vehicles	-	1 - 7 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

### ***Lease liabilities***

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

### ***Short-term leases and leases of low-value assets***

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses in profit or loss on a straight-line basis over the lease term.

### Accounting policies adopted before 1 January 2020

Leases of property, plant and equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

Leases of property, plant and equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

#### **The Group as a lessor**

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

#### **5.10 Related party transactions**

Related parties comprise individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

#### **5.11 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

### **5.12 Impairment of non-financial assets**

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use asset, investment properties and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

### **5.13 Employee benefits**

#### ***Short-term employee benefits***

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

#### ***Post-employment benefits***

##### *Defined contribution plans*

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

##### *Defined benefit plans*

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

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

Actuarial gains and losses arising from defined benefit plans benefits are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.

### **5.14 Provisions**

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

## 5.15 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

### Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

### Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

## 5.16 Financial instruments

### Accounting policies adopted since 1 January 2020

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

### Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

### ***Financial assets at amortised cost***

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

### ***Financial assets at FVTPL***

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

### **Classification and measurement of financial liabilities**

Except for derivative liabilities, at initial recognition the Group’s financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

### **Derecognition of financial instruments**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

## **Impairment of financial assets**

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

## **Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### *Accounting policies adopted before 1 January 2020*

## **Trade and other receivables**

Trade and other receivables are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

## **5.17 Derivatives**

The Group uses derivatives, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks, respectively.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

## **5.18 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 Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures 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 divided 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 Group determines 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.

## **6. Significant accounting judgements and estimates**

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates is as follow:

### **Allowance for expected credit losses of trade receivables**

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

### **Property, plant and equipment/Depreciation**

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

### **Deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

### **Litigation**

The Group has contingent liabilities as a result of litigation. The management has used judgement to assess of the results of the litigation and believes that no loss will result. Therefore no contingent liabilities are recorded as at the end of reporting period.



## 7. Related party transactions

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group and those related parties.

(Unit: Million Baht)

	Consolidated		Separate		
	financial statements		financial statements		Pricing policy
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
<b><u>Transactions with subsidiaries</u></b>					
(eliminated from the consolidated financial statements)					
Sale of goods	-	-	886	144	Market price
Rental income	-	-	14	14	Contract price
Consultant fee income	-	-	3	2	Contract price
Interest income	-	-	6	14	Rates of 2.0% - 4.1% per annum
Dividend income	-	-	218	-	As declared
Other income	-	-	2	2	Market price
Guarantee fee income	-	-	2	2	Rate of 1.5% per annum
Transportation and service expenses	-	-	905	720	Market price
Interest expense	-	-	1	-	Rates of 2.0% - 2.5% per annum
<b><u>Transactions with related companies</u></b>					
Sales of goods	67	5	54	-	Market price
Service income	9	4	-	-	Market price
Other income	2	1	-	-	Market price
Service expenses	22	17	-	-	Contract price
Transportation expenses	17	8	11	8	Market price
Rental expenses	5	5	5	5	Contract price

As at 31 December 2020 and 2019, the balances of the accounts between the Group and those related parties are as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2020	2019	2020	2019
<b><u>Trade receivables (Note 9)</u></b>				
Subsidiaries	-	-	463,957	184,975
Related companies (related by common directors and shareholders)	21,368	1,454	14,222	-
Less: Allowance for expected credit losses (2019: Allowance for doubtful debts)	-	-	(8,495)	-
Total trade receivables - related parties, net	21,368	1,454	469,684	184,975
<b><u>Other receivables (Note 9)</u></b>				
Subsidiaries	-	-	4,823	7,471
Related companies (related by common directors and shareholders)	145	-	6	-
Total other receivables - related parties	145	-	4,829	7,471
<b><u>Interest receivables (Note 9)</u></b>				
Subsidiaries	-	-	274	315
Total interest receivables - related parties	-	-	274	315
<b>Total trade and other receivables - related parties, net</b>	<b>21,513</b>	<b>1,454</b>	<b>474,787</b>	<b>192,761</b>
<b><u>Trade payables (Note 17)</u></b>				
Subsidiaries	-	-	205,256	55,938
Related companies (related by common directors and shareholders)	3,256	1,507	-	-
Total trade payables - related parties	3,256	1,507	205,256	55,938
<b><u>Other payables (Note 17)</u></b>				
Subsidiaries	-	-	91,365	118,232
Related companies (related by common directors and shareholders)	12	362	9	362
Total other payables - related parties	12	362	91,374	118,594
<b><u>Accrued interest (Note 17)</u></b>				
Subsidiaries	-	-	15	18
Total accrued interest - related parties	-	-	15	18
<b><u>Accrued expenses (Note 17)</u></b>				
Subsidiaries	-	-	8,260	33,278
Related companies (related by common directors and shareholders)	3,773	1,883	1,897	510
Total accrued expenses - related parties	3,773	1,883	10,157	33,788
<b>Total trade and other payables - related parties</b>	<b>7,041</b>	<b>3,752</b>	<b>306,802</b>	<b>208,338</b>
<b><u>Lease liabilities</u></b>				
Related companies (related by common directors and shareholder)				
Lease liabilities	15,551	-	15,421	-
Less: Current portion	(4,515)	-	(4,433)	-
Lease liabilities - net of current portion	11,036	-	10,988	-

### Loans to subsidiaries and loans from subsidiaries

As at 31 December 2020 and 2019, the balances of loans to subsidiaries and loans from subsidiaries, and their movement are as follows:

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at	Increase	Decrease	Balance as at
Short-term loans to subsidiaries	31 December 2019	during the year	during the year	31 December 2020
Multi Energy Trading (2020)				
Co., Ltd.	23,000	62,500	(85,500)	-
A.G.E. Transport Co., Ltd.	138,300	140,000	(192,300)	86,000
AGE Terminal Co., Ltd.	-	205,000	(4,000)	201,000
Total	161,300	407,500	(281,800)	287,000

The short-term loans to subsidiaries have interest charge at rate of 2.0% to 2.5% per annum (2019: 2.5% per annum) with repayment within six months and unsecured.

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at	Increase	Decrease	Balance as at
Long-term loan to subsidiary	31 December 2019	during the year	during the year	31 December 2020
AGE Terminal Co., Ltd.	150,910	-	(25,245)	125,665
Total	150,910	-	(25,245)	125,665
Less: Current portion	(25,245)			(25,245)
Long-term loan to subsidiary - net of current portion	125,665			100,420

The long-term loan to subsidiary has interest charge at rates of 3.1% - 4.0% per annum (2019: 3.8% - 4.0% per annum) with repayment in monthly installments commencing January 2019, with the final installment due in March 2026. The loan is unsecured loan.

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at	Increase	Decrease	Balance as at
Short-term loans from subsidiaries	31 December 2019	during the year	during the year	31 December 2020
AGE Terminal Co., Ltd.	27,000	107,000	(133,000)	1,000
Multi Energy Trading (2020) Co., Ltd.	-	67,000	(53,000)	14,000
Total	27,000	174,000	(186,000)	15,000

The short-term loans from subsidiaries have interest charge at rate of 2.0% - 2.5% per annum (2019: 2.5% per annum) with repayment within six months and unsecured.

#### Directors and management's benefits

During the years ended 31 December 2020 and 2019, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Short-term employee benefits	40	38	27	27
Post-employment benefits	1	1	1	1
Total	41	39	28	28

#### Guarantee obligations with subsidiaries

The Company has outstanding guarantee obligations with its subsidiaries, as described in Note 31.5 to the financial statements.

### **8. Cash and cash equivalents**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash	286	329	104	143
Bank deposits	257,213	263,426	38,329	151,713
Total cash and cash equivalents	257,499	263,755	38,433	151,856

As at 31 December 2020, bank deposits in saving accounts and fixed accounts carried interests between 0.1% - 2.9% per annum (2019: 0.1% - 4.3% per annum).

## 9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b><u>Trade receivables - related parties</u></b>				
Aged on the basis of due dates				
Not yet due	20,782	1,227	241,411	56,764
Past due				
Up to 3 months	586	48	14,687	29,956
3 - 6 months	-	-	27,603	33,244
6 - 12 months	-	-	188,111	29,884
Over 12 months	-	179	6,367	35,127
Total	21,368	1,454	478,179	184,975
Less: Allowance for expected credit losses				
(2019: Allowance for doubtful debts)	-	-	(8,495)	-
Total trade receivables - related parties, net	21,368	1,454	469,684	184,975
<b><u>Trade receivables - unrelated parties</u></b>				
Aged on the basis of due dates				
Not yet due	1,355,582	865,868	1,099,584	797,226
Past due				
Up to 3 months	497,820	153,421	453,369	117,585
3 - 6 months	897	3,967	23	957
6 - 12 months	688	2,964	-	1,450
Over 12 months	13,351	11,253	4,922	10,175
Total	1,868,338	1,037,473	1,557,898	927,393
Less: Allowance for expected credit losses				
(2019: Allowance for doubtful debts)	(17,531)	(12,233)	(8,821)	(9,618)
Total trade receivables - unrelated parties, net	1,850,807	1,025,240	1,549,077	917,775
Total trade receivables - net	1,872,175	1,026,694	2,018,761	1,102,750
<b><u>Other receivables</u></b>				
Other receivables - related parties	145	-	4,829	7,471
Other receivables - unrelated parties	30,159	8,288	23,196	403
Advances	16,805	18,198	345	658
Interest receivables - related parties	-	-	274	315
Interest receivables - unrelated parties	117	308	117	302
Less: Allowance for expected credit losses				
(2019: Allowance for doubtful debts)	(16,310)	(7,800)	-	-
Total other receivables - net	30,916	18,994	28,761	9,149
Total trade and other receivables - net	1,903,091	1,045,688	2,047,522	1,111,899

Set out below is the movement in the allowance for expected credit losses of trade and other receivables.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
As at 1 January 2020	22,867	13,384
Provision for expected credit losses	11,313	4,271
Written off	(339)	(339)
As at 31 December 2020	33,841	17,316

## 10. Inventories

	(Unit: Thousand Baht)					
	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2020	2019	2020	2019	2020	2019
Finished goods	217,182	304,519	(3,060)	(5,719)	214,122	298,800
Fuel	931	783	-	-	931	783
Raw materials	481,922	1,081,086	(3,493)	-	478,429	1,081,086
Raw materials in transits	265,815	124,831	-	-	265,815	124,831
Total	965,850	1,511,219	(6,553)	(5,719)	959,297	1,505,500

	(Unit: Thousand Baht)					
	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2020	2019	2020	2019	2020	2019
Finished goods	199,756	262,228	-	(550)	199,756	261,678
Raw materials	461,990	1,065,365	(606)	-	461,384	1,065,365
Raw materials in transits	265,815	106,961	-	-	265,815	106,961
Total	927,561	1,434,554	(606)	(550)	926,955	1,434,004

During the current year, the Group reduced cost of inventories by Baht 2.9 million (2019: Baht 5.7 million) (The Company only: Baht 0.1 million (2019: Baht 0.5 million)), to reflect the net realisable value. This was included in cost of sales. In addition, the Group reversed the write-down of cost of inventories by Baht 2.1 million (2019: Baht 4.7 million) (The Company only: nil (2019: Baht 4.6 million)), and reduced the amount of inventories recognised as expenses during the year.

As at 31 December 2020 and 2019, the Company has pledged inventories of Baht 513 million to secure long-term loans from financial institutions.

## 11. Restricted bank deposits

The outstanding balance is fixed deposits of the Company and saving account of a subsidiary pledged as collateral to secure their credit facilities granted by the financial institutions.

## 12. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding percentage		Cost		(Unit: Thousand Baht) Dividends income during the year	
	2020	2019	2020 (%)	2019 (%)	2020	2019	2020	2019
A.G.E. Transport Co., Ltd.	Baht 1 million	Baht 1 million	99	99	990	990	19,800	-
AGE Terminal Co., Ltd.	Baht 230 million	Baht 230 million	100	100	230,000	230,000	197,800	-
Multi Energy Trading (2020) Co., Ltd.	Baht 128 million	Baht 128 million	100	100	127,999	127,999	-	-
AGE Global Trade Co., Ltd.	Baht 52 million	Baht 52 million	100	100	52,184	52,184	-	-
Total					411,173	411,173	217,600	-

## 13. Investment in joint venture

Investment in joint venture represent investment in entity which is jointly controlled by the Company and other companies. Details of the investments are as follows.

Joint venture	Nature of business	Shareholding percentage		(Unit: Thousand Baht) Consolidated financial statements				Separate financial statements	
				Cost		Carrying amounts based on equity method		Carrying amounts based on cost method	
		2020 (%)	2019 (%)	2020	2019	2020	2019	2020	2019
AT Energy Solution Co., Ltd.	Production and steam distribution and provision of utility services for industrial use	50	50	100,000	25,375	97,320	24,678	100,000	25,375
Total				100,000	25,375	97,320	24,678	100,000	25,375

On 3 January 2020, AT Energy Solution Company Limited called up the remaining 75% of the 995,000 newly issued ordinary shares for approximately Baht 75 million. In January 2020, the Company settled the payment for the shares.

During the year, the Company recognised share of loss from investment in joint venture amounting to Baht 2.0 million (2019: Baht 0.7 million) in the consolidated financial statements. No dividend income from the joint venture.

### Summarised financial information about material joint venture

Summarised information about financial position as at 31 December 2020 and 2019 as follows:

	(Unit: Million Baht)	
	AT Energy Solution Co., Ltd.	
	<u>2020</u>	<u>2019</u>
Cash and cash equivalent	26	16
Current assets	154	33
Non-current assets	18	-
Current liabilities	(4)	-
<b>Net assets</b>	<u>194</u>	<u>49</u>
Shareholding percentage (%)	<u>50</u>	<u>50</u>
<b>Carrying amounts of joint venture based on equity method</b>	<u>97</u>	<u>25</u>

Summarised information about profit or loss for the year ended 31 December 2020 and 2019 as follows:

	(Unit: Million Baht)	
	AT Energy Solution Co., Ltd.	
	<u>2020</u>	<u>2019</u>
Other income	5	-
Administrative expenses	(3)	(2)
<b>Loss for the year</b>	<u>(2)</u>	<u>(2)</u>



#### 14. Investment properties

The net book value of investment properties as at 31 December 2020 and 2019 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements			
	Non-operating land and building	Total	Non-operating land and building	Land for rent	Building for rent	Total
31 December 2020:						
Cost	89,495	89,495	53,077	490,642	14,347	558,066
Less: Accumulated depreciation	(12,559)	(12,559)	(12,559)	-	(2,847)	(15,406)
Less: Allowance for impairment loss	(9,087)	(9,087)	-	-	-	-
Net book value	<u>67,849</u>	<u>67,849</u>	<u>40,518</u>	<u>490,642</u>	<u>11,500</u>	<u>542,660</u>
31 December 2019:						
Cost	21,889	21,889	-	490,642	14,347	504,989
Less: Accumulated depreciation	-	-	-	-	(2,130)	(2,130)
Net book value	<u>21,889</u>	<u>21,889</u>	<u>-</u>	<u>490,642</u>	<u>12,217</u>	<u>502,859</u>

A reconciliation of the net book value of investment properties for the years 2020 and 2019 is presented below.

	(Unit: Thousand Baht)			
	Consolidate		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Net book value at beginning of year	21,889	-	502,859	503,576
Transferred from property, plant and equipment (Note 15)	45,960	21,889	40,518	-
Depreciation for the year	-	-	(717)	(717)
Net book value at end of year	<u>67,849</u>	<u>21,889</u>	<u>542,660</u>	<u>502,859</u>

The fair value of the investment properties as at 31 December 2020 and 2019 stated below:

	(Unit: Thousand Baht)			
	Consolidate		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Non-operating land and building	84,928	22,330	53,470	-
Land for rent	-	-	615,679	615,680
Building for rent	-	-	33,400	33,400

The fair value of above investment properties has been determined based on valuation performed by an accredited independent valuer. The fair value of the non-operating land and building and land for rent have been determined based on market approach, while that of the building for rent has been determined based on income approach. Key assumptions used in the valuation included yield rate, inflation rate, long-term vacancy rate and long-term growth in real rental rate.

The Company has mortgaged its investment properties with net book value amounting to Baht 511 million (2019: Baht 494 million) as collateral to secure its credit facilities granted by the financial institutions.

## 15. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements								
	Land and land improvement	Land improvement - coal stockyard	Buildings and building improvement	Machinery and equipment	Furniture and office equipment	Motor vehicles	Lighters	Assets under installation and construction	Total
<b>Cost:</b>									
1 January 2019	650,794	111,023	342,575	118,782	20,036	154,979	207,402	268,569	1,874,160
Additions	8,861	135	14,553	2,582	4,313	67,453	-	195,945	293,842
Transfer to investment properties (Note 14)	(21,889)	-	-	-	-	-	-	-	(21,889)
Capitalised interest	-	-	-	-	-	-	-	6,792	6,792
Disposals	-	-	(1,403)	-	(48)	(17,151)	(3,500)	-	(22,102)
Transfers in (out)	208	4,560	8,526	-	-	-	183,074	(196,368)	-
Translation adjustments	-	-	(1,598)	(254)	(35)	-	-	-	(1,887)
31 December 2019	637,974	115,718	362,653	121,110	24,266	205,281	386,976	274,938	2,128,916
Adjustments of right-of-use assets due to the adoption of TFRS 16 (Note 4)	-	-	-	-	-	(153,807)	-	-	(153,807)
Additions	2,991	1,210	6,531	23,254	2,765	1,010	-	203,217	240,978
Transfer from right-of-use assets (Note 19)	-	-	-	8,164	-	5,688	-	-	13,852
Transfer to investment properties (Note 14)	(41,749)	(4,733)	(12,037)	-	-	-	-	(9,087)	(67,606)
Capitalised interest	-	-	-	-	-	-	-	4,397	4,397
Disposals/write-off	-	-	(9)	(11,151)	(283)	(11,493)	-	(203)	(23,139)
Transfers in (out)	112	26,072	22,251	52,370	-	-	270,162	(370,967)	-
Reclassify	-	-	-	13,514	-	(13,514)	-	-	-
Translation adjustments	-	-	(56)	(11)	(2)	-	-	-	(69)
31 December 2020	599,328	138,267	379,333	207,250	26,746	33,165	657,138	102,295	2,143,522

(Unit: Thousand Baht)

## Consolidated financial statements

	Land and land improvement	Land improvement - coal stockyard	Buildings and building improvement	Machinery and equipment	Furniture and office equipment	Motor vehicles	Lighters	Assets under installation and construction	Total
<b>Accumulated depreciation:</b>									
1 January 2019	-	44,280	149,022	72,376	14,071	58,903	11,876	-	350,528
Depreciation for the year	-	8,013	25,108	8,937	2,239	24,493	15,619	-	84,409
Depreciation on disposals	-	-	(1,403)	-	(48)	(11,287)	(163)	-	(12,901)
Translation adjustments	-	-	(236)	(34)	(8)	-	-	-	(278)
31 December 2019	-	52,293	172,491	81,279	16,254	72,109	27,332	-	421,758
Adjustments of right-of-use assets due to the adoption of TFRS 16 (Note 4)	-	-	-	-	-	(30,078)	-	-	(30,078)
Depreciation for the year	-	11,482	27,732	13,572	2,706	3,184	26,903	-	85,579
Transfer from right-of-use assets (Note 19)	-	-	-	3,105	-	4,560	-	-	7,665
Transfer to investment properties (Note 14)	-	(4,711)	(7,848)	-	-	-	-	-	(12,559)
Depreciation on disposals/write-off	-	-	(9)	(11,148)	(273)	(11,304)	-	-	(22,734)
Depreciation on reclassify	-	-	-	8,131	-	(8,131)	-	-	-
Translation adjustments	-	-	(100)	(18)	(4)	-	-	-	(122)
31 December 2020	-	59,064	192,266	94,921	18,683	30,340	54,235	-	449,509
<b>Allowance for impairment loss:</b>									
31 December 2019	-	-	-	(42)	(10)	-	-	(39,453)	(39,505)
Transfer to investment properties (Note 14)	-	-	-	-	-	-	-	9,087	9,087
31 December 2020	-	-	-	(42)	(10)	-	-	(30,366)	(30,418)
<b>Net book value:</b>									
31 December 2019	637,974	63,425	190,162	39,789	8,002	133,172	359,644	235,485	1,667,653
31 December 2020	599,328	79,203	187,067	112,287	8,053	2,825	602,903	71,929	1,663,595
<b>Depreciation for the year</b>									
2019 (Baht 76 million included in manufacturing cost, and the balance in selling and administrative expenses)									84,409
2020 (Baht 81 million included in manufacturing cost, and the balance in selling and administrative expenses)									85,579

(Unit: Thousand Baht)

## Separate financial statements

	Land and land improvement	Land improvement - coal stockyard	Buildings and building improvement	Machinery and equipment	Furniture and office equipment	Motor vehicles	Assets under installation and construction	Total
<b>Cost:</b>								
1 January 2019	75,066	46,524	69,280	66,211	14,599	55,691	243	327,614
Additions	3,560	100	618	626	2,525	1,770	880	10,079
Disposals	-	-	(1,403)	-	(48)	-	-	(1,451)
31 December 2019	78,626	46,624	68,495	66,837	17,076	57,461	1,123	336,242
Adjustments of right-of-use assets due to the adoption of TFRS 16 (Note 4)	-	-	-	-	-	(20,220)	-	(20,220)
Additions	-	330	1,288	22,667	1,375	1,001	18,068	44,729
Transfer from right-of-use assets (Note 19)	-	-	-	-	-	5,688	-	5,688
Transfer to investment properties (Note 14)	(36,307)	(4,733)	(12,037)	-	-	-	-	(53,077)
Disposals/write-off	-	-	(9)	(11,151)	(283)	(832)	(143)	(12,418)
Transfer in (out)	-	2,359	4,051	9,222	-	-	(15,632)	-
Transfer adjustment	-	-	-	13,514	-	(13,514)	-	-
31 December 2020	42,319	44,580	61,788	101,089	18,168	29,584	3,416	300,944
<b>Accumulated depreciation:</b>								
1 January 2019	-	43,733	44,056	47,325	11,554	30,129	-	176,797
Depreciation for the year	-	1,405	3,087	3,436	1,270	8,111	-	17,309
Depreciation on disposals	-	-	(1,403)	-	(48)	-	-	(1,451)
31 December 2019	-	45,138	45,740	50,761	12,776	38,240	-	192,655
Adjustments of right-of-use assets due to the adoption of TFRS 4 (Note 4)	-	-	-	-	-	(7,797)	-	(7,797)
Depreciation for the year	-	756	3,258	6,955	1,467	1,718	-	14,154
Transfer from right-of-use assets (Note 19)	-	-	-	-	-	4,560	-	4,560
Transfer to investment properties (Note 14)	-	(4,711)	(7,848)	-	-	-	-	(12,559)
Depreciation on disposals/write-off	-	-	(9)	(11,148)	(273)	(832)	-	(12,262)
Depreciation on reclassify	-	-	-	8,131	-	(8,131)	-	-
31 December 2020	-	41,183	41,141	54,699	13,970	27,758	-	178,751

(Unit: Thousand Baht)

	Separate financial statements						
	Land and land improvement	Land improvement - coal stockyard	Buildings and building improvement	Machinery and equipment	Furniture and office equipment	Motor vehicles	Assets under installation and construction
							Total
<b>Net book value:</b>							
31 December 2019	78,626	1,486	22,755	16,076	4,300	19,221	143,587
31 December 2020	42,319	3,397	20,647	46,390	4,198	1,826	122,193
<b>Depreciation for the year</b>							
2019 (Baht 10 million included in manufacturing cost, and the balance in selling and administrative expenses)							17,309
2020 (Baht 10 million included in manufacturing cost, and the balance in selling and administrative expenses)							14,154

As at 31 December 2020, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 146 million (2019: Baht 150 million) (The Company only: Baht 115 million (2019: Baht 121 million)).

The Group has mortgaged a plot of land and building constructed thereon with net book value as at 31 December 2020 amounting to Baht 353 million (2019: Baht 330 million) (The Company only: Baht 37 million (2019: Baht 38 million)) and the subsidiaries have pledged lighters with net book value as at 31 December 2020 amounting to Baht 603 million (2019: Baht 396 million), as collateral to secure their credit facilities granted by the financial institutions.

## 16. Short-term loans from financial institutions

	(Unit: Thousand Baht)	
	Consolidated / Separate	
	financial statements	
	<u>2020</u>	<u>2019</u>
Trust receipts	1,439,223	1,393,211
Short-term loans	440,000	398,000
Total short-term loans from financial institutions	<u>1,879,223</u>	<u>1,791,211</u>

The short-term loans from financial institutions are denominated in US Dollar and Thai Baht obtained from local banks and carrying interest at the fixed rates with reference to the market rates.

The short-term loans from financial institutions of the Group is secured by the pledges of fixed deposits of the Company, the mortgages of land and building constructed thereon and investment property of the Company, and the mortgages of building of a subsidiary.

## 17. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Trade payables - related parties	3,256	1,507	205,256	55,938
Trade payables - unrelated parties	673,612	331,573	599,871	263,938
Other payables - related parties	12	362	91,374	118,594
Other payables - unrelated parties	18,944	16,251	11,664	10,944
Other payables - purchase of equipment	26,140	35,556	4,118	20
Accrued interest - related parties	-	-	15	18
Accrued interest - unrelated parties	1,194	1,017	699	628
Advance receipt	5,042	1,685	1,954	1,064
Accrued expenses - related parties	3,773	1,883	10,157	33,788
Accrued expenses - unrelated parties	99,613	72,111	32,702	29,822
Total trade and other payables	<u>831,586</u>	<u>461,945</u>	<u>957,810</u>	<u>514,754</u>

## 18. Liabilities under finance lease agreements

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Liabilities under finance lease agreements	-	119,352	-	12,953
Less: Deferred interest expenses	-	(10,047)	-	(1,531)
Total	-	109,305	-	11,422
Less: Current portion	-	(30,239)	-	(3,690)
Liabilities under finance lease agreements				
- net of current portion	-	79,066	-	7,732

## 19. Leases

### The Group as a lessee

The Group has lease contracts for various items of property, plant and equipment used in its operations. Leases generally have lease terms between 1 - 8 years.

#### a) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2020 are summarised below:

	(Unit: Thousand Baht)					
	Consolidated financial statements					
	Land and land improvement	Buildings and building improvement	Machinery and equipment	Furniture and office equipment	Motor vehicles	Total
1 January 2020	116,905	9,878	14,718	53	121,479	263,033
Additions	213	580	-	-	63,087	63,880
Transfer to property, plant and equipment (Note15)	-	-	(5,059)	-	(1,128)	(6,187)
Depreciation for the year	(16,030)	(3,824)	(8,129)	(23)	(28,466)	(56,472)
Translation adjustments	297	13	-	-	11	321
31 December 2020	101,385	6,647	1,530	30	154,983	264,575



(Unit: Thousand Baht)

	Separate financial statements				
	Land and land improvement	Buildings and building improvement	Furniture and office equipment	Motor vehicles	Total
1 January 2020	10,936	8,897	53	13,987	33,873
Additions	50	-	-	5,845	5,895
Transfer to property, plant and equipment (Note15)	-	-	-	(1,128)	(1,128)
Depreciation for the year	(1,848)	(2,810)	(23)	(5,075)	(9,756)
31 December 2020	9,138	6,087	30	13,629	28,884

**b) Lease liabilities**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Lease payments	267,306	-	31,445	-
Less: Deferred interest expenses	(20,044)	-	(2,587)	-
Total	247,262	-	28,858	-
Less: Current portion	(58,462)	-	(9,605)	-
Lease liabilities - net of current portion	188,800	-	19,253	-

A maturity analysis of lease payments is disclosed in Note 33.1 under the liquidity risk.

**c) Expenses relating to leases that are recognised in profit or loss**

(Unit: Thousand Baht)

	For the year ended 31 December 2020	
	Consolidated financial statements	Separate financial statements
Depreciation expenses of right-of-use assets	56,472	9,756
Interest expenses on lease liabilities	8,066	1,416
Expenses relating to short-term leases	5	-

**d) Others**

The Group had total cash outflows for leases for the year ended 31 December 2020 of Baht 64 million (The Company only: Baht 10 million), including the cash outflow related to short-term lease. Moreover, the Group had non-cash additions to right-of-use assets and lease liabilities of Baht 63 million (The Company only: Baht 6 million).

## 20. Long-term loans from financial institutions

The Group has have long-term loan agreements with commercial banks as follows:

			(Unit: Thousand Baht)			
Loans	Interest rate (% per annum)	Repayment schedule	Consolidated		Separate	
			financial statements		financial statements	
			2020	2019	2020	2019
Facility 1	MLR -2.5 and MLR -3.0	Repayment in monthly installments commencing October 2017, with the final installment due in March 2024 and	20,340	26,460	-	-
		Repayment in monthly installments commencing April 2018, with the final installment due in September 2024	24,150	30,450	-	-
Facility 2	3.2  MLR -2.9	Repayment in monthly installments commencing January 2019, with the final installment due in December 2025 and	108,160	130,035	108,160	130,035
		Repayment in monthly installments commencing April 2019, with the final installment due in March 2026	17,506	20,876	17,506	20,876
Facility 3	MLR -2.5	Repayment in monthly installments commencing November 2018, with the final installment due in September 2022	14,776	23,176	6,197	9,721
Facility 4	MLR -2.5	Repayment in monthly installments commencing July 2019, with the final installment due in January 2023	96,083	143,483	96,083	143,483
Facility 5	MLR -2.3	Repayment in monthly installments commencing December 2018, with the final installment due in November 2025	35,924	43,112	-	-
Facility 6	3.3 and MLR -3.0	Repayment in monthly installments commencing November 2020, with the final installment due in October 2029	211,018	105,000	-	-
Total			527,957	522,592	227,946	304,115
Less: Current portion			(125,577)	(103,633)	(76,169)	(76,169)
Long-term loans from financial institutions						
- net of current portion			402,380	418,959	151,777	227,946

Movements of long-term loans from financial institutions account during the year ended 31 December 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2020	522,592	304,115
Add: Increase in loans	110,000	-
Less: Repayment of loans	(104,635)	(76,169)
Balance as at 31 December 2020	<u>527,957</u>	<u>227,946</u>

As at 31 December 2020, the Company has interest rate swap agreement of loan with a local bank amounting to Baht 108 million (2019: Baht 130 million) to hedge the volatility of interest rate of by paying interest floating rate in exchange for fixed rate.

The loans are secured by the pledges of saving account, fixed deposits, inventories, the mortgages of land and building constructed thereon and investment properties of the Company, and the mortgages of building of its subsidiaries. The subsidiaries also pledged their lighters as loan guarantees.

The loan agreements include covenants and restrictions imposed by the lenders pertaining to among other things, the holdings of the principal shareholders, restrictions on mortgages, pledges or rights of claim over assets, and the maintenance of certain financial ratios.

As at 31 December 2020, the Company was unable to maintain certain financial ratios stipulated in the loan agreement. Under the agreement, the lender therefore has the right to call for immediate repayment in full, to not allow the Company to withdraw or make any payments from bank accounts that are pledged with the lender, and certain other rights stipulated in the loan agreement. However, the Company has negotiated with its lender and received a letter from its lender approving a waiver from compliance with the above conditions. The Company therefore classified the loan balance as at 31 December 2020 as its normal repayment schedule.

As at 31 December 2020, the long-term credit facilities of a subsidiary which have not yet been drawn down amounted to Baht 127 million (2019: Baht 237 million).

## 21. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Defined benefit obligation at</b>				
<b>beginning of year</b>	18,455	19,328	15,771	16,603
Current service cost	3,666	2,924	2,694	2,153
Interest cost	414	335	351	292
Past service cost	-	1,233	-	974
<b>Included in other comprehensive income:</b>				
Actuarial (gain) loss arising from				
Demographic assumptions changes	-	(3,232)	-	(3,047)
Financial assumptions changes	-	1,630	-	1,287
Experience adjustments	-	(2,374)	-	(1,102)
Benefits paid during the year	<u>(977)</u>	<u>(1,389)</u>	<u>(977)</u>	<u>(1,389)</u>
<b>Provision for long-term employee</b>				
<b>benefits at end of year</b>	<u>21,558</u>	<u>18,455</u>	<u>17,839</u>	<u>15,771</u>

The Group expects to pay long-term employee benefits within the next one year amounting to Baht 0.1 million (2019: nil) (The Company only: nil (2019: nil)).

As at 31 December 2020 and 2019, the weighted average duration of the liabilities for long-term employee benefit is 8 - 18 years (The Company only: 8 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Discount rate	1.4 - 1.9	1.4 - 1.9	1.4	1.4
Salary increase rate	5.0	5.0	5.0	5.0
Turnover rate	0 - 34.0	0 - 34.0	0 - 24.0	0 - 24.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2020 and 2019 are summarised below:

(Unit: Thousand Baht)

As at 31 December 2020				
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(1,556)	1,806	(1,217)	1,410
Salary increase rate	1,986	(1,716)	1,553	(1,362)
Turnover rate	(1,707)	650	(1,339)	527

(Unit: Thousand Baht)

As at 31 December 2019				
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(1,245)	1,449	(990)	1,151
Salary increase rate	1,422	(1,234)	1,124	(985)
Turnover rate	(1,367)	538	(1,090)	443

## 22. Share capital

On 29 April 2020, the Annual General Meeting of the shareholders approved the following resolutions:

- a) The meeting approved the revocation of the resolution to change the par value of the Company's shares given on 29 April 2019.
- b) The meeting approved the decrease of the Company's registered capital from Baht 483,447,437 to Baht 483,446,872 by cancelling 2,261 unissued ordinary shares and one issued ordinary share, with a par value of Baht 0.25 each. The Company registered the decrease in its registered capital with the Ministry of Commerce on 14 May 2020 and 16 July 2020, respectively.
- c) The meeting approved the change in the par value of the Company's shares from Baht 0.25 per share to Baht 0.50 per share, which will cause the number of the Company's shares to decrease, from 1,933,787,486 shares (after the decrease of the registered capital as mentioned in b)) to 966,893,743 shares. Such change in the number and par value of the Company's shares will cause the number of shares held by each shareholder to be reduced at the rate of two existing shares to one new share. The Company registered the change in the par value of its shares with the Ministry of Commerce on 23 July 2020.

## 23. Statutory 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 profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

## 24. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Interest expenses on borrowings	38,077	44,211	33,039	45,030
Interest expenses on lease/financial lease liabilities	8,066	3,161	1,416	718
Interest paid from interest rate swaps	129	766	129	766
<b>Total finance cost</b>	<u>46,272</u>	<u>48,138</u>	<u>34,584</u>	<u>46,514</u>

## 25. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Salary and wages and other employee benefits	211,752	184,676	114,471	114,528
Depreciation and amortisation	141,942	84,385	24,819	18,212
Rental expenses from operating lease agreements	50,364	63,650	5,093	18,206
Raw materials and consumables used	6,470,807	4,949,058	6,418,558	4,948,707
Changes in inventories of finished goods	87,189	56,899	62,472	38,386

## 26. Income tax

Income tax expenses for the years ended 31 December 2020 and 2019 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Current income tax:</b>				
Current income tax charge	29,474	36,867	2,561	27,579
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	1,848	(10,355)	(797)	(756)
<b>Income tax expenses reported in profit or loss</b>	<u>31,322</u>	<u>26,512</u>	<u>1,764</u>	<u>26,823</u>

The amount of income tax related to each component of comprehensive income statements for the year ended 31 December 2020 and 2019 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Deferred tax relating to actuarial gains	-	(795)	-	(572)

The reconciliation between accounting profit and income tax expenses are shown below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Accounting profit before tax	260,211	302,496	233,204	228,866
Applicable tax rates	17% and 20%	20%	20%	20%
Accounting profit before tax multiplied by				
applicable tax rates	51,986	60,499	46,641	45,773
Share of loss from investment in joint venture	397	139	-	-
Effects of eliminated transactions	(267)	(1,225)	-	-
Utilisation of previously unrecognised tax losses	(6,172)	(3,156)	-	-
Tax losses for the year that have not been				
recognised as deferred tax assets	11,209	4,045	-	-
Tax loss that initially recognised as deferred tax				
assets during the year	-	(7,589)	-	-
Effects of:				
Promotional privileges	(17,556)	(25,377)	-	-
Exception of income	(246)	-	(43,520)	-
Non-deductible expenses	144	4,212	877	1,101
Additional expenses deductions allowed	(8,173)	(5,036)	(2,234)	(1,662)
Others	-	-	-	(18,389)
Total	(25,831)	(26,201)	(44,877)	(18,950)
Income tax expenses reported in profit or loss	31,322	26,512	1,764	26,823

The tax rates enacted at the end of the reporting period of the Group are 17% and 20% (2019: 20%).

The components of deferred tax assets are as follows:

	(Unit: Thousand Baht)			
	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Deferred tax assets</b>				
Allowance for expected credit losses (2019: Allowance for doubtful debts)	6,493	3,719	3,463	1,924
Allowance for diminution in value of inventories	697	110	121	110
Provision for long-term employee benefits	4,312	3,691	3,568	3,154
Unrealised fair value of losses on derivatives	-	76	-	76
Unused tax losses	2,730	7,589	-	-
<b>Total</b>	<b>14,232</b>	<b>15,185</b>	<b>7,152</b>	<b>5,264</b>
<b>Deferred tax liabilities</b>				
Unrealised fair value gains on derivatives	60	-	60	-
<b>Total</b>	<b>60</b>	<b>-</b>	<b>60</b>	<b>-</b>

As at 31 December 2020, 4 subsidiaries had unused tax losses totaling Baht 78 million (2019: 6 subsidiaries totaling Baht 86 million), on which deferred tax assets have not been recognised as the subsidiaries believed future taxable profits may not be sufficient to allow utilisation of unused tax losses.

The subsidiaries have the unused tax losses amounting to Baht 78 million (2019: Baht 86 million) will expire by 2025 (2019: 2024).

Corporate income tax of the overseas subsidiary was calculated in accordance with the accounting standards and/or tax law of that company's country of domicile.

## 27. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year, after adjusting the number of ordinary shares to reflect the impact of the change in par value as discussed in Note 22 to the financial statements. The prior year's basic earnings per share has been recalculated as if the change in par value had been incurred at the beginning of the earliest year reported.



	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit for the year (Thousand Baht)				
Equity holders of the Company	225,322	272,787	231,440	202,044
Weighted average number of ordinary shares (Thousand shares)	966,894	966,894	966,894	966,894
Basic earnings per share (Baht)	0.2330	0.2821	0.2394	0.2090

## 28. Segment information

28.1 Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Group is organised into business units based on its products and services and have two reportable segments as follows:

- Coal business segment
- Logistic business

No operating segments have been aggregated to form the above reportable operating segments.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

28.2 The following tables present revenue and profit information regarding the Group's operating segments for the year ended 31 December 2020 and 2019.

(Unit: Million Baht)

	Coal business		Logistic business		Total segments		Eliminations		Consolidated	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenue from external customers	7,549	5,803	348	393	7,897	6,196	-	-	7,897	6,196
Inter-segment revenue	886	144	1,082	811	1,968	955	(1,968)	(955)	-	-
Cost of sales and services	(7,872)	(5,381)	(1,109)	(976)	(8,981)	(6,357)	1,981	968	(7,000)	(5,389)
<b>Segment gross profit</b>	<u>563</u>	<u>566</u>	<u>321</u>	<u>228</u>	<u>884</u>	<u>794</u>	<u>13</u>	<u>13</u>	<u>897</u>	<u>807</u>
Other income									34	13
Selling and distribution expenses									(437)	(309)
Administrative expenses									(206)	(186)
Share of loss from investment in joint venture									(2)	(1)
Gain on exchange rate									20	26
Finance cost									(46)	(48)
Income tax expenses									(31)	(26)
Profit attributable to non-controlling interest of the subsidiaries									(4)	(3)
<b>Profit for the year</b>									<u>225</u>	<u>273</u>

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

(Unit: Million Baht)		
For the years ended 31 December		
	<u>2020</u>	<u>2019</u>
Revenue from external customers		
Thailand	7,000	6,023
Other countries	897	173
Total	<u>7,897</u>	<u>6,196</u>

(Unit: Million Baht)		
As at 31 December		
	<u>2020</u>	<u>2019</u>
Non-current assets (other than financial instruments and deferred tax assets)		
Thailand	2,004	1,706
Vietnam	118	28
Total	<u>2,122</u>	<u>1,734</u>

#### 28.4 Major customers

For the year 2020, the Group has revenue from a major customer in amount of Baht 1,839 million (2019: two major customers in amount of Baht 2,591 million), arising from sales by sales by the coal business segment.

### 29. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employee and the Group contribute to the fund monthly at the rates of 2% of basic salary. The fund, which is managed by SCB Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2020 amounting to Baht 1.1 million (2019: Baht 1.1 million) (The Company only: Baht 0.8 million (2019: Baht 0.9 million)) were recognised as expenses.

### 30. Dividends

Dividends	Approved by	Cash dividend (Million Baht)	Dividend per share (Baht)	Stock dividend (Million Baht)	Dividend per share (Baht)
Final dividend for 2018	Annual General Meeting of the shareholders on 29 April 2019	3	0.002	30	0.017
Total for year 2019		3	0.002	30	0.017
Final dividend for 2019	Annual General Meeting of the shareholders on 29 April 2020	174	0.090	-	-
Total for year 2020		174	0.090	-	-

### 31. Commitments and contingent liabilities

#### 31.1 Investing commitments

As at 31 December 2020 and 2019, the Company has uncalled portions of investments in subsidiaries totaling Baht 51 million.

#### 31.2 Capital commitments

As at 31 December 2020, the Group has capital commitments of Baht 47 million relating to shipbuilding contracts for lighters and other building contracts (2019: USD 2 million and Baht 22 million relating to design and construction of power plant and Baht 11 million relating to shipbuilding contracts for lighters).

#### 31.3 Operating lease and service commitments

As at 31 December 2020, the Group has entered into service agreements. The terms of the agreements are generally 1 year (2019: lease land and office space with a related party and lease of land and service related to operation with other companies which the term of the agreements are generally between 1 to 10 years). These agreements are non-cancellable.

Future minimum payments required under these non-cancellable operating leases and service contracts are as follows.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Payable:				
In up to 1 year	5	31	2	4
In over 1 and up to 5 years	-	64	-	1
Over 5 years	-	42	-	-

#### **31.4 Commitments related to agreements to purchase steam coal**

As at 31 December 2020, the Company has entered into agreements with foreign coal mining company whereby it is committed to purchase steam coal from such companies amounting to USD 47 million (2019: USD 24 million), which in quantities and at prices that can be adjusted dependent on the quality of the coal, in accordance with the formula stipulated in the agreements.

#### **31.5 Guarantees**

- a) As at 31 December 2020, there were outstanding bank guarantees of Baht 17 million (The Company only: Baht 16 million) issued by the bank on behalf of the Group for the coal distribution, transportation and other (2019: Baht 7 million (The Company only: Baht 6 million), guarantees for transportation and electricity use).
- b) As at 31 December 2020 and 2019, the Company has commitments in respect of its guarantees of loans and credit facilities of its subsidiaries of Baht 139 million, which has been drawn down.

#### **31.6 Letter of credit**

As at 31 December 2020, the Company has outstanding commitments of USD 25 million (2019: USD 11 million) under letter of credit, relating to purchasing of raw materials.

### 31.7 Litigation

- a) On 11 November 2019, a sea shipping company (Claimant) filed a statement of claim to arbitration in Singapore, asking for damages amounting to USD 2.4 million from the Company as compensation for losses suffered as a result of a breach of the Charter Party Contract dated 21 January 2019. In December 2020, the Company submitted a statement of defense against the claim to the arbitral tribunal and filed a statement of claim against a coal supplier with the arbitral tribunal for a breach of the Sales and Purchase Contract dated 18 January 2019.

Subsequently, on 16 February 2021, the coal supplier negotiated with the Company and agreed to pay the compensation. In addition, the Company paid the compensation to the Claimant.

- b) On 15 May 2020, a sea shipping company (Claimant) filed a statement of claim to arbitration in Singapore, asking for damages amounting to USD 0.6 million from the Company as compensation for losses suffered as a result of a breach of the Charter Party Contract dated 30 October 2019. The arbitral tribunal is currently considering the Company's statement of defense against the claim. In addition, the Company filed a statement of claim against a coal supplier with the arbitral tribunal for a breach of the Sales and Purchase Contract dated 13 August 2019. The Company's management believes that the decision of the arbitral tribunal will not result in material losses and will have no material financial impact on the Company. Therefore, the Company has not recognised any provision for the losses that may occur in its financial statements.
- c) On 29 September 2020, a coal supplier company (Claimant) filed a statement of claim to arbitration in Singapore, asking for damages amounting to USD 0.4 million from the Company as compensation for losses suffered as a result of a breach of the Sales and Purchase agreement. The arbitral tribunal is currently considering the Company's statement of defense against the claim. The Company's management believes that the decision of the arbitral tribunal will not result in material losses and will have no material financial impact on the Company. Therefore, the Company has not recognised any provision for the losses that may occur in its financial statements.

## 32. Fair value hierarchy

As at 31 December 2020 and 2019, the Group has the assets that were measured and disclosed at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial Statements							
	Level 1		Level 2		Level 3		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Asset for which fair value are disclosed</b>								
Investment properties	-	-	-	-	85	22	85	22

(Unit: Million Baht)

	Separate financial Statements							
	Level 1		Level 2		Level 3		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Asset for which fair value are disclosed</b>								
Investment properties	-	-	-	-	703	649	703	649

## 33. Financial instruments

### 33.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade receivables, loans to, restricted bank deposits, trade payables, loans from and lease liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

#### Credit risk

The Group is exposed to credit risk primarily with respect to deposits with banks, trade receivables and loans to. The Group's maximum exposure relating to derivatives is noted in the liquidity risk topic.

#### Cash deposits

The Group manages the credit risk from balances with banks by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

### *Trade receivables*

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by customer type. The Group does not hold collateral as security. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year.

### **Market risk**

There are two types of market risk comprising currency risk and interest rate risk. The Group enters into a variety of derivatives to manage its risk exposure, including:

- foreign exchange forward contracts to hedge the foreign currency risk arising on the import of goods; and
- interest rate swaps to mitigate the risk of rising interest rates.

### **Foreign currency risk**

The Group's exposure to the foreign currency risk relates primarily to its trading transactions that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2020 and 2019 the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	12	-	20	9	30.0371	30.1540
Rupiah	4	14	-	7	0.0021	0.0022
Vietnam dong	104,647	43,312	4,550	2,587	0.0013	0.0013



### *Foreign currency sensitivity*

The following tables demonstrate the sensitivity of the Group's profit before tax to a reasonably possible change in US dollar and Vietnam dong exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives as at 31 December 2020. The Group's exposure to foreign currency changes for all other currencies is not material.

Currency	Change in FX rate	Effect on profit before tax
	(%)	(Million Baht)
US dollar	+ 2	(4.8)
	- 2	4.8
Vietnam dong	+ 2	2.6
	- 2	(2.6)

This information is not a forecast or prediction of future market conditions and should be used with care.

### ***Interest rate risk***

The Group's exposure to interest rate risk relates primarily to loans to, loans from and lease liabilities. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To manage this, the Group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

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

(Unit: Million Baht)

	As at 31 December													
	Consolidated financial statements													
	Fixed interest rates						Floating interest rate		Non-interest bearing		Total		Effective interest rate	
	Within 1 year		Over 1 and up to 5 years		Over 5 years		rate		bearing					
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	( % per annum)													
Financial assets														
Cash and cash equivalents	4	4	-	-	-	-	112	193	141	67	257	264	0.1 - 2.9	0.1 - 4.3
Trade and other receivables	-	-	-	-	-	-	-	-	1,903	1,046	1,903	1,046	-	-
Restricted bank deposits	-	-	-	-	-	-	118	127	-	-	118	127	0.2 - 0.7	0.3 - 1.3
	4	4	-	-	-	-	230	320	2,044	1,113	2,278	1,437		
Financial liabilities														
Short-term loans from financial institutions	-	-	-	-	-	-	1,879	1,791	-	-	1,879	1,791	0.9 - 1.9	1.6 - 2.7
Trade and other payables	-	-	-	-	-	-	-	-	832	461	832	461	-	-
Liabilities under finance lease agreements	-	30	-	79	-	-	-	-	-	-	-	109	-	1.9 - 4.5
Lease liabilities	58	-	157	-	32	-	-	-	-	-	247	-	1.4 - 4.5	-
Long-term loans from financial institutions	-	-	-	-	-	-	528	523	-	-	528	523	2.7 - 3.6	3.2 - 4.0
	58	30	157	79	32	-	2,407	2,314	832	461	3,486	2,884		

(Unit: Million Baht)

As at 31 December

Separate financial statements

	Fixed interest rates				Floating interest rate		Non-interest bearing		Total		Effective interest rate	
	Within 1 year		Over 1 and up to 5 years									
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Financial assets	(% per annum)											
Cash and cash equivalents	-	-	-	-	3	110	35	42	38	152	0.1 - 0.3	0.1 - 1.0
Trade and other receivables	-	-	-	-	-	-	2,048	1,112	2,048	1,112	-	-
Short-term loans to subsidiaries	287	161	-	-	-	-	-	-	287	161	2.0	2.5
Long-term loan to subsidiary	25	25	101	126	-	-	-	-	126	151	3.1 - 3.5	3.8 - 4.0
Restricted bank deposits	-	-	-	-	115	123	-	-	115	123	0.2 - 0.7	0.6 - 1.3
	312	186	101	126	118	233	2,083	1,154	2,614	1,699		
Financial liabilities												
Short-term loans from financial institutions	-	-	-	-	1,879	1,791	-	-	1,879	1,791	0.9 - 1.9	1.6 - 2.7
Short-term loans from subsidiaries	15	27	-	-	-	-	-	-	15	27	2.0	2.5
Trade and other payables	-	-	-	-	-	-	958	514	958	514	-	-
Liabilities under finance lease agreements	-	3	-	8	-	-	-	-	-	11	-	1.9 - 4.5
Lease liabilities	10	-	19	-	-	-	-	-	29	-	1.4 - 4.5	-
Long-term loans from financial institutions	-	-	-	-	228	304	-	-	228	304	2.7 - 3.2	3.2 - 3.7
	25	30	19	8	2,107	2,095	958	514	3,109	2,647		

## Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of trade payables, loans from and lease contracts. The Group has liquidity risk management policy, which must be approved by the management or the Board of Directors, to ensure that the Group maintains sufficient future cash flows for its business activities. By using cash flow projections, these reports will be used to monitor and control liquidity risks. The Group also determined the liquidity ratio at appropriate level. In addition, there is supervision and monitoring of the net cash flow in each interval to ensure that the Group can manage liquidity risk effectively.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2020 based on contractual undiscounted cash flows:

(Unit: Million Baht)

	Consolidated financial statements				
	On demand	Less than	1 to 5 years	Over	Total
		1 year		5 years	
<b>Non-derivatives</b>					
Short-term loans from					
financial institutions	-	1,883	-	-	1,883
Trade and other payables	-	832	-	-	832
Lease liabilities	-	65	170	33	268
Long-term loans from					
financial institutions	-	141	338	97	576
<b>Total non-derivatives</b>	-	2,921	508	130	3,559

(Unit: Million Baht)

	Separate financial statements				
	On demand	Less than	1 to 5 years	Over	Total
		1 year		5 years	
<b>Non-derivatives</b>					
Short-term loans from					
financial institutions	-	1,883	-	-	1,883
Loans from subsidiaries	-	15	-	-	15
Trade and other payables	-	958	-	-	958
Lease liabilities	-	11	21	-	32
Long-term loans from					
financial institutions	-	82	159	-	241
<b>Total non-derivatives</b>	-	2,949	180	-	3,129

### **33.2 Fair values of financial instruments**

Since the majority of the Company's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

### **34. Capital management**

The primary objective of capital management of the Group is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2020, the Group's debt-to-equity ratio was 1.9:1 (2019: 1.6:1) (The Company only: 1.9:1 (2019: 1.7:1)).

### **35. Subsequent event**

On 23 February 2021, the Company's Board of Directors Meeting No. 1/2021 approved the following resolutions:

- a) The meeting approved the allocation of profit from operation of 2020 to pay the dividend at a payout ratio of Baht 0.1 per share, or Baht 96,689,374. The resolutions will be proposed for approval by the Annual General Meeting of the Company's shareholders for the year 2021.
- b) The meeting approved AGE Terminal Company Limited to establish a new subsidiary with a registered capital of Baht 90 million to expand logistic business, and the Company's investment in the represents 75% of the subsidiary's registered share capital.

### **36. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 23 February 2021.



**Asia Green Energy Public Company Limited**  
273/1 Rama II Rd., Samaedam, Bangkhunthian Bangkok 10150  
Tel. 02-894 0088  
[www.agecoal.com](http://www.agecoal.com)

**บริษัท เอเชีย กรีน เอนเนอจี้ จำกัด (มหาชน)**  
273/1 ถนนพระราม 2 แขวงสามตำ เขตบางขุนเทียน กรุงเทพฯ 10150  
โทรศัพท์ 02-894 0088  
[www.agecoal.com](http://www.agecoal.com)