

รายงานประจำปี

ANNUAL REPORT 2562

เติมพลังสร้างสรรค์โลกสีเขียว
Energizing a green future



CONTENT

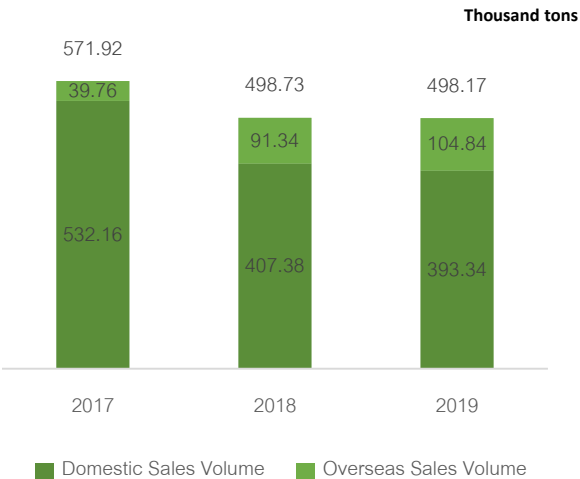
Financial Highlights	2
Core Value	5
Message from the Board of Directors	7
Board of Director and Management teams	9
Policy and Business Overview	11
Shareholding Structure	16
Types of Business	18
Risk Factors	49
Operation Assets	59
Legal Disputes	63
General information and Other Significant Information	64
Securities and Shareholder Information	67
Management Structure	70
Corporate Governance	96
Corporate Social Responsibilities	137
Internal Control and Risk Management	161
Connected Transactions	163
Management Discussion and Analysis	189
Responsibility of the Board of Directors for Financial Reporting	208
Report of the Nomination and Remuneration Committee	209
The Report of Audit Committee	211
Financial Statement	214



Operation Highlight

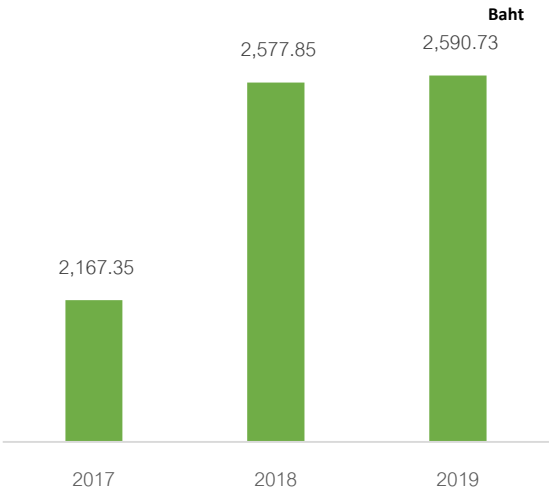
Volume Sales

In 2019, sales volume was stable due mainly to a drop in domestic sales volume netted with an increase in oversea sales volume.



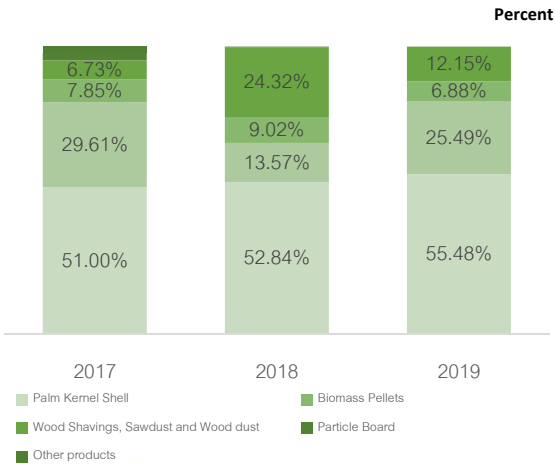
Average Selling Price

Average selling price of 2019 increased due to the low sales volume of chopped wood replaced by a high-priced product such as Palm Kernel Shell.



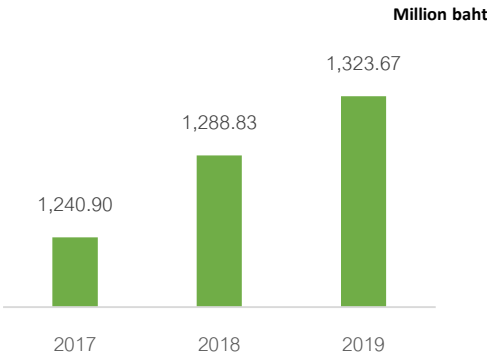
Products Breakdown

In 2019, Wood pellets decreased from previous due to regional wood pellets market while wood chips increased because of exported activities.

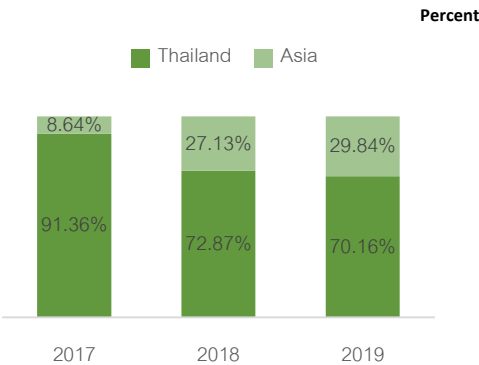


Financial Highlight

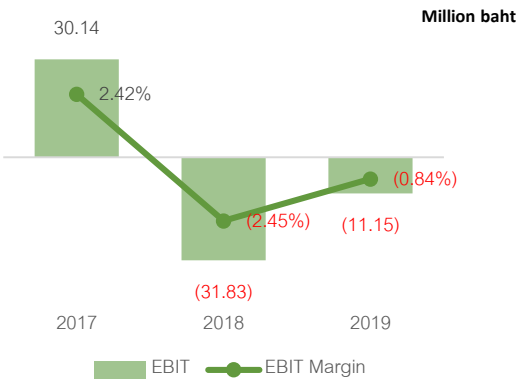
Revenue from sales and services



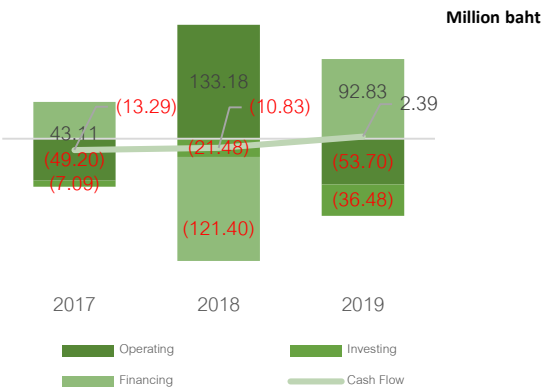
The Proportion by geographical



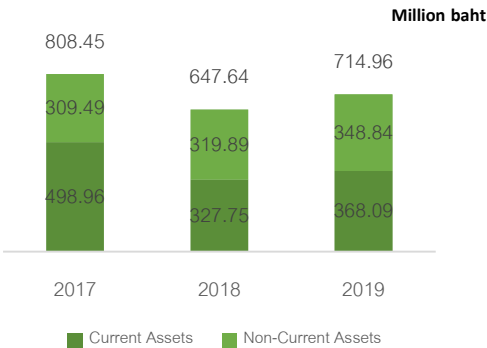
Earning Before Interest and Tax



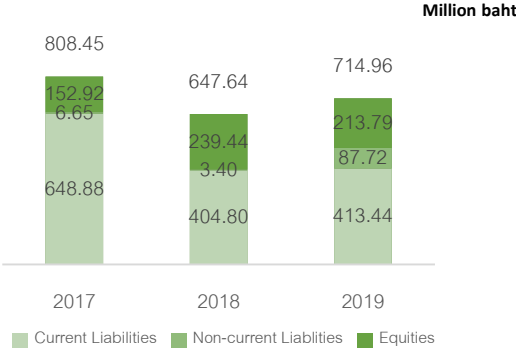
Cash Flow



Assets



Liabilities and Equities



Financial Ratios

Financial Ratios		As of 31 December		
		2017	2018	2019
LIQUIDITY RATIO				
Current ratio	(เท่า)	0.77	0.81	0.89
Quick Ratio	(เท่า)	0.25	0.47	0.52
Cash flows ratio	(เท่า)	(0.06)	0.25	(0.10)
Accounts receivable turnover	(เท่า)	10.87	11.58	9.15
Average collection period	(วัน)	33.11	31.53	39.89
Inventory turnover	(เท่า)	3.43	4.54	7.23
Inventory days	(วัน)	104.92	80.46	50.47
Accounts payable turnover	(เท่า)	(18.68)	(24.22)	(26.31)
Accounts payable days	(วัน)	(19.27)	(15.07)	(13.87)
Cash Cycle	(วัน)	118.76	96.92	76.49
PROFITABILITY RATIO				
Accounts payable days	(%)	23.65	16.11	20.03
Operating profit margin	(%)	2.42	(2.45)	(0.84)
Other profit margin	(%)	0.41	0.72	0.63
Profitability Ratio	(%)	5.09	5.62	(1.77)
Net profit margin	(%)	1.24	(2.40)	(1.18)
Return on equity	(%)	10.78	(15.88)	(6.69)
EFFICIENCY RATIO				
Return on assets	(%)	1.96	(4.37)	(1.64)
Return on fixed assets	(%)	5.54	(11.46)	(4.03)
Assets turnover	(เท่า)	1.59	1.78	1.96
FINANCIAL POLICY RATIO				
Debt to equity ratio	(เท่า)	4.29	1.68	2.23
Interest coverage ratio ^{1/}	(เท่า)	2.30	3.44	(1.68)
Cash Basis	(เท่า)	(1.39)	0.55	(3.96)
Dividend payout ratio	(%)	215.89	-	-

Note:1/ calculated by (operating cash flow+ interest expenses from operating taxes)/interest expenses from operating and investing



“ ABM Core Values ”

I AM ABM

- I** = Innovative
- A** = Adaptability
- M** = Moving Forward
- A** = Accountability
- B** = Be Best For Customers
- M** = Morality

VISION

To be Asia's leading firm in providing biomass fuels.

MISSION

To promptly satisfy clients' needs with varieties of biomass fuels, priding ourselves in quality control, consistency and sustainability of supply. To deliver customized logistics solutions and excellent after sales service while considering the benefits of all stakeholders.





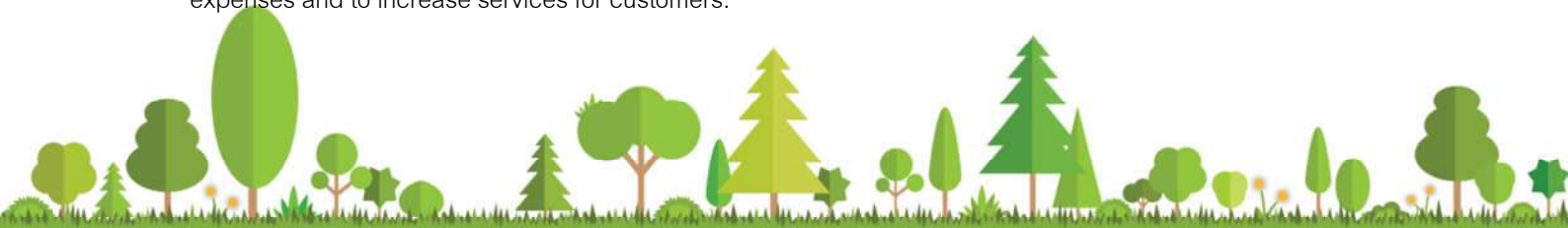
Mr. Apisit Rujikeatkamjorn
Chairman

Message from the Board of Directors

Dear stakeholders

Asia Biomass PCL has changed the policy and strategy to meet with the situation and changes in the industry in 2019. Although the economic situation in Thailand, both domestic and overseas economic recession, together with special factors such as trade war has resulted in continual contraction in Thai exports. At the same time, it cannot be disclaimed that a reason is due to industrial sector is facing with the structural problems as a result of the rapid changes such as digital economy development, ongoing production processes that interact with the service sector or product as a service, requiring many industries to adjust to meet with the changes happened

In the past year, our company experiences numerous challenges, both in terms of competition in Biomass supply chain industry, the support for power plants production of biomass under the government policy has decreased in accordance with the Thailand Power Development Plan 2018, the country's economic situation or even the biomass market situation in the partner countries. These situations affect the operating results of the company. However, the company has adjusted the transportation management strategies to reduce excessive storage and transport costs, and applied the information technology to control the budgets and expenses, to reduce duplication of operating procedures in order to reduce administration expenses and to increase services for customers.



However, in the past year, we have focused on creating sustainability for the company under the framework of professional, transparent business practices, observed to the principles of good ethics and good corporate governance, cautious approach to business with the principal goal of creating company growth and focus on the balance between continuing developed organization under the framework of business ethics and maximize the benefits of the shareholders and all stakeholders, included environmental responsibilities for the company sustainable growth, with integrity and sincerity. In the past year, we have improved our good governance rating from good (3 stars) to excellence level (4 stars) prepared by the Thai Institute of Directors Association. The CG performance rating of very good level or 4 stars was given by the Thai Institute of Directors Association (IOD) on its 2019 CGR findings announcement.

The company aims to constantly improve the level of product and services quality based on social responsibilities by expanded its ISO 9001: 2015 to cover the entire organization and take note to the environmental standards, ISO14001: 2015 including the monitor process on the origin of wood products certified by FSC (Forest Stewardship Council) under CoC (Chain-of-Custody) to encourage to use the wood and forests products sustainably based on the balances of economic, social and environment, starting from raw materials management, processing and product movement throughout the supply chain until they reach the consumers. The standards are accepted by customers at an international level.

Lastly, on behalf of the Board of Directors of Asia Biomass Co., Ltd, we would like to thank all the investors, business partners, financial institutions, related public and private organizations as well as all the customers who have given their ongoing confidence and support to the company. Importantly, the company would like to thank the company's management and staffs that have dedicated their physical strength and thoughts, performed work with integrity, diligence, persistence, which is the driving force for the company development and moving forward stably as well as created sustainably returns for all shareholders and all the stakeholders.



Mr. Apisit Rujikeatkamjorn
Chairman



EXECUTIVE COMMITTEE



2

1

3

4

1. Miss Tiyyada Kuansataporn

Chairman of Executive Committee

2. Mr. Pongtham Danwungderm

Vice Chairman of Executive Committee

3. Mr. Panom Kuansataporn

Executive Committee

4. Mrs. Natpapha Kuansataporn

Executive Committee

MANAGEMENT TEAM



4

3

2

1

5

6

1. Miss Tiyada Kuansataporn

Managing Director

2. Mr. Pongtham Danwungderm

*Deputy Managing Director and
Chief Financial Officer (CFO)*

3. Mrs. Apiratee Sakulin

*Company Secretary and Assistant Director
of Human Resources and Administration*

4. Mrs. Janphen Keawklinchan

Director of Sourcing and Supply Chain BU1

5. Mr. Prutthipol Soisuwun

Director of Sourcing and Supply Chain BU 2

6. Mr. Chairat Dejpaiboonoyot

Assistant Director of Sales and Marketing



Asia Biomass Public Company Limited (ABM) supply and distribute various types of Biomass fuel such as Palm Kernel Shells, Wood Chip and other parts of wood, Wood Shavings, Sawdust, Wood Dust and Biomass Pellet etc. To the industry customers which would like to use the Biomass fuel for the produced process in domestic and oversea market.

Vision & Mission

Vision

To be Asia's leading firm in providing biomass fuels

Mission

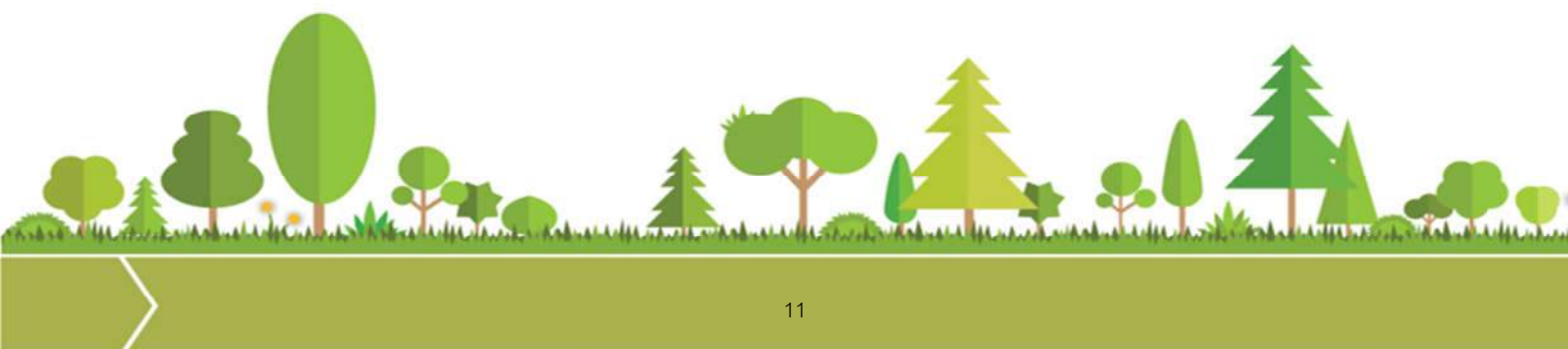
To promptly satisfy clients' needs with varieties of biomass fuels, priding ourselves in quality control, consistency and sustainability of supply. To deliver customized logistics solutions and excellent after sales service while considering the benefits of all stakeholders.

History, Changed and Major Development

Kuansatporn Family has experienced in Biomass fuel business more than 60 year. First business was producing joss powder, mosquito repellent raw materials and sells biomass fuel from rice husk, wood chip and fire wood. Thai Joss Powder Industrial Co., Ltd was established in 20 August 1984 with registered capital 1 million Baht. For expansion the business Thai Joss Powder Industrial Co., Ltd. has set up Sataporn Tanapat (STP) in 27 March 1990 for inland transportation business. To manage deliveries quickly, safely and effectively. In addition, the company has invested in several warehouses. It is a collection center, storage and distribution center.

After the biomass fuel supply and distribution business has grown steadily, demand for renewable energy has increased. The company focuses on the sourcing business and distribution biomass fuel. Therefore, company discontinued production of joss powder and mosquito repellent raw materials. We changed the company name to Asia Biomass Company Limited on 20 October 2009 for related to the main business. In addition, the Company has set up a subsidiary named "Paprapat" ("PPP") on 1 October 2009 to support the expansion of the biomass fuel distribution business. It will supply and distribute exempted VAT.

The Company and its subsidiaries have been engaged in the long-term business of supplying and distributing biomass fuels. The company is widely accepted by distributors and buyers from various industries, including distributors and overseas customers. The Company has set up 3 overseas subsidiaries



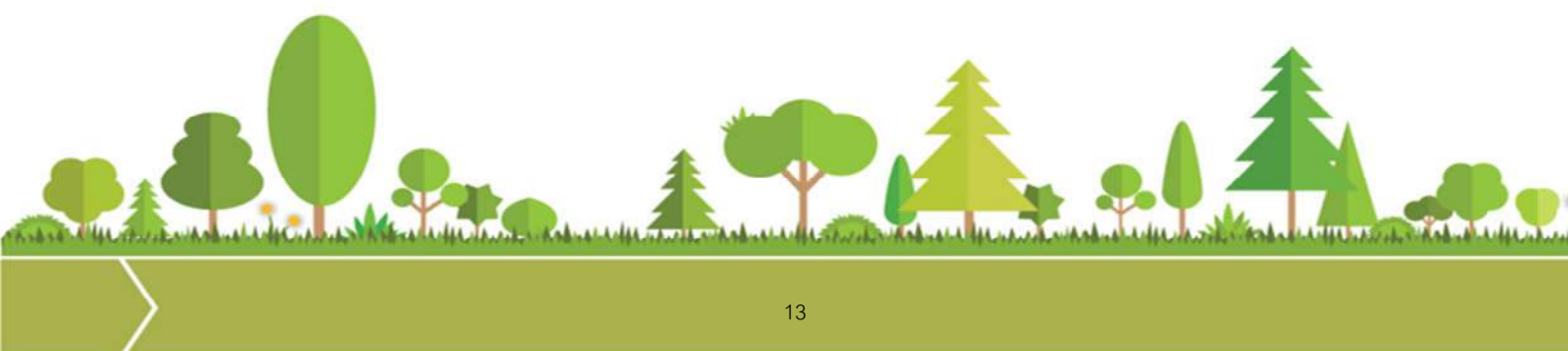
as PT. Asia Biomass Indonesia (“ABI”) Asia Biomass Energy SDN. BHD. (“ABE”) และ Asia Biomass Resources SDN. BHD. (“ABR”) for supply biomass fuels in Indonesia and Malaysia. 3 Overseas subsidiaries sold cargo to ABM for distribution by directly delivery biomass fuels from these 3 subsidiaries to ABM overseas customers and delivered to ABM's warehouse in Thailand.

Change and important developments during the year of 2017 to 2019 as follows

Year 2017	<ul style="list-style-type: none"> - First of extraordinary meeting on 26 February, 2017 have resolution to increase paid-up capital amount 74.00 million baht from 76.00 million baht which equal 150 million baht (registered capital). There were capital increase of the common shares amount 148.00 million baht and the common share is 0.50 baht per share which separated for existing shareholders amount 73.00 million baht and there are the first time to sale for people amount 75.00 million baht which approve registering for transformation to be Public Company Limited. - The company has registering for transformation to be Public Company Limited on 1 March, 2017 and increase paid-up capital 36.50 million baht on 3 March, 2017. At the Present, The Company has the registered capital 150 million baht and paid-up 112.50 million baht and has separated to be the common shares amount 225.00 million shares which was 0.50 baht per share. - STP received the Quality Management System ISO 9001: 2015 from ACM SERVICES Company Limited on 23 June, 2017. - The company received the Honor Award of CSR-DIW Beginner Award 2017 from Department of Industrial work, Ministry of Industry on 17 August, 2017. - The company received the Green Industry (level 2) certificate from the Ministry of Industry on 27 October, 2017. - The company has received the forest certificate in FSC-CoC (Chain of Custody) from Bureau Veritas, Thailand for biomass products such as, wood pellets, wood shavings, sawdust, woodchip and using by products from the tree. In the part of saw timbers, there are many products to provide to the customer such as, plywood and thin wood, etc.
-----------	---



Year 2018	<ul style="list-style-type: none"> - The company had the initial public offering (IPO) on 27 February 2018, share 75 million in the Stock Exchange of Thailand. - The company was certificate Zero Accident Campaign beginning Year one On 28 June 2018 - Asia Biomass Public Company Limited have successfully achieved ISO 9001:2015 certificated on 25 August 2018. - Asia Biomass Public Company Limited was sign Contract ceremony of Acacia Species with Forest Industry Organization at Forest Industry Organization Office. - Asia Biomass Public Company Limited have successfully achieved ISO 14001:2015 certificated on 26 November 2018. - ABM Pellets Company Limited established on 9 November 2018, registered capital from 1.0 Million bath and Ordinary share 100,000 share. The par value of its shares from 10 Baht per share to 10 Baht per share. Asia Biomass Public Company 99,997 shares or 99.99% of capital.
Year 2019	<ul style="list-style-type: none"> - The company achieved very score (98 of 100 points) in Annual General Meeting (AGM) in 2019 from jointed program of Thai Investor Association and The Securities and Exchange Commission, Thailand on 15 July 2019. - The company received the assessment of Corporate Governance Report of Thai Listed Companies in 2019 at very good score by Thai Institute of Directors (IOD) supported by The Stock Exchange of Thailand.



Certificates and certifications of the year 2019



➤ In 30 April 2019, Asia Biomass Public Company Limited received a certificate of safety, occupational health and working environment management at a gold level.



➤ In 27 June 2019, Asia Biomass Public Company Limited and Sataporn Thanapat Co., Ltd receive a certificate on drug management system in the workplace According to the White Factory Project, level 1



➤ The company achieved very score (98 of 100 points) in Annual General Meeting (AGM) in

2019 from jointed program of Thai Investor Association and The Securities and Exchange Commission, Thailand on 15 July 2019.



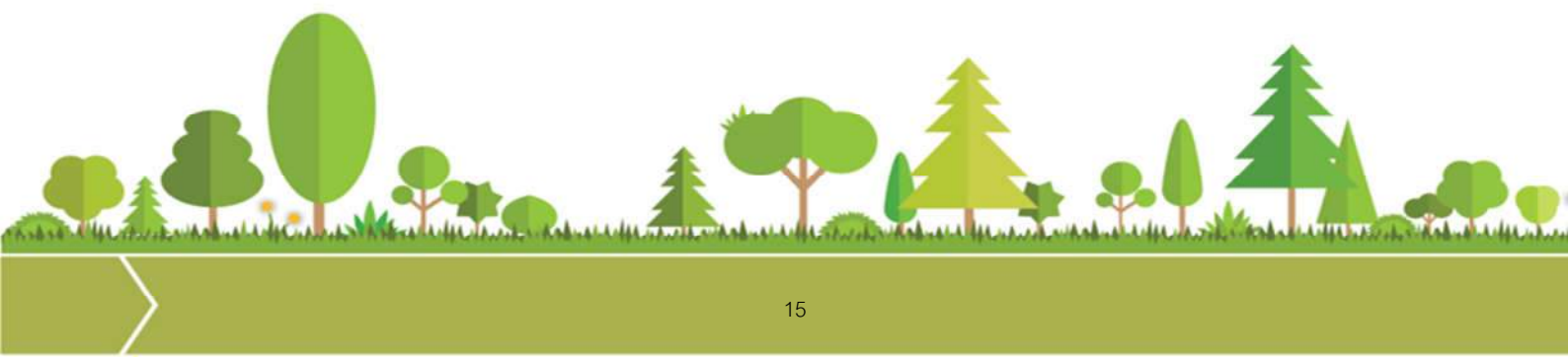
➤ The company received the assessment of Corporate Governance Report of Thai Listed Companies in 2019 at very good score by Thai Institute of Directors (IOD) supported by The Stock Exchange of Thailand.

The Structure of Shareholding

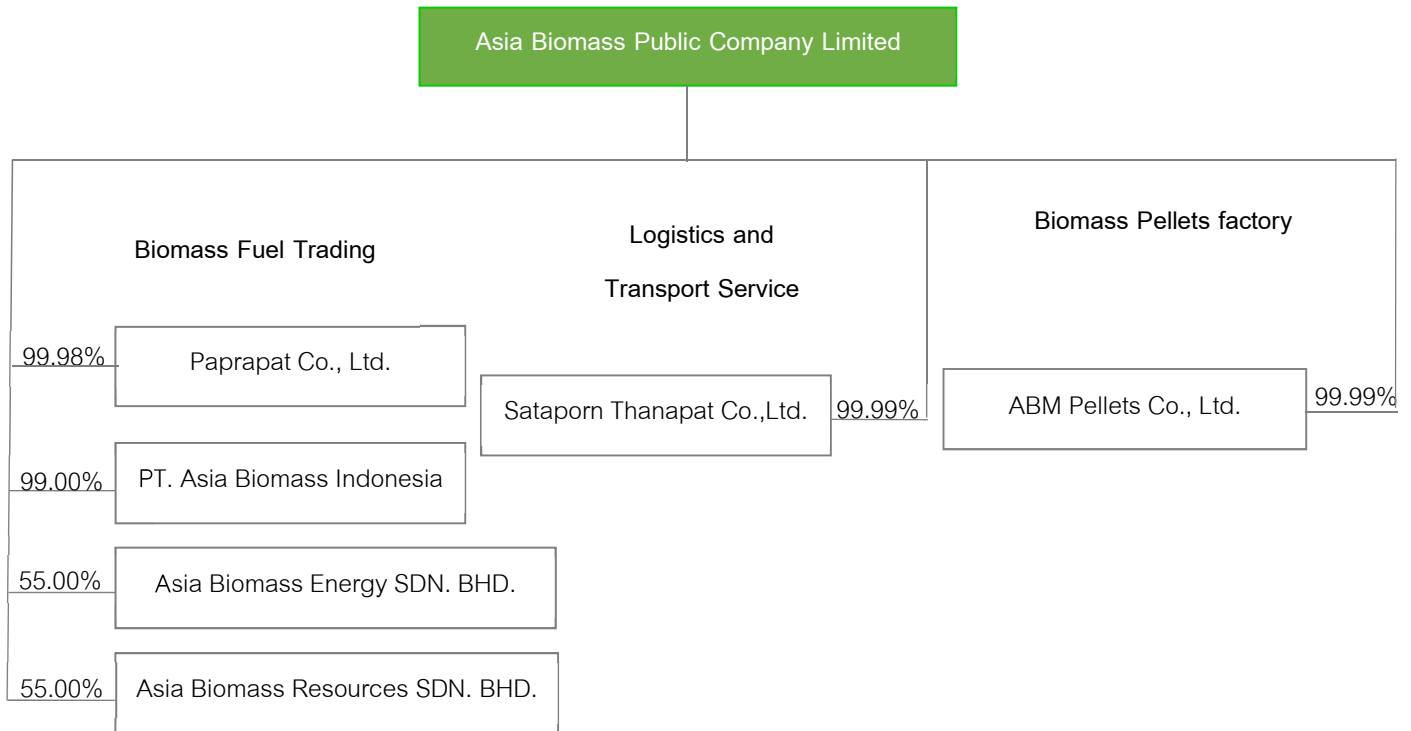
The company has 3 major group structure as follows:

1. Biomass Fuel Trading
2. Logistics and Transport Service
3. Biomass Pellets factory^{1/}

notes: 1/biomass pellets factory is not operate.



Shareholding Structure



The company subsidiaries is different according to the region. The operation details of the subsidiary companies are as follows:

Name of subsidiaries	Shareholding by ABM (%)	Type of Business
ABM Pellets Co., Ltd.	99.99	Wood Chip and biomass Pellets factory
Paprapat Co.,Ltd	99.98	Biomass fuel trading (Exempt from VAT)
PT. Asia Biomass Indonesia	99.00	Biomass fuel sourcing from Indonesia and supplying only to ABM

Name of subsidiaries	Shareholding by ABM (%)	Type of Business
Asia Biomass Energy SDN. BHD.	55.00	Biomass fuel sourcing from Malaysia (only in the Bintula district) and supplying only to ABM ^{1/}
Asia Biomass Resources SDN. BHD.	55.00	Biomass fuel sourcing from Malaysia (except in Bintula district) and supplying only to ABM ^{1/}
Sataporn Thanapat Co., Ltd.	99.99	Truck service mainly to ABM and PPP. In case of surplus service, it can also provide service to other relevant companies

Remarks: 1/ The company established 2 companies in Malaysia because the two different companies are specialized in sourcing biomass fuel in different parts of Malaysia.

Relationship with business groups of the main shareholders

- None -



Types of Business

Business Review and Income Structure Categorized by Types of Business

The company and its subsidiaries mainly operate biomass fuel. Both procurement and trading are done through the company and its subsidiaries such as PPP, ABI, ABE and ABR based in both domestic and overseas countries. STP is to support biomass fuel transportation. Income structure is categorized by types of business which is as follows:

Income Structure categorized by Types of Business	Operated by	2017		2018		2019	
		Million Baht	%	Million Baht	%	Million Baht	%
Income from product sale		1,239.55	99.48	1,283.76	99.01	1,314.55	98.69
- Domestic	ABM and PPP	1,130.39	90.72	934.58	72.08	919.56	69.04
- Overseas	ABM	107.93	8.66	349.18	26.93	394.99	29.65
- Overseas – Subsidiaries in overseas Countries ^{1/}	ABE	1.23	0.10	-	-	-	-
Income from transportation service ^{2/}	STP	1.35	0.11	3.51	0.27	9.13	0.69
Other Incomes ^{3/}	ABM and subsidiaries	5.16	0.41	9.38	0.72	8.33	0.63
Total		1,246.06	100.00	1,296.64	100.00	1,332.00	100.00

Notes:

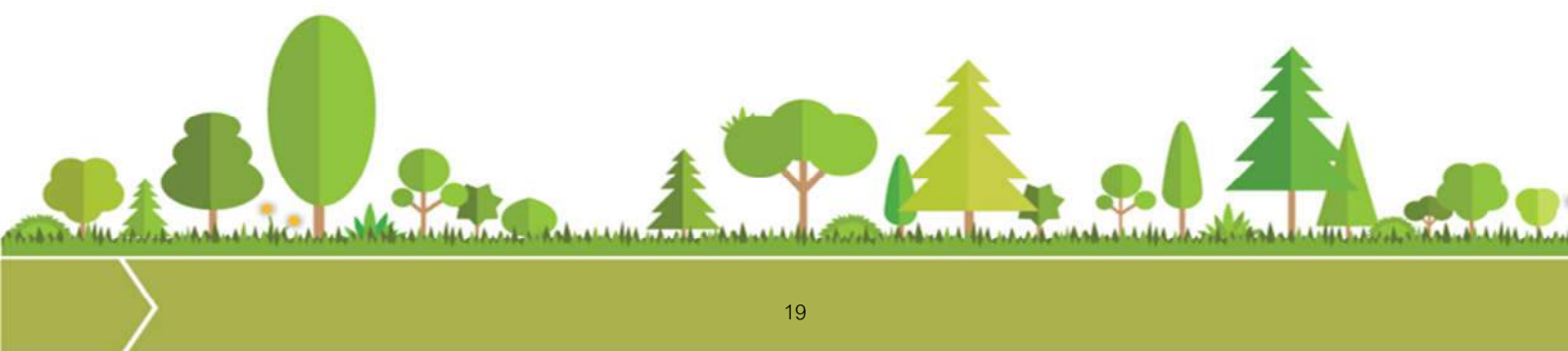
1/ The company received purchase order from Malaysian customers. The price was satisfactory. The requested quantity did not affect the company's export plan. Therefore; the company assigned ABE to directly sell to customers in particular cases.

2/ The income from transportation service as shown above is only the income that STP gave services to the outsiders. Normally, STP will mainly give services only to the company and PPP.

3/ Other incomes consist of (1) Income from asset sales (2) Profit from foreign exchange rate (3) Income from properties' insurance claim (4) Other incomes.

The products that the company and its subsidiaries source and trade can be categorized into 5 groups. The sales incomes categorized by types of products during 2017-2019 are as follows:

Income categorized by Types of Product	2017		2018		2019	
	Million Baht	%	Million Baht	%	Million Baht	%
Domestic Sales	1,130.39	91.19	934.58	0.73	919.56	69.95
- Palm Kernel Shell	554.19	44.71	618.51	48.18	705.95	53.70
- Woodchip or other parts of wood	366.38	29.56	177.16	13.80	109.59	8.34
- Biomass Pellets	83.06	6.70	24.13	1.88	90.43	6.88
- Wood Shavings, Sawdust and Wood dust	97.17	7.84	115.15	8.97	33.71	2.56
- Other products	29.59	2.38	0.00	0.00	0.00	0.00
Overseas Sales	109.16	8.81	349.18	27.20	394.99	30.05
- Palm Kernel Shell	77.83	6.28	59.82	4.66	23.39	1.78
- Woodchip or other parts of wood	0.09	0.01	0.00	0.00	125.98	9.58
- Biomass Pellets	28.63	2.31	288.97	22.51	225.50	17.15
- Other products	1.38	0.11	0.00	0.00	0.00	0.00
- Palm Kernel Shell (Subsidiaries in overseas countries)	1.23	0.10	0.00	0.00	0.00	0.00
Total	1,239.55	100.00	1,283.76	100.00	1,314.55	100.00



Nature of Products

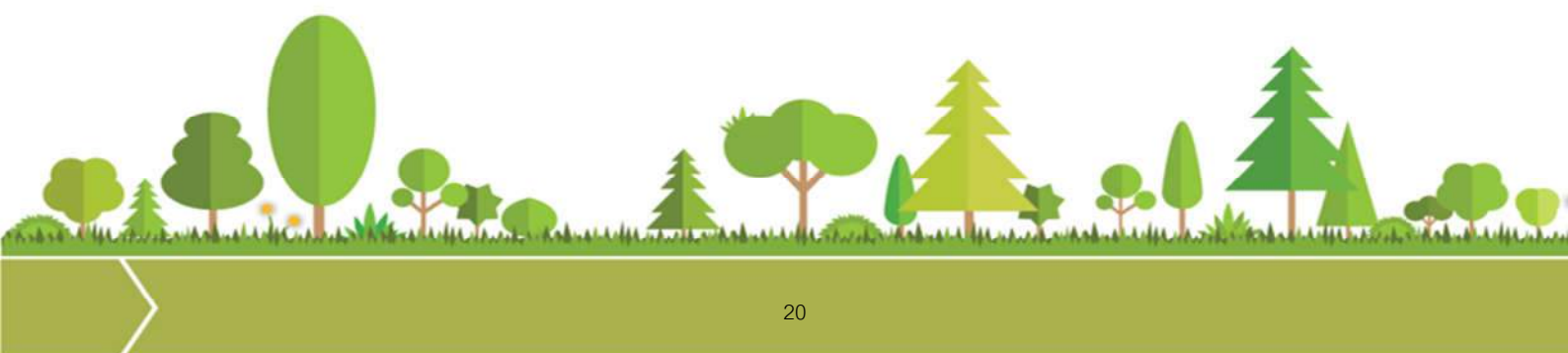
The company and its subsidiaries' main business is biomass fuel trading to be used as fuel in production for industrial sectors, power plants and for some industries to be used as other uses like biomass processing plants, wood-product manufacturers and biomass fuel resellers, etc. The company and its subsidiaries procure biomass fuel from the producing sources and also from trustworthy suppliers. The domestic procurement is operated through ABM and PPP, overseas procurement through ABI, ABE and ABR. To sell to customers is operated only through ABM and PPP.

Biomass Fuel is the fuel that comes from living organisms or bio materials that can be altered to energy. There are, for example, the by-product that comes from agricultural product processing and the crops after harvest and also forests, etc. The biomass fuel sourced by the company and its subsidiaries are all agricultural products which can be divided into 3 types as follow:

1. The biomass fuel such as palm kernel shell, palm fiber, palm bunch from crude palm oil extraction, wood shavings from furniture factories, sawdust and wood dust and other part of wood from sawmills, husk from rice mills and bagasse from sugar plants etc.
2. Biomass fuel from agriculture such as rice straw, wood tip, wood root, treestump from rubber plantation, sugar cane leaves and shoots of sugar cane, cassava tuber from cassava plantation, corncob from corn plantation, etc.
3. Biomass fuel from the particular plantation meant for source of energy. Most of them are fast-growing trees such as giant acacia, eucalyptus, Napier grass, etc.

All biomass fuel that are sourced by the company and its subsidiaries are from agricultural processing.

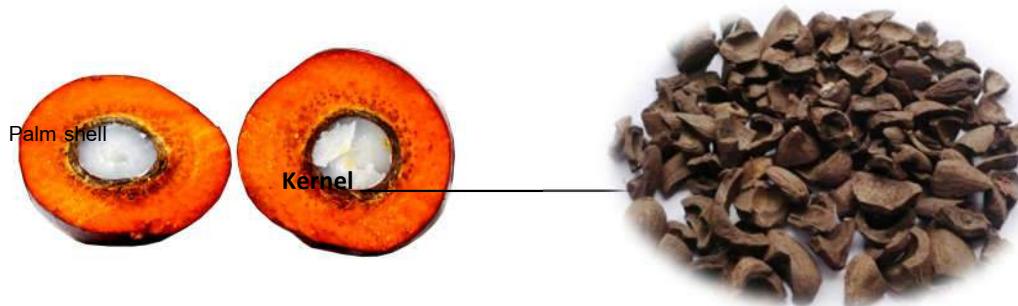
The users who use biomass fuel from the company and its subsidiaries will use it by direct combustion to get heat for their production process. They will burn it in the oven so that it generates heat in the boiler till it vaporizes. The vapour that they get will have pressure, temperature and flow rate as set by the users. This vapour will be used in production process like to turn steam turbine, to generate electricity, to blow the air to dry cloth fiber in weaving factories, to pasteurize in industry, etc. Vapour can be used in different ways. Biomass fuel users need to choose suitable biomass fuel to be right for their different types of usage by the technology of the incinerators and the boilers that they have. Each incinerator can be applied to different particular types of biomass fuel.



The company's 5 Main products

Group No.1 - Palm Kernel Shell

Palm kernel shell is by-product of palm oil extraction process. This process separates oil from palm and palm seeds. Palm kernel shell is obtained from crude palm oil industry and it is through the process of palm oil extraction from its palm bunch. This can constitute 4% palm kernel shell from the weight of a fresh palm bunch. Palm kernel shell is a part of palm fruit. It is a part that covers the kernel of a palm fruit. Mostly, it is dark brown and hard. It has high heat generation qualifications. The heat level also depends on the moisture and size of palm fruits.



Palm fruit and its parts

Group No.2 - Woodchip and Others

Woodchip products and others that the company and its subsidiaries trade are for example woodchip, wood slab, fuel wood, other parts of wood that come from cutting and sawing process like sawmill, chop wood plants, processed wood plants, furniture plants, etc. The products are in different sizes as per customers' needs and requests. The products are from rubber trees and another 13 types that are permitted from the Ministry of Forestry.



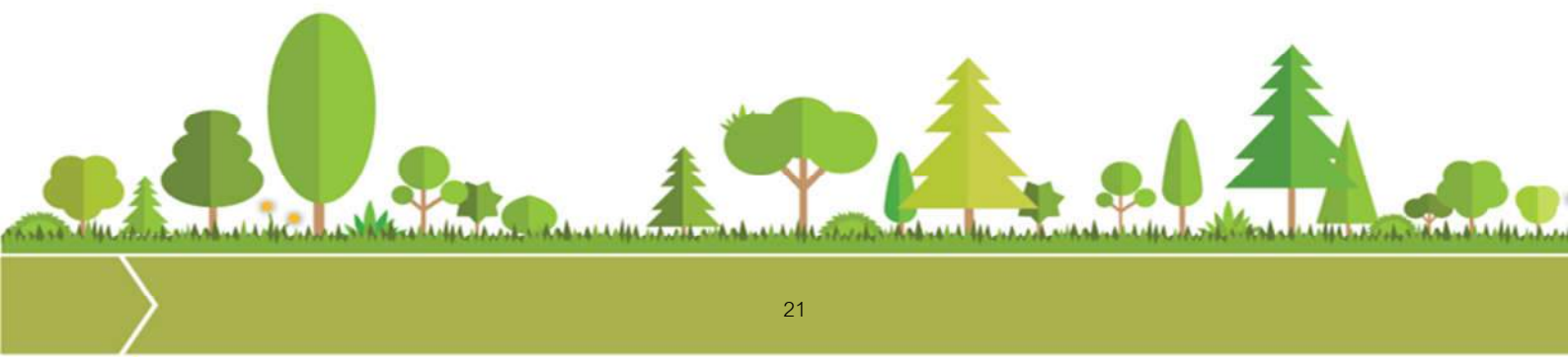
Woodchip



Wood Slab



Fuel Wood



Group No.3 - Wood Shavings, Sawdust, Wood Dust

Wood shavings, sawdust and wood dust are by-products of wood processing. Wood shaving is thin particle from shaving. Sawdust and wood dust is like powder and light. It is obtained from wood processing like sawmills, furniture plants, etc.



Wood Shaving



Sawdust



Wood Dust

Group No.4 - Biomass Pellet

Biomass Pellet is produced from agricultural wastes such as bark and other parts of wood, wood shaving, sawdust and rice husk, which are passed through the crushing and drying processes before pressing into small cylindrical pellets. Biomass pellet is high in density and has low moisture. Produced through the pressing and heating process, biomass pellet generates higher heat value than the pre-pelletized biomass fuel. Biomass pellet sold by the company and its subsidiaries are mainly made from wood shavings and sawdust, or known as wood pellet. They also sell other kinds of biomass pellet, including rice husk pellet, husk-mixed sawdust pellet, etc.



Biomass Pellet

Group No.5 – Other Products

The company and its subsidiaries also offer other alternative biomass fuel, comprising rice husk, palm fiber, fruit bunch, corncob and cassava root to respond to customers' satisfaction. In addition to biomass fuel, the company in December 2016 began to procure processed wood products from its biomass fuel suppliers



such as sawmills and wood processing plants for sales to wood furniture manufacturers, which are its suppliers, and also to overseas customers.

The price of biomass fuel varies by heat value. Heat value is variable by moisture. Purchasers and sellers agree on the price according to the moisture in each biomass fuel. Each biomass fuel generates different combustion energy. Different biomass has different accumulated moisture which is as follows:

Types of Biomass Fuel ^{1/}	Moisture Value (%)	Heat Value (Kilocalorie per Kiogram)
Group 1 Palm Kernel Shell	25 - 27	3,400 – 3,800
Group 2 Woodchips and others	45 - 50	2,300 – 2,800
Group 3 Wood Shaving, Sawdust, Wood Dust	10 - 18	3,700 – 4,000
Group 4 Biomass Pellet ^{2/}	8 - 10	4,000 – 4,400

Source: Company data

Marketing and Competition

Product Marketng Policy

The company and its subsidiaries hereinafter referred to as “the company” have marketing policy which is as follows;

1. Product

The company has commitment to provide quality biomas fuel to customers. The company considers it important starting from procuring suppliers, transportation and the company’s product storage, product quality control is very important for value of moisture, colour, size and impurity level. Physical testing is done in the laboratory so that customers are confident in the product quality. The company also has other alternative biomas fuel for customers’ needs. Customer can shift to other fuel to replace the pricy one they have been using, not like other big companies which have no other alternatives for customers. In addition, the company has served cutomers’ demands by sourcing the biomass that has attained the standerd of The Forest



Stewardship Council (FSC). FSC guarantees quality products from worldwide accepted sources. The company's products have more advantages than other companies because it meets supplier's requirements and limitation for overseas countries.

2. Service

Before and after sales service are very important. The company has specialists for advising proper biomass fuel for particular incinerators and boilers. The company has consultants to advise on possibility of using different biomass fuel for adjustment of combustion in a new boiler. These specialists take good care of customers to ensure efficiency of customers' production. For transportation, the company hired STP and also some other transportation companies to ensure customers' satisfaction. These transportation companies have regularly been evaluated for the company's standard for on-time delivery. This can reduce product loss during transportation. STP has received ISO9001:2015 which affirms customers' confidence.

3. Cost Management

The company emphasizes on efficient cost management which creates the products competitiveness. The company's marketing team has followed the situations of demand and supply to source competitive supplies. The company owns 4 warehouses in domestic and overseas countries. This is efficient for purchase plan, sales plan and shipment plan. Moreover, the company also offers "Direct Shipment" from suppliers directly to customer by not passing the company's warehouses for the sake of cost reduction.

4. Price Determination

Pricing for domestic and overseas markets is to mark up the price from actual cost such as product cost, transportation cost and cost-plus pricing. The company has set minimum profit rate in order to offer competitive price to the customers. During the time of high competition, the company may adjust the price to be lower than minimum profit rate. The sales and marketing department should inform the Board of Directors to consider.

5. Criteria for Granting Credit

In order to prevent non-performing loan (NPL) or bad debt, the company takes measures to check customers' profile and status. The company has screened before granting credit to new customers. The sales and marketing team visit customers' places, check their information such as a company's name, location, their demands, volume of their orders, etc. Such required documents for opening an account for new customers are



as a copy of company's registration, VAT document and their latest financial statement. The company's accountants and financial officers will analyze customers' financial status. After opening an account for customers, the company considers credit limit and credit term for the customers. When the sales amount exceeds their credit limit, the system will automatically lock. If the sales and marketing team wish to go beyond their credit limit, there are procedures to grant more credit to the customers. Every year the customers' credit review is done in order to check their status. The outstanding account receivable shall be closely followed up by the company's measures.

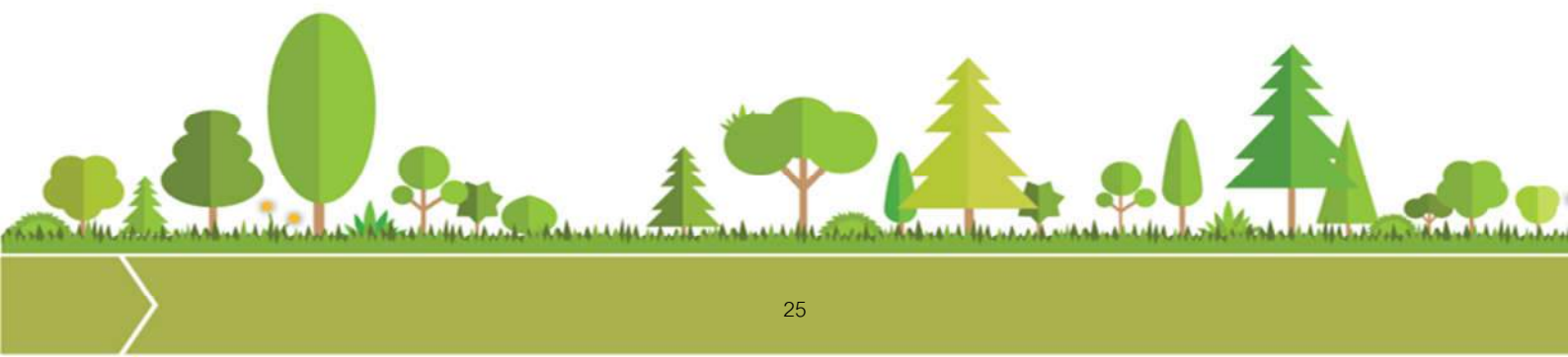
Customer Satisfaction Survey

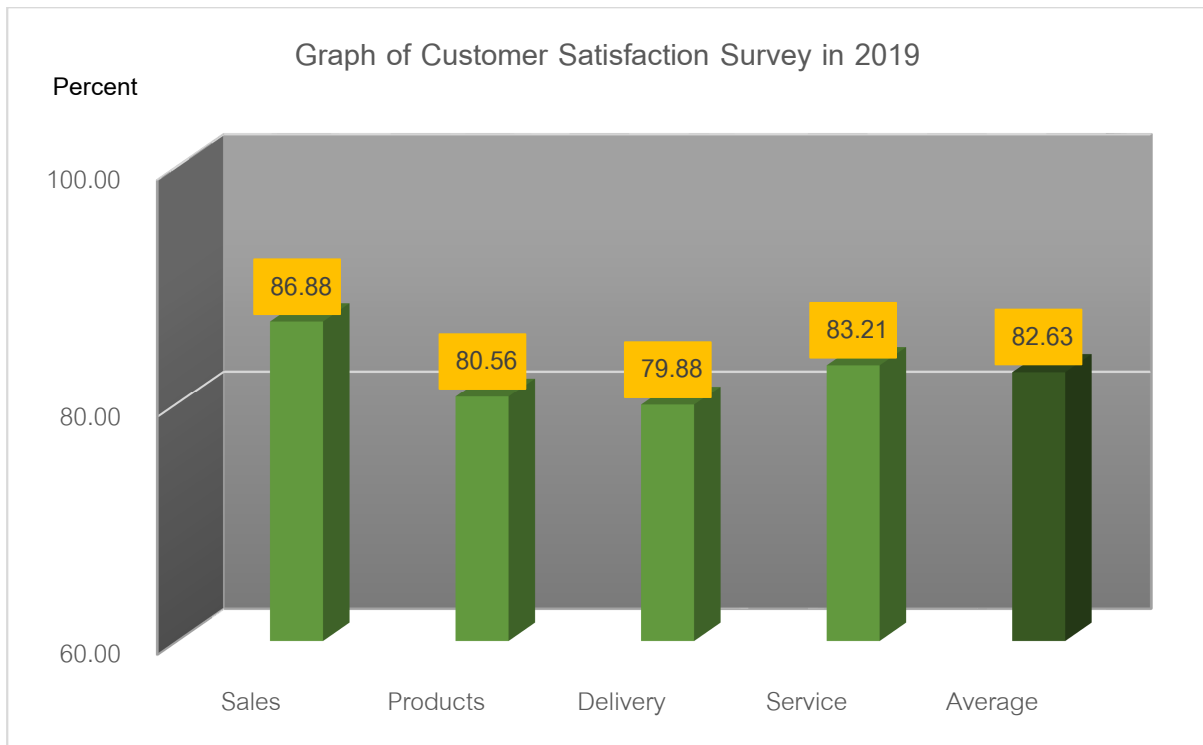
The company focus on creating customer satisfaction. The company conducts annual customer satisfaction survey in various topics and summary the overall to be used as a guideline for improve and develop to the company for efficiency as the company aims to be a leading organization in the management of biomass fuel in the Asian. The company has conducted a customer satisfaction survey which can be summarized as follows

There are 4 main survey topics as follows

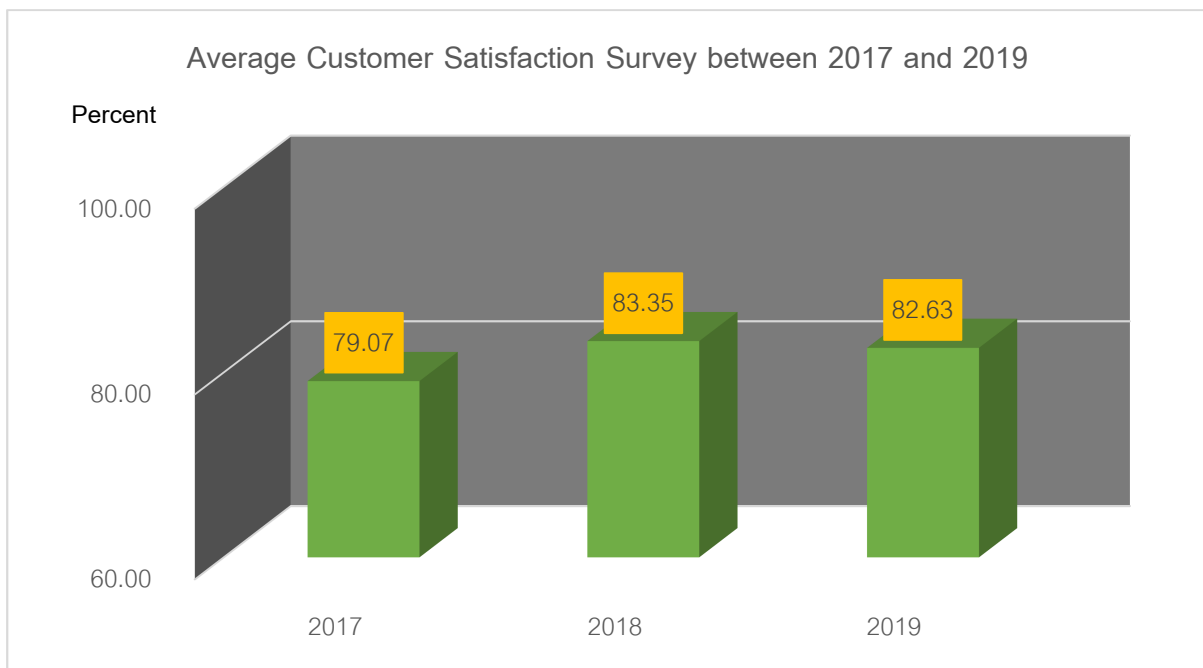
1. Sales
2. Products
3. Delivery
4. Services

During the year 2019, average customer satisfaction survey level is 82.63 %, sales are 86.88 %, products 80.56 %, delivery 79.79 % and services 83.21 %.



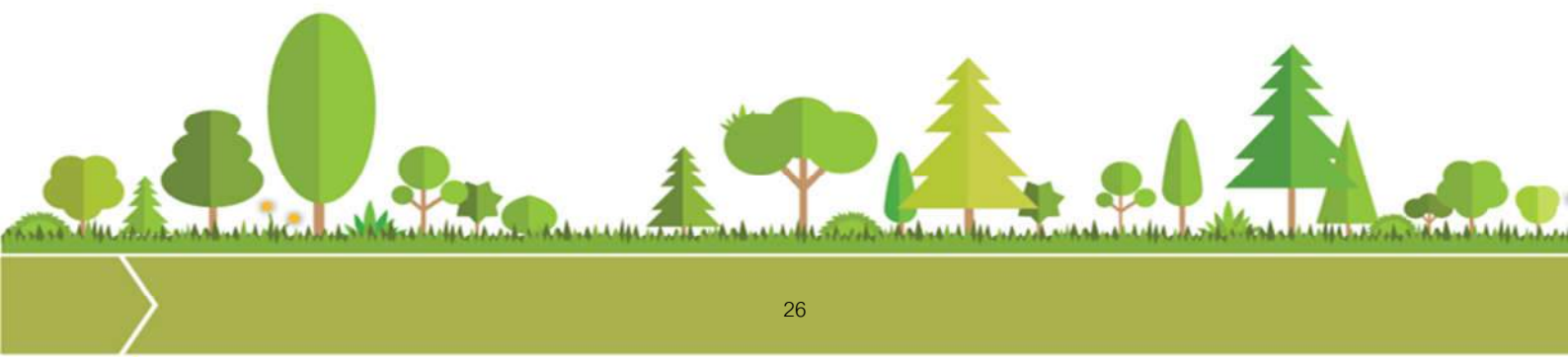


During 2017 to 2019, the company have continually developed in customer satisfaction in every topics.



Business Strategy

For the company's vision to be a leading biomass trader in Asia, the company has strategies to



respond to customers' satisfaction throughout the supply chain. The company's main strategies are as follows:

1. The company plans to develop business model from trading company to supply chain facilitator by improving productivity with more efficiency and supporting business partner to produce products and services to be acknowledged by customers as follows
 - 1.1 In 2019, the company established a wood chip plant at Bang Kung, Surat Thani with a production capacity of 120,000 tons per year to produce products with stable quantity with standard quality to respond to customers' satisfaction.
 - 1.2 In 2019, the company has started barter trade agreement and outsourcing with manufacturers including wood pellets plants and woodchip plants by sending materials and receiving goods which the company could control the quality and cost of goods with more efficiency.
 - 1.3 In 2020, the company has under installation process of wood pellet plant at Bang Nam Chued, Samut Sakhon with a production capacity of 24,000 tons per year for producing products on FSC and PEFC standard for exporting activity.
2. The company has integrated management system in business core operation for improve quality of goods and service to acknowledged in the international standard.
 - 2.1 The international standards for sources of woods forest products such as the Forest Stewardship Council and the Program for the Endorsement of Forest Certification.
 - 2.2 The quality certification standards (ISO 9001: 2015) to manage the quality of products and services throughout the organization for respond maximize customer's satisfaction and environmental certification standards (ISO 14001: 2015) to manage the environment of Bang Kung warehouse at Bang Kung, Surat Thani.
 - 2.3 Platinum award, Occupational of Health, and Working Environment Safety Standard of the Institute for Occupational Health and Safety Promotion at Work and operating the business in comply with legal requirements.
3. The company have been developing the competitive of sourcing biomass for sourcing the biomass on formal price and cost including quality and to acknowledge in the international standard. The company have invested in upstream project as follow:
 - 3.1 In 2018 and 2019, the company has signed with the Forest Industry Organization on the purchase of Acacia species under FSC-Forest Management with approximately 3,000 rai expected to utilize in 2023 – 2024.



3.2 In 2019, the company has expanded business network in the contract farming with rubber plantation members in Surat Thani about 100 members, accounted for 2,000 rai and emphasizes to be 20,000 rai in 2024.

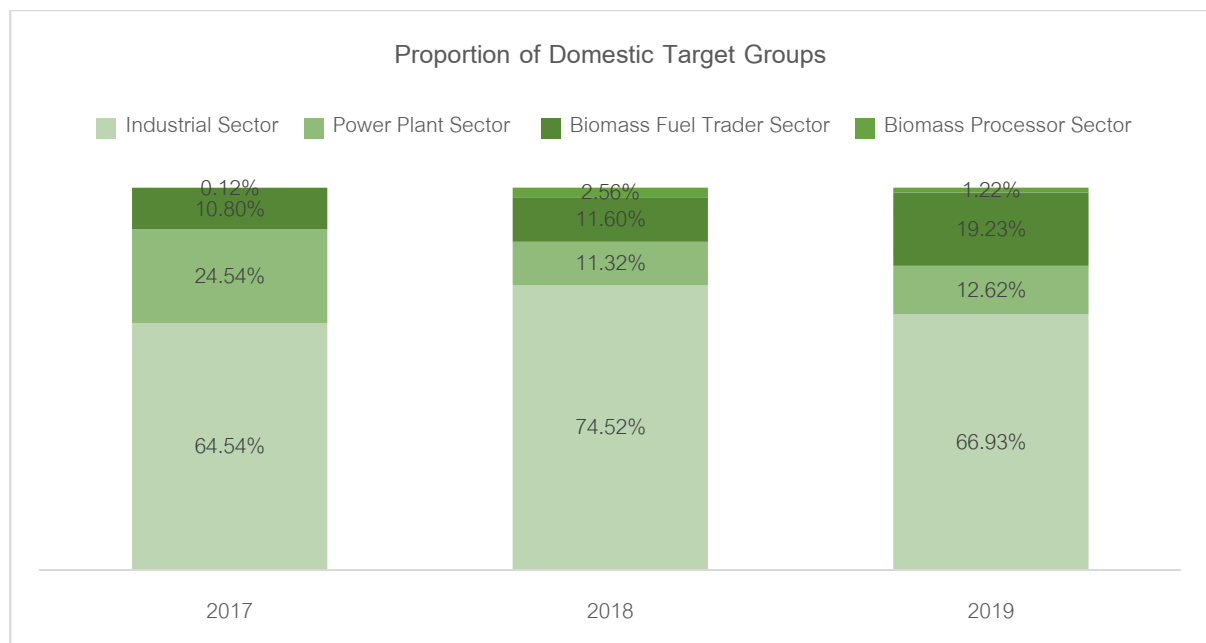
Customers and Targets

The company and its subsidiaries' biomass fuel trade for domestic and overseas markets has sales proportion which is as follows:

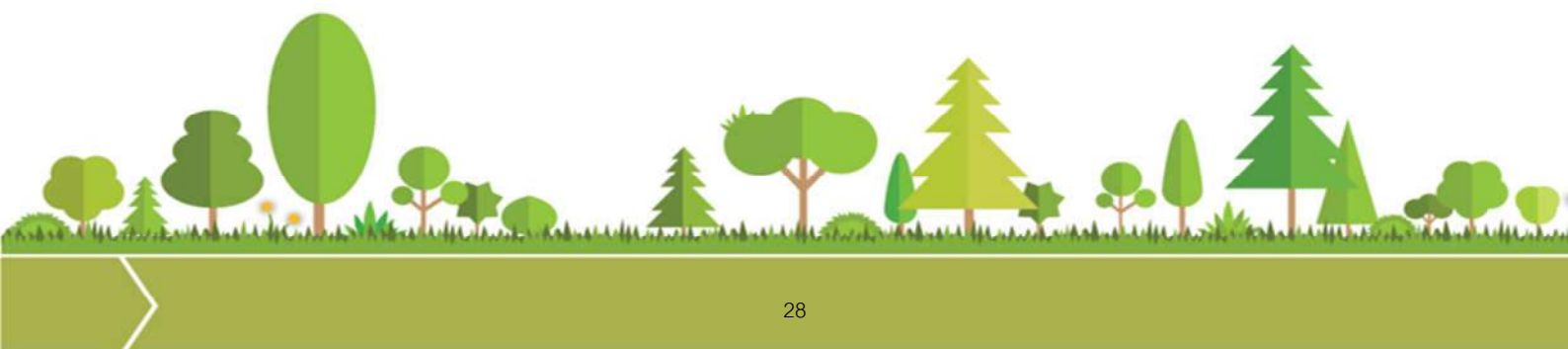
Domestic Target Groups

Domestic target group is divided into 5 groups :

1. Industrial Sectors: To use biomass to generate heat by using boilers in their production process.
2. Power Plant Sector: To use biomass fuel to generate electricity.
3. Biomass Fuel Trader Sector.
4. Biomass Processor Sector: To produce biomass fuel to sell to users.



Industrial sector is the highest proportion of the purchasers because biomass fuel is continuously used in their production process (1) the customers who have factories which are located in the polluted-control zone or the places that are near villager community. (2) the customers that resell to the low-carbon dioxide emission



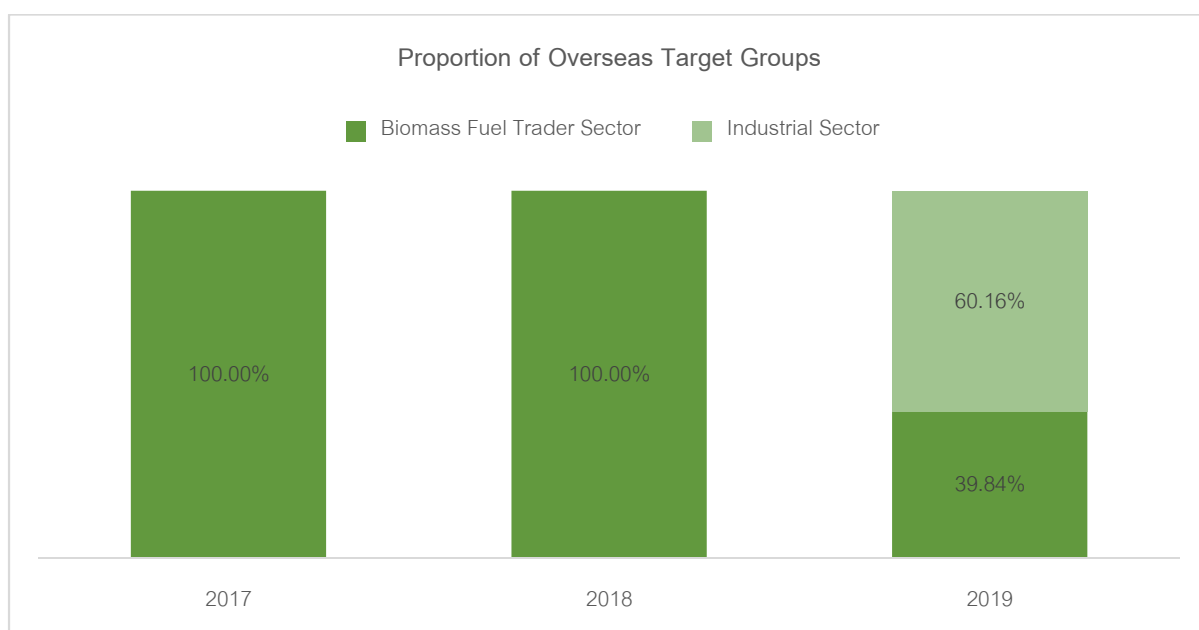
products (3) environmental-oriented.

In addition to industrial customers, Customers in the power plant group are considered customers who have a consistent amount of biomass fuel in the production process.

Overseas Target

Overseas markets are as follows:

1. Traders
2. End-Users such as power plants and factories



Traders are the main group of overseas market. Traders sell biomass fuel to power plants especially power plants in Japan and South Korea. Their sales proportion is approximately 82-100% Most of the foreign customers have the policy to buy through traders that they are familiar with to reduce their risk. To source biomass fuel by themselves can be risky because they might not get quality products. They cannot contact many suppliers to gather a huge amount of biomass fuel. They cannot get products in time for their use. The company and its subsidiaries ensure customers that they always have enough products to supply as they have good warehouses to store products. Customers can even come to inspect the goods before shipment. The company's main markets are Japan, South Korea and European countries, etc. In the future, overseas market will expand because of the government's support and campaign to use renewable energy. The company can have more subsidiaries in other countries. Nevertheless, the company always tries to develop relationship with

end-users in order to increase its market share.

Industry Status

Demand and Supply for Renewable Energy in each country and region

Thailand

Thailand has continuously been using renewable energy. This is from the government support. The renewable energy is the energy such as solar power, wind power hydropower, biomass fuel, biogas, waste energy and biofuel (ethanol, biodiesel). The Department of Alternative Energy Development and Efficiency (DEDE), Ministry of Energy, issued the Alternative Energy Development Plan (AEDP 2015) to set the goal to increase Thailand's consumption of renewable energy by 30% at least in the year 2036.

Performance on Alternative Energy Policy : October 2019

Fiscal Year (Oct - Sep)

Alternative Energy	2017	2018	2019	Target 2036
Electricity^{1/ 2/}				
1. Solar Energy	2,692.26	2,715.21	2,982.43	6,000.00
2. Wind Energy	627.82	927.82	1,506.82	3,002.00
3. Small Hydro Power ^{3/}	182.28	187.72	187.79	376.00
4. Biomass	3,074.28	3,266.98	3,400.24	5,570.00
5. Biogas ^{4/}	466.77	500.15	528.92	1,280.00
6. MSW ^{5/}	179.97	273.40	317.82	550.00
7. Large Hydro Power ^{6/}	2,906.40	2,911.41	2,919.66	2,906.00
8. Other Alternative Energy (Geothermal Power)	-	0.30	0.30	-
Total Electric Consumption (MW)	10,129.78	10,782.99	11,843.98	19,684.00
Total Electric Consumption (ktoe)	2,360.00	2,824.00	3,184.00	5,588.00
Heat (ktoe)				
1. Solar Energy ^{7/}	9.00	10.00	10.00	1,200.00
2. Biomass	6,509.00	6,958.00	7,962.00	22,100.00
3. Biogas	601.00	634.00	635.00	1,283.00

4. MSW	60.00	110.00	113.00	495.00
5. Alternative heat energy ^{8/}	-	-	-	10.00
Total Heat Consumption (ktoe)	7,179.00	7,712.00	8,720.00	25,088.00
Total Biofuels Consumption (ktoe)	1,789.00	2,085.00	2,285.00	8,713.00
Alternative Energy Consumption (ktoe)	11,329.00	12,621.00	14,189.00	39,389.00
Final Energy Consumption (ktoe)	79,537.00	83,327.00	86,414.00	131,000.00
Percentage of Alternative Energy Consumption (%)	14.24	15.15	16.42	30.00

Source: Department of Alternative Energy Development and Efficiency

Notes: 1/ Including off grid power generation.

2/ Including on grid power generation with capacity □ 1 MW & □ 1 MW.

3/ Including hydro power plants □ 12 MW & hydro power plant using the water downstream.

4/ Including waste water / waste dumping and energy crops.

5/ Including municipal solid waste and industrial waste.

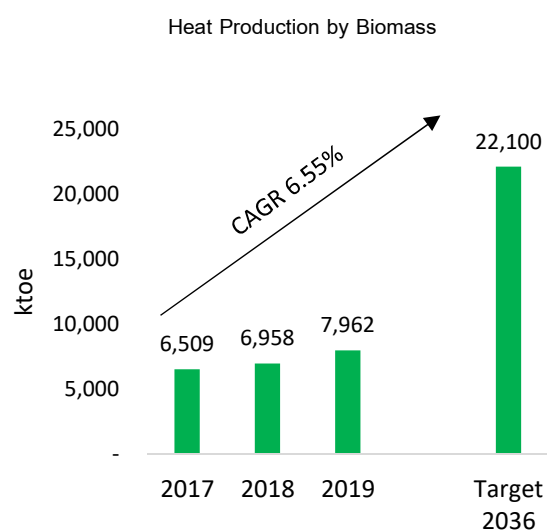
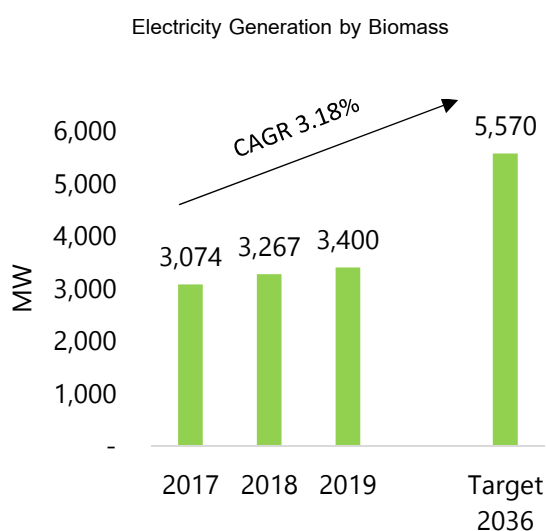
6/ The existing installed capacity.

7/ Based on M2 installed from solar collector.

8/ Including geothermal and oil from used tires.

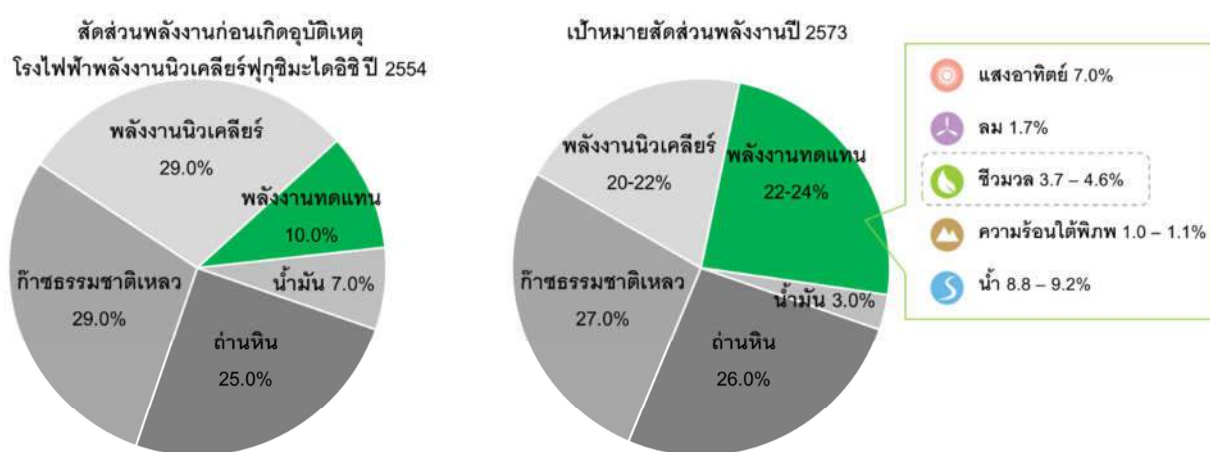
As of 31 October 2019

According to AEDP2015, in the future the proportion of renewable energy consumption will increase. In Thailand biomass fuel will play an important role in electricity and heat generation. The electricity generation by biomass fuel will increase to 5,570 MW in 2036 and Heat production by biomass will increase to 22,100 ktoe in 2036



Japan

With economic size the 3rd biggest of the world, Japan is one of the world highest demand countries for power use. Japan is the world's No.2 in electricity demand among OECD group. Before the Fukushima Daiichi Nuclear Power Station's incident, fossil fuel was used by 60% to generate power in Japan and Nuclear power was used by 30%. After that accident, Japan shifted from the use of nuclear power to fossil more in order to reduce the use of nuclear power. There are not many places for fossil source. Japan needs to import huge amount of fossil. This fossil use affects the emission of CFC causing environmental problems. Therefore; on 11 April 2014 the government issued strategies for new energy called "Strategic Energy Plan (April 2014)" in order to keep the energy balance (3E+S): energy security, economic efficiency, environmental conservation and safety. The future goal aims to reduce fossil use in power generation, instead increase the use of renewable energy up to 22-24%.



ที่มา: Ministry for Economy, Trade and Industry (METI)

According to the information of Japan's Ministry of Economy, Trade and Industry, Japan is the world's No.5 highest demand of biomass fuel. The government supports a double increase in biomass fuel power generation equivalent to 3.70-4.60% out of the renewable energy generation as the goal of 2030. The government Feed-in Tariff (FIT) has been applied for the government's electricity purchase. The number of renewable power plants and biomass power has increased since 2012.

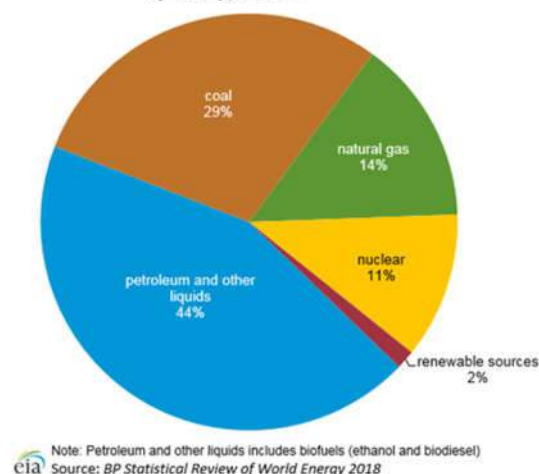
Because of insufficiency in biomass fuel for Japan's domestic demand, biomass fuel such as plum kernel shell, biomass pellet and woodchip has been imported for power generation. Since 2015, Japan has

continuously imported palm kernel shell mainly from Indonesia and Malaysia.

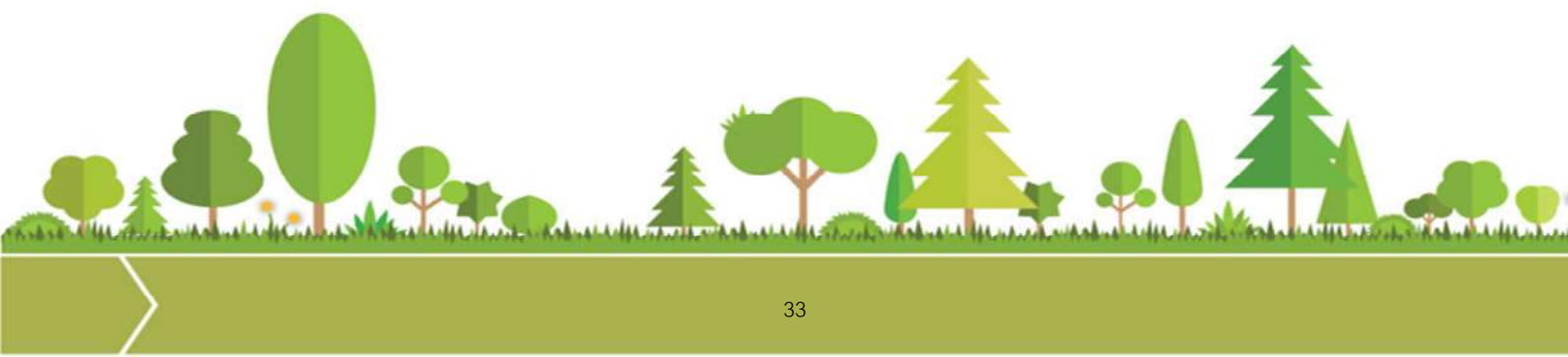
South Korea

South Korea depends on the import of fuel. More than 97% of fuel is imported for their primary consumption. Fuel resource in South Korea is not sufficient. South Korea is the world's No.5 importer of natural gas, coal and crude oil. In 2016, South Korea's amount of primary energy consumption is 286.20 Mtoe. The proportion is shown as follows:

Figure 2. South Korea total primary energy consumption by fuel type, 2017



After the Fukushima Daiichi Nuclear Power Station's accident, it was found in South Korea the use of reactors with fake certificates. In 2012 issued a long-term energy consumption plan. Previous plan in 2008 depend on nuclear power, new plan in 2014, the government keeps balance of energy use proportion by reducing fossil use and increasing renewable use instead. In September 2014, the government announced "The Fourth New & Renewable Energy Development Framework" that determined that the proportion of total primary energy supply must come from renewable energy by 11% at least. In 2015, the proportion of renewable energy consumption is determined as follows:



Renewable Energy Types	Proportion of Energy Consumption per Primary Energy Sourcing from Renewable Energy (%)
Waste Energy	29.1
Solar Energy	22.0
Wind Energy	18.2
Biomass Energy	18.0
Geothermal	8.5
Hydropower	2.9
Sea Wave Energy	1.3

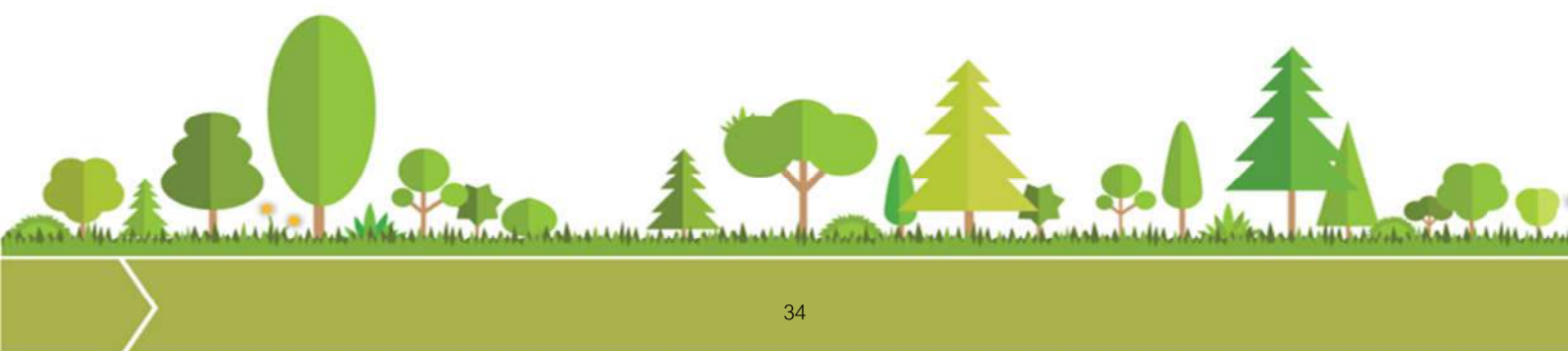
Source: Korea Trade Investment Promotion Agency

In addition, in 2012 the South Korean government issued Renewable Portfolio Standard (“RPS”) to campaign for renewable energy use by determining that both government and private power plants (with more than 50 megawatt capacity) must apply the regulations starting from 2% out of the entire power generation in 2012 and increase every year until it reaches 10% in 2024. At the end of 2015, 17 power plants have passed the criteria. In 2018, RPS determined the proportion of renewable energy use that the power plants with at least 500 megawatt capacity must apply at least 5% renewable fuel in their production. In 2017, the proportion of renewable fuel use in those plants was only 4%

In 2016 South Korea’s power plants under the government’s control offered bidding to purchase 2.9 Million tons of biomass but previously wanted only 0.89 Million tons which means in 2017 the government’s demand is 2 Million tons purchase. Korean South-East Power (“Koen”), South Korea ‘s power plants, changed from coal to biomass fuel for Yeongdong Unit1- 125 megawatt capacity. This will increase another 0.55 Million tons wood pellet. South Korea’s wood pellet is quality pellets. Vietnam cannot supply such quality one like Thai’s. estimated that in 2018 wood pellet demand in South Korea will increase up to 3.4 Million tons per year.

Competition

There are a large number of players in the biomass fuel trading market with different types of traders as



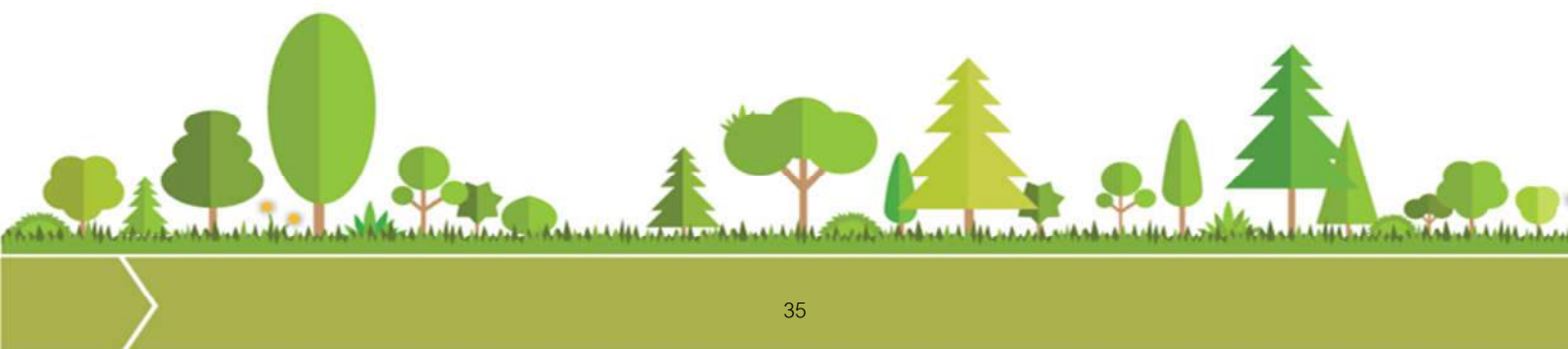
follows:

1. Large traders operate business similar to the company and its subsidiaries. They collect biomass fuel from suppliers such as crude palm oil extraction plants, wood furniture plants, sawmills, biomass pellet plants, etc. and/or from other traders in and outside the country and have a warehouse storing a huge quantity of the collected biomass fuel. As estimated by the company, there are fewer than 10 players in this group.
2. Small traders have had business relationship with suppliers and buyers of biomass fuel. They procure biomass fuel from suppliers in a small amount for sales to buyers in the form of trading business. They may or may not have a warehouse and do not store a large volume of inventories.
3. Processors of agricultural products, as mentioned above, obtain biomass fuel as by-product from their manufacturing process and operate the biomass fuel trading as their secondary business.

It is not difficult to enter the market as a small trader because it depends on the ability in trading and requires only a small amount of start-up fund. For instance, one can start the business with merely an initial capital for product procurement, plus a margin for buyers without the need to invest in a warehouse, inventories and transport trucks. However, to operate the business sustainably with competitiveness, they must be able to fulfill customers' needs in terms of product diversity, demand, quality, price and servicing. Small traders may not be able to fully meet those customers' needs. For example, having no warehouse, small traders cannot collect enough quantity of products to satisfy customers who have a huge demand. For processors of agricultural products, they offer only a few types of products obtained from their manufacturing process and, thus, cannot serve diverse groups of customers. For those who have limited fund, they have no working capital to supply biomass fuel as required by customers.

The company is one of the leading biomass fuel traders. The company has potential and competitiveness because of the following reasons:

1. With more than 60 years in biomass fuel business as the main shareholder, the company understands biomass fuel market very well in terms of customers' need, procurement of the products, good relationship with buyers and suppliers and has the ability to source right products to meet customers' demand.
2. The company offers quality and various types of biomass fuel so the company can ensure customer satisfaction for its entire group of customer.
3. The company received product certification for wood by-products from FSC chain of custody



(CoC) – The Forest Stewardship Council so the company can expand its market to the customers who need this certification like Japan and South Korea that will buy only products from FSC. The products certified must be able to be tested; the whole production chain beginning from wood source, production, transportation and good product storage.

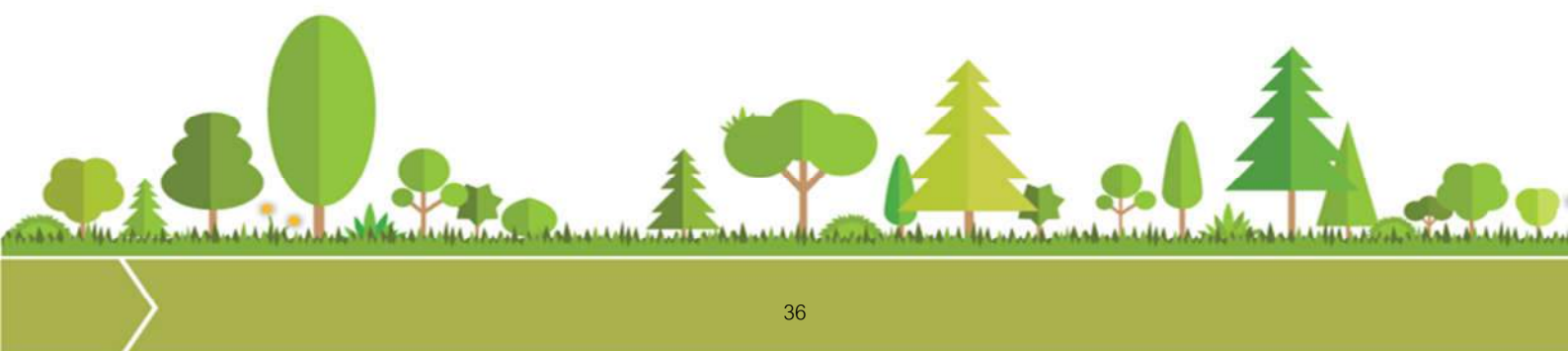
4. The company can source and supply quality biomass fuel to customers in a timely manner. The company and its subsidiaries provide demand evaluation by asking direct to their customers to collect information for procurement plan. The company owns huge warehouses to respond to customers' biomass fuel needs for all seasons. In addition, the company has efficient transportation management by providing STP service and also services from other companies to ensure on time delivery.
5. The company has efficient cost management because it has warehouses located close to the production for both domestic and overseas. These warehouses can store huge amount of biomass fuel and directly supply to customers ("Direct Transportation") by sending the goods to customers directly, not having to go through the company's warehouses. The control delivery cost, the company has price determination at a proper rate for hiring STP and other transportation companies.
6. The company has financial stability and has enough working capital to stock merchandise for immediate supply to market's need.

Product Procurement and Service

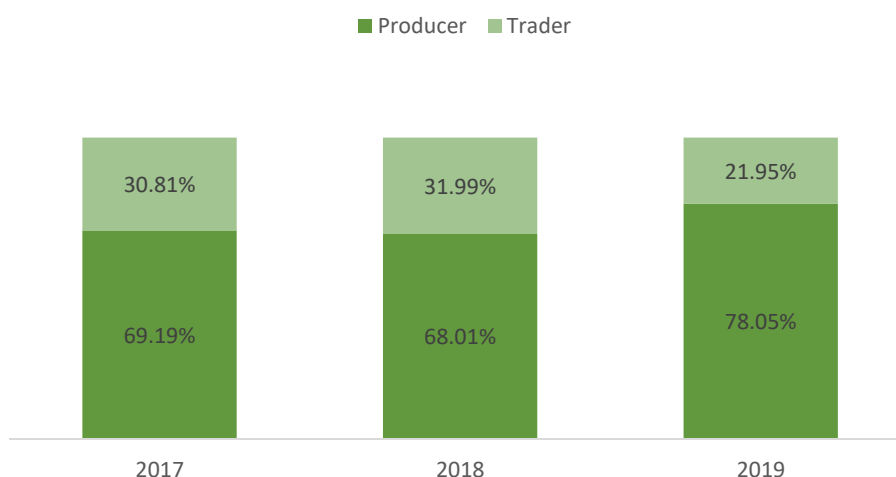
Sources of Supply

The company and its subsidiaries procure biomass fuel from 2 sources as follows :

1. Direct procurement from producers which includes crude palm oil extraction plants, wood furniture factories, sawmills, rice mills, sugar factories, biomass pellet plants, etc.
2. Procurement from traders which purchase biomass fuel from suppliers for re-sell to the company.



Proportion of Biomass Fuels Procurement



Biomass fuel is sourced directly from the producers. However, the company also gets supply from traders. Domestically, the company sources biomass fuel directly from the producers. Some types of biomass fuel need to be supply by traders, for example, palm kernel shell. As the productivity volume depends on the seasons, those particular biomass fuel producers will not sell their products to only one company. Therefore; the company adds different channels of biomass fuel sourcing by purchasing from traders. In some cases, traders help to supply biomass fuel at any time the company wants. The company does not have to stock everything. This helps the company's cost management. For overseas biomass fuel sourcing, in the past, it was done only through traders. Currently, the company has now been under the relationship with producers in overseas countries like Indonesia and Malaysia.

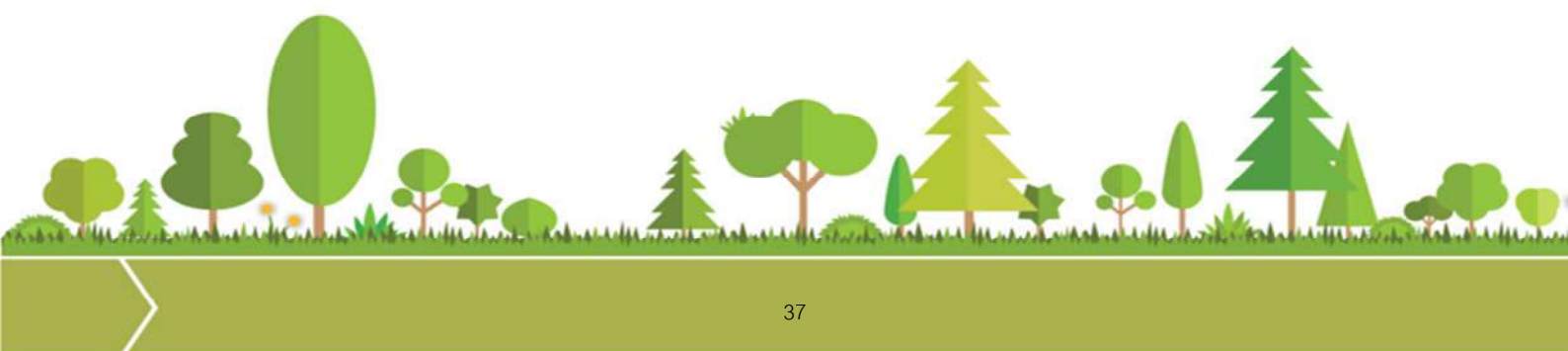
Sourcing each different type of biomass fuel is done in different ways which is as follows:

Palm Kernel Shell Procurement

The company and its subsidiaries have palm kernel shell procurement through both domestic and overseas. The company sets plans and evaluates customers' need in advance.

Domestic Palm Kernel Shell procurement

Domestic sourcing palm kernel shell is for customers' need for only domestic market. Purchasing palm kernel shell is operated through PPP. Palm kernel shell is biomass fuel in exempt of VAT. PPP's palm kernel shell procurement is equivalent to 62-98% of the whole proportion of sourcing which can be divided into 2 types:



1. The direct sourcing is from crude palm oil extraction plants in the South and East of Thailand. ABM and PPP purchase from many different plants. The amount of palm kernel shell that ABM and PPP purchase is 80% of the whole crude palm oil extraction plants. ABM and PPP will purchase about 70-80% of their capacity.
2. The company purchases palm kernel shell through traders that buy palm kernel shell from the crude palm oil extraction plants. ABM and PPP will select reliable traders who offer competitive price.

Overseas Palm Kernel Shell Procurement

For overseas palm kernel shell's sourcing, the company and its subsidiaries always search for new sources in order to fulfil customers' demand in terms of quantity, quality and price. ABI was founded in Indonesia and ABR in Malaysia, the world's No.1 and No.2 sources of palm plantation. There are 2 ways of palm kernel shell sourcing:

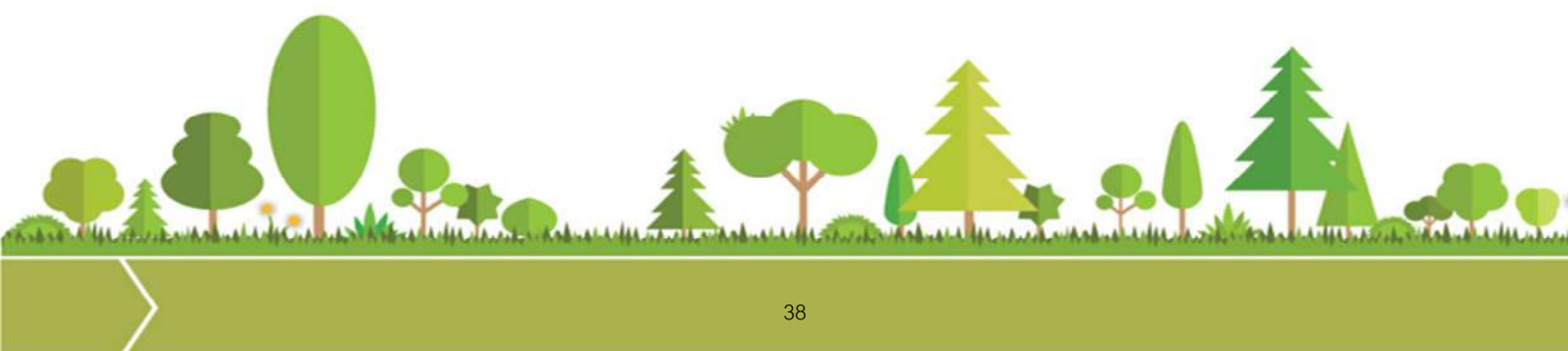
1. Direct sourcing from crude palm oil extraction plants in Indonesia and Malaysia.
2. Sourcing through traders. Traders buy palm kernel shell from crude palm oil extraction plants and/or other palm kernel shell traders.

Woodchips and Others Procurement

The company sources woodchips and other parts of wood from wood furniture factories, processed wood factories and sawmills in the south, east, northeast and north. The company can select suppliers that are close to the customers. To purchase woodchips, the company can either make an agreement or place an order through suppliers. Most of the agreements are 1 year term with 1 year price fixing in advance. For wood slabs, the company will place an order through suppliers at the specific time. Mostly, the company has credit term with suppliers.

Wood Shaving, Sawdust and Wood Dust Procurement

To source Wood Shaving, Sawdust and Wood Dust, the company can get it from furniture factories, sawmills and processed wood factories in the south, east, northeast and north. These products have no price fluctuation, as a result, 1-3 years agreements with suppliers are made. Purchasing price is always fixed in advance. Some suppliers made exclusive contracts with the company. Purchasing price from each supplier is different depending on products' quality, delivery, payment conditions as specified in the agreements which can be on cash basis, credit term or deposit payment. Most of the wood shaving, sawdust and wood dust



suppliers are with long term business with the company and most of them are located in the east and central part of the country.

Biomass Pellet Procurement

The company sources biomass pellet directly from the biomass pellet producers in Thailand. Most of these producers are in the east and the south. It is now under the study how to procure suppliers abroad. The biomass pellet plants in Thailand are divided into 3 types by their production capacity.

Transportation Procurement

The company hires land and water transportation services for both biomass fuel procurement process and goods delivery to customers.

Land Transportation

Land transportation can be divided into 2 types:

1. Transportation of the company's subsidiaries

STP is a subsidiary of the company. STP was founded for domestic transportation of the goods of the company, its relevant companies and others.

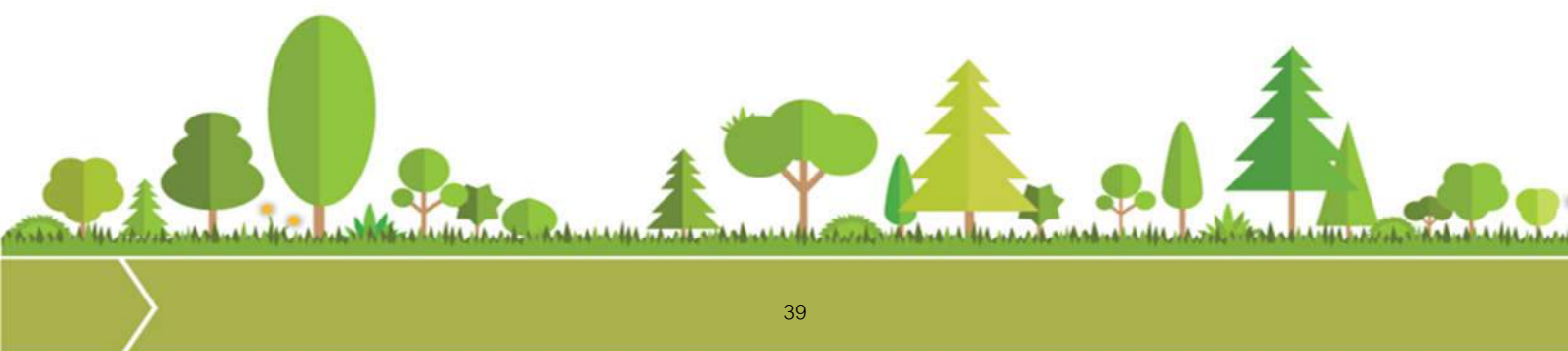
Year	2017	2018	2019
Number of cars	66	58	48

There are 3 groups of STP's transportation users: (1) ABM and PPP (2) related companies (3) other companies. STP has different kinds of trucks for delivery of biomass fuel, coal, fertilizer, animal feed, etc. STP's transportation service is mainly for biomass fuel delivery for ABM and PPP. If there is surplus service of STP's transportation, STP can also provide transportation service to other companies. STP shall consider the employer's credit status and make agreement them.

STP provides transportation service by using only its own trucks. All trucks are with GPS controlling system to ensure safety drive.

2. External Transportation Provider

The company hires external transportation providers ("Affiliated Transportation") for biomass fuel delivery. The company has more than 100 external transportation providers specializing in different particular



routes. Only experienced transportation providers are selected and made agreement with. Transportation rate and cost adjustment is upon gasoline's rate, loss and damage warrantee, etc. Each delivery's transportation status is checked through the mobile phone and random check by the staff is also applied.

The company's biomass fuel transportation plan is managed by the company's logistics department. The sales, marketing and purchasing departments will inform transportation demand to the logistics department so the department can plan for STP's service or the affiliated services. The followings are criterias for transportation plan.

(1) Biomass Fuel Types

- For palm kernel shell and biomass pellet, the company and PPP will mainly hire affiliated trucks because they can offer lower transportation cost.

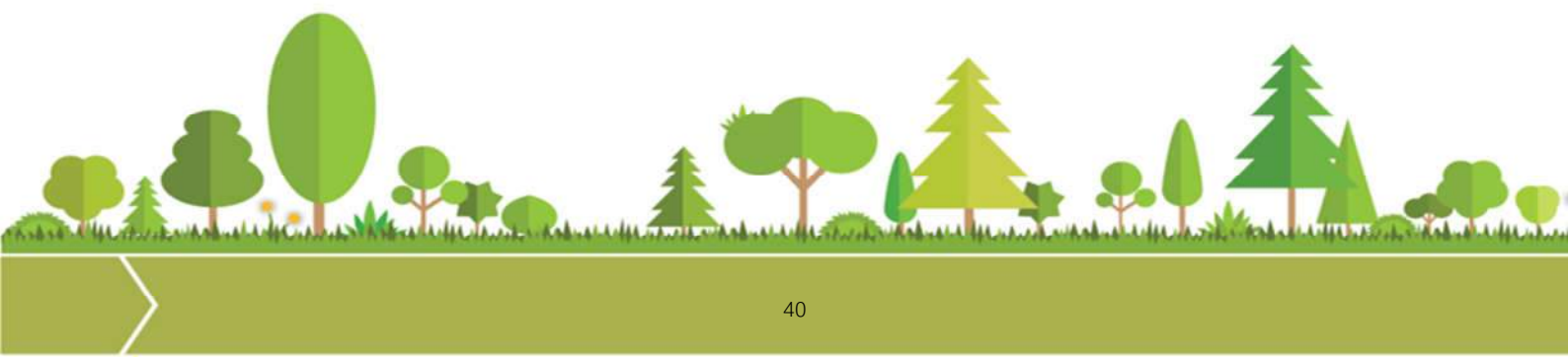
- For woodchips and other parts of wood and wood shaving, sawdust and wood dust, the company and PPP will hire STP since these products require special transport vehicles. Wood shaving, sawdust and wood dust are lightweight products. The truck must have a large stall than normal. It requires staff for product loading with special skill to be able to arrange transportation to accommodate the volume of freight. For woodchips and other parts of wood, the company will have to prepare pick up to support the goods from the supplier so they need a hauler lift (Hooklift) to lift up and load to the truck. These affiliated transportation companies do not have service staff for this lifting or if they may have but at higher cost than STP service.

(2) The need for service in case of urgent need: The company and PPP will choose STP's freight trucks in order to meet prompt needs.

In addition, the logistics department will consider hiring a transportation vehicle from the affiliated transport company based on the employment rate, expertise in each type of freight in each route to maximize the company's efficient transportation.

Transportation of biomass fuel can be divided into 2 types:

1. Transportation from the supplier to the company's warehouses to wait for delivery to future customers.
2. The transportation of goods from the supplier directly to the customer without entering the warehouse of the company. However, there are many factors that make it impossible for the logistics department to carry out direct shipping operations at all transportation stages, such as routes unfavorable transportation or a time when biomass fuel production is limited, products not enough to send directly from the supplier to the customer. The company also needs to deliver goods from the warehouse of the company to customers.



Water Transportation

The company uses water transportation services by hiring a carrier to handle the transportation of large amounts of biomass fuel and transporting it in a long distance. Water transportation services can be divided into:

1. For domestic transportation, the company procures and collects biomass fuels from its suppliers in the south and store in the company's warehouses to have enough volume and hired shipping to transport to the warehouse in central part of the country in order to effectively distribute products to the customers of the company. Most of the ships used in transportation are Motor Barge, with a tonnage of 1,000 tons and a Lighter with a tonnage of 5,000 tons. When the goods arrive at the pier, the Company will hire a transportation vehicle to transport its goods to its warehouses or to the customer's warehouse.
2. For Overseas Transportation :
 - a. Cargo shipment from the company's warehouse to overseas customers, mostly it is on FOB (Free on Board) basis. In case the sale of the company's products to foreign customers is a CIF (Cost, Insurance and Freight) or CFR (Cost and Freight) condition, the company will provide the shipping vessel to deliver the goods to the customer at the specified quantity and time.
 - b. Transportation from a company's foreign warehouse to the company's warehouse or customer's warehouse in Thailand, the company imports goods from abroad to meet the needs of domestic customers in case of inadequate domestic demand.

Storage

The company and its subsidiaries have warehouses to store the biomass fuels purchased by the company and its subsidiaries. The company owns and rents altogether 8 warehouses, four domestic warehouses and four overseas warehouses.

Warehouses	Area (Sq.m.)	Capacity ^{1/} (Tons)	Ownership
1. Bang Kung warehouse, Surat Thani province	56,892	100,000	Holding ownership
2. Bang Nam Chuet warehouse, Samut Sakhon province	25,848	40,000	Holding ownership

Warehouses	Area (Sq.m.)	Capacity ^{1/} (Tons)	Ownership
3. Bang Pakong warehouse, Chachoengsao province	8,800	25,000	Lease
4. Bintulu warehouse, Malaysia	12,500	20,000	Lease

Remarks: 1/ warehouse space and capacity may not be related depending on many factors (1) the type of building in the warehouse, such as the warehouse or yard (2) the height of the roof (3) the size of the office and other areas not used for storage;

2/ Indonesia warehouse are under the process of searching for new lease.

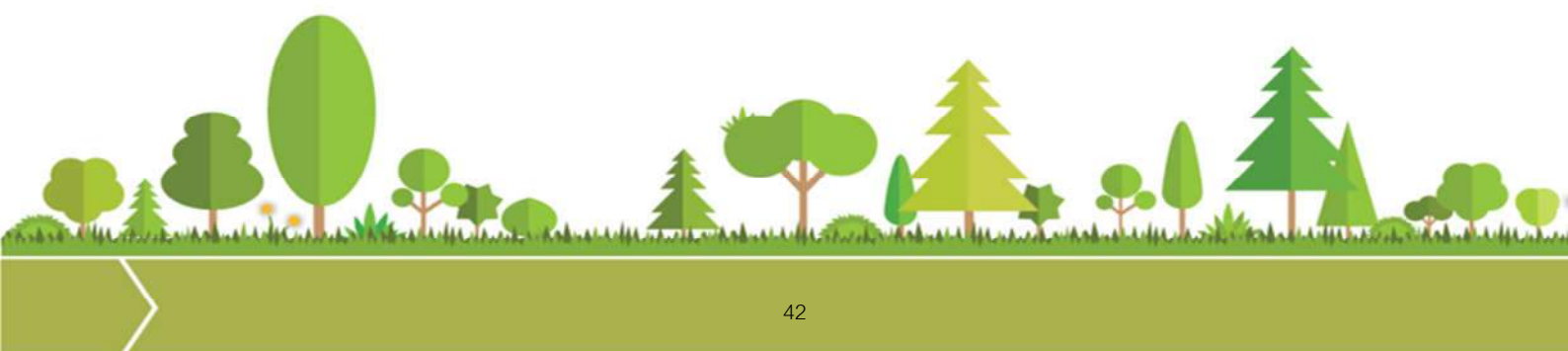
Warehouse is a factor that helps the process of procurement and distribution of the company and its subsidiaries efficiently and effectively. The benefits of warehousing for business operations are as follows.

1. The Company and its Subsidiaries can back up their products to meet the needs of customers and can deliver goods to customers throughout the year.
2. The company and its subsidiaries can effectively manage the cost of goods in terms of the ability to store items when prices drop, storage of goods in transit, reduce transportation costs and support and delivery to customers in the neighborhood.
3. The company and its subsidiaries can control the quality of goods to be delivered to customers because some products have to go through the grade and pass the sorting process before sending to customers.

Storing is stored as stacking except for biomass pellet that are stored in a large bag with water proof for example wood shaving, sawdust and wood dust will be stored in the warehouse to maintain the quality of the product. The warehouse of the company and its subsidiaries will be stockpiled to categorize types of products by first in first out (FIFO). Products stored in the warehouse must be maintained regularly to ensure that products are ready to be delivered to customers on time. Products that are stored in open air yard will have to be covered by canvas in the time of rain to keep the product humidity at the standard level all the time and to flip over to prevent heat storage inside the stack.

In addition, the inventory department of the company and its subsidiaries have a plan to check the stock of inventory in the warehouse. The inventory of the company and its subsidiaries will be regularly reviewed as follows:

1. Check the quantity of products by the company and its subsidiaries. It is operated by the



accounting department with the warehouse department to check the inventory available in the warehouse with the amount recorded in the system. Use physical evaluation method. It will check every 1 month and every time the lot of goods are spent.

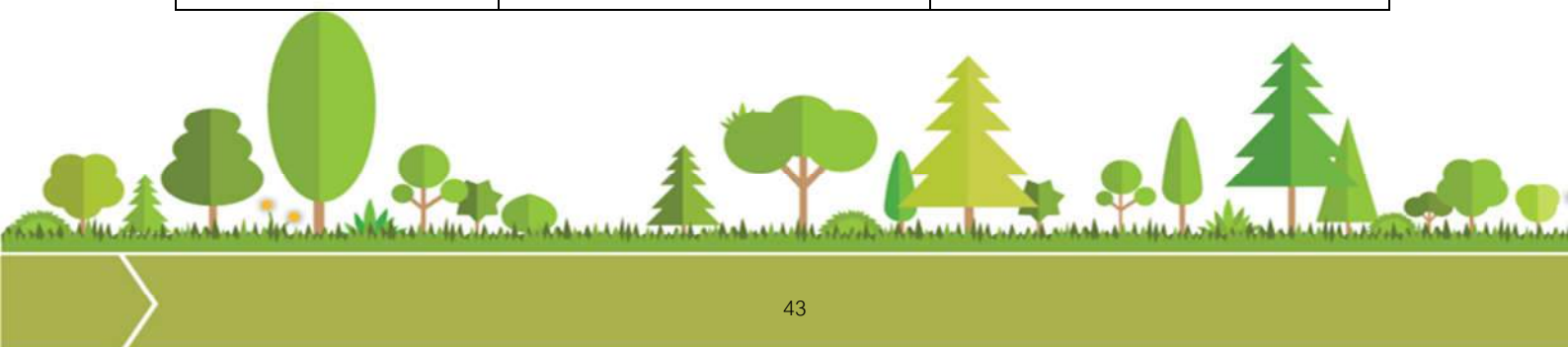
2. Inventory inspection by the external surveyor (Surveyor) twice a year, at the middle and end of the year. External inspectors use electronic tools to record the shape of each pile and measure it in three dimensions: width, length, height, and use software to calculate quantity which also relates to the moisture content of the products from the product samples stored on the inspection date.

In case the quantity of the product examined is different from the quantity of the product being recorded in the system, the company and its subsidiaries will adjust the products in the system to match the reality. It must be approved by the authority. Based on a review of the past, it was found that the quantity of products stored in the warehouse and the quantity of products in the system was slightly different.

Product quality control

The company and its subsidiaries focus on the quality control of the products to meet the quality standards of the company. The company has standardized products in all stages of operation from receipt products to warehouse, storage and export products to customers. To provide customers with quality products and meet the company standards, the company has set the standard for control of each type of product.

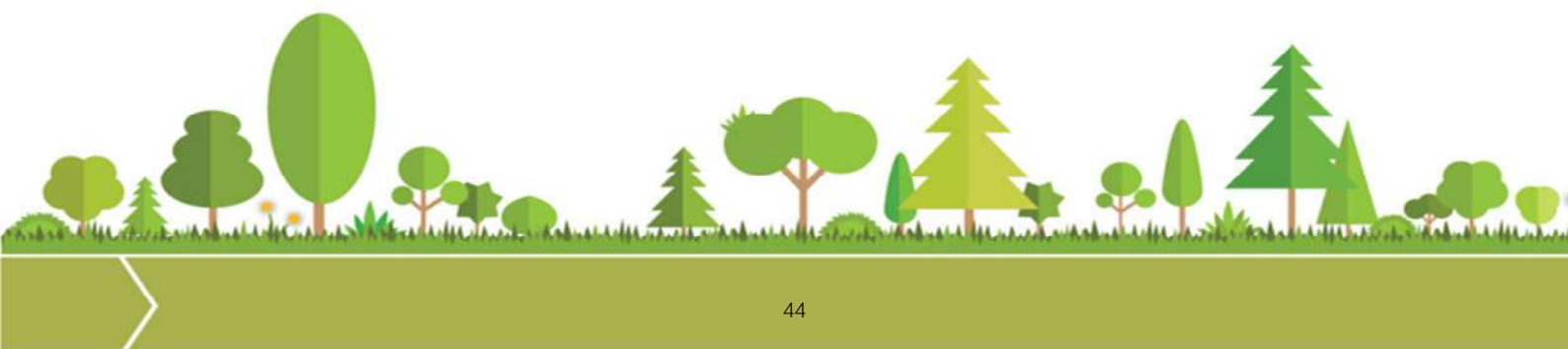
Product Category	Standard Criteria	Quality Inspection
Palm Kernel Shell	Moisture value	Laboratory test and physical assessment
	Impurity	Physical assessment
	Size	Dimensions with Vernier caliper
Woodchips and other parts of wood	Moisture value	Laboratory test and physical assessment
	Impurity	Physical assessment
	Size	Dimensions with Vernier caliper and Random sieve according to the given



Product Category	Standard Criteria	Quality Inspection
		size.
	Colour	Physical assessment
Wood Shavings	Moisture value	Laboratory test and physical assessment
	Impurity	Physical assessment
Sawdust	Moisture value	Laboratory test and physical assessment
	Impurity	Physical assessment
	Colour	
	Resolution	
Biomass Pellet	Moisture value	Laboratory test and physical assessment
	Impurity	Physical assessment
	Length and Diameter	Dimensions with Vernier caliper
	Density	Weighing with volume container
	Fracture	Calculated from weight

Note: 1 / Laboratory test using the hot air oven.

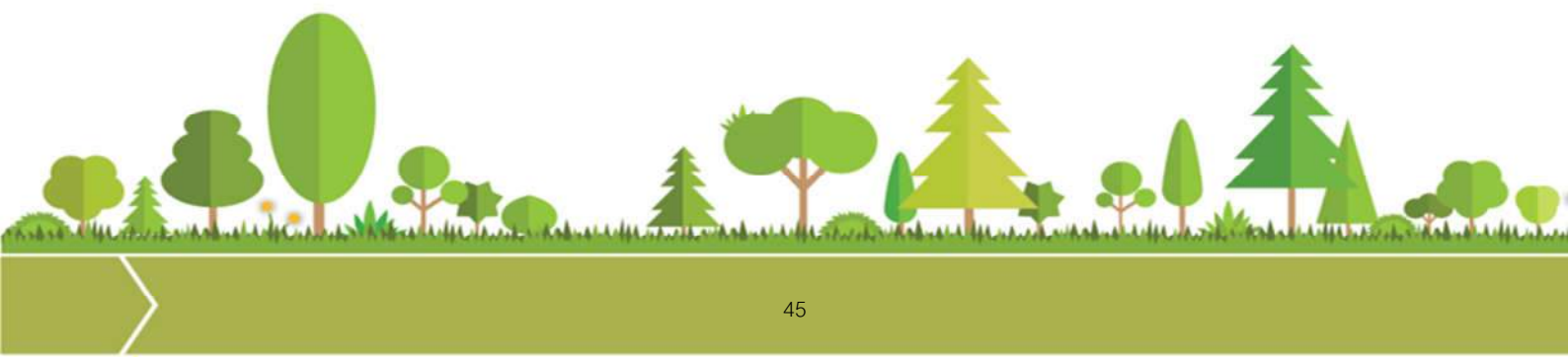
Quality Assurance Department staff will be responsible for sampling the products for inspection at the specified frequency. The company has a manual on how to collect samples, how to measure moisture and standards to control to ensure the quality control of the product is the same standard. Products that are stored in open air yard will have to be covered by canvas in the time of rain to keep the product humidity at the standard level all the time and to flip over to prevent heat storage inside the stack. In addition to checking the quality of the goods, the company also monitors truckloads, cleanliness of warehouse floor, cleanliness of the truck, cover with canvas before shipping to ensure that the quality of products meets the standards.



Environmental Impact

The business operations of the company and its subsidiaries will take into account the sustainability of the environment. The company places great importance on the source of its wood-based biomass fuel products that are derived from natural forests or properly managed forests in accordance with internationally recognized principles. It does not come from natural forest destruction, as the source of our products can be traced to the entire product chain from raw materials to processing, storage, to sales and delivery. The company has adopted the Forest Stewardship Council (FSC) FSC Chain of Custody (CoC) certification. Wood pellets, shavings, sawdust, woodchips and other parts of wood (BV-COC-130246 and BV-CW-130246) on 11 May 2016. In the year 2017, the company expanded its certification to other biomass products such as wood pellets and wood briquette. Rubber wood processing particle board and medium density fiber board (MDF), which are certified by Bureau Veritas Certification (Thailand) Co., Ltd. In addition, the company and its subsidiaries also attach importance to environmental impact and safety in the operation process. The company and its subsidiaries set up environmental protection measures to protect the environment within the company and its subsidiaries as follows:

1. Closed warehouse system for wood shavings, sawdust, wood dust and biomass pellet and canvas covers for items stored in uncovered areas.
2. Grow big trees. Dust cover is installed around the warehouse of the company and its subsidiaries.
3. Use a canvas between the boat and the pier during loading and unloading to prevent the product from dropping into the water. Use cloth covers on all transportation trucks before moving out of the pickup point.
4. Pile back the product consistently to reduce the temperature of the product.
5. Turn on the water at the entrance of the warehouse.
6. Spray water canvas cover cloth and regularly sweep the warehouse.
7. Utilize bio-fermentation (EM) water used in the area of the company and its subsidiaries.
8. Use wastewater treatment systems and the treated water is used in the activities of the company and its subsidiaries.
9. Measure sound, air and water quality once a year.
10. Warehouse to prevent the spread of small items.
11. Transport control measures to prevent goods from falling on the way.
12. Measures to determine the speed of vehicles running in the warehouse up to 20 km / h.
13. Measures to control the noise caused by the vehicle entering the warehouse.
14. Control of waste management within the warehouse.

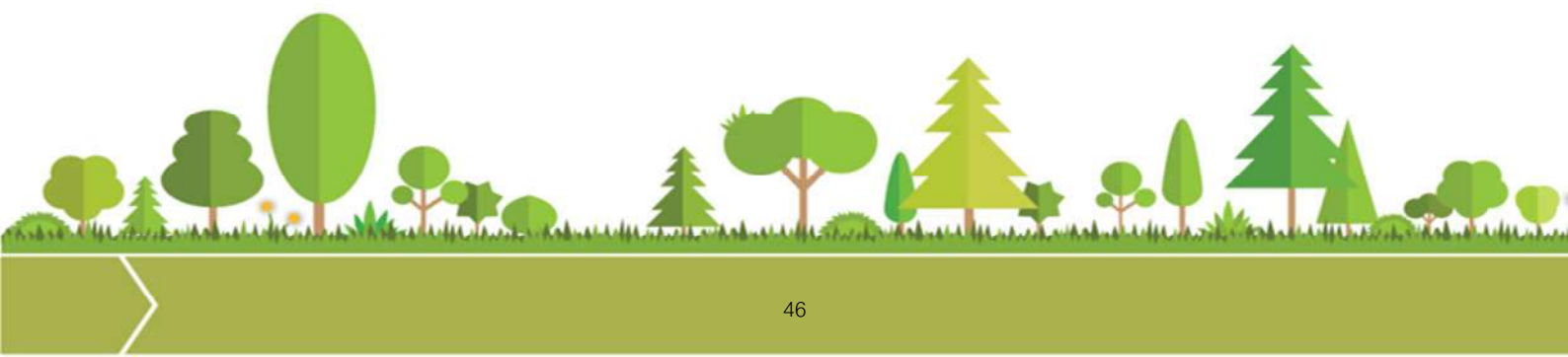


On August 17, 2017, the company was awarded the CSR-DIW Beginner Award 2017 by the Department of Industrial Works. On October 27, 2017, the company was certified by the Ministry of Industry as the Green Industry (2nd Level), Green Activity. In addition, the company was selected to participate in the project to develop standards for Thai SMEs. During the process of applying for accreditation of Occupational Safety and Health Standards for Workplaces Medium and small Institute of Occupational Safety, Health and Environment. This demonstrates the company's commitment to environmental and safety management.

The Company and its subsidiaries encourage the employees and stakeholders consciousness of resource conservation and social responsibility. As a result, the company and its subsidiaries can sustainably grow with the community and the environment.

Unrepresented work

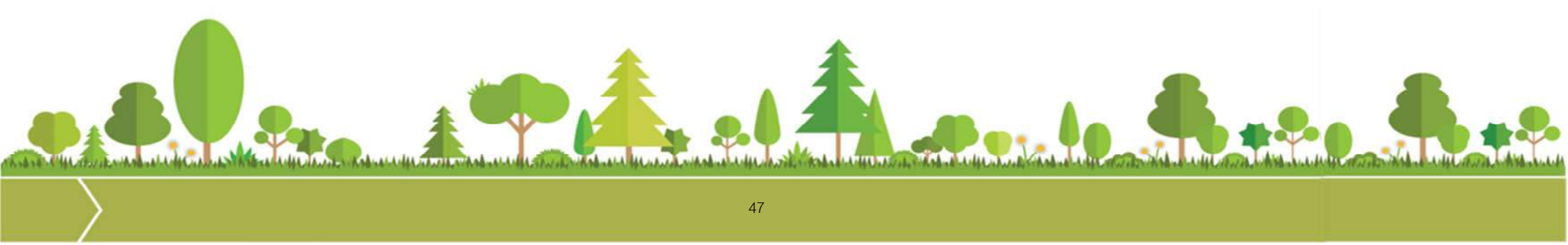
- None -



Key Laws related to Business Operations

The company has significant laws and licenses related to business operations as summarized in the table below. The company has prepared a document for license control to follow up applications and renew licenses for the registered licenses related to business operations to ensure that the company has the necessary licenses for proper operation.

No	Relates Law	List of licenses of the company and its subsidiaries
1.	Factory Act. Section 12 Establishment of criteria for obtaining permits and permits for factory 3,2006	(✓) Factory License (RN 4) (end of January 1, 2022) - Pay annual fee (due September 21, 2019)
2.	Act of Public Health, Section 33	(✓) License to operate a business that is harmful to health. (No. 2) per annum. - Tambon Bang Nam Chuet Subdistrict Administration Organization (end of March 31, 2020) - Laem Chabang Municipal Office (end of September 20, 2020) - Surat Thani (end of August 2, 2019)
3.	Export and Import Act in the Kingdom. Section 7 Note: Only ABM and / or PPP are importers or exporters of biomass products in and	(✓) Import license (ABM and PPP) (✓) Export Licenses (ABM and PPP)



No	Relates Law	List of licenses of the company and its subsidiaries
	out of the Kingdom, depending on the type of biomass product being controlled for the import/export license.	
4.	Land Transport Act 1979 (Transport License Section 32 of the Land Transport Act, BE 2522)	(✓) Transportation License (STP)
5.	Plant Quarantine Act of 1964, Section 10 - Notification of the Department of Agriculture regarding conditions for importing palm oil from the Republic of Indonesia in 2013 - Notification of the Department of Agriculture regarding conditions for importing palm oil from Malaysia, BE 2556	(✓) An import permit issued by the Department of Agriculture (ABM and PPP)
6.	Forestry Act, 1941, Section 48 - Ministerial Regulation No. 25 (BE 2519) issued under the Forest Act 1984 on the processing of wood and timber.	(✓) Permission to set up a sawmill - Headquarter (available until 29 November 2019) - Surat Thani Branch (available until 30 November 2019)



Risk Factors

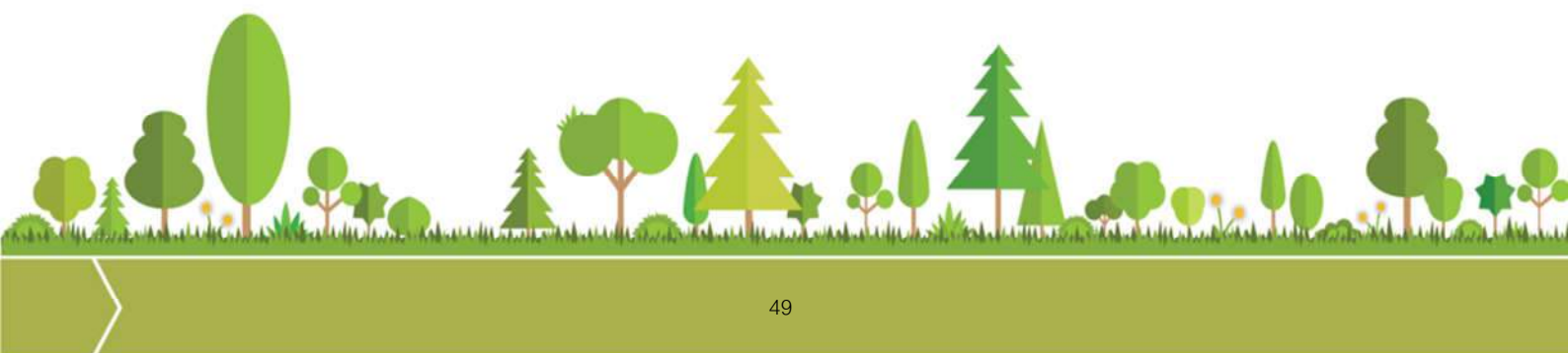
The company and its subsidiaries (hereinafter called “the company”) have conducted biomass fuel trading. The risk factors that may affect investment and ways to prevent them are as follows:

1. Business Operation Risks

1.1 Risk from product procurement

The company operates the core business in trading of biomass fuel such as palm kernel shell, woodchips & others, wood shaving, sawdust, wood dust, wood pellet, etc which are by-products obtained from other related industries such as production of crude palm oil, wood products and so on. Thus, the supply of biomass fuel is linked to the demand and supply of crude palm oil products, palm tree plantings, plants for producing wood products and harvest season of those plants. Domestic supply of palm kernel shell still cannot fully meet demand from biomass power plants and other end-use industries. At the same time, overseas demand for biomass fuel from countries in both Asia and Europe has been on a rise. Having expanded its sales channels to foreign markets, the company may risk falling to procure sufficient products to fully meet customers' demand or as agreed with them or at the price and of the quality as desired by customers. Such risk could relatively affect its performance and financial position.

Being aware of this risk, the company has approached and procured biomass fuel directly from producers and distributors across the countries and has procured woodchips & others, wood shaving, sawdust, wood dust from furniture factories, wood processing plants, sawmills and producers of wood products in the southern, central, eastern, northeastern and northern parts of the country. Meanwhile, palm kernel shells are purchased from major crude palm oil producers in the southern and eastern regions. More than 70% of all crude palm oil producers in Thailand sell palm kernel shells to the company. Besides, the company will coordinate with all concerned parties in feedstock procurement planning when initially working on the annual budget plan and will pursue the stock planning throughout the year, hence a slim chance for the company to obtain the feedstock less than planned. Most feedstock procurement is done under sales and purchase agreements with a definite schedule. For this business, moreover, it is typical that feedstock suppliers will less likely fail to abide by the sales and purchase agreements or will not change the quantity

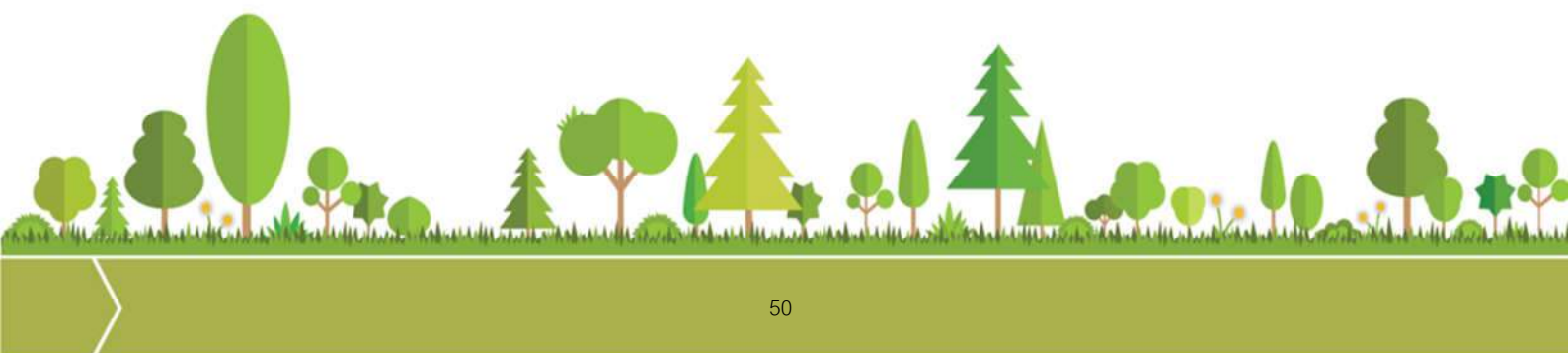


from the agreed amount within a short period of time. To cater the growing demand of biomass fuel at home and abroad, the company decided to establish a 99.00% owned subsidiary, PT. Asia Biomass Indonesia (“ABI”), the world’s largest palm growers and palm oil producers with the objective to procure and collect palm kernel shells from producers in Indonesia. The company also joined with a partner in Malaysia, which is the world’s second largest growers and producers of palm oil. In establishing two subsidiaries, Asia Biomass Energy SDN. BHD. (“ABE”) and Asia Biomass Resources SDN. BHD. (“ABR”) in both of which the company holds a 55% stake, to serve as the company’s palm kernel shell purchasing arms in Malaysia. The company therefore believes that, by implementing these measures, it will be able to procure the products to sufficiently fulfill the increase demand for biomass fuel at home and abroad and satisfy customer needs in terms of both price and quality. In addition, with a wide variety of biomass fuel offered by the company, it has alternative product to substitute for a short fall in any other product.

1.2 Risk from price volatility

Biomass fuel relates directly to agricultural products, with prices determined by demand and supply. The key factors influencing the demand and supply are climate, harvest season, policy on biomass fuel related plants and Thailand’s and other countries’ policies to promote the use of biomass. These will directly affect the supply of corps relating to biomass fuel sold by the company and the demand for biomass fuel which will relatively impact prices of relevant biomass fuel products in both Thai and global markets. As such price volatility could have an effect on the company’s performance and financial position.

However, the company has had experience in biomass fuel trading for longer than 30 years. It has compiled statistical data on product prices as a basic for study of price trend of each type of product. When price of any product is high, the company will substitute it with the product whose price is more stable. The company also has a policy to set the selling price plus a minimum margin after deduction of sales-related expenses, fixed costs and finance costs and to determine a market-based price in the sales and purchase agreement. Moreover the company invested in warehouses to store enough inventories. It currently has four domestic warehouses, comprising Bang Nam Chuet warehouse, Bang Pakong warehouse and Bang Kung warehouse. Recognizing the necessity to have a warehouse that is close to supply sources to be able to store the products during the seasonal price decline and reserving products for future sales growth Including the

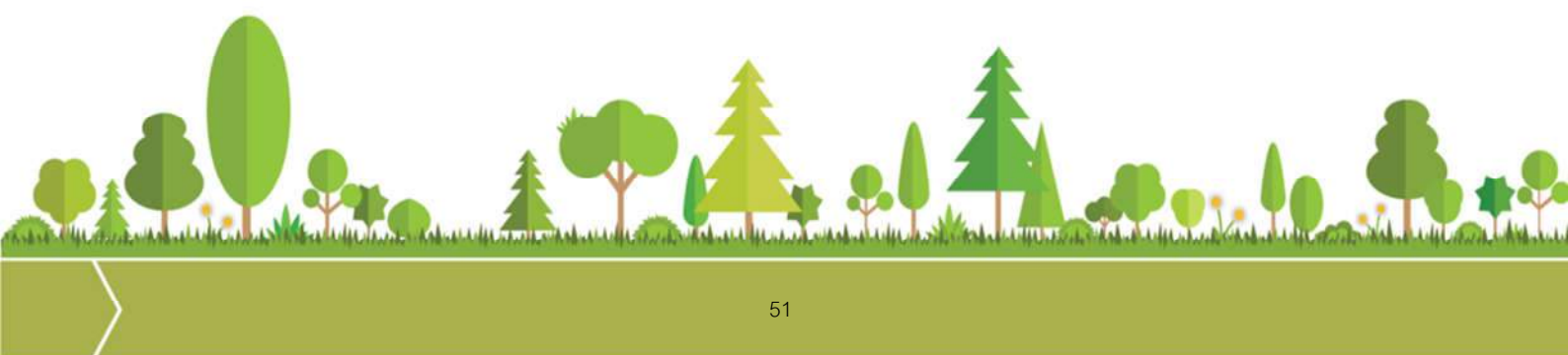


wood chips project and wood pellets plant project which its own production plant. The company also plans to construct a woodchip plant and a biomass pellet plant in the future. All these domestic warehouses have capacity to store locally procured products and part of imported products in the maximum amount of more than 165,000 tons. In view of these measures, the company believes that product price fluctuation will not materially impact its operating performance in the future.

1.3 Risk of loss from inventories management

Operating the core business in biomass fuel trading, the company needs to stock inventories to be available for year-round sales. Meanwhile, the output of some products varies with the seasonal effect and climate in the planting areas resulting in price fluctuation. Some products, because of their light weight, occupy a large storage area. The company's warehouses are divided into two sections : (1) an empty building for storing products that must be kept dry such as wood shaving, wood dust, biomass pellet (2) an open yard for storing products that need not to be kept in dry place such as palm kernel shell, woodchip, wood slab and scraps. Considering the way these products are stored, it could lead to product losses like they may be blown away by the wind or their moisture content may be reduced by sunlight or they may be eroded or damaged by rain or may deteriorate by long storage or no turnover etc.

Without efficient inventory management, the company could suffer a loss from decline in prices or quantity of its inventories caused by two major factors: (1) a drop in product prices in the market and/or (2) loss of the stored products. However, as learned from its operational experience over these past years, the company has put in place an efficient inventory management system. To cope with risk from product price drop, the company has compiled historical data on an output and price statistics as a basis for forecasting product prices and volume in different period of time of the following year in Thailand, Indonesia and Malaysia. It has also forecasted demand from local and overseas customers through customer demand survey as a basis for efficient inventory management and stock of each type of product in each period. To cushion against risk, the company has prepared an operational manual and arranged staff training. Moreover, the company has implemented measures to prevent product losses by installing a net over the wall around the warehouse to prevent products from being blown away by wind, adopting measures for moisture control, using canvas cover to safeguard product quality, regularly scooping up products that spread across the

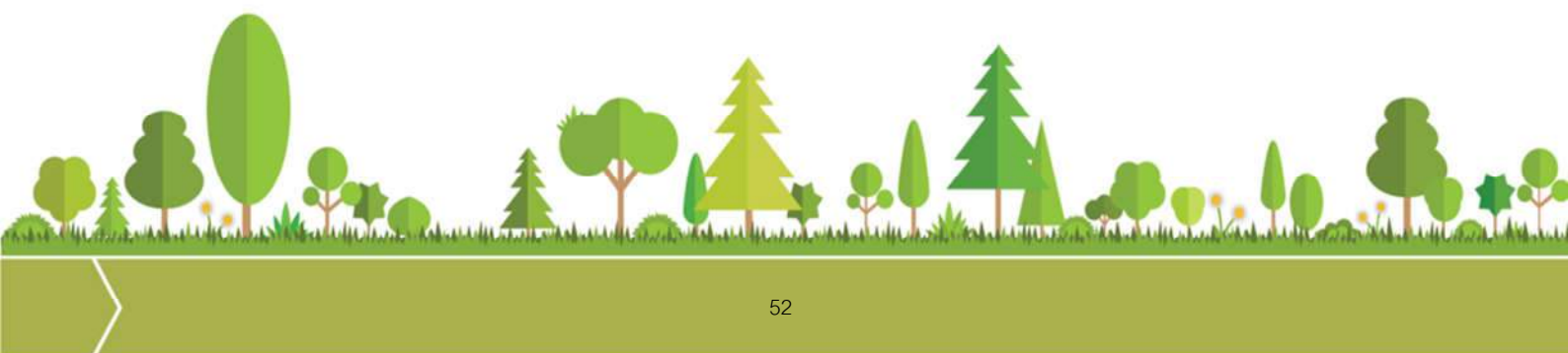


ground, paving the stock yard at every warehouse with concrete to prevent a loss caused by product being piled up on the ground. The company also assigned its warehouse team to perform physical checking at every end of month and engages an independent surveyor to check the stock twice a year, i.e. mid-year and year-end, so as to reaffirm the balance of inventories recorded in the account. By adopting these measures, the company believes that the loss from inventories management will not materially affect its performance and financial position in the future.

1.4 Risk from bad debts incurred from non-receipt of products already paid for in advance

In purchasing products, the Company will make an advance payment to the supplier in the amount specified in the agreement. Value of each shipment arrived will be deducted from such prepaid amount until the balance decreases below the agreed level, whereby the Company will top it up to the amount specified in the agreement. The advanced amount varies with the quantity of products agreed upon between the Company and each supplier. Such payment method is commonly used in the biomass trading business to ensure that the supplier will sell the agreed amount of products to the Company. Thus, once the advance payment has been made, the Company could be exposed to risk from the supplier failing to deliver the products or making only partial delivery to the Company. If this takes place, it will adversely affect the Company's financial position and performance as the company will probably not receive a refund of such advance payment upon the supplier's failure to deliver the products. Moreover, the Company may lose the opportunity to sell the products due to unavailability of the products.

In view of such risk, the Company has formed a sub committee to consider the provision of credit lines for both trade accounts receivable and advance payment for products and to screen information about the trade partners who require advance payment from the Company including information on their corporate registration, financial information and other business information. The subcommittee must have the top executive in financial management consider and give opinion on every transaction. The advance payment to trade partners is subject to prior approval from the managing director under the approved credit line. The Company has also managed the advance payment risk by reducing the advanced amount to the level deemed fit with each trade partner's capability and switching from procurement through only a few trade partners in Indonesia and Malaysia that required advance payment for each massive volume to direct

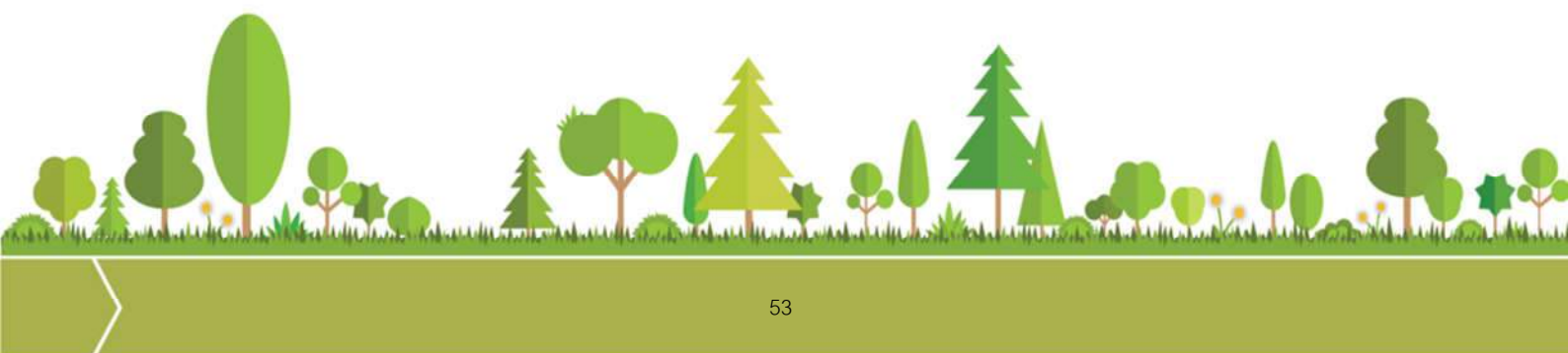


procurement from numerous producers or distributors each in a small volume. The establishment of its subsidiaries in Indonesia and Malaysia helps to expand the Company's network and enables it to procure products through a greater number of products and distributors. When the products already paid for in advance have been completely delivered to warehouse of those subsidiaries, the Company will make advance payment to the sellers for the next sales and purchase agreement respectively. For the distributors who gradually deliver products each in a small volume, leading them to hold the advance amount for a long time period, the Company will follow up on them periodically to make certain that the products are completely delivered as per the agreements. The Company is therefore confident that the trade partners receiving the advance payment are capable of delivering the products completely according to the agreements and it will no longer have to set aside a huge amount of allowance for doubtful accounts as in the previous years.

1.5 Risk from fluctuation in sales revenues during the accounting year

The Company's main income source is from sales of palm kernel shells. The volume of palm kernel shells hinges on the seasonal effect on palm output, whereas prices of palm kernel shells vary with supply in the market and competition among players. When there is substantial supply with a large number of players competing in the market, the price of palm kernel shells will be lower than when there is less supply of the products. During the period with a tremendous amount of supply and intense competition (only from April to June), the Company will see only a slight increase in its sales of palm kernel shells and will therefore collect and store the products in its warehouses, due to the lower price level than other times of the year, so that it will have product available for sales when the output is low. As such, the percentage of revenues from palm kernel shell sales, its main income source, will likely diminish when there is substantial supply in the market and will edge up when the supply decreases and prices relatively go up, during which the Company will sell out those collected palm kernel shells. Generally (with the normal season change), prices of palm kernel shells will stay at a low level in the second quarter of the year and will rise in the third and fourth quarters and also in the first quarter of the following year, leading the Company's sales and profit to fluctuate over the different quarters of the year.

However, the Company sells diverse types of biomass fuel, thus helping to lessen the fluctuation in revenues caused by main product. Besides, the availability of products reserved in its warehouses for sales



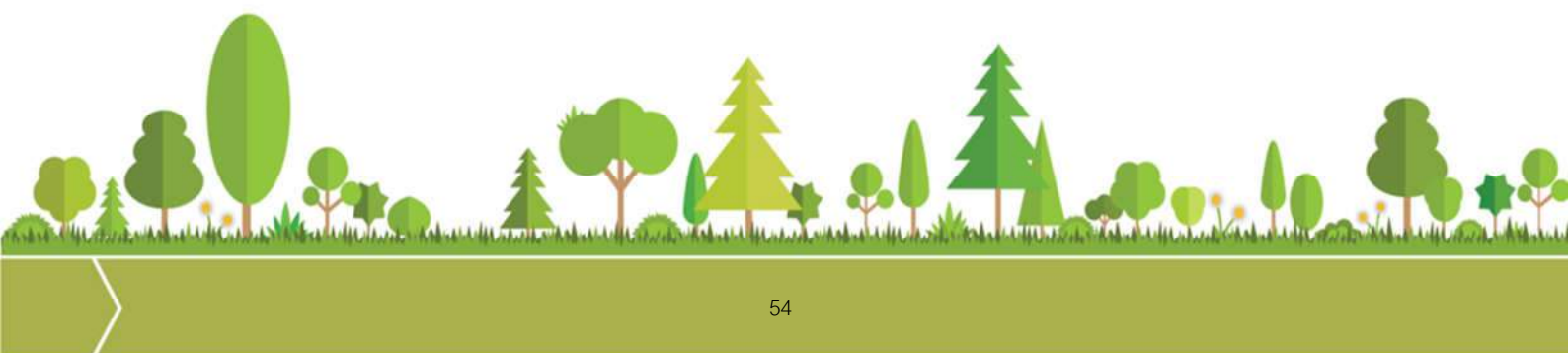
when the products are undersupplied could help reduce the impact of unstable revenues and profit in each quarter to a certain extent.

1.6 Risk of Business Competition and Entry of new Competitors

At present, there are a large number of players in the biomass fuel trading market whether they are the direct manufacturers or the traders similar to the company and its subsidiaries or the dealers. There are both domestic and overseas firms. It is not difficult to enter the market because it requires only a small amount of start-up fund so there is a high competition in the business, especially in terms of price.

Meanwhile, most of the biomass fuel manufacturers are small enterprises. The major traders with working capital and having warehouses for a variety of products can satisfy customer's needs for their huge demands. Therefore; the major traders always have advantages over many the smaller enterprises which are many in number in Thailand. In addition, the procurement team and the sales team also play a very important role. The procurement team must have good relationship with the manufacturers and must have sourcing experience and must also understand the nature of the product and the product season so that they can collect enough quality biomass fuel for biomass fuel users. Meanwhile, the sales team must cooperate well with the procurement team and must always have good relationship with both existing and future customers for competitiveness and continuous growth in both domestic and overseas markets.

Therefore; the company always emphasize on the importance of the personnel that are valued resources for the business operation by offering proper incentive and continuous training to develop their potentials and to keep qualified & experienced personnel for the long term. With much experience in biomass fuel business, the company not only provides quality biomass fuel but also offer services for machinery advising. We assist our customers in selecting proper biomass fuel and assist them when they face machinery problems. This makes the company reliable. The company also offers a wide range of products that can replace when biomass fuel is undersupplied. The company is able to collect huge amount of fuel from major and minor producers from Thailand and other countries such as Indonesia and Malaysia so that the company has an advantage over the small traders that have limited types of biomass fuel. Due to this reason, the company keeps competitive growth.



1.7 Risk of Key Person Dependency

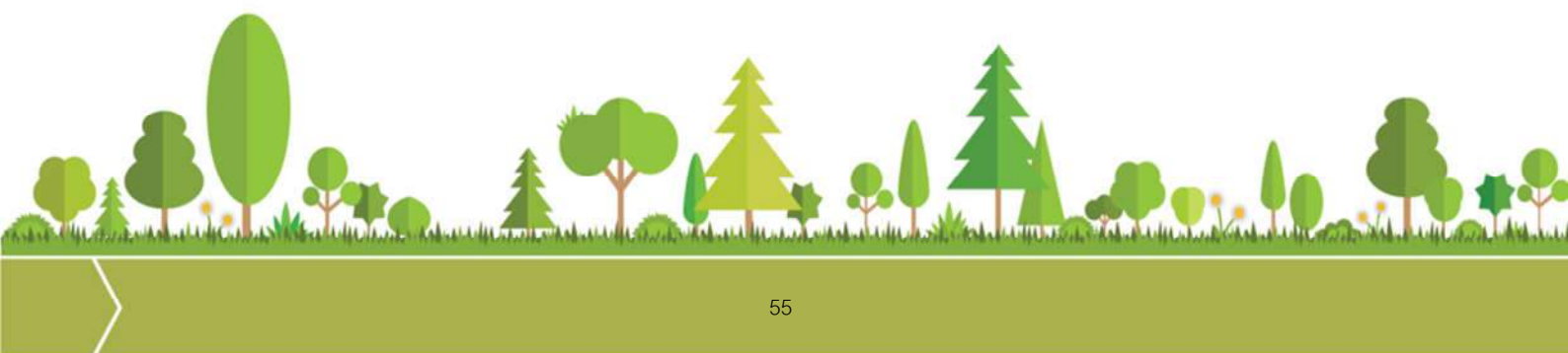
Biomass fuel business requires dependency of the accumulated know-how, specialized and expertised personnel especially for the procurement team, the sales team (for domestic and overseas markets) and the inventory management team. Losing those key persons can affect business operations and the financial position of the company.

The company has realized the importance of these experts in term of retaining existing personnel and recruiting new ones. The company takes measures for HR management by offering proper income and incentive by comparing their income they get from the company with that of from their same businesses, internal and external training including some activities that will develop their knowledge and skill. For recruiting new personnel, the company has cooperated with the vocational institutes and the professional recruiting companies to obtain qualified persons. In addition, since the company has been registered in MAI stock market, this increases reliability for the job seekers.

1.8 Risk from product transport management

Each type of products procured by the Company is available from different areas. Palm kernel shells are obtained from the south of Thailand (for domestic products) and Indonesia and Malaysia (for overseas products), while sawdust, wood shavings, wood dust, woodchip and others are available from the southern, central, eastern, northeastern and northern regions. At the same time, the Company's local customers are scattered in all parts of the country. Product transport is therefore the key factor of business operation since it has an effect on cost of goods sold, product quality and punctual delivery. Accordingly, inefficient management of products transport will significantly affect the Company's performance and financial position.

Recognizing the importance of product transport management, the Company thus established a 99.99% owned subsidiary, Sataporn Thanapat Co., Ltd (STP) to manage land transport and water transport. Land transport is intended for delivery of products not over a long distance both from a supply source directly to customer and from a supply source or port to the Company's warehouse or from the warehouse to customer' location. Water transport is for delivering a large volume of products (1,500 – 10,000 tons) from the warehouse in Surat Thani or the warehouse in Indonesia or Malaysia to the port at Bang Pakong, port at Samut Sakon and port at Samut Songkram for further transfer by trucks to the Company's warehouse. The Company partly uses trucks that are owned and



managed by STP and uses the remainder from more than 100 transport service providers. The type of vehicle and the service provider are selected based on the type of products to transport, the transport volume per trip, the skill of each service provider, and the provision of transport service to and back from destination (a one-way service is not acceptable), thereby ensuring the optimum efficiency in transport management and reduction of transport costs. The Company therefore believes that it could efficiently manage the product transport.

1.9 Risk of customers' possibility changing to use other fuels

Currently, the demand of fuel use to generate heat energy and electric energy has various options

1) fossil fuel such as oil, coal, natural gas

2) alternative energy such as solar power, wind power, hydropower including biomass fuel etc. Each fuel has different production cost. Mostly, biomass fuel requires higher production cost than fossil. Customers may change to use fossil fuel instead because the price is lower.

However, not only cost factor, customers also consider other factors such as 1) location, whether customers' factories are in the pollution control zone 2) production process, whether customers sell products to environment conscious customers or require the products which are produced by the low carbon-releasing plants

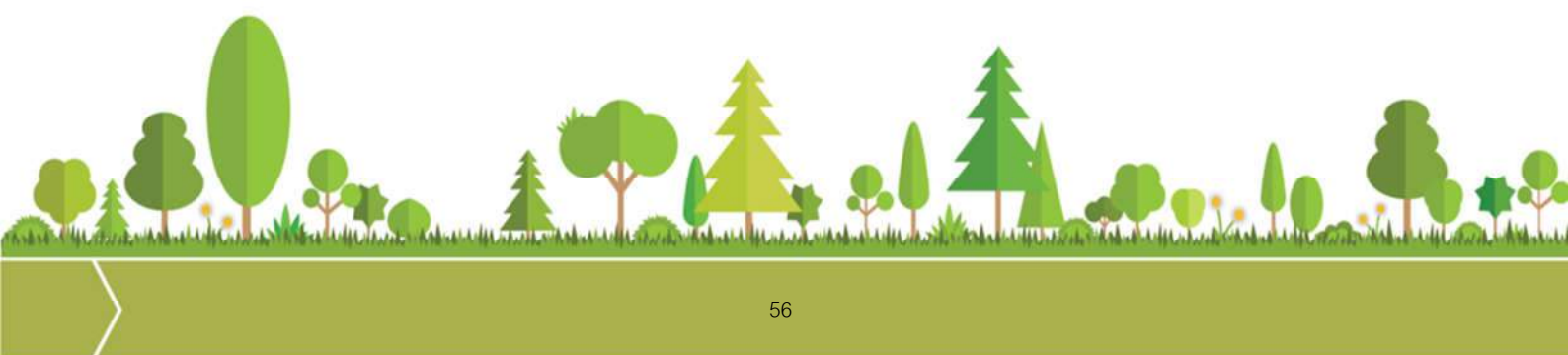
3) environmental concern

4) government supporting policy etc. Because of the certain factors, customers particularly select biomass fuel for generating heat energy and electric energy. Furthermore, due to the production process, switching cost will occur if they change the type of fuel.

2. Risk of Finance

2.1 Risk of Fluctuation in Interest Rate

Regarding that the company operates biomass fuel trading business, most of the sourcing require advance payment. The company may receive only about 3-7 days credit term. Meanwhile, the company provides 7-60 days credit term to the customers. This requires huge amount of working capital for the company's continuous growth. At present, the company has working capital source such as bank overdraft, letter of credit, promissory note and trust receipt which are short-term debts with floating interest rate referring to a prospective customer's



rate, Minimum Overdraft Rate (MOR), a Major Prospective Customer's rate, Minimum Loan Rate (MLR). Therefore; the company may take risk of fluctuation in interest rate which affects financial cost, financial status and the company's turnover.

2.2 Risk of Fluctuations in foreign exchange and interest rate.

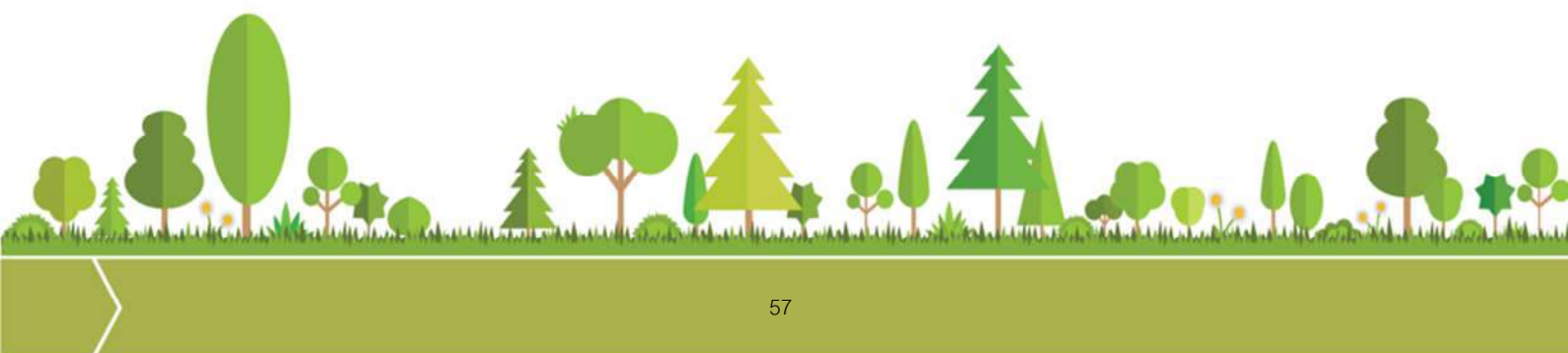
Currently, the company imports palm kernel shell through its subsidiaries based in Indonesia and Malaysia. The company makes payment in the local currency when the company imports products (in case of purchasing products through its subsidiaries) and in US Dollar if not purchasing through its subsidiaries. The certain imported products are for domestic sales and export market (most of them are to export). The company's subsidiaries in those particular countries will directly export to customers. The company receive payment in USD. Therefore; if there is high fluctuation in foreign exchange rate, it may have a negative effect on business operation, revenue and the company's financial status.

However, as stated above, for the imported products, some parts will be directly exported through the company's subsidiaries. That export will be paid in USD. same like the currency of imported products in case the company directly buy products from overseas traders, not through the company's subsidiaries. This is to prevent Natural Hedging. There are still some minor risks that the time of payment and that of receiving payment do not happen at the same time. For some parts of the risks, the company manages by making forward contract with domestic commercial banks to mitigate foreign exchange rate fluctuation that affects the company's revenue.

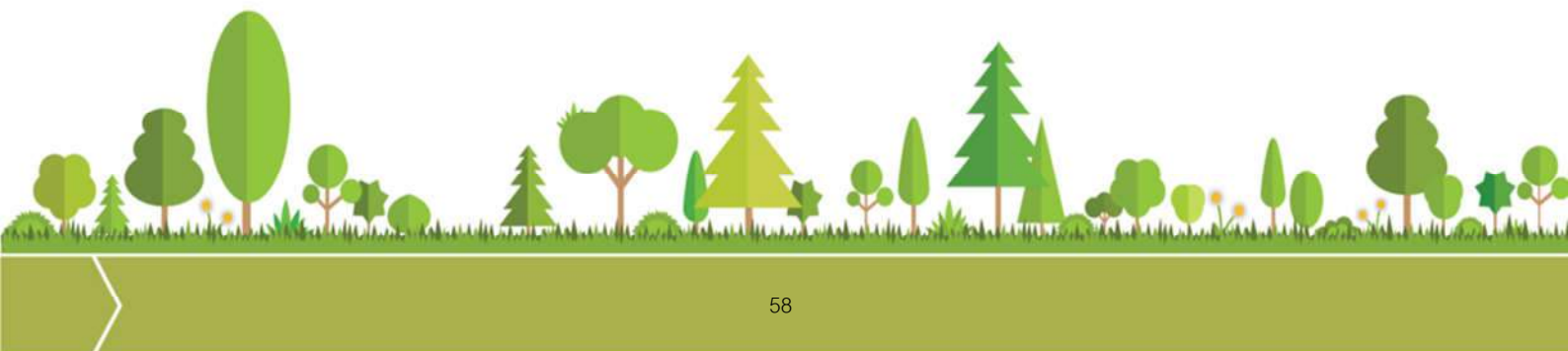
3. Risk of Management

3.1 The risk that a group of shareholders holding more than 50% shares

Before shares were offered to the market, Kuansataporn Family Group, persons under Section 258 of the Securities and Exchange Act B.E. 2535 , Revised Act (Section 258) holds 87.69% share. After that Kuansataporn Family Group, persons under section 258 will hold 65.77% shares of the paid-up capital. Kuansataporn Family Group, person under section 258 still hold more than 50% of the shares and have authority to make decisions in case of the majority vote, except the resolution $\frac{3}{4}$ of the shareholder meeting, for example , capital increase, capital decrease, Partial or Entire Business Transfer so in the meeting, other shareholders take risk of being unable to vote for check and balance the major shareholders.



However the company has organizational transparency with efficient management. There are 4 directors in the company who are not representatives of the Kuansataporn Family. Moreover, in the company there are 3 independent directors for check and balance. The company has clear scopes of authority and function for directors, audit committee members and executive directors. If the company will have any transaction with a possible conflict person, the law and SET's regulations must be ensured to comply with and the possible conflict person shall have no rights to voting in that certain issue.



Operation Asset

1. Main Fixed Assets

On 31 December 2019, the statement and net book value after deducting accumulated depreciation of fixed assets for business operation of the company and its subsidiaries (hereinafter called "the company") shown in consolidated financial state, are as follows:

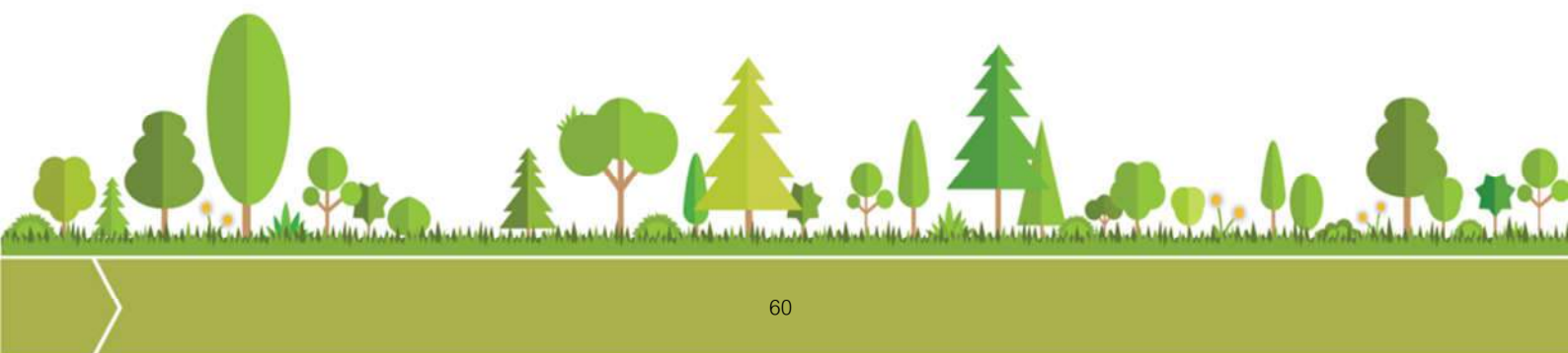
Type of Assets	Net Book Value (Million Baht)	Type of Ownership	Obligation
Land and land improvement	178.20	Owner	The company has taken the land and land improvement and net book value at 76.23 Million Baht, for guaranteed bank credit facilities
Building and building improvement	42.02	Owner	The company has taken the building and building improvement, net book value at 22.79 Million Baht for guaranteed bank credit facilities.
Machinery and Equipment	6.06	Owner	No Commitment
Tools and furniture fixture	2.19	Owner	No Commitment
Vehicles	31.52	Owner	Vehicles under rental agreements, net carrying value at 9.18 Million Baht.
Assets under Construction and Installation	7.95	Owner	
Total	267.94		

1.1 Land

Ownership	Location	Area Rai-ngan-wa	Type of Ownership	Commitments	Purpose
ABM	Bang Nam Chuet , Samut Sakhon province	18-0-66.8	Owner	No Commitment	The plot for Bang Nam Chuet warehouse and The plot for truck maintenance
ABM	Bang Kung Surat Thani province	27-2-86	Owner	For guaranteed bank credit facilities	The plot for Bang Kung warehouse
ABM	Bang Kung Surat Thani province	7-3-37	Owner	For guaranteed bank credit facilities	To expand the area to support future business.
Total 53 rai , 2 ngan ,89.80, Sq.Wa					

1.2 Building and building improvement

Type of Assets	Location	Type of Ownership	Commitments	Purpose
Bang Nam Chuet Warehouse	Bang Nam Chuet , Samut Sakhon province	Owner	-	Biomass Fuel product Storage
Bang Kung Warehouse	Bang Kung Surat Thani province	Owner	For guaranteed bank credit facilities	Biomass Fuel product Storage

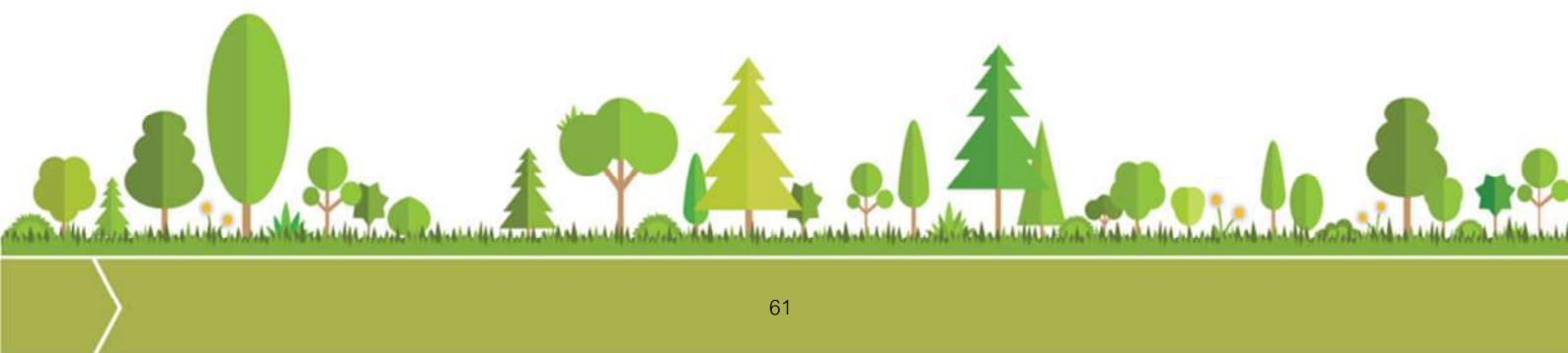


Type of Assets	Location	Type of Ownership	Commitments	Purpose
Bang Pakong Warehouse	Bang Pakong, Chachoengsao province	Rental	-	Biomass Fuel product Storage
Bintulu warehouse	Bintulu, Sarawak , Malaysia	Rental	-	Biomass Fuel product Storage
Building Head office	Samaedum, Bang Khun Thien , Bangkok	Rental	-	To be building
Space for office	Bintulu, Sarawak Malaysia	Rental	-	To be space / area office plot
Space for office	Jakarta, Indonesia	Rental	-	To be space / area office plot

2. Investment Capital

On 31 December 2019, ABM has investment in its subsidiaries as follows;

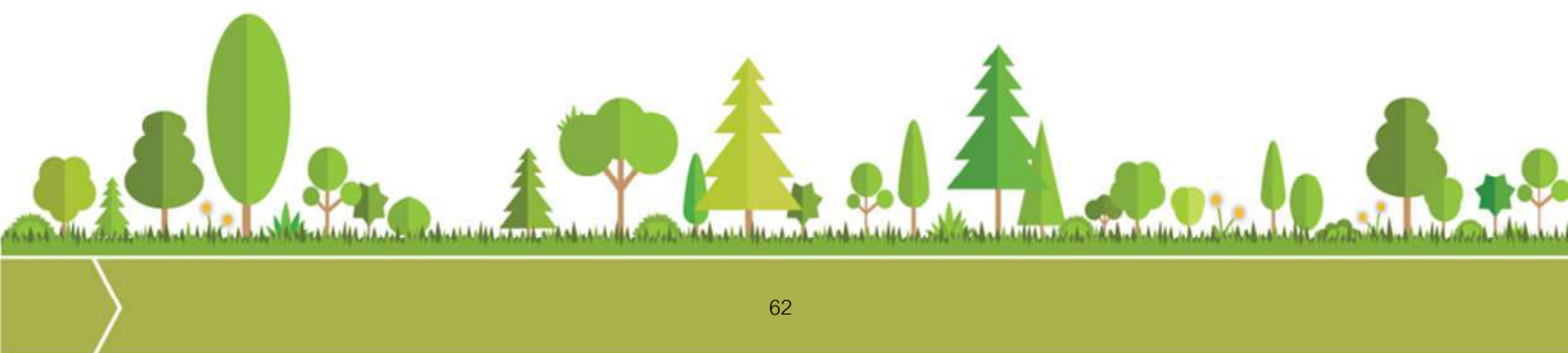
Company	Investment by Cost Method (Million Baht)	Shareholding	Paid-up Capital (Million Baht)	Investment Type.	Business Type.
1. Sathaporn Tanapat Co.,Ltd. ("STP")	4.00	99.99	4.00	Subsidiaries	Land transportation
2. Paprapat Co.,Ltd. ("PPP")	1.00	99.98	1.00	Subsidiaries	Land transportation service, Biomass fuel trading



Company	Investment by Cost Method (Million Baht)	Shareholding	Paid-up Capital (Million Baht)	Investment Type.	Business Type.
3. ABM Pellets Co.,Ltd ("ABP")	1.00	99.99	1.00	Subsidiaries	Wood Chip and Wood pellets production
4. PT Asia Biomass Indonesia ("ABI")	9.51	99.00	USD 300,000	Subsidiaries	Biomass procurement in Malaysia
5. Asia Biomass Energy SDN. BHD. ("ABE")	2.50	55.00	MYR 500,000	Subsidiaries	Biomass procurement in Malaysia
6. Asia Biomass Resources SDN. BHD. ("ABR")	2.29	55.00	MYR 500,000	Subsidiaries	Biomass procurement in Malaysia
Total	20.30				

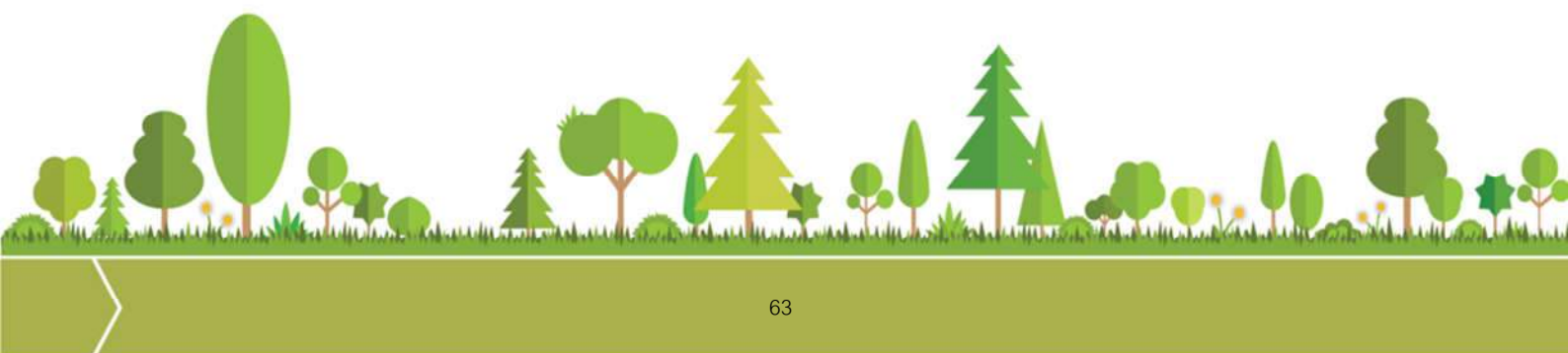
3. Investment Policy for subsidiaries and associated companies

The company has policy for investment and management for the subsidiaries and the associated companies. The company will invest in the relevant companies which will mutually benefit each other. Moreover, to operate business on its subsidiaries and the associated companies, the company (ABM) will send its experienced representatives who can be either the chairman of the board or chief executive or any person without any conflict interest. Furthermore, these certain representatives will have to follow the rules and regulations including the law of the countries where the subsidiaries and the associated companies are located. The business operation of the subsidiaries and the associated companies must correspond with the company like they are parts of the company. Moreover, the ratio of the company's shareholding must meet the agreement of ABM and subsidiaries or associated companies. The company will pay close attention to its subsidiaries and associated company's revenue and management by collecting information and checking their account. To obtain approval, any investment project, the company must ensure that it must be complied with relevant laws and SET's regulations, the Securities and Exchange Act B.E.2535 (as amended)



Legal Disputes

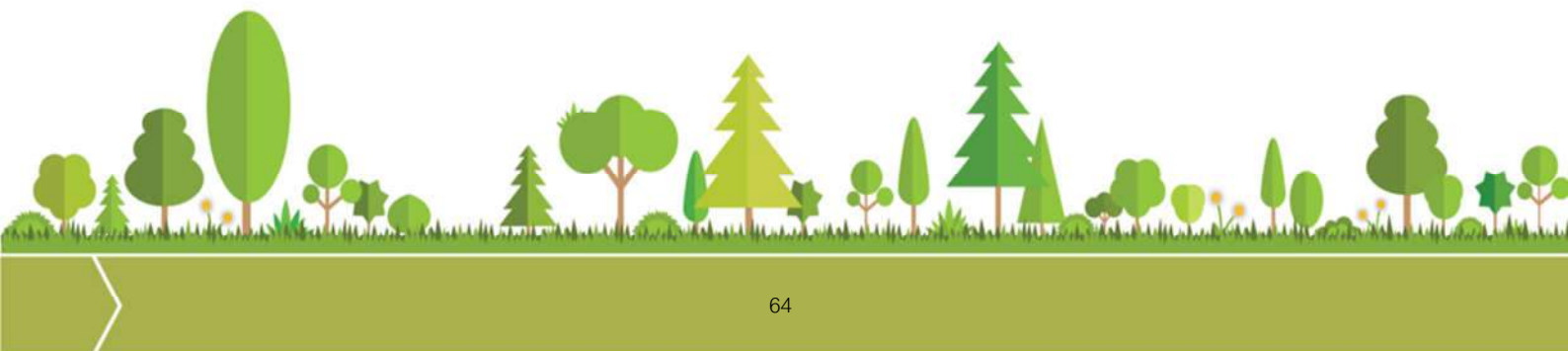
As of 31 December 2019, the company and its subsidiaries has no legal disputes which may negatively affect assets of the company or assets of its subsidiaries which is more than 5% of the shareholders or which may affect business operation including the cases of none normal performing business.



1. General Information

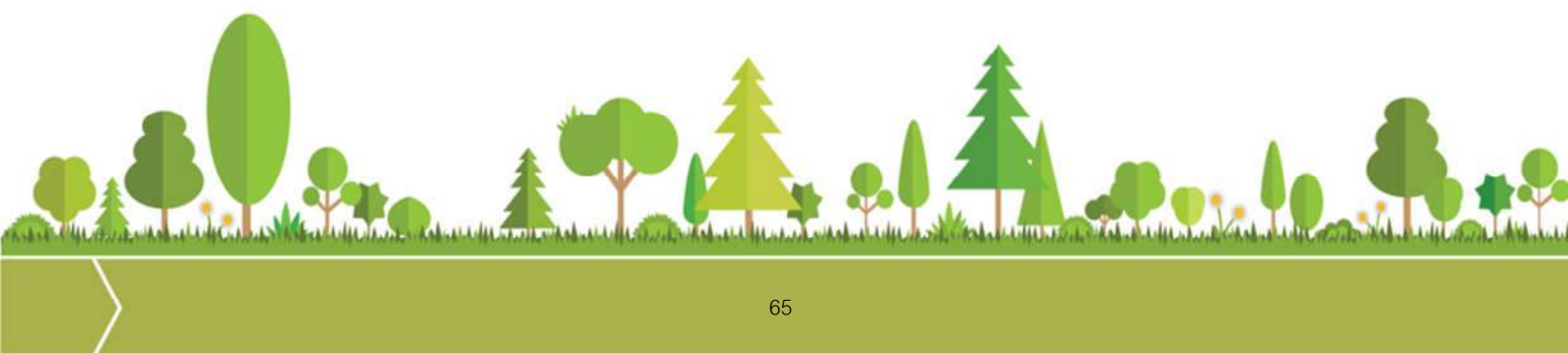
(1) Company Information (on 31 December 2019)

Thai name	บริษัท เอเชีย ไบโอบีโอส จำกัด (มหาชน)
English name	Asia Biomass Public Company Limited
Symbol	ABM
Type of business	Biomass fuel trader
Company's registration number	0107560000061
Registered capital	150,000,000.00 บาท
Paid-up capital	150,000,000.00 บาท
The number of shares sold	Ordinary share 300,000,00.00 shares
Par value per share	0.50 Baht
Head office	273/2 Rama2 Road, Samae Dam Sub-district ,Bang Khun Thian District Bangkok.
Telephone	02-415-0054
Fax	02-894-0066
Website	www.asiabiomass.com
Company secretary	Telephone: 02-415-0064 Extention 2619 Fax : 02-894-0066 Email : apiratee@asiabiomass.com



(2) Names and locations of the corporates of ABM shareholding at least 10%

Subsidiaries	Location	Type of Business	Registered Capital	Paid-up Capital	Total Paid-up Shares	ABM Shareholding (%)
Paprapat Co.,Ltd	273/2 Rama2 Road Samae Dam Sub-district Bang Khun Thian District Bangkok	Biomass fuel trading (exempt from VAT)	1 Million Baht	1 Million Baht	10,000	99.98
PT. Asia Biomass Indonesia	Menara Thamrin Lt. 3A, Suite 02, Jl. MH. Thamrin Kav. 3, Kel. Kampung Bali, Kec. Tanah Abang Jakarta Pusat.	Sourcing biomass fuel in Indonesia	USD 1,200,000	USD 300,000	12,000	99
Asia Biomass Energy SDN. BHD. (ABE)	Wisma Destiny, Sublot 47, Parent Lots 3485 & 3064, Parkcity Commerce Square, JalanTun Ahmad Zaidi, 97000 Bintulu, Sarawak, Malaysia	Sourcing biomass fuel in Malaysia	MYR 500,000	MYR 500,000	500,000	55
Asia Biomass Resources SDN. BHD. (ABR)	Wisma Destiny, Sublot 47, Parent Lots 3485 & 3064, Parkcity Commerce Square, JalanTun Ahmad Zaidi, 97000 Bintulu, Sarawak, Malaysia	Sourcing biomass fuel in Malaysia	MYR 500,000	MYR 500,000	500,000	55
Sathaporn Tanapat Co,Ltd	273/2 Rama2 Road, Samae Dam Sub-district ,Bang Khun Thian District Bangkok.	Transportation Service by Truck	4 Million Baht	4 Million Baht	40,000	99.99



Reference

Ordinary Share Registrar

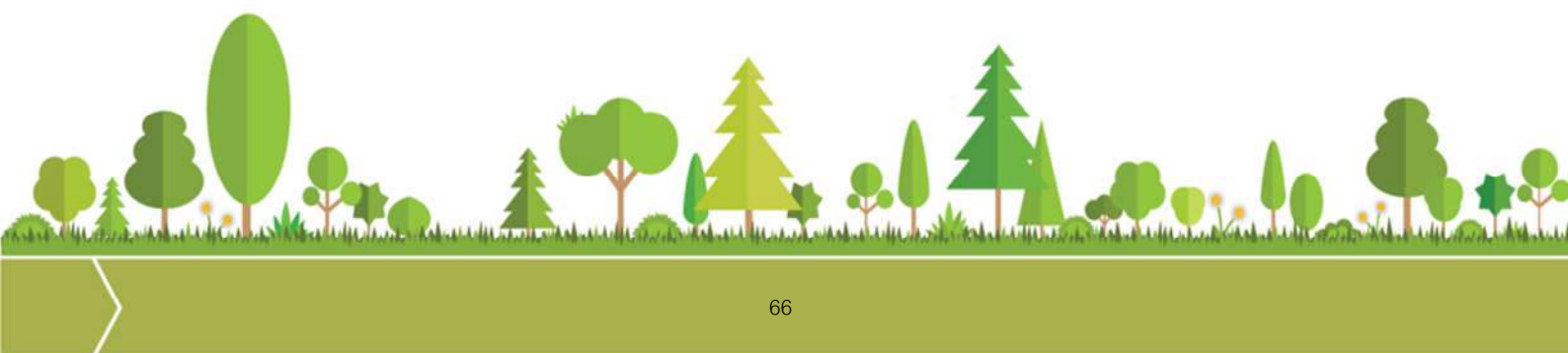
Thailand Securities Depository Co., Ltd.
62 The Stock Exchange of Thailand Building
Telephone: 02-229-2800
Fax : 02-654-5472

Auditor

Dr. Virach Aphimeteetamrong CPA No. 1378
Mr. Chaiyakorn Aunpitipongsa CPA No. 3196
Mr. Apiruk Ati-anuwat CPA No. 5202
Dr. Preecha Suan CPA No. 6718
Dr. Virach & Associates Office Co., Ltd.
518/3 Maneeya Center North Building, Fl. 7,
Ploenchit Rd., Bangkok 10330
Tel/ Fax : (02)252-2860, 250-0634, 255-2518, 254-8386-7
(02)254-1210

Financial institutes with regular contacts

Kasikorn bank PCL.
Krungthai bank PCL.
Siam Commercial Bank PCL.



Securities and Shareholder Information

Registered Capital and Paid up Capital

As of December 28, 2019, the company had registered capital of Baht 150.00 million and had paid-up capital of Baht 150.00 million divided into 300 million ordinary shares with a par value of Baht 0.50 each.

Shareholders

Shareholding structure of the company before and after the offering of newly issued ordinary shares to the public, can be summarized as follows:

	List of Shareholders	Number of shares (shares)	%
1	Kuansataporn Family ^{1/}	196,019,893	65.34
2	Mr. Apisit Rujikeatkamjorn ^{2/}	15,000,099	5.00
3	Mr. Anurak Boonsawang	4,947,000	1.65
4	Thai NVDR Company Limited	3,268,124	1.09
5	Mr. Samroeng Manoonphol	2,636,600	0.88
6	Mr. Kanin Chanpichai	2,621,100	0.87
7	Mr. Chumpol Sukyanun	2,600,000	0.87
8	Mrs. Piyarat Boonsawang	1,861,500	0.62
9	Miss Sirinya Rodyai	1,850,000	0.62
10	Other Shareholders	69,195,684	23.07
	Total	300,000,000	100.00

- Remarks: 1 / Kuansathaporn family list and the following number of shares :

1.	Mr. Panom	Kuansataporn	24,000,101	shares	8.00%
2.	Miss Pimyada	Kuansataporn	22,500,002	shares	7.50%
3.	Miss Tiyyada	Kuansataporn	22,500,002	shares	7.50%
4.	Mrs. Panida	Kuansataporn	20,717,002	shares	6.91%
5.	Mr. Atipat	Kuansataporn	19,655,000	shares	6.55%
6.	Mr. Nataphat	Kuansataporn	19,395,000	shares	6.47%
7.	Mrs. Natpapha	Kuansataporn	14,970,198	shares	4.99%
8.	Miss Panita	Kuansataporn	14,970,198	shares	4.99%
9.	Miss Pimchaya	Kuansataporn	14,970,198	shares	4.99%
10.	Mr. Vinai	Kuansataporn	11,430,097	shares	3.81%
11.	Mr. Pongtham	Danwungderm	7,131,801	shares	2.38%
12.	Mr. Panus	Kuansataporn	3,630,196	shares	1.21%
13.	Mr. Panai	Kuansataporn	150,098	shares	0.05%

- 2 / Mr. Apisit Rujikarnkamjorn Chairman of the Board of Directors

For other shareholders apart from the group of Kuansataporn Family 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.

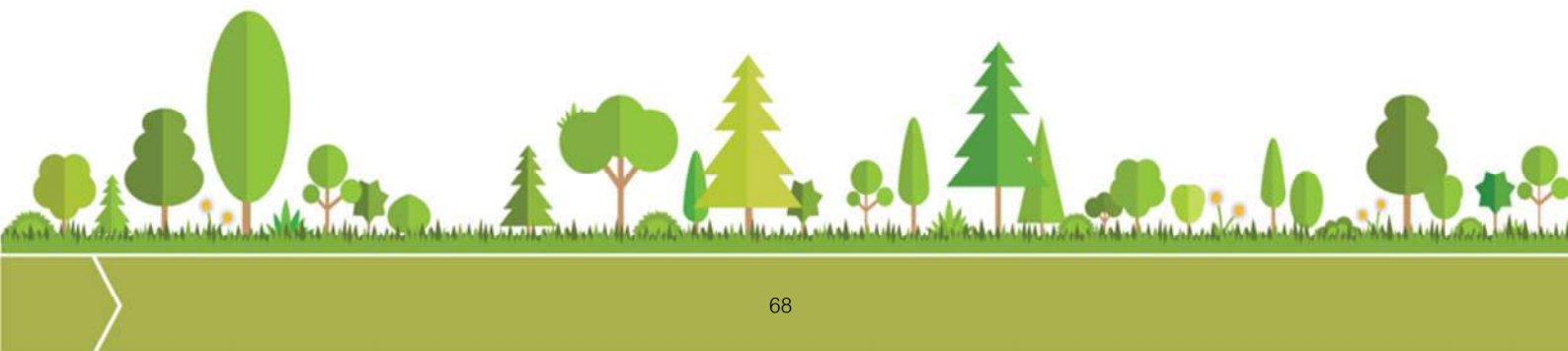
Dividend Payment Policy

Dividend Policy of the Company

The company has a policy to pay dividends at a rate of not less than 40% of net profit after corporate income tax and after deducting allowances and according to the company's Articles of Association, the Board of Directors is authorized to consider the dividend payment taking into account the various factors to benefit the shareholders, such as reserves for repayment of loans. Investment plan for expansion or to support the cash flow of the company in case of the impact of changes in market conditions, etc. The Board of Directors' consideration of such matter must be approved by the shareholders meeting except for the interim dividend payment. The Board of Directors is authorized to approve the interim dividend payment. The meeting should be informed at the next meeting.

Dividend payment policy of subsidiaries

Subsidiaries have a policy to pay dividends at the rate of not less than 90% of net profit after corporate income tax and after deducting allowances and as defined in the articles of association of the subsidiaries, the Board of Directors is authorized to consider the dividend payment taking into account the various factors to benefit the shareholders, such as reserves for repayment of loans, investment plan for expansion or to support the cash flow of the company in case of the impact of changes in market conditions, etc. The Board of Directors' consideration of such matter must be approved by the shareholders meeting except for the interim dividend payment. The Board of Directors is authorized to approve the interim dividend payment. The meeting should be informed at the next meeting.



Changes of Asset Possession of the Executive Committee in the Company for the 2019 Period

Information as of 31 December 2019

Securities Portfolios of Directors Who Resigned, 2019

	Name	Number of shares (shares)			Note
		As of 31 December 2018	As of 31 December 2019	Increase (decrease) During the year (shares)	
1	Mr. Apisit Rujikeatkamjorn	15,000,099	15,000,099	-	(No trading transaction of ABM shares in 2019)
	Spouse and children under legal age	-	-	-	-
2	Mrs. Natpapha Kuansataporn	14,970,198	14,970,198	-	(No trading transaction of ABM shares in 2019)
	Spouse (<i>Mr. Panom Kuansataporn</i>)	24,000,101	24,000,101	-	(No trading transaction of ABM shares in 2019)
	Children under legal age	19,395,000	19,395,000	-	(No trading transaction of ABM shares in 2019)
3	Miss Tiyaada Kuansataporn	22,500,002	22,500,002	-	(No trading transaction of ABM shares in 2019)
	Spouse and children under legal age	-	-	-	-
4	Mr. Panom Kuansataporn	24,000,101	24,000,101	-	(No trading transaction of ABM shares in 2019)
	Spouse (<i>Mr. Natpapha Kuansataporn</i>)	14,970,198	14,970,198	-	(No trading transaction of ABM shares in 2019)
	Children under legal age	19,395,000	19,395,000	-	(No trading transaction of ABM shares in 2019)
5	Ph.D. Sarit Chockchainirun	-	-	-	(No ABM share held)
	Spouse and children under legal age	-	-	-	-
6	Mr. Vichai Pomkeeratiwat	-	-	-	(No ABM share held)
	Spouse and children under legal age	-	-	-	-
7	Miss Patarawan Manatsatit	-	-	-	(No ABM share held)
	Spouse and children under legal age	-	-	-	-
Management					
8	Mr. Pongtham Danwungderm	7,061,801	7,131,801	70,000	-
	Spouse (<i>Miss. Panita Kuansataporn</i>)	14,970,198	14,970,198	-	(No trading transaction of ABM shares in 2019)
	Children under legal age	-	-	-	-
9	Mrs. Apiratee Sakulin	74,901	74,901	-	(No trading transaction of ABM shares in 2019)
	Spouse and children under legal age	-	-	-	-
10	Mrs. Janphen Keawklinjan	59,802	59,802	-	(No trading transaction of ABM shares in 2019)
	Spouse and children under legal age	-	-	-	-
11	Mr. Pruthipol Soisuwan	-	-	-	(No ABM share held)
	Spouse and children under legal age	-	-	-	-
12	Mr. Chairat Dajpaiboonoyot	59,802	59,802	-	(No trading transaction of ABM shares in 2019)
	Spouse and children under legal age	-	-	-	-

Management Structure

Board of Directors

As at December 31, 2019, the Board of Directors There are 7 directors as follows:

Name	Position	Director Type
1. Mr. Apisit Rujikestkamjorn	Chairman	Non-executive Director
2. Mrs. Natpapha Kuansataporn	Vice Chairman Executive Board	Director with Signatory Authority Non-executive Director
3. Miss Tiyada Kuansataporn	Director Managing Director Nomination and Remuneration Committee Chairman of the Executive Board	Director with Signatory Authority Executive Director
4. Mr. Panom Kuansataporn	Director Nomination and Remuneration Committee	Non-executive Director
5. Ph.D. Sarit Chokchainirand	Director Audit Committee	Independent Director Non-executive Director
6. Mr. Wichai Pornkeratiwat	Director Audit Committee Chairman of the Nomination and Remuneration Committee	Independent Director Non-executive Director
7. Miss Patrawan Manutsathit	Director Audit Committee	Independent Director Non-executive Director

Mrs. Apiratee Sakulin as the Secretary of the Board of Directors.

Authorized Director of the Company

The authorized signatories of the company are Mrs. Natpapha Kuansataporn and Miss Tiyada Kuansataporn, together with the company's seal affixed.

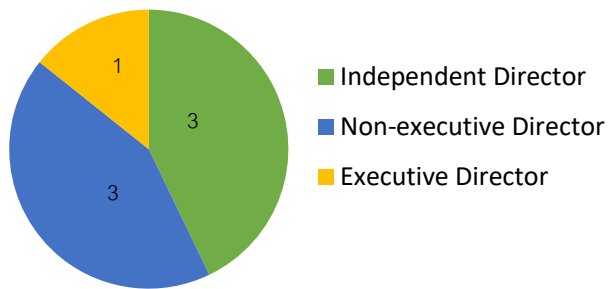
Board Diversification Policy

The Board of Directors is aware of the benefits of the diversity of the Board of Directors and considers them as important factors. One of the efficiency of decision making and the work of the board of

directors

The diversity is not just limited to gender, but also ethnicity, age, education background. Professional experience, skills, knowledge and attitude. Therefore, the recruitment and consideration of the appointment of the directors of the company will be based on knowledge and capability. And use the selection criteria which take into account the benefits of diversity, consisting of

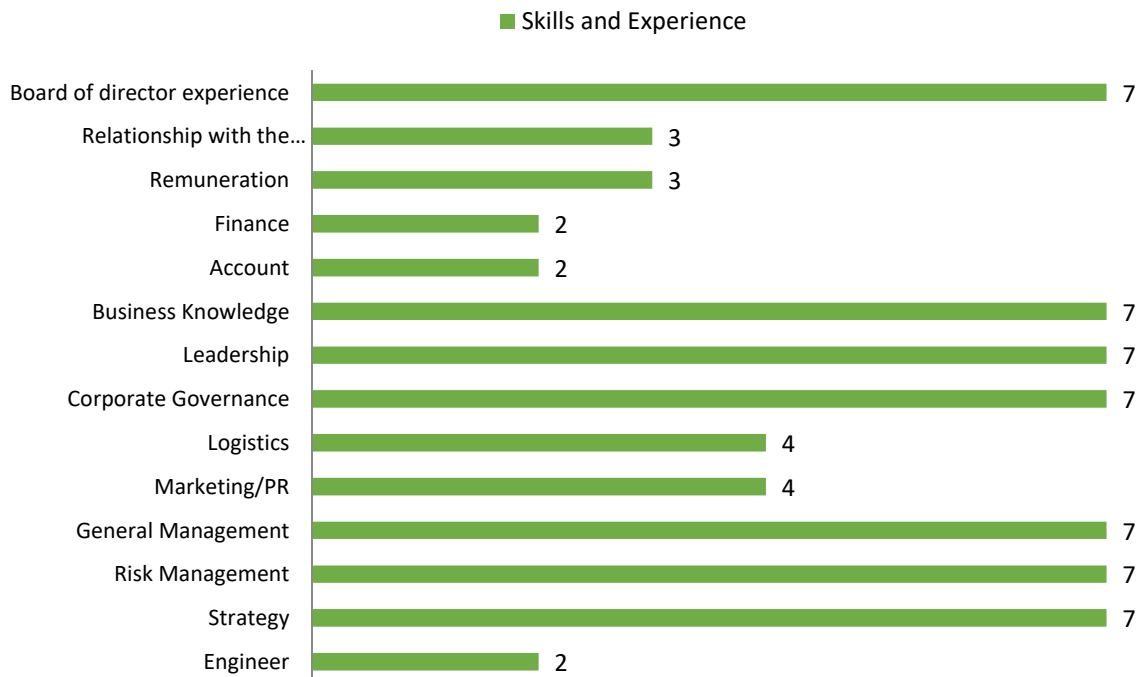
The Proportion of Independent Directors



Gender



Skills and Experience field



Independence of Directors



The company has a board of director's structure with at least 3 independent directors and at least one third of the total number of directors. All independent directors and audit committee members are qualified in accordance with the Notification of the Capital Market Supervisory Board No. TorJor. 28/2551 Re: Application for and approval of Offer for Sale of Shares New release (And any amendments thereto) in full.

Composition and appointment of the Board of Directors

In the selection and appointment of directors of the company, the Board of Directors sets on the structure of the board to consist of directors with various qualifications, in term of skills, experience, abilities beneficial to the company. There must be at least a non-executive director, who has experience in the main business or industry that the company operates. But all these, the composition, selection, appointment, removal or vacancy of the position of company's director shall be as stipulated in the Articles of Association. It can be summarized as follows:

1. The Board of Directors consists of no less than 5 but no more than 15 directors elected by shareholders' meeting. There must be no less than 3 committee members who are members of the audit committee. No less than half shall be the resident of Thailand. Directors of the company may or may not be shareholders of the company.
2. The shareholders' meeting shall elect the directors based on these criteria and methods
 - (1) A shareholder has 1 vote per share
 - (2) Each shareholder will use all their votes according to (1) , elect of one person or many persons to be directors In the event that many persons are to be selected as directors, the votes may not be divided into any of the persons.
 - (3) The person who receives the highest votes and those receive the next highest vote in the descending order shall be elected as directors equal to the number of directors required or elected at that time. In the event that the elected persons in have a tie, and compete for the vacancy which have more than the number of directors required or elected at that time, the chairman of the meeting shall case deciding vote

Qualifications of Company Directors

- 1) The Directors must be natural persons and
 - a) Sui Juris



- b) He or she is not a bankrupt, incompetent or quasi incompetent person
 - c) He or she has never received the punishment of imprisonment after the final judgment for offense relating to property fraud.
 - d) He or she has never been dismissed or removed from government service or government organization
- 2) A qualified expert, who has vision, leadership, virtue, a transparent work history and freely express opinions
- 3) The Directors must not operate in a business of the same nature and he or she does not compete with the business of the company or become a partner in an ordinary partnership or a partner with no limited liability in a limited partnership or a director of a limited company or any other public limited company that operates the same business and it is a competition with the business of the company for one's own benefit or benefit others unless such director has informed the meeting of shareholders before the resolution to appoint that director
- 4) He or she does not have prohibited characteristics as specified in the notification of the Capital Market Supervisory Board no. Tor Chor. 28/2551 regarding the request for permission and permission to offer for sale of newly issued shares dated December 15, B.E. 2551 (2008).
- 5) The independent directors must have the qualifications as stipulated by the Office of the Securities and Exchange Commission as follows:
- 1. He or she is not holding shares more than 1 percent of the total voting shares of the company, subsidiary company, major shareholder or controlling interest of the company, included the shares of related persons of that independent director.
 - 2. He or she is not or have been a director who has participated in the management, employees, staff, consultants with a regular salary or the controlling person of the company, subsidiary company, major shareholder or those with controlling interest of the company unless he or she has not had the above characteristics for at least 2 years.
 - 3. He or she has not a relatives or legal registration in the form of father, mother, spouse, sibling and child including the spouse of children of other directors, executives, major shareholders, controlling persons or the person who will be proposed to be a director, executives or controlling persons of the company or subsidiaries.
 - 4. He or she is not or has not had a business relationship with the company, subsidiary company, major shareholder or controlling person of the company in Characteristics that may obstruct his or her independent judgment, including he or she is not or have not been a major shareholder or controlling



person of a person having a business relationship with the company, subsidiaries, major shareholder or control authority of the company unless he or she has not had the above characteristics for at least 2 years.

5. He or she is not or has not been an auditor of the company, subsidiary company, major shareholder or a controlling person of the company and he or she not a major shareholder, controlling persons or partners of the audit company, that the auditor of the company, subsidiaries, major shareholder or controlling person of the company unless he or she has not had the above characteristics for at least 2 years.

6. He or she is not or has not been a professional service provider of any kind, including provide legal advisory services or financial consultants who receives service fees in excess of 2 million Baht per year from the company, subsidiaries, major shareholder or authorized person who control of the company and not a significant shareholder, a persons with controlling interest or partners of those professional service providers. Unless having passed the above characteristics for at least 2 years.

7. He or she is not appointed a representative of the company's director, major shareholder or shareholder who is related with a major shareholder.

8. He or she does nor operate in a business of the same nature and in significant competition with the business of the company or subsidiary or he or she is not a major partner or a director that participates in the management, employees, staff, consultants that accept regular salary or holding shares exceeding 1% of the total voting shares of other companies operate in a business of the same nature and in significant competition with the business of the company or subsidiaries.

9. He or she has no characteristics which make him or her incapable of expressing independent opinions about the company's business operation.

After an appointment of an independent director who has the characteristics as in 1 to 9, a independent director may be assigned by the Board of Directors to decide the business operations of the company, parent company, subsidiary company, associated company, same-level subsidiary company, major shareholder or controlling interests of the company, by a collective decision.

Scope of duties of the Board of Directors

1. Perform duties in accordance with the laws, objectives and regulations of the company, and resolution of the shareholders' meeting honestly and carefully to keep the interests of the company by not creating conflicts of interest that may occur with the stakeholders.

2. Responsible to shareholders on a regular basis, run business by protecting shareholders' benefits,



disclosure accurate, complete, and standard information to the investors.

3. Set vision, mission, business ethics and code of conduct handbook, strategies, goals, policies and operating directions of the company.
4. Consider and approve the financial approving authority chart.
5. Supervise, control and oversee the management to act in accordance with the specified policy with efficiency to maximize the economic values for the business.
6. Consider and approve investment for business expansion, and participate in joint ventures with other businesses.
7. Responsible for preparing financial reports for the auditor and / or audit and propose to the Audit Committee.
8. Appoint the executive committee And determine scope of duties And responsibility of the executive committee.
9. Establish guidelines for internal control management and comprehensive risk management to ensure effective internal control and risk management.
10. Provide a review and approval of the company's vision, mission, ethics and business ethics manual annually.

But all these , the directors or any other persons who do not have or may have conflicts of interest or benefits with the company, have no right to vote on that matter¹.

Moreover, in the following cases, approval must be obtained from the Board of Directors and Shareholders' Meetings with a vote of not less than 3 in 4 of the total votes of the shareholders who attend the meeting and have the right to vote.

- (a) Sale or transfer of the business of the company in whole or in significant parts.
- (b) Purchase or accept of transfer of business of other companies or a private company to become the business of the company.
- (c) business or merger of business with other persons with the objective of dividing profit and loss.
- (d) The amendment of the memorandum of association or regulations
- (e) Increase capital, decrease capital, issue debentures, merger or dissolution of the company¹

The company has stipulated that at least 1 non-executive director must have work experience



related to company business.

Roles of the Chairman

1. Supervise, monitor, and oversee the Board of Directors' duties and sub-committees to have efficiency and achieve the objectives and main goals of the company.
2. Provide leadership of the Board of directors and chair the Board of Director meeting and Shareholders' meeting and meetings of the non-executive directors.
3. In conjunction with the Chairman of the Executive Committee and company secretary will decide on the meeting agenda of the Board of Directors by overseeing that important matters are put on the agenda and ensure that the Board of Directors receive accurate, complete, clear and timely information prior to the meeting for the directors can make appropriate decisions.
4. In the Board of Director meeting, there is sufficient time allocation for management to propose matters and support the directors to discuss, exchange opinions fully, independently, and exercise careful analysis, by taking into consideration all stakeholders fully. Sum up of the resolutions to the meeting and guarantees that the decisions made by the Board of Directors will be implemented.
5. Promote good relations between executive directors and non-executive directors and between the Board of Directors and management and support the duties performance the Chairman of the Executive Committee in accordance with the company policy.
6. Be supportive and a good role model for complying to the principles of good corporate governance and business ethics and ensure that all directors participated in the promotion of ethical corporate culture and good corporate governance.

Term of office and election of the board of directors

1. In the annual general shareholder meeting, one-third (1/3) of the number of directors shall be vacate from the office at that time. If the number of directors cannot be divided by three, the closest number to one-third (1/3) of directors shall be vacate the office in the first year. For the second year after the registration, it shall be drawn by lottery. In the subsequent years, the directors who hold longest term will be vacate the office. The Directors who vacate office may be elected and return to the position.
2. Otherwise retirement by rotation, the directors shall vacate the office upon:
 - 1) Death
 - 2) Resignation
 - 3) Loss of qualification or disqualification under Public Company Limited or the law on



securities and the stock market

- 4) Removal by resolution of the shareholder's meeting, according to 4.
 - 5) Removal by court order.
3. A director who wishes to resign from the position shall submit a notice of resignation letter to the company, which shall be effective from the date of resignation to the company. Directors who resign under the first paragraph may also notify the registrar of the resignation.
4. In voting for a director out of an office before the expiration of the term, a vote of not less than three quarters of number of shareholders attending the meeting and having voting rights and have the total shares no less than half of the shares held by the shareholders who attends the meeting and have a voting rights.
5. In the case that the position of the director is vacant for reasons other than the expiration of the term, the Board of Directors shall select a person who has qualifications without any prohibited characteristics under the Public Limited Companies Act or the law on Securities and Exchange Market to be a director in the next committee meeting unless the remaining term of that director is less than two (2) Months. A substituted director aforementioned can only serve as a director for the remaining term. The Board of Directors in the first paragraph shall consist no less than Three quarters (3/4) of the remaining directors.
6. The independent directors have the term of 3 years, and retired by rotation according to the terms of 1/3 of the total number of directors. When the term has expired, the Directors may be nominated for consideration at the general meeting of shareholders for reelection as a director and return to his or her position. In this regard, the independent directors may hold office for no more than 3 terms or 9 years, starting from the date of holding the position and the company is listed on the Stock Exchange of Thailand.

Directorship in other companies.

To comply with the good corporate governance principles and recommendations of the Stock Exchange of Thailand, the Board of Directors has set a policy to limit that no person shall hold office as a director in other companies that are listed on the Stock Exchange of the directors, not more than 5 companies.



Meeting

1. The quorum of the meeting required the attendance of no less than half ($\frac{1}{2}$) of the total number of the Board of Director and the Chairman of the board shall act as the chairman of the Board of Directors meeting. In the event that the Chairman is absent or unable to perform duties, the vice-chairman shall be the chairman of the meeting. But if there is no Vice-Chairman or he or she is absent or unable to perform his or her duties, member of director who attends the meeting will choose a director to be the chairman of the meeting.
2. The Board of Director makes decision by a simple majority. Each member of committee has one vote, except in a case of a conflict of interest; he or will not have the right to vote on that matter. In event of a tied vote, the chairman of the meeting has an additional vote as a casting vote.
3. In calling the Board of Director meeting, the chairman of the board or the assigned person will deliver meeting invitations to directors no less than 7 days prior to the meeting date. In case of urgency and to protect the rights and benefits of the company, the meeting can be notified by other methods and the meeting date may be earlier.

Self-Assessment Performance of the Committee

The Board of Directors has an annual self-assessment performance, by having an assessment in 3 types 1) Self-assessment of each committee 2) Self-assessment of sub-committees and 3) Assessment of each committee and subcommittee for the committee to review the work performance, problems and obstacle for the operation during the previous year, and it will correct and enhance the work efficiency by performance evaluation of the committee using an assessment guideline provided by the Stock Exchange of Thailand, and make appropriate adjustment to meet with the company business.

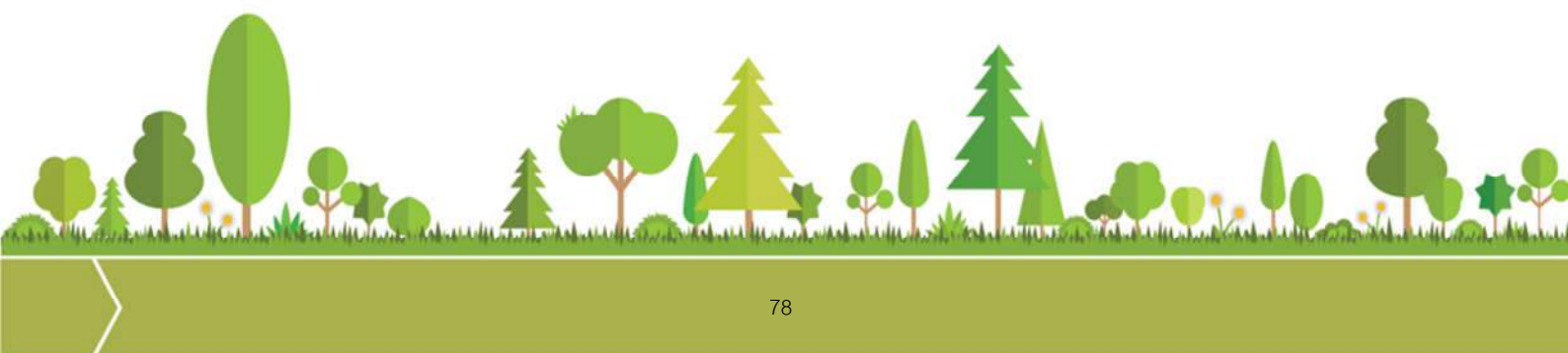
1) Self-Assessment Performance of each committee are as follows:

- 1) Structure and qualifications of the committee.
- 2) Subcommittee meetings have been effective conducted in various areas.
- 3) Roles, duties and responsibilities of the committee
- 4) Others

2) Self-Assessment Performance of each Sub-Committee are as follows:

- 1) Structure and qualifications of the committee
- 2) Meeting of the subcommittee
- 3) Roles, duties and responsibilities of the committee.

3) Assessment forms for each committee and subcommittee are as follows:



- 1) Structure and qualifications of the committee
- 2) Meeting of the committee
- 3) Roles, duties and responsibilities of the committee.

The Board of Director Report

The Board of Director is responsible for managing the preparation of financial reports, included the financial statements, the consolidated financial statements of the company and subsidiaries and financial information appearing in the annual report. The financial reports shall be prepared In accordance with the generally accepted accounting principle in Thailand, by choosing the appropriated and accepted accounting policy and practiced on a regular basis including careful discretion in the preparation and ensuring that sufficient important information is disclosed in the notes to the financial statements.

Knowledge Development

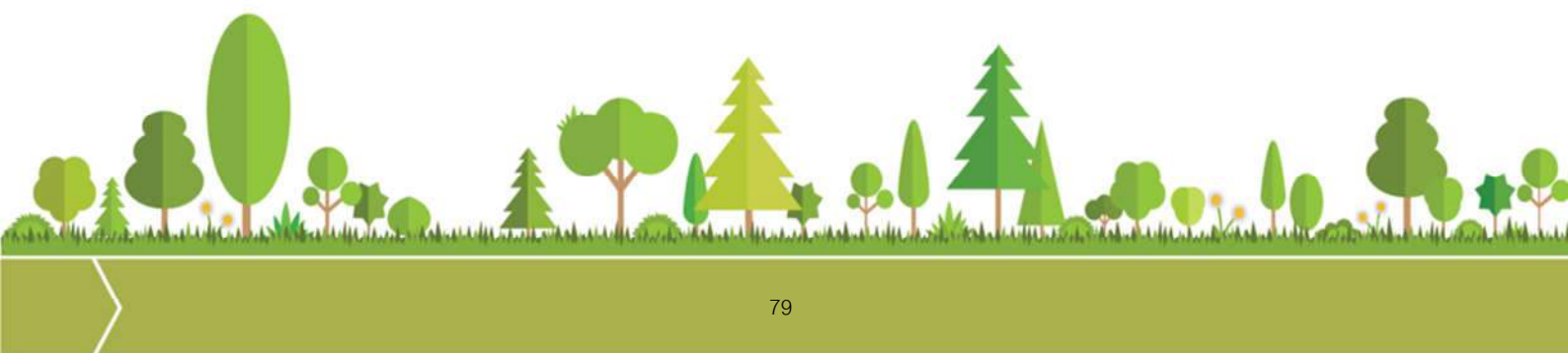
Company encourages the Board of Directors and executives to attend seminars and courses that are beneficial to their duties. The directors should attend at least a course of the Thai Institute of Directors Association. (Thai-IOD) such as Directors Certification Program (DCP) or Directors Accreditation Program (DAP) or Audit Committee Program (ACP) or from related regulatory agencies on a regular basis. The Board of Directors has assigned the company secretary to coordinate with directors to inform various training courses to apply knowledge and experience to continuously improve the company.

New Director Orientation

The Board of Directors has set an orientation for newly appointed directors by assigning the company secretary to prepare company information, business overview, shareholding structure, organizational structure, Director's guide and meeting schedule for the new directors to be informed of the roles, duties, responsibilities of the directors, corporate governance policies and practices and promote knowledge and understanding in business and operations, risk management and answer questions including visits to various company operations to prepare the director to perform his or her duties.

Report of Interests

The Board of Directors has established guidelines for reporting of interest of directors and executives of the company for transparency and preventing problems that may cause conflicts of interests as follows:

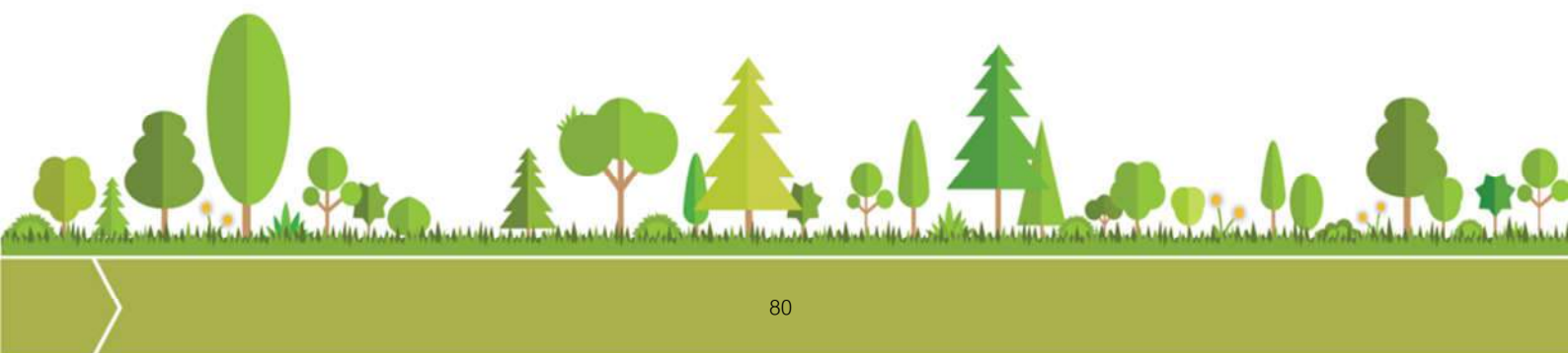


- A Director or Executive, including involved family members or is the company shareholder must prepare and submit report of interests to the company and each director and executive must prepare a report on of interest from the date of taking office.
- The Board of Directors requires the review of the said interests report on November of every year or within 7 day after knowing that the information has changed
- The Directors or executives are responsible for the preparation and reporting of securities holdings of the company. When there is a change in securities holding to the Office of the Securities and Exchange Commission (SEC) within 3 day from the date of change in holding.
- The Board of Directors has assigned the Corporate Secretary to keep reports of interests of directors and executives.

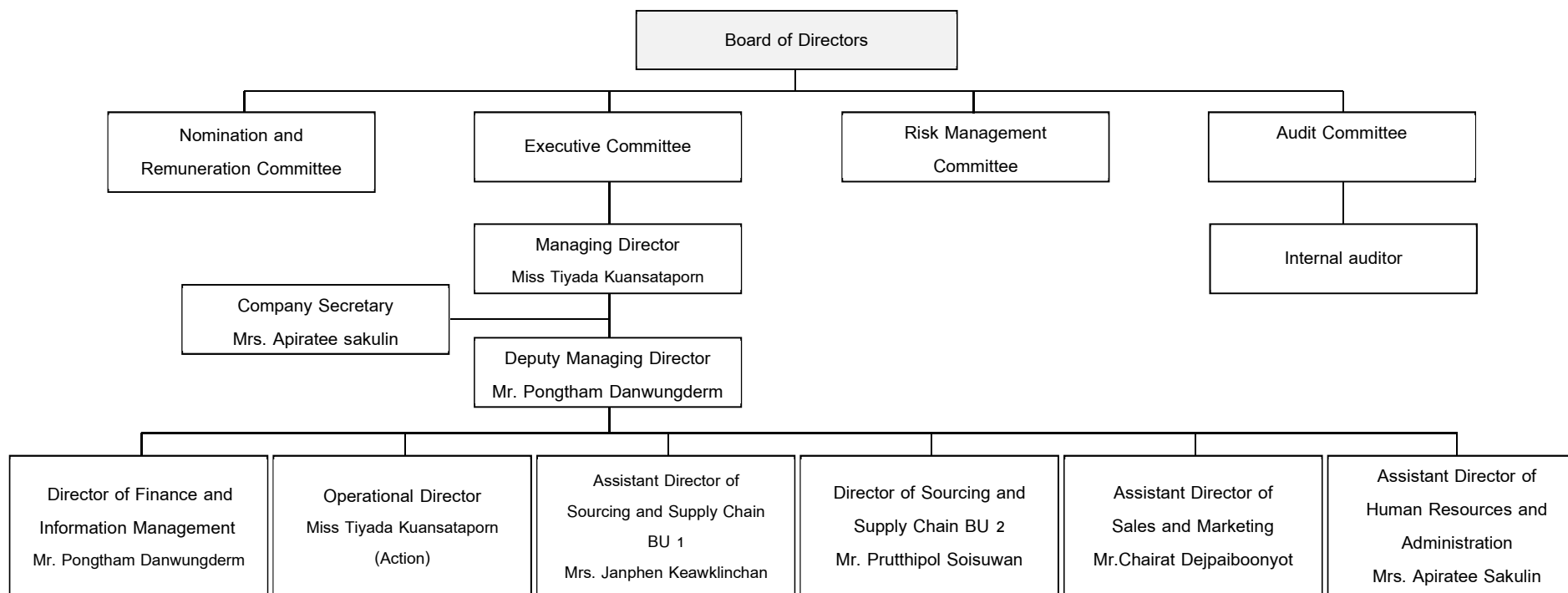
Attendance of the Board of Directors

In 2018 and 2019, the Board of Directors' as following

Name	Number of Attendance / Total Meeting Attendance	
	Year 2018	Year 2019
1. Mr. Apisit Rujikeatkamjorn	5/5	5/5
2. Mrs. Natpapha Kuansataporn	5/5	4/5
3. Miss Tiyaada Kuansataporn	5/5	5/5
4. Mr. Panom Kuansataporn	5/5	4/5
5. Ph.D. Sarit Chockchainirand	5/5	5/5
6. Mr. Wichai Pornkeratiwat	4/5	5/5
7. Miss Patrawan Manutsathit	5/5	5/5



Company Structure as of December 31, 2019



The internal management structure of the company consists of the Board of Directors., Audit Committee, Executive Committee, Nomination and Remuneration Committee and the Risk Management Committee including the management. Qualified persons qualified under Section 68 of the Public Limited Companies Act BE 2535 and the relevant notifications of the Capital Market Supervisory Boar

Executive Committee

As at December 31, 2019, the Company's management consisted of 7 members:

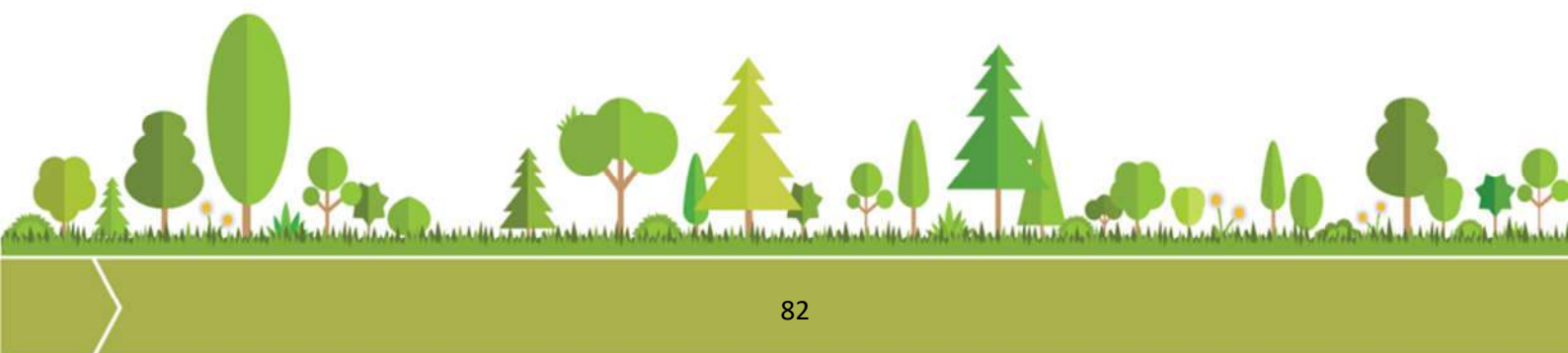
Name	Position
1. Miss Tiya Kuansataporn	Managing Director and Action Operation Directors
2. Mr. Pongtham Danwungderm	Deputy Managing Director and Chief Financial Officer (CFO)
3. Mr. Pruthipol Soisuwun	Director of Sourcing and Supply Chain BU 2
4. Mrs. Janphen Keawklinchan	Director of Sourcing and Supply Chain BU1
5. Mr. Chairat Dejpaiboonoyot	Assistant Director of Sales and Marketing
6. Mrs. Apiratee Sakulin	Company Secretary and Assistant Director of Human Resources and Administration

Scope of Authority and Responsibilities of the Managing Director

The Managing Director has the power and duty to manage the business of the company as assigned by the Board of Directors including the following matters or businesses.

1. Prepare and present policies and goals as well as business plans and strategic plans for the company's business to propose to the Executive Committee to consider.
2. Manage the company's policies and goals, including business plans and strategic plans approved by the Board of Directors.
3. Assign the range and / or delegate to other people to perform specific tasks instead in the scope In accordance with the approval authority or regulations or the order that the Board has set.
4. Prepare a report on the company's operations. The Board regularly reviews important issues.
5. Represent the company in contact with outsiders.
6. Perform other duties as assigned by the Executive Committee and / or the Board of Directors.

Managing Director The authority to appoint other persons as the Managing Director deems appropriate. It does not include authority or authorization to approve any item that is itself or a related person, which may have conflicts, equity or benefits in any other way, conflict with the interests of the Company or its subsidiaries or transactions that are not under the ordinary course of business of the Company or its subsidiaries. The approval of such transaction must be proposed to the Board of Directors and / or the shareholders meeting of the company. for consideration and approval in accordance with the company's Articles of Association or related laws.



Authorization authority

Managing Director and the Executive Committee has authority to approve transactions under the scope of approval authority as specified in the authorization table approved by the Board of Directors of the Company No.1/2560 held on March 7, 2017, including the approval of the significant transaction as follows:

Detail		Approval Power		
		The Board of Director	Managing Director	Managing Director
1.	Expend Budget			
	- Additional Budget during the year	Up to 50,000,000 Baht per transaction per project	Not exceeding 5,000,000 Baht per transaction per project	Not more than 50,000,000 baht per transaction per project
	- Review of investment projects when the investment project exceed the approved budget.	Up to 50 of the original budget or 25,000,000 Baht per item per project	Not exceeding 10% of the original budget or 5,000,000 Baht per item per project	Not more than 50% of the original budget or 25,000,000 baht per item per project
2.	Expenditure budget (Beyond the approved budget)	Up to 50 of the annual budget	Not more than 20 percent of the annual budget	Not more than 50% of the annual budget
3.	Loaning from financial institutions per one time	Up to 300,000,000 Baht	Up to 200,000,000 million baht	Up to 300,000,000 million baht
4.	Asset sale (Except biomass) per item			
	-Movable assets	Up to 20,000,000 Baht	Up to 5,000,000 Baht	Up to 20,000,000 Baht
	-Property	Up to 30,000,000 Baht	Up to 10,000,000 Baht	Up to 30,000,000 Baht
	-Other assets	Up to 20,000,000 Baht	Up to 5,000,000 Baht	Up to 20,000,000 Baht

Detail		Approval Power		
5.	Credit line from customer sales	Up to 300,000,000 Baht	Up to 50,000,000 บาท	Up to 300,000,000 Baht

Note: Directors and executives can approve various operations. According to the amount specified above. However, such approval

must be in accordance with the criteria for entering into significant transactions that are the acquisition or disposal of assets and criteria for entering into connected transactions including rules. This is in accordance with the Securities and Exchange Act. SET regulations or Notification of the SEC Notification of the Capital Market Supervisory Board Or law relating to the business of the company.

In addition, the company and its subsidiaries pay brokerage fees both for the purchase and sale of the company's products for outsourced consultants, suppliers, or customers to the company by the supply and sales

department of the company. A broker must be present for each transaction combined with cost of goods. It must be at the target cost level and profit after expenses to propose to the Managing Director of the Company for approval. The person and / or juristic person who is paying the commission must have full identity. All outgoing remuneration packages will be collected for submission to the Audit Committee on a quarterly basis in order to ensure that the company's fees are paid correctly, the company's and its subsidiaries' There is no payment to persons who may have conflict of interest in the list of connected persons and juristic persons.

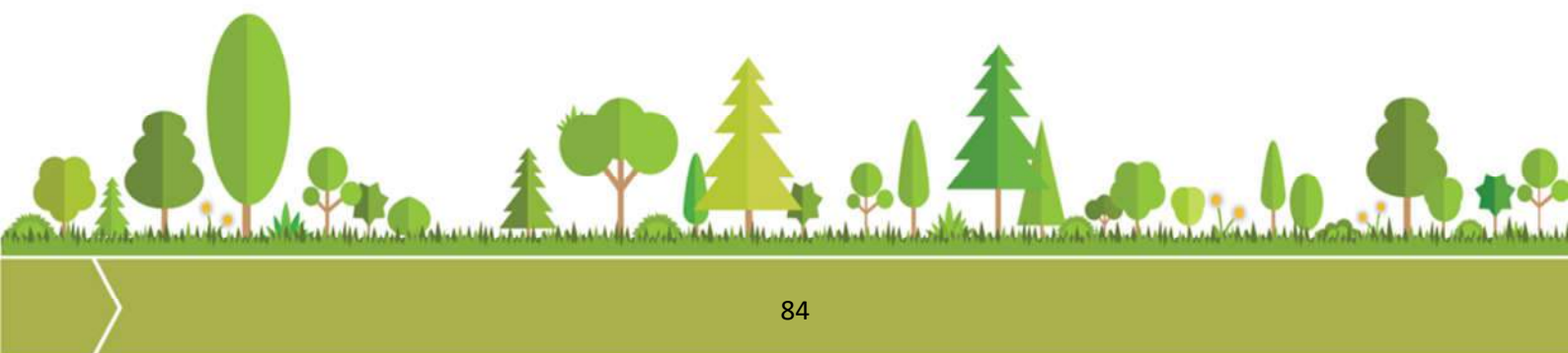
Company Secretary

The Board of Directors Meeting No. 3/2058 held on July 13, 2015 resolved to appoint Mrs. Apiratee Sakulin as the Company Secretary to comply with Section 89/15 and Section 89/16 of the Securities and Exchange Act BE 2535 (as amended), the duties and responsibilities of the Company Secretary are as follows:

1. The preparation and storage, registration, committee meeting, invitation and minutes of the Board of Directors and Shareholders and the company's annual report.
2. Keeping Report of Interests Reported by Directors or Executives and
3. Other actions as prescribed by the Capital Market Supervisory Board.

In addition, the Company Secretary the Board also has the duty to assist the Board of Directors in organizing board meetings such as appointments, preparation of the agenda and the delivery of the notice of the meeting of the Board of Directors together with supporting documents.

Mrs. Apirat Sakulin has passed the Company Secretary Program (CSP) Class 68/2016 Year 2016, Advances for Corporate Secretaries Program, Class 1/2561, Basic Course, Company Secretary, Class 1/2561, IR Fundamental Course. And the Effective Minute Taking Program (EMT), version 36/2016



The Company has the qualifications of the Company Secretary considered by many qualifications such as age, education qualification, knowledge of foreign languages communication skills, good human relations, ability to be both internal and external including public relations and image management of the organization to outsiders, etc. In case the company secretary vacated or unable to perform duties, the Board of Directors shall appoint a new Company Secretary within ninety days from the day the former company secretary retired or may not perform duties. The Board of Directors is authorized to assign one of the directors to replace those directors at that time in accordance with the Securities and Exchange Act BE 2535 (as amended).

Remuneration for Directors and Executives

Nomination and Remuneration Committee Responsible for selecting and proposing a person to be a director of the company and Managing Director as well as consider compensation as appropriate for their responsibilities. to present to the Board of Directors for consideration before submitting to the shareholders' meeting for consideration. In the case of appointing the directors and the remuneration of the board

Directors' remuneration the company has specified transparent remuneration policy for directors which the remuneration is at the similar level as the industry and is high enough to look after and maintain the qualified directors and have requested approval from the shareholders' meeting.

Executive remuneration Management remuneration is in accordance with the principles and policies determined by the Board of Directors. Which is linked to the performance of the company and the performance of each executive

Monetary Remuneration

The Annual General Meeting of Shareholders for the Year 2017 held on February 22, 2017. The directors' remuneration has been approved. The Audit Committee and the Nomination and Remuneration Committee are as follows:

List of Director	Monthly Remuneration (Baht/month)	Meeting Allowance (Baht/time)
Chairman of the board	25,000	25,000
Committee	20,000	20,000
Chairman of the Audit Committee	-	25,000
Audit Committee	-	20,000
Chairman of the Nomination and Remuneration Committee	25,000 Baht/year	-

List of Director	Monthly Remuneration (Baht/month)	Meeting Allowance (Baht/time)
Member of the Nomination and Remuneration Committee	20,000 Baht/year	-

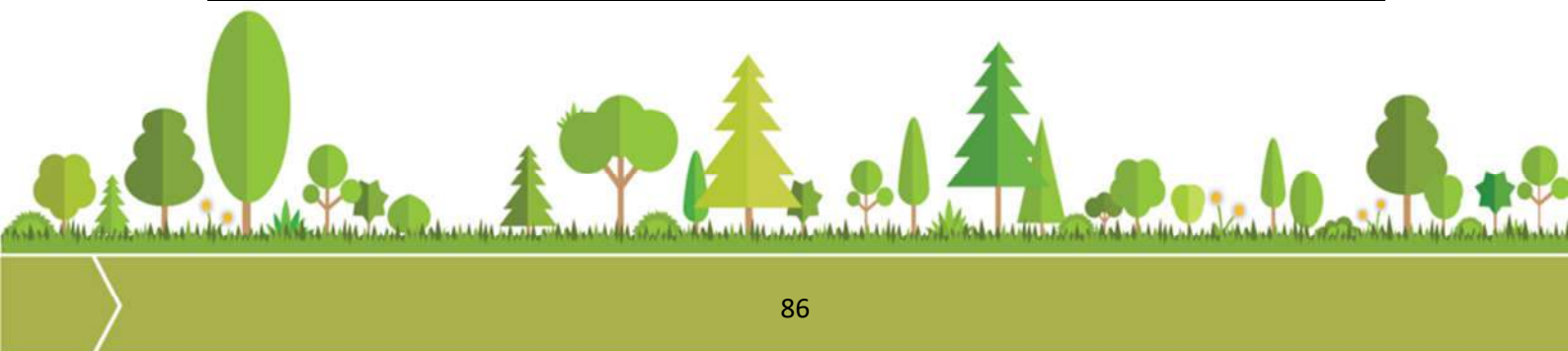
With the total remuneration for the fiscal year 2019 consisting of Monthly remuneration for directors And meeting allowance the total amount of not more than 5,000,000 baht (five million baht only) in the year 2019 Total monetary compensation of the Board of Directors Audit Committee And the Nomination and Remuneration Committee in the form of monthly remuneration, meeting fees, totaling 2,895,000 baht.

Name	Remuneration (Baht)				
	Year 2019				
	Board of Directors	Audit Committee	Remuneration Committee	Gratuity	Total
1. Mr. Apisit Rujikeatkamjorn	450,000	-	-	-	450,000
2. Mrs. Natpapha Kuansataporn	340,000	-	-	-	360,000
3. Miss Tiya Kuansataporn	360,000	-	20,000	-	380,000
4. Mr. Panom Kuansataporn	340,000	-	20,000	-	360,000
5. Ph.D. Sarit Chockchainirand	360,000	100,000	-	-	460,000
6. Mr. Wichai Pornkeratiwat	360,000	80,000	25,000	-	465,000
7. Miss Patrawan Manutsathit	360,000	80,000	-	-	440,000
Total	2,570,000	260,000	65,000	-	2,895,000

a) Remuneration for Executives

In 2018 and 2019, the Company paid management remuneration. The details are as follows

Remuneration	Year 2018		Year 2019 ¹	
	Number	Remuneration (Million Baht)	Number	Remuneration (Million Baht)
Salaries and bonuses	7	9.92	6	8.81
Other compensation such as contributions to the social security fund, money saving fund and	7	1.10	6	0.71



Remuneration	Year 2018		Year 2019 ¹	
	Number	Remuneration (Million Baht)	Number	Remuneration (Million Baht)
phone bills				
Total	7	11.02	6	9.52

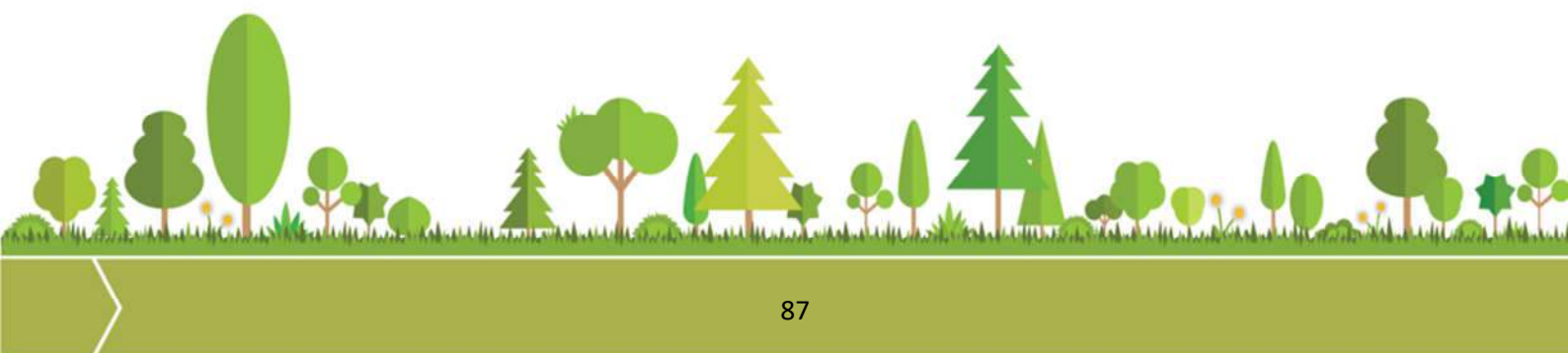
Note: - 1 executive resigned from the position at the end of August 2018

Personnel

Number of Personnel

As of December 31, 2019 The company and its subsidiaries have monthly employees (Excluding directors and management of the company and its subsidiaries), 158¹ employees divided into 113 company employees STP 44 persons ABI 1 persons respectively by the company's monthly staff and STP can be classified by the line as follows:

Field of work	Number of Employees per month		
	ABM	STP	PPP
Financial and Information Management	21	-	4
Operation	3	-	-
Sourcing and Supply Chain BU 1	1	-	5
Sourcing and Supply Chain BU 2	21	-	-
Sales and Marketing	8	-	3
Human Resources and Administration	4	-	3
Executive Office	2	-	-
Logistics	7	-	11
Safety, Occupational Health and Environment ^{2/}	1	-	-
Strategic and Planning	1	-	-
Quality Control	2	-	2
Transportation and maintenance	-	42	-



Field of work	Number of Employees per month		
	ABM	STP	PPP
General Purchasing	-	3	-
Total	71	45	28

Note: 1 / The company's daily staff and STP are 4 persons and 1 persons, respectively, and one PPP contract employee and one ABI employee.

2 / Security Department Occupational Health and Environment ABM's organizational structure is under the Human Resources and Administration Department

Employee Remuneration

In 2018 and In 2019, the company and its subsidiaries paid remuneration to employees. The total amount of Baht 41.76 million and Baht 51.08 million, respectively, were paid in form of salary, bonus, overtime, social security, provident Fund and others.

Provident Fund

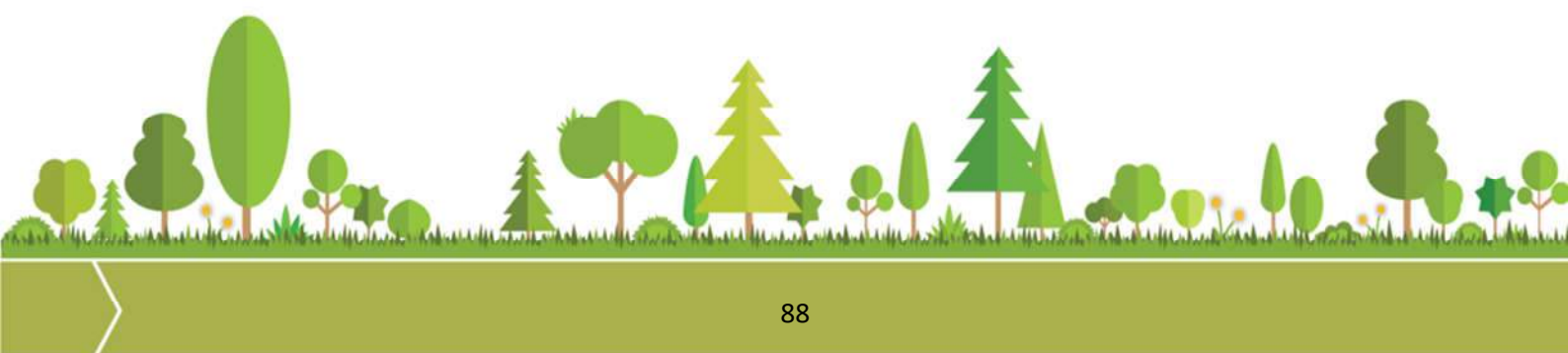
The company and its subsidiaries have been supported by the company for the promotion of employees' morale. The company has started contributing health insurance funds in October 2015.

Other Remuneration

Other Remuneration

In addition to salary, bonus, provident funds, the company also offers other benefits to employees as follow:

1. Annual medical check up.
2. Support as follow:
 - Financial support for funerals of employee dependents.
 - Hospital visits / child deliveries.
 - Moving fee
 - Financial compensation retirement.
 - Marriage
3. Accident benefits
4. Social Security fund benefits

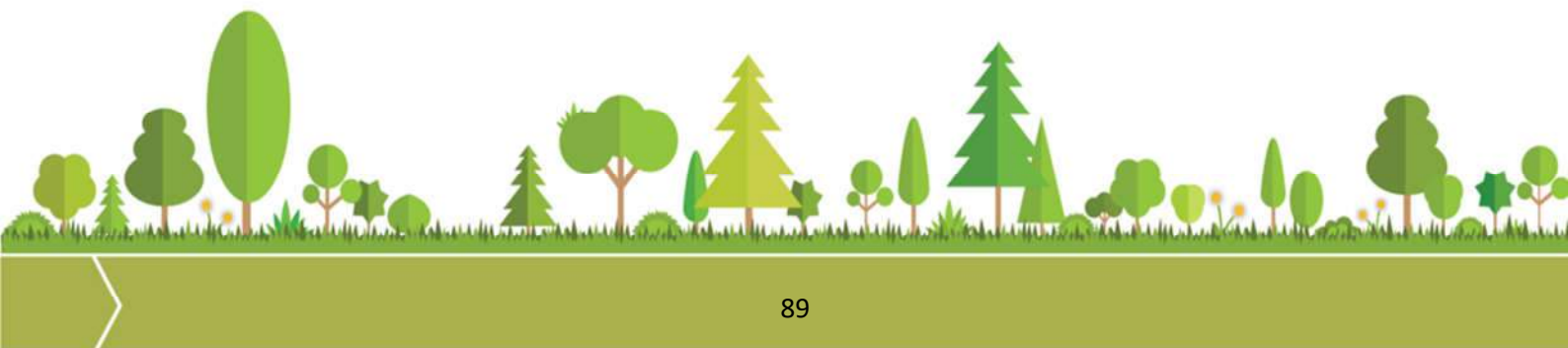


5. Compensation fund benefits
6. Provident fund benefits.
7. Employees uniform benefits
8. Remuneration benefits:
 - Annual bonus
9. Sport benefits.
10. Vehicle fee / accommodation fee/ allowance benefits.
11. Travel Insurance
12. Leave benefits
 - Sick leave.
 - Business leave.
 - Maternity leave.
 - Leave for training or skill development.
 - Sterilization leave.
 - Military service leave.
 - Monk ordination leave.
 - Funeral leave.
 - Marriage leave.
13. Annual vacation holidays.
14. Various activities.

Policy on employee development

The company has a policy emphasizing on potential and capability development for the employees as our valuable resources, The company support its employees to participate training and courses particularly to improve knowledge of the employees and aims that employees work with capability and good attitude towards the company. The policy included the career path, job responsibility, recruitment procedure. To encourage the employees on a continuous development, the company provides the annual promotion for the potential employees.

The company support the training courses both internal and external training and orientation according to the annual training plan that relating to their work and their career path, the necessary for the employees in each position and to support the business. The evaluation of the training results in order to improve the training arrangement.



Training	Year 2018 ^{1/}	Year 2019
Training hours per years	10,025	1,279
Training hours per person	32.13	6.59
Expenses	223,198	89,807
Expenses per person	715.38	462.92

Note: 1/In 2018, the company focused to improve international standard such as ISO 9001 ISO 14001 FSC and PEFC. The company have to training, personnel development to support the standards and knowledge which caused the training cost higher than usual.

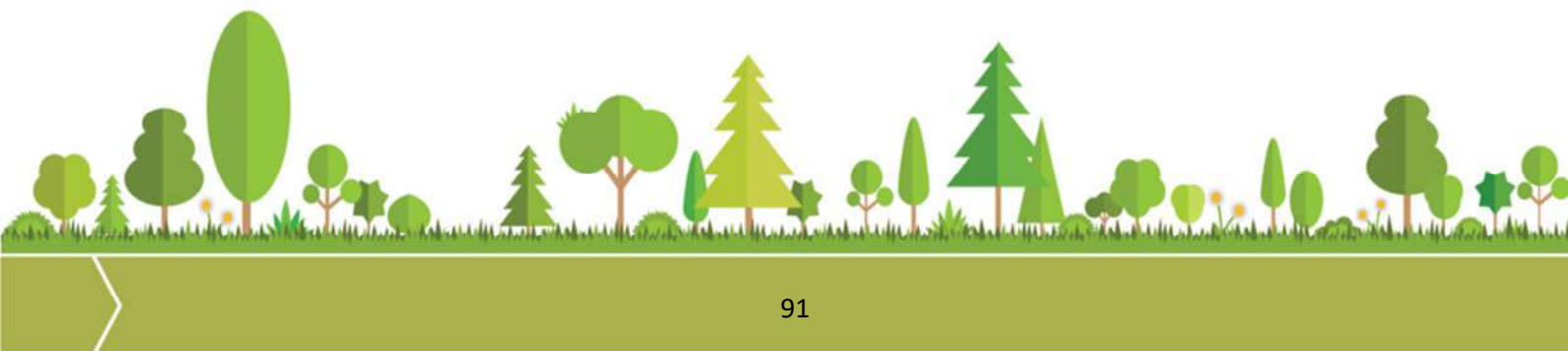
Effective Team Collaboration



Fire Drill (Head Office)

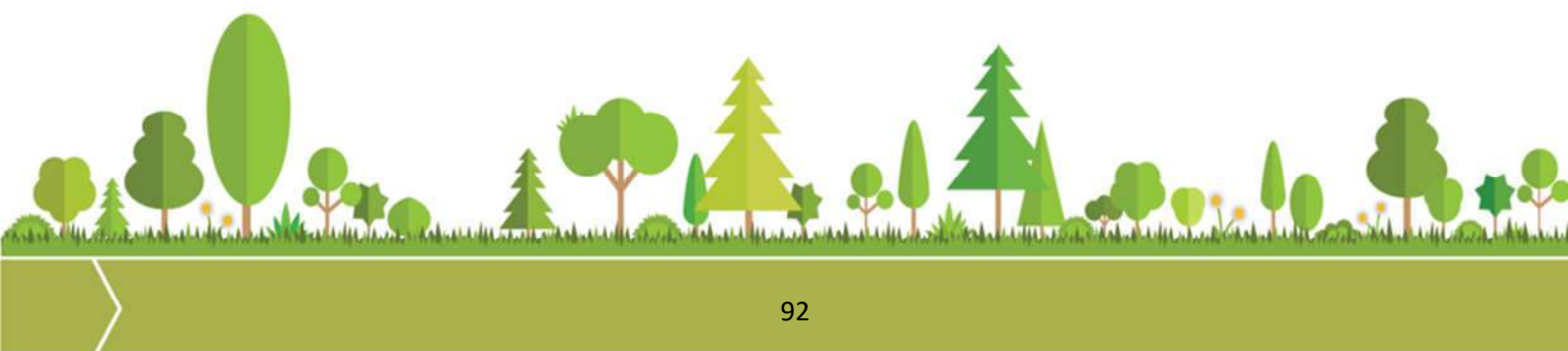


Fire Drill (Samutsakorn)





The timber cranes training at Bang Kung, Surat Thani



Heavy equipment properly training At Bang Nam Chued, Samut Sakhon



Policy on Board of Director and Management development

The Board of Directors supports directors to attend training courses or participate in seminars that increase knowledge in work practices. To increase the perspective continuously which will help the directors to lead the organization to achieve the goals set by the company

For executives, the company places importance on promoting the development of knowledge and skills of executives in various fields. Whether training for seminars for executives to apply knowledge in the management division

The company supported the training courses to develop knowledge and capability as follow:

Name	Position	Course
Mrs. Apiratee Sakulin	Company Secretaary Assistant Director of Human	➤ Driving the success of Organization with OKRs by Human resource Bang Khun Thien

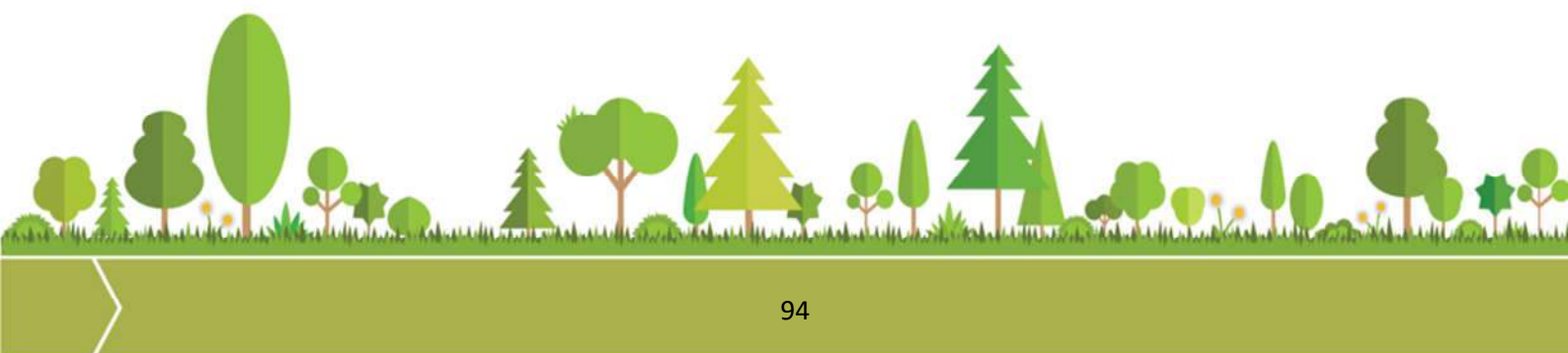
	Resources and Administration	
Mr. Prutthipol Soisuwan	Director of Sourcing and Supply Chain BU 2	<ul style="list-style-type: none"> ➤ Forest Management/ Chain of Custody FSC by Bureau Veritas Thailand ➤ Improve logistics of SME by The Federation of Thai Industries

2019, The company had expenses regarding training of Board of Directors and Management in an amount of 1,750 Baht

Policies and guidelines on occupational health and safety in the workplace

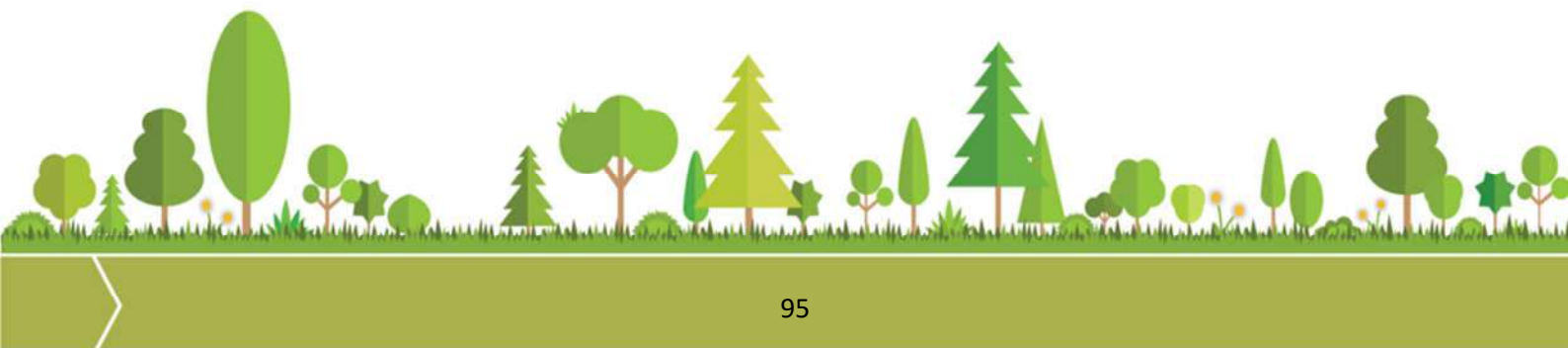
The company is aware of the importance of occupational health and safety in the workplace. Due to occupational health and safety is a factor that will make the business run continuously and sustainably. In 2018, the company has established a quality policy Occupational Health Safety And the environment of the Asia Biomass Public Company Limited, with the aim to strive to conduct business with quality, safety and environmental management systems in response to the expectations of stakeholders in terms of quality, safety and To work and prevent environmental impacts, so to be a guideline and framework for determining and reviewing operational objectives In terms of quality, safety and environment, the company group has the motto as follows: "Standard quality Eco-friendly Responsible for stakeholders, as follows

1. Quality, safety and environment are the responsibility of every employee as part of the operation.
2. Procurement and production of quality products, quantity delivered according to the agreement with customers
3. Reduce and prevent the risk of injury and illness from work, loss from accidents, fire and property damage.
4. Environmental protection and Focus on pollution prevention at the source Reduce greenhouse gas emissions by using resources efficiently and sustainably.
5. Comply with legal requirements and continuously improve the development of quality, safety and environmental management systems. Management at all levels in the Group will be responsible and exemplary



in the development and maintenance of the quality, safety and environmental management systems. By supporting sufficient resources for all employees to participate in implementing the policy, including communicating to The stakeholders are aware of the policy and performance management, quality, safety and the environment, with effect from March 29, 2561.

Accident Statistics	Year 2018	Year 2019
Lost Time Accident	1	0
Lost time injury frequency rates (LTIFR) per 200,000 working hours	0.64	0
Lost Time Injury Severity Rate (LTISR) per 200,000 working hours	30.70	0



1. Corporate Governance Policy

The Company is aware of its responsibilities to all stakeholders under the framework of business ethics and work practices. Therefore, it is recommended that the corporate governance be prepared and prepared to be the management of the organization. Make sure that any action, action with fairness and take into account the maximum benefit of shareholders and stakeholders.

The Board of Directors adheres to the principle of sincerity and honesty. There are policies, plans, strategies, operations and evaluations as well as operations, ensure transparency and control of risk management to achieve maximum efficiency.

The company is committed to continuous corporate governance along with the responsibility to society. This is for the benefit of those involved and society as a whole.

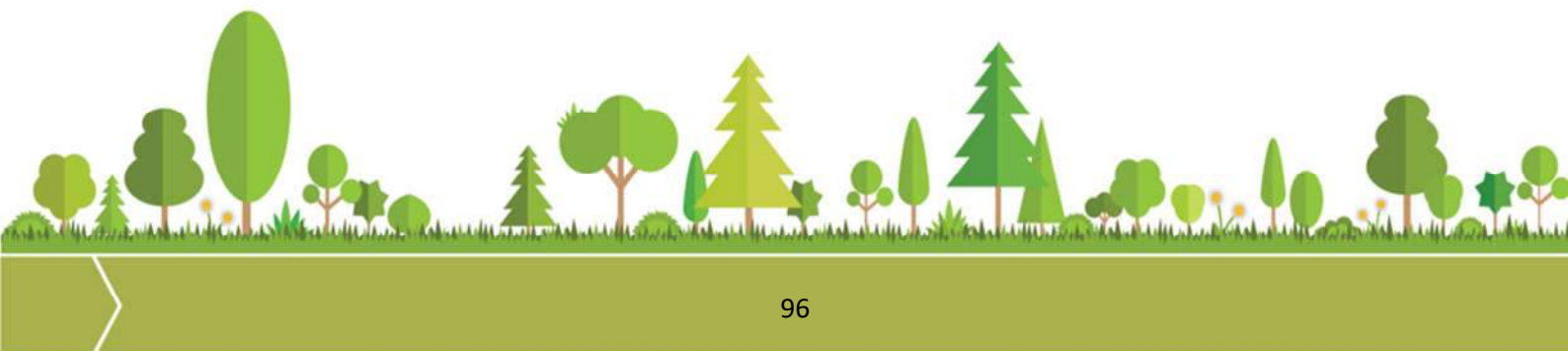
The Board of Directors' Meeting No. 1/2560 resolved to approve the policy on corporate governance in accordance with the guidelines of the Stock Exchange of Thailand. ("SET"), which contains the following key principles:

Chapter 1: Rights of Shareholders

1.1 Shareholders' Meeting

The Board of Directors convenes the Annual General Meeting of Shareholders within four months of the end of the fiscal year. Prepare a meeting invitation containing information on date, time, place and agenda with details, facts and reasons. Board's Opinion Voting of votes in each agenda item. The criteria for sending questions in advance of the shareholders clearly. The Company has informed the shareholders in advance not less than seven days prior to the meeting date. The announcement of the meeting in the newspaper three consecutive days before the meeting is not less than three days, and the opportunity for the shareholders to appoint an independent director or any person to attend the meeting on their behalf. Use one of the proxy forms sent by the company together with the notice of meeting.

Each time before the start of the meeting, the shareholders were informed about the method of voting. During the meeting, shareholders were given the opportunity to express their opinions and ask questions. Equally, the Board of Directors has the same agenda. The Audit Committee, the Management, and the auditor of the associated company clarify the answers to each shareholder's questions.



In addition, the Board of Directors may call an Extraordinary General Meeting of Shareholders at any time. Likewise the shareholders may request the Board of Directors to call a meeting of shareholders at any time in accordance with the Company's Articles of Association. In such case, the Board of Directors must arrange a meeting of shareholders within one month from the date of receiving the letter from the shareholders

1.2 Action on Shareholders' Meeting

1.2.1 The Company gives the shareholders the opportunity to ask the Chairman of various committees in related matters.

1.2.2 In the shareholders' meeting, the company will make a resolution on each agenda item if there are several agenda items such appointment of directors.

1.2.3 For transparency and fairness, the company will arrange for a lawyer to witness the meeting and to count or examine the votes in the ordinary and extraordinary meetings of the shareholders and to disclose them to the meeting and recorded in the minutes of the meeting.

1.2.4 The Company will use the voting cards for important matters to be transparent and verifiable in the event there is a dispute later.

1.2.5 The chairman of the meeting shall allocate appropriate time to provide the shareholders with the opportunity to express their opinions and to raise questions to the meeting in relation to the company.

1.2.6 The Board of Directors will encourage the company to apply the technology to shareholders' meetings, including shareholders' registration, ballot counting, and display of results so that meetings can be conducted quickly and accurately.

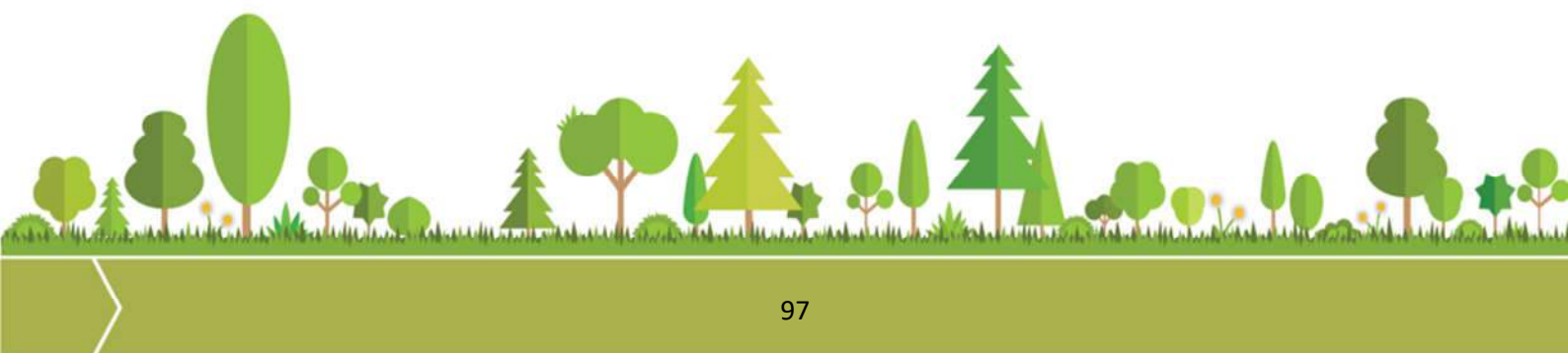
1.3 Preparation of minutes of the meeting and disclosure of resolutions of the shareholders' meeting

1.3.1 Minutes of the shareholders' meeting, the minutes of the shareholders' meeting shall be recorded in the minutes of the meeting and the minutes shall be given to the shareholders. The voting results for each agenda item are as follows: There are shareholders who agree, disagree and abstain, and record the names of the directors, the attendees and the directors.

1.3.2 The Company will disclose to the public the voting results of each agenda item at the Annual General Meeting and the Extraordinary General Meeting of Shareholders on the Company's website.

Chapter 2: Equitable Treatment of Shareholders

2.1 Information before the shareholders' meeting



The Company will conduct its shareholders' meeting in accordance with the law and guidelines of the shareholders' meeting set by the regulator at the shareholders' meeting. The Company will schedule the meeting with the agenda and the opinion of the directors to the Stock Exchange of Thailand and through the company's website at least 28 days before the date of the shareholders' meeting. The Company will issue the invitation letter to the shareholders meeting in both Thai and English versions. The Company will inform the shareholders of the rules used in meetings, voting Procedure Including the right to vote for each type of shares.

2.2 Protection of the Rights of Minority Shareholders

2.2.1 All shareholders have the right to propose additional agenda items in advance of the shareholders' meeting in advance to demonstrate fairness and transparency in determining whether to add an agenda proposed by the minority shareholders.

2.2.2 The company will provide opportunities for shareholders to nominate persons to be directors in advance and to give them the opportunity to exercise their right to appoint individual directors, the consent of the nominated person.

2.2.3 In the shareholders' meeting, the meeting will be held in accordance with the agenda as stated in the notice of the meeting without any additional agenda item not specified in the invitation letter, especially the important agenda item. Shareholder must take the time to study the information before making a decision, the fairness of the shareholders who did not attend the meeting.

2.2.4 In the election of directors The company will allow shareholders to vote for each director individually. The shareholders have the right to choose the representatives who are qualified to serve as directors in order to maintain their own interests. This will cause a variety and truly represent the shareholders.

2.3 Prevention of internal data usage

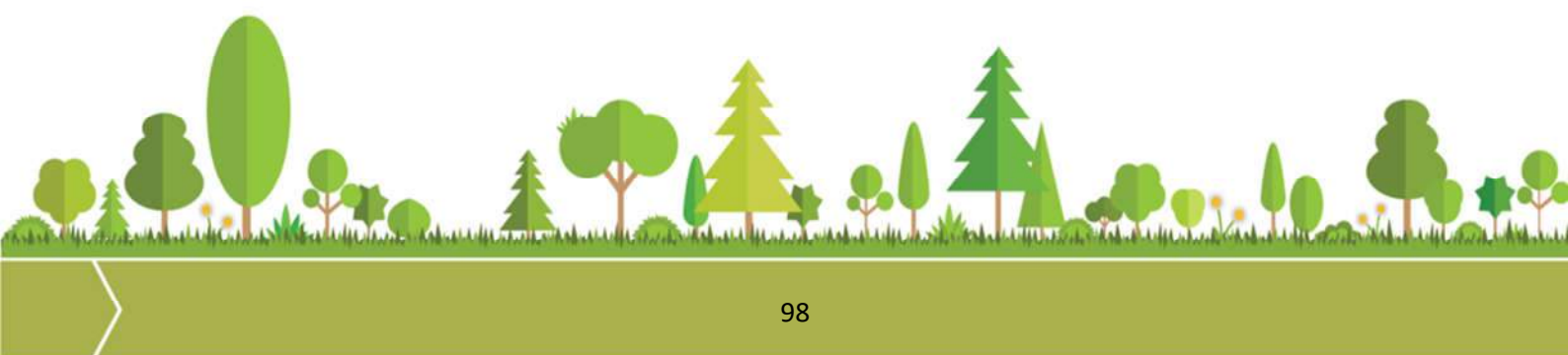
2.3.1 The company has set guidelines for keeping and preventing the use of internal information in writing and to inform them that everyone in the organization.

2.3.2 It is forbidden to use the opportunity or information obtained from being an executive director to exploit for themselves or others the wrong way, such as trading securities using inside information. The use of internal information to disclose to persons related to directors and executives is a disadvantage or may cause damage to the shareholders as a whole.

2.3.3 The company's directors and executives must report their holdings in accordance with the law and submit such reports to the Board of Directors on a regular basis and disclose information in the annual report.

2.4 Interests of Directors

Directors and executives must disclose information about their interests and related persons so that the



Board of Directors can consider the transactions of companies that may have conflicts of interest and can make decisions for the benefit of the company as a whole. Stakeholders must report their interests before the agenda is considered. Directors and executives who have interests in transactions with the Company will not participate in the consideration of such agendas.

Chapter 3: Role of Stakeholders

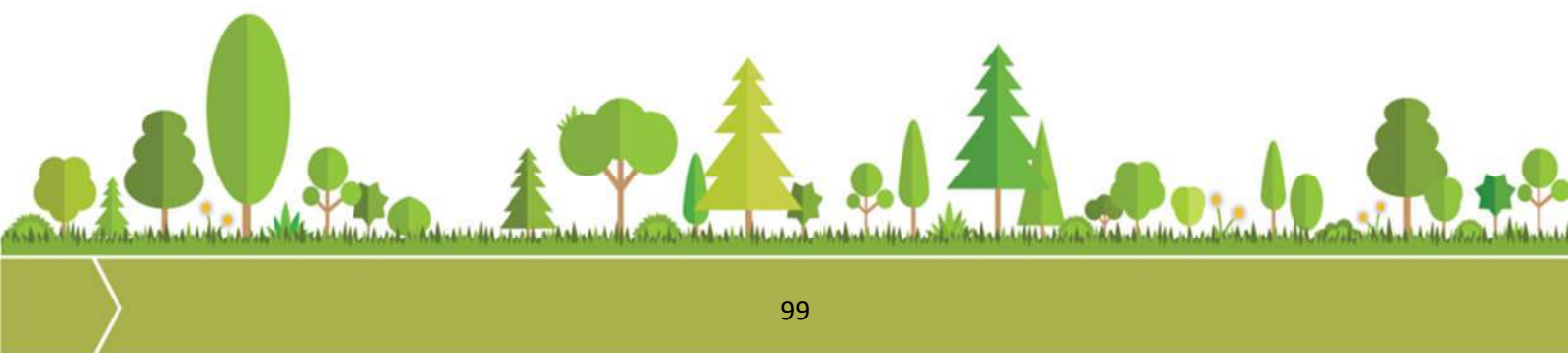
3.1 Formulation of the Code of Conduct for Stakeholders

The company is committed to fairness and integrity with other stakeholders to create a good relationship in the business, including executives and employees, customers, trading partners, creditors, competitors and society. It does not discriminate against anyone who is unfair. Do not use judgment or personal relationships. The Company provides fair, transparent, and timely disclosure of information in a transparent manner so that all stakeholders are treated in an equal footing. There is a channel to receive clues or complaint or suggestions In matters relating to the actions of the company Illegal or unethical The inaccuracy of the financial report. Defect of internal control system Unfair action or issues indicates that stakeholders are affected. The company will investigate the process and record the investigation in writing and not disclosing the details of the clerk to protect the notifier from possible. The Company attaches great importance to the rights of all stakeholders. The details are as follows

Shareholder

The company treats shareholders equitably and fairly with basic rights adherence to Good Corporate Governance Principles is to act as a representative of the shareholders in the conduct of business in a transparent manner and reliable internal audits to ensure that all shareholders are treated equally in all matters. Related to the company both the right to attend and vote at the shareholders' meeting, provision of timely information in order to make decisions, meeting place allocation of time should be for disclosure of interests and freedom of expression in the meeting. In addition, the Board of Directors will not take any action. In a manner that may cause conflict of interest to the company. Do not exploit yourself and do not disclose confidential information to outsiders.

In addition, the company reports on the status and performance of the company and its information to all shareholders equally, accurately, timely, accurately and completely. This is in accordance with the Securities and Exchange Commission.



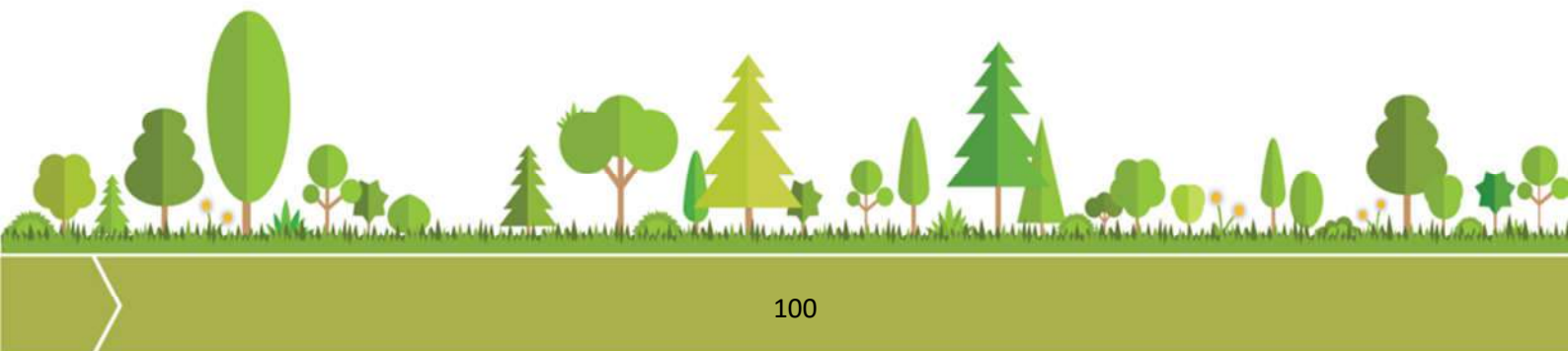
Staff

The company pays attention to all employees. Employees are the key to the success of your organization. The company has set policy on various matters. Employee benefits such as compensation fund, provident fund, uniform, sports, employee health check. In addition, the company develops employees at all levels to enhance their capabilities for future business growth. Training is provided to enhance knowledge and skills in each department to be in a reasonable level and to suit the performance of each employee at each level. The knowledge and skills of the employees in the department are described. The details of the regulations and guidelines are as follows.

- Provide fair and reasonable returns based on knowledge, ability, responsibility and the performance of each employee.
- Maintaining a safe working environment for employees' life and property.
- Encourage and encourage the training of employees in all areas, such as the development of work Potential, the importance of the environment, which relates to the main operations of the company.
- Appointment, relocation, awarding and punishment of employees. It must be done with equal equanimity and based on knowledge. Ability and suitability Include the action or practice of the employee.
- treat employees on the basis of justice and the importance of development. Transfer of knowledge and ability of employees by providing employees with equal opportunities.
- Listen to comments and suggestions from all levels of employees equally and equitably.
- Compliance with laws and regulations related to labor law strictly.
- Manage by avoiding any unfair action. This may affect the stability of the work of the employees.
- treat employees with courtesy and respect for the individuality and dignity of human beings.
- There is a way for employees to report inconsistencies, disciplinary and legal issues by promoting the boards and internal websites of the company. Channels for expressing opinions and complaints include comment boxes and complaints within the company. And only the key managers can open the complaint box, including the Managing Director's email. Tiyada@asiabiomass.com
- Encourage employees to understand ethics and roles to promote behavior within the framework of ethicsthoroughly.
- Organize Anti-Corruption Program Corrupt Support activities that promote and instill in all employees compliance with the law and the relevant regulations.

Customer

The company is committed to providing quality products and services, quality inspection accurate and



timely delivery, comply with the terms and conditions to the customers in a transparent and equal way with the attention to the needs in various ways. The agency has contact with customers. Provide advice and listen to customer feedback or suggestions including in the confidentiality of the customer, the details of the rules and guidelines are as follows.

- Provide a system for the maintenance, protection and protection of securities or property. The customer is entrusted with the care of the company very concisely and appropriately.

- Maintain various assets. Provide adequate legal and regulatory guidelines to build customer confidence.

- Do not ask for or receive money, gifts or prizes or any other consideration from customers or other persons unless it is due to traditionalism.

- Adherence to and honesty in the business.

- Compliance with standards the Company is generally accepted in the business.

- Doing business by legal requirements and official requirements. It will not provide unlawful assistance, promote or support any activity or transaction.

- Track changes and developments and innovation to create customer satisfaction.

- Use knowledge, ability, expertise. Be careful and attentive in quality products to customers like professionals.

- Maintain confidential customer information in a concise and appropriate manner. It will not disclose that confidential information to anyone else. except for the consent of the customer or legal action.

- Communicate information about the company's products or services to the right customers.

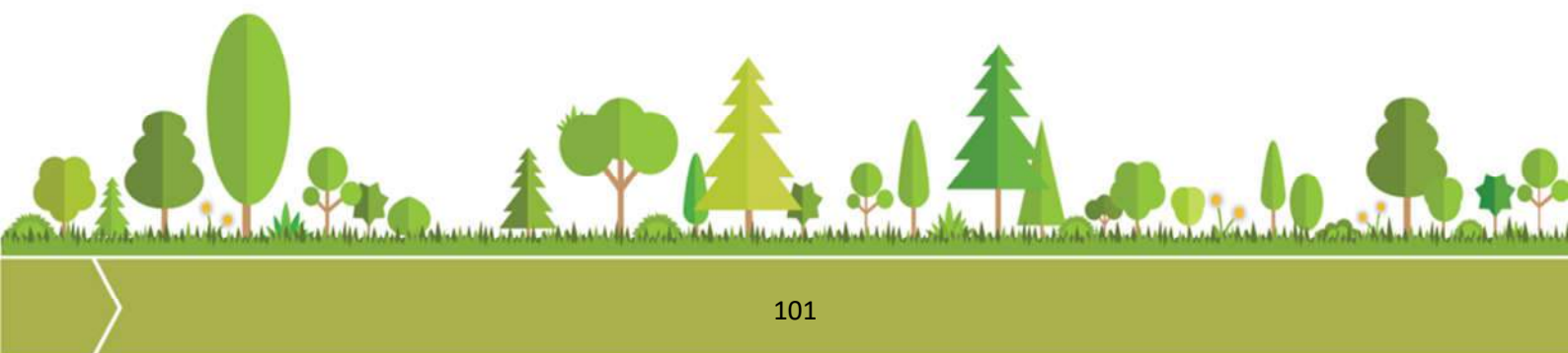
- Provides a process whereby customers can report problems of inappropriate use of goods or services via Email or Website so that the company can quickly and appropriately respond to customer problems and issues. Continue to improve or develop such products and services.

Partners

The company takes into consideration the importance of partners. Purchases of goods and services from trading partners are subject to commercial terms. Covenants and contracts are fair, transparent, and sensitive to payment terms. The company has a reliable partner selection system. Responsible for society and environment.

This ensures that customers receive quality products and services as specified by the regulations and guidelines.

- Do not claim not to pay any benefits, trade with partners in bad faith and comply with the contract.



Terms and conditions to the partners strictly. In case of non-compliance will notify the partners in advance to find solutions to problems with the principle of reasonableness.

- Supervise or prevent any conflicts of interest related to the business operation of the company and do not seek any unlawful benefit or contrary to the requirements of the government.

- No action related to intellectual property infringement. It also encourages the management. Employees use the resources and assets of the company effectively. Use the right products and services and do not support the use of goods or services that violate intellectual property.

- Strictly comply with the terms of the trade agreement. The result is a standardized trade with both domestic and foreign partners.

Creditor

The company has set the terms and conditions for the creditors. It is a financial institution. The company monitors the financial status of the company to ensure that the company is able to control the financial risks and to comply with the terms and conditions of the loan. Under the agreement, if one of the conditions is not fulfilled or cause default must promptly notify the creditor without covering the facts to jointly consider the solution using the principle of reasonableness.

Rival

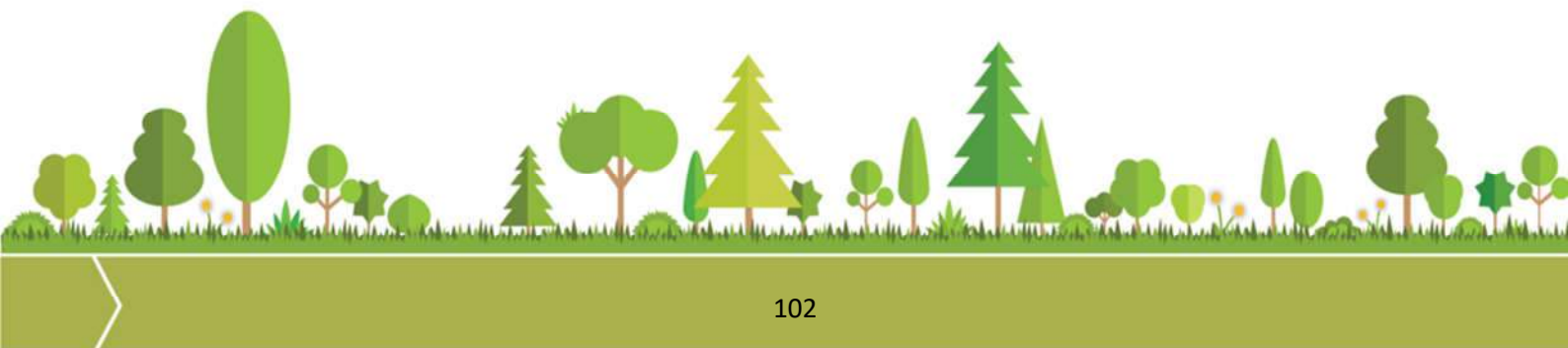
The company has complied with the fair competition rules. It is based on a fair return to both parties.

Avoiding dishonest means to destroy a competitor and do not seek confidential information of competitors in ways

that are dishonest or inappropriate. It does not destroy the reputation of its competitors by making false accusations without truthful information and without doing anything. This is a violation of intellectual property and other copyrighted work or competitors.

The community where the company is located

The company is aware of the environmental issues that will arise from its business operations. Since the company imports and distributes biomass, this may have the effect of having dust spread around the storage area and the area where the truck will bring goods to the customer. The company has many environmental measures, including noise pollution, air and water. Have security system Hygienic Cleaning System Dust Prevention.



Environment and Society

The company is well aware of the need to build understanding and trust from the residential community around the warehouse area. The company entrusted the profession to take care of complaints of the villagers in the area. The company also provides public support for surrounding and nearby communities such as donating computers to schools and supporting religious activities, supports the activities of school children and the elderly. In addition, in the recruitment of the company, it will give priority to those who are domiciled nearby to create jobs for the local community and support those in the vicinity who will bring income and prosperity to the community. The company recognizes the importance of effective and efficient corporate governance taking into account the responsibility to society, the community and the environment. Therefore, the Board of Directors attaches great importance to the environment, society and community and encourage all employees. Use resources economically. Keep the environment and social responsibility as a whole.

Chapter 4: Disclosure And transparency

4.1 Disclosure

- The Company provides investors with accurate, complete, timely, transparent and equal disclosure of information both financial data, performance and other relevant information. Under the laws and regulations of the company related to preventing trade secrets from leaking to competitors. The company has organized the agency about "Investor Relations" is responsible for communication with shareholders, investors, stock analysts. It also provides an opportunity to meet and respond to inquiries bby top executives.

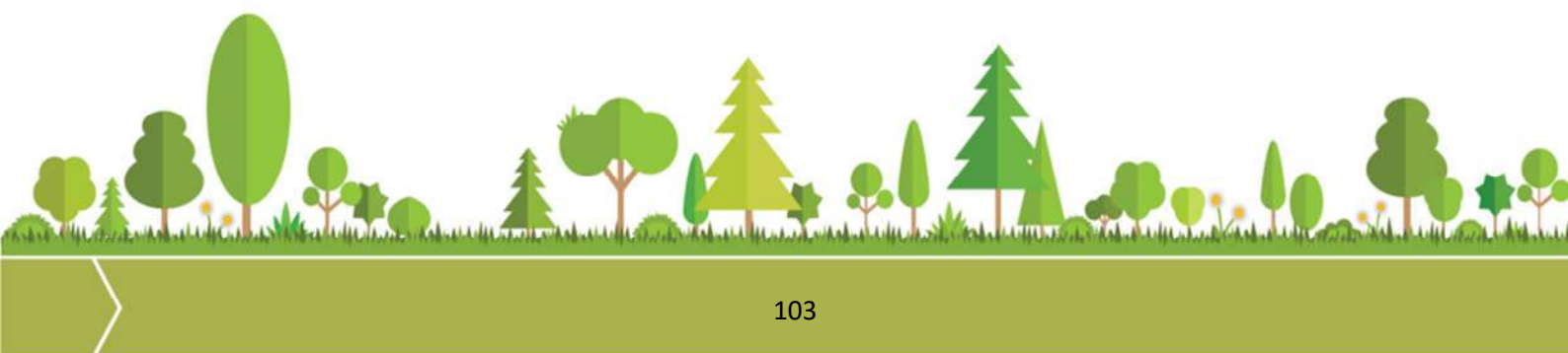
- Company Report on Corporate Governance Policy Risk Management Policy and policies on environmental and social care. The approval of the Board. Include the results and the reasons for failure to comply with such policies in the annual report.

- The company will report on the responsibilities of the Board of Directors to the financial statements, together with the auditor's report in the annual report.

- The company will provide management discussion and analysis (MD & A) for the quarterly disclosure of financial statements so that investors will be informed and understand the changes to their financial status and results. The company's work in each quarter is better.

- The Company has disclosed the auditing fee and other services provided by the auditor.

- The Company will disclose the roles and duties of the Board and subcommittees, the number of meetings and the number of attendance in the past year, and the views of the Board of Directors and the



professional development and training.

- The company will disclose the policy on remuneration to directors and senior executives of the Company and its subsidiaries reflecting each person's duties and responsibilities, as well as the form or nature of remuneration.

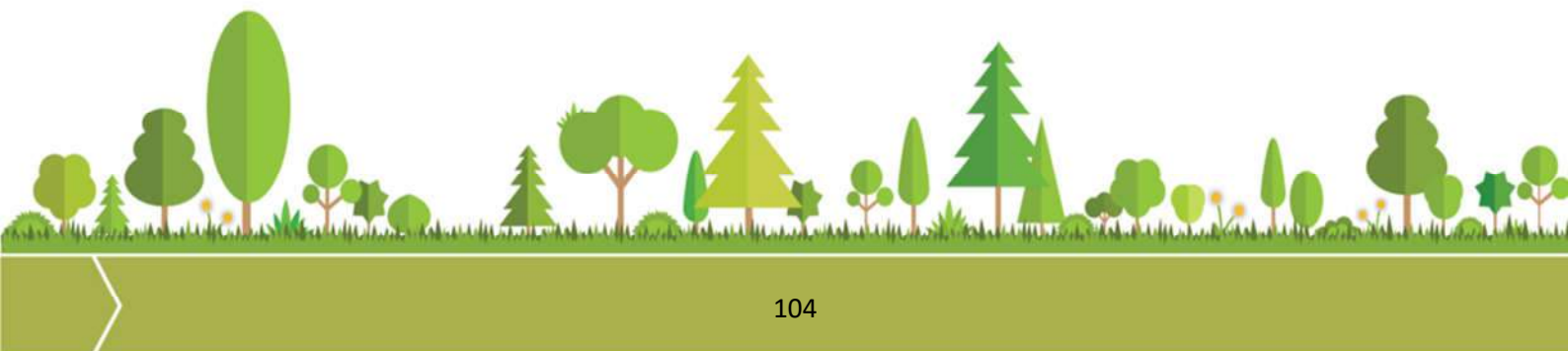
4.2 Minimum information disclosed on the website

In addition to the information disclosed in the Annual Registration Statement (Form 56-1) and the Annual Report the rules are set. The company also discloses the following information on the company's website and is regularly reviewed to keep it current.

1. Vision and Mission of the Company
2. Nature of Business
3. List of Board of Directors and Executives
4. Financial Statement and Report on Financial Status and Performance of the Current and Previous Year
5. Form 56-1 and Downloadable Annual Report
6. Any information or documents that the company offers to analysts, fund managers or other media
7. Shareholding Structure Direct and Indirect
8. Group structure including subsidiaries, associates and joint ventures
9. Direct and indirect shareholding of 5% of total paid-up shares and voting rights
10. Direct and indirect shareholdings of directors, major shareholders, senior executives
11. Invitation to the Annual General Meeting of Shareholders and Extraordinary General Meeting of Shareholders
12. Corporate Governance Policy
13. Risk Management Policy, including how to manage various risks.
14. Contact information, agency or person responsible for Investor Relations such as name, contact person, phone number.

Investor Relations

The company recognizes the importance of accurate, complete and timely disclosure of information on the disclosure requirements of the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The company has established an Investor Relations department to build strong relation between the company and investors through various channel such as Phone, E-mail, Investor Relations Website, including Road Show. Moreover, the Investor Relations department established the Investor Relations



ethics and disclosure policy which comply on good corporate governance policy. The investor interested in inquiring information about the company can contact as following

1. Asia Biomass Public Company Limited
273/2 Rama 2 Road, Samae Dam Sub-district, Bang Khun Thian District Bangkok 10150
2. E-mail: ir@asiabiomass.com
3. Tel: +662-415-0054 ext 2226

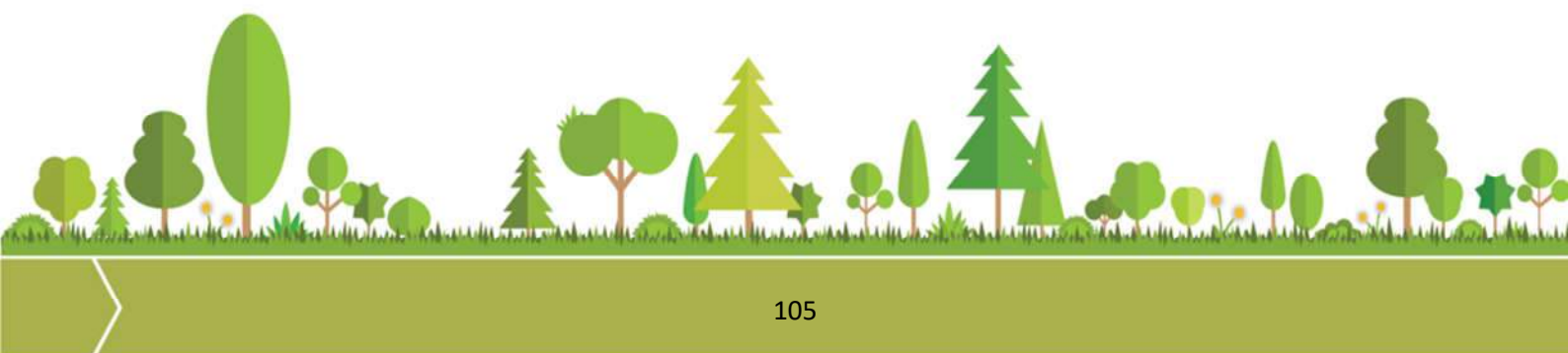
In 2019, The company's investor relation activities as follow;

Activities	Times
Annual General Meeting	1
Opportunity Day	1
MAI Forum	1
Contact from investors via phone	4
Contact from journalist via phone	5

Chapter 5: Structure, roles and responsibilities and the independence of the board

5.1 Board structure

The Board of Directors consists of: The number of directors is fixed at the shareholders' meeting. In addition, no less than three directors or one-third of the directors must be independent directors. The qualifications are in accordance with the law on public limited company. Rules of the Securities and Exchange Commission and the stock market They are also experts from various industries. Business Finance and Accounting Involve and support the company's business. Currently, the Board of Directors consists of 7 members, consisting of two executives and five non-executive directors, with three independent directors, independent director However, the Chairman does not hold any positions in the management, nor is the authorized director of the company. There is no relationship with the major shareholders. The Chairman of the Board holds only 5% of the paid-up capital after the offering to the public. This is to enable the Board of Directors to perform their duties efficiently and balance in the consideration and vote on matters. Appropriately Voting by the Chairman of the Board of Directors and Independent Directors can be considered as the voting



power of the directors representing the major shareholders. In addition, the Board of Directors appoints the Company Secretary, may be Assistant Managing Director. or other persons deemed appropriate by the Board of Directors to assist the work of the Board regarding meeting appointments. Prepare agenda Submit meeting documents and record the minutes. It must have authority and responsibility in accordance with Section 89/15, paragraph one of the Securities and Exchange Act BE 2535 (as amended)

5.2 Subcommittees

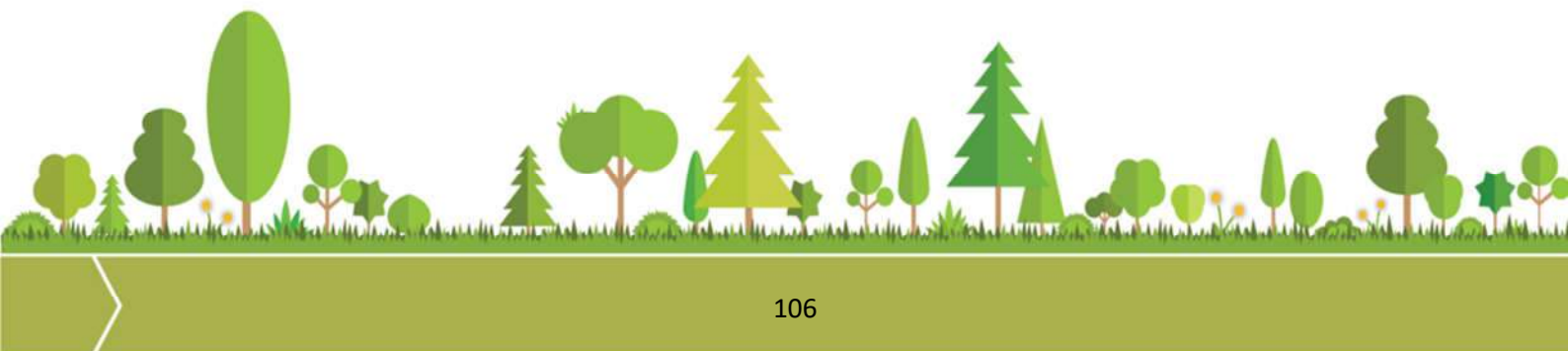
The Board of Directors, there are four sub-committees, namely (1) the Audit Committee, in order to alleviate the obligations of the Board of Directors for consideration in (2) Executive Committee to assist in the consideration and screening of specific tasks for the purpose of operation. (3) Nomination and Remuneration Committee. The company is responsible for recruiting qualified persons to serve as directors and senior executives, consider the form and criteria of remuneration for directors and top executives to propose the opinion to the Board of Directors for approval. And / or proposed to the shareholders meeting for further approval. (As the case may be) in accordance with the good corporate governance policy of the company and according to the good corporate governance principles of the Stock Exchange of Thailand To be transparent fairness with all stakeholders and (4) the Risk Management Committee to assist the Board in managing risk from internal factors and outside that may affect the financial position and the results of the company to be competitive in the business in the long run.

5.3 Roles and Responsibilities of the Board

Board of Directors Plays an important role in caring And management company to perform duties in accordance with the law, objectives and regulations of the Company, the resolutions of the shareholders' meeting. With honesty, take care of the benefits of the company and they are responsible to all shareholders. (Accountability to Shareholders)

- Board of Directors Plays a key role in shaping policy and the direction of the company, monitoring and supervision the management is responsible for the implementation of the policy and effective regulation of the company and effectiveness under good corporate governance to maximize the economic value of the business and maximum security for shareholders (Maximize Economic Value and Shareholders' Wealth).

- The Board of Directors has set up a Corporate Governance Policy in writing so that the Board of Directors, executives, employees, and all employees are guided by the Code of Conduct as well as the Company's regulations and regulations. In addition, the Board reviews the policy and compliance on a regular basis.



- The Board of Directors encourages the Company to prepare a business ethics and code of business conduct in writing so that directors, executives and employees can follow the guidelines and help to keep the good reputation and the pride of the employees. This will lead to an organization with a good governance system. We hope that our directors, executives, and employees will always use this code of ethics in every case, so that they will become the core of their work. In addition, the Company has set up a working group on business ethics to publish public relations Organize training, campaign and support for serious practice, regularly evaluates the compliance of the manual, report the results to the Board of Directors.

- Supervise the management to deal with all stakeholders in an ethical manner and equality

- Consider and approve and / or consider and comment to propose to the shareholders' meeting to approve the entering into a significant transaction with the Company and entering into connected transactions in accordance with the rules, conditions and procedures prescribed by law. And related rules and / or company regulations and / or the resolutions of the shareholders' meeting.

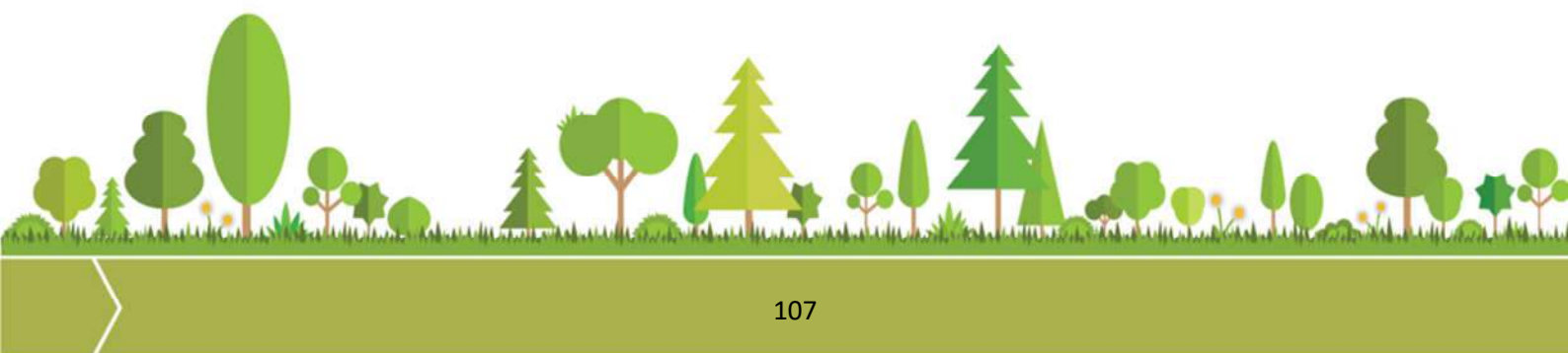
- The Board of Directors carefully reviews transactions that may cause conflict of interest in accordance with the Company's clear guidelines for the benefit of the Company and its shareholders as a whole. Consideration of transactions that may have conflicts. Stakeholders are not involved in decision making. The Board of Directors is regularly monitored to ensure compliance with the rules and procedures governing the disclosure of information that may cause conflict of interest. There are requirements in the company regulations. Under the definition of the Stock Exchange of Thailand The company must comply with the rules and procedures announced. In addition, the Company has set the guidelines in its Code of Conduct. For directors, executives, and employees who do not conduct themselves in a manner that may cause conflict of interest with the Company, the directors, executives, employees, families and persons under the same roof must not engage in any transaction. There are conflict of interest with the company. Either directly or indirectly and with the actions of their own or share with family members or close person.

- The company has an accounting system, financial Reporting Internal Control and Internal Audit.

- Consider and set annual budget plan and update the annual budget plan appropriately and in line with the policy and the direction of the company , controlling the management to spend the budget according to the annual budget plan.

- Follow up the company's operations regularly. Be aware of legal compliance and the relevant contractual terms of the company. The management is required to report the performance and other important matters. The Company's Board of Directors is acknowledged at every quarterly meeting of the Board of Directors to effectively operate the company.

- Set up a financial control system for financial reporting and compliance. The Board of Directors shall



appoint a person or entity with independent duty to be responsible for monitoring the control system. Review the system at least once a year and report it to the Annual Report.

- plays an important role in the implementation of risk management. Provide a guideline and adequate risk management measures and regularly monitored.

- The Board of Directors or the Audit Committee has provided comments on the adequacy of the internal control system and risk management in the annual report.

- Provide annual report of the company and / or the Board of Directors to comply with the law or the relevant rules. The Company regularly reports to the shareholders and in fact, the current state of the business and the future trend of the company both positive and negative. With sufficient reason

- Provide clear guidelines for those wishing to report clues or stakeholders through website or report directly to the company.

- Set up a mechanism for supervising subsidiaries to maintain the benefits of the company's investment. It serves to consider.

5.4 Board Meeting

- The meeting has important agenda, consider the Company's financial statements quarterly, the progress of the investment projects of the company as well as the important policies, Company Action Plan.

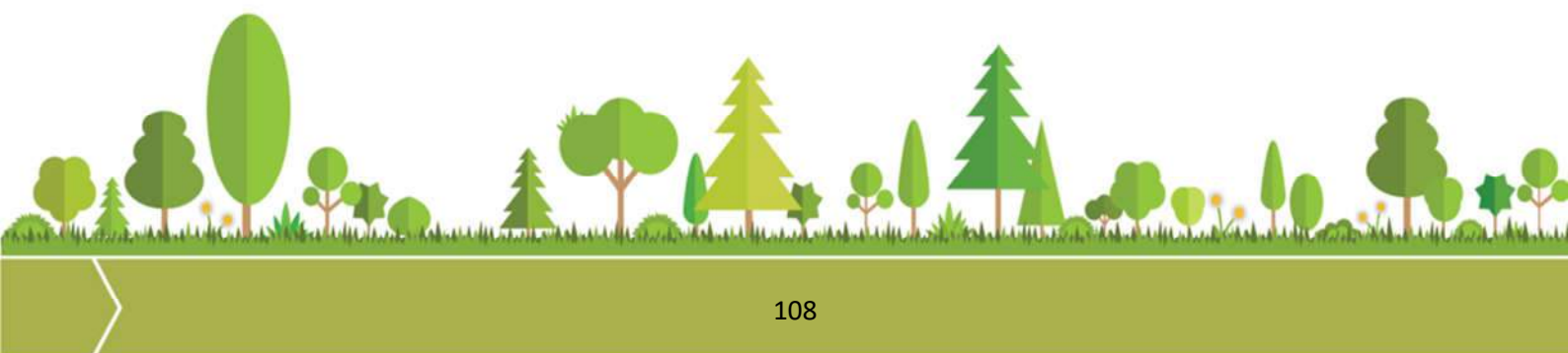
- The Board of Directors must have a meeting at least once a quarter and there are special meetings as appropriate. The agenda is set and inform the directors in advance not less than 7 days and provide sufficient information. In the case where the Chairman considers that there is an urgent need to maintain the rights or benefits of the company. The company may inform the Director less than 7 days in advance.

- In case the company does not have meeting every month the company will send the results and documents. Every month to be able to continuously control and supervise the management.

- Each director shall personally attend at least 75% of the total number of meetings of the Board of Directors for one year. In addition, each meeting shall require not less than half of all directors. It will be a quorum.

- If the Chairman is not present at the meeting, if there is a vice president The Vice Chairman is the chairman of the meeting. If there is no vice-chairman or not at the meeting, or can not perform the duty The directors present at the meeting shall elect one director to preside over the meeting.

- The Board may invite subcommittees (eg, the Executive Board Audit Committee and Risk Management Committee. Or persons involved or persons deemed appropriate. Attend the meeting on the



agenda. And request information as needed and suitable for the agenda.

- The Company Secretary is responsible for recording the meeting and make a report. The documents must be prepared to present to the Board before the meeting.

- The Chairman will allocate the meeting time appropriately. During the meeting, there will be an opportunity to express opinions freely, transparently and fully, taking into account the interests of shareholders and stakeholders.

- The Company has a policy for non-executive directors to be able to convene among themselves as appropriate to discuss the problems, concerned about the management of the interests without management. After the meeting, the Managing Director will be informed of the outcome of the meeting.

In the meeting of the Board of Directors 5/2019, the meeting schedule of the Company's directors for the year 2020 is as follows:

No.	Details	Date	Time	Locations
BOD 1/2020	The Board of Directors Meeting 1/2020	Wednesday 26 February 2020	15.00	ABM Meeting room
BOD 2/2020	The Board of Directors Meeting 2/2020	Wednesday 13 May 2020	15.00	ABM Meeting room
BOD 3/2020	The Board of Directors Meeting 3/2020	Tuesday 11 August 2020	15.00	ABM Meeting room
BOD 4/2020	The Board of Directors Meeting 4/2020	Thursday, 12 November 2020	15.00	ABM Meeting room

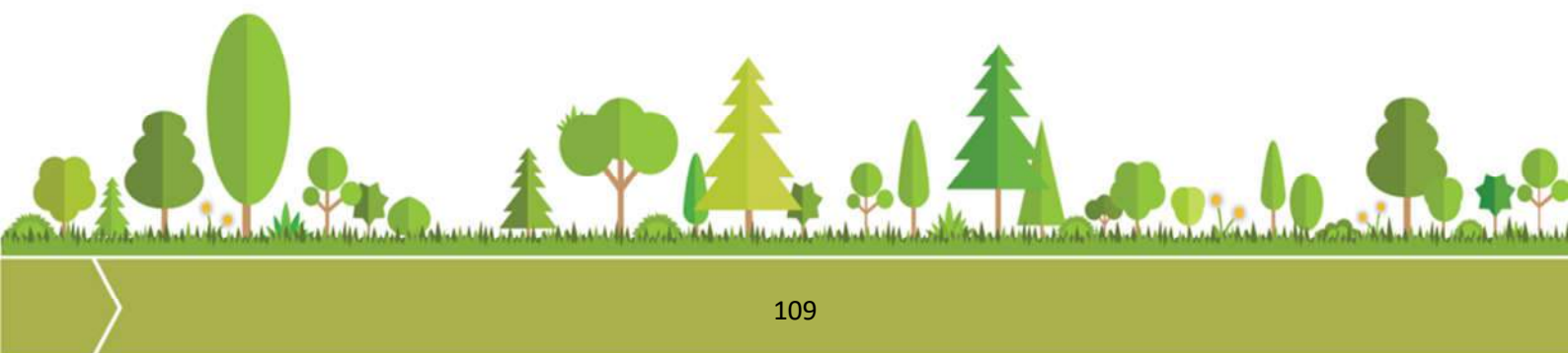
5.5 Self Assessment of the Board

- The Company has a policy for the Board and subcommittees to conduct their own self-assessment every year, with a set of criteria to be used to benchmark their performance.

- The Company evaluates the performance of the Board of Directors in both faculty and individual form.

5.6 Remuneration of Directors and Executives

The Company has determined the remuneration of the Board of Directors in a manner that is comparable to the industry practice, experience, duties, scope of roles and responsibilities. The Company's performance has been approved by the shareholders. The remuneration of managers and top executives is determined by their responsibilities, the performance of each person. In addition, the Company's performance is improved and compared with the same industry. The Company provides non-executive directors. An annual



manager evaluates the director. Use agreed norms with the Managing Director on a fair basis. The results will be presented to the Board for approval. The chairman of the board is the messenger.

5.7 Development of Directors and Executives

- The Board of Directors has the opportunity to invite directors, audit committee members, executives, company secretary, etc. to attend the training on the corporate governance system both inside and outside the organization.

- Management will provide useful documents and information to assist the new director. Include help guide business. The Company's Board of Directors is always in the right hands.

- The Managing Director shall report to the Managing Director on the development plan and the succession of the work to be informed on a regular basis. This is to ensure continuity of operation in case managers and senior management can not continue to hold positions.

- A management development program is provided, with the Managing Director reporting annually on what has been done during the year.

Subcommittees

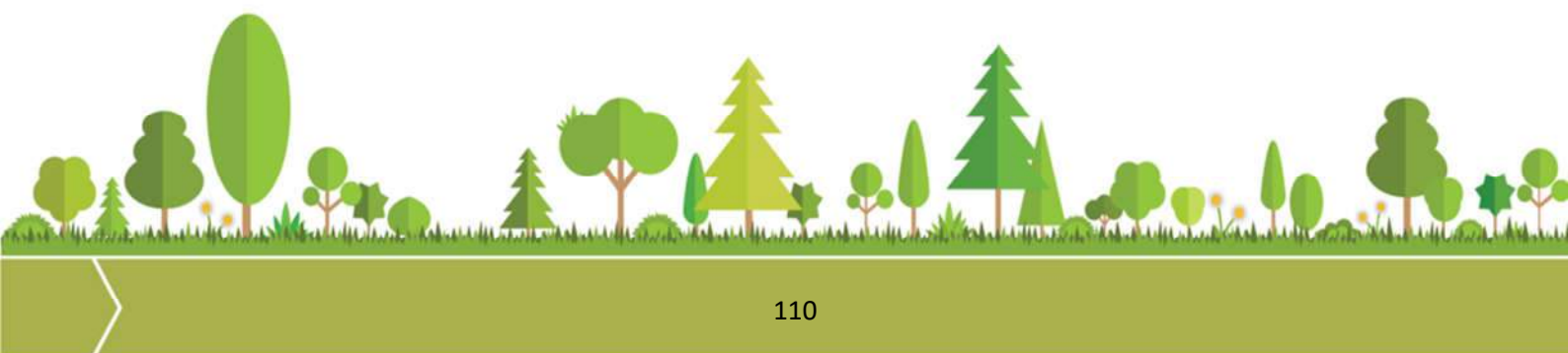
The Board of Directors consists of the Audit Committee, Executive Committee Nomination and Remuneration Committee and the Risk Management Committee to perform specific duties and submit the matter to the Board of Directors for consideration or acknowledgment, as the case may be. These subcommittees have the rights and duties stipulated in the scope of authority and responsibility of each of the committees as follows:

Audit Committee

As at 1 December 2016, the Audit Committee, There are 3 independent directors as follows:

ชื่อ	ตำแหน่ง
1. Dr. Sarit Chokchainirand	Chairman of the Audit Committee
2. Mr. Wichai Pornkeratiwat	Audit Committee
3. Miss Patrawan Manutsathit	Audit Committee

Dr. Sarit Chokchainirand is knowledgeable and experienced enough to review the reliability of financial



statements. Dr. Sarit Chokchainirand graduated. Doctoral degree Business Administration from Manchester Business School, UK Master's Degree Finance from London Business School, UK And undergraduate Commercial Economics and Finance from The University of Melbourne, Australia and executives in many companies experienced and proficient in finance.

As well as Miss Phatrawan Manasatit, Audit Committee member Which has knowledge and experience in accounting and administration with a master's degree in business administration from London Business School, UK and a Bachelor's degree in BBA (International Program), Thammasat University. Present as a director And executives in many companies With work experience and expertise in finance and accounting.

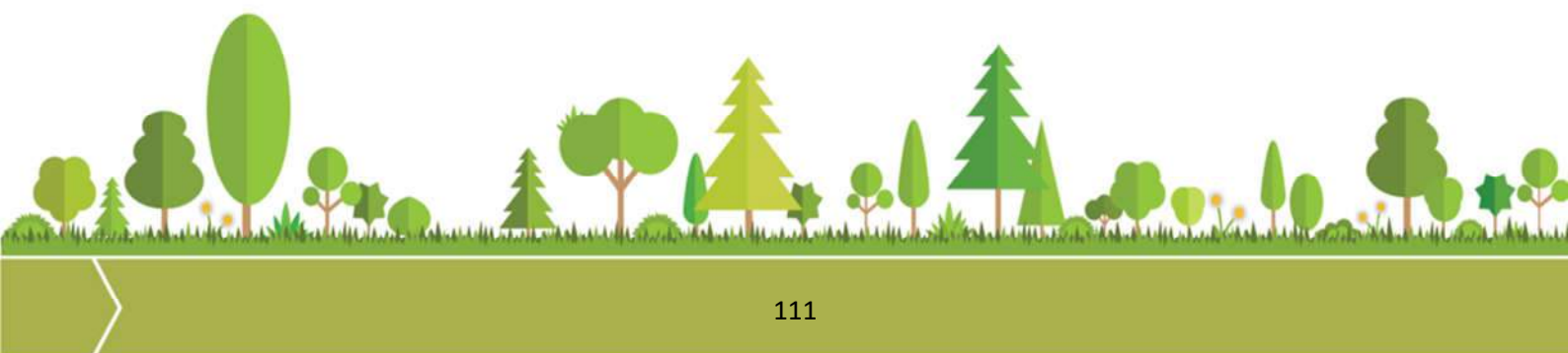
Objectives

The Audit Committee is a sub-committee of the Board of Directors appointed to help the committee for working on issues that may be overlooked and to ensure good corporate governance. The establishment of the Audit Committee aims to increase operational efficiency and increase value for the organization, which will create efficiency for confidence and reliability of financial reports and increase attention on the responsibilities of the Board of Director. The Audit Committee has the responsibilities as follows:

1. Financial reports
2. Choose an appropriate accounting policy
3. Financial Management
4. Internal control systems and internal audits
5. Formulate business strategies and policies
6. Comply with relevant regulations and laws
7. Manage and control business risks
8. Select and set remunerations of the company's auditor
9. Review connected transactions or those with possible conflict of interest
10. Supervise and consider of performance plans and the Internal Audit budget

But all these, it will provide opportunities for the Board of Directors to consider other matters other than financial reporting and internal audit systems in-depth and increase efficiency for other management tasks.

The Audit Committee performances must maintain working relationships with the Board of Directors, executives, including external auditors and internal auditors of the company to operate efficiently. Each member of the Audit Committee needs to develop and maintain expertise, knowledge, and understanding of duties and



responsibilities, including understanding the business and harms of the company.

1. Terms

"Independent Director" means a member of committee who does not participate in management, he or she is not an employee / member of staff / consultant who received regular salary / controlling person of the company, parent company, subsidiaries, affiliates, same-level subsidiaries, or a juristic person that may have conflicts / major shareholders, in accordance with the rules prescribed in the announcement of the Capital Market Supervisory Board.

"Act" means the Securities and Exchange Act B.E. 2535 (including additional amendments)

"SEC" means the Office of the Securities and Exchange Commission

"Stock market" means the Stock Exchange of Thailand.

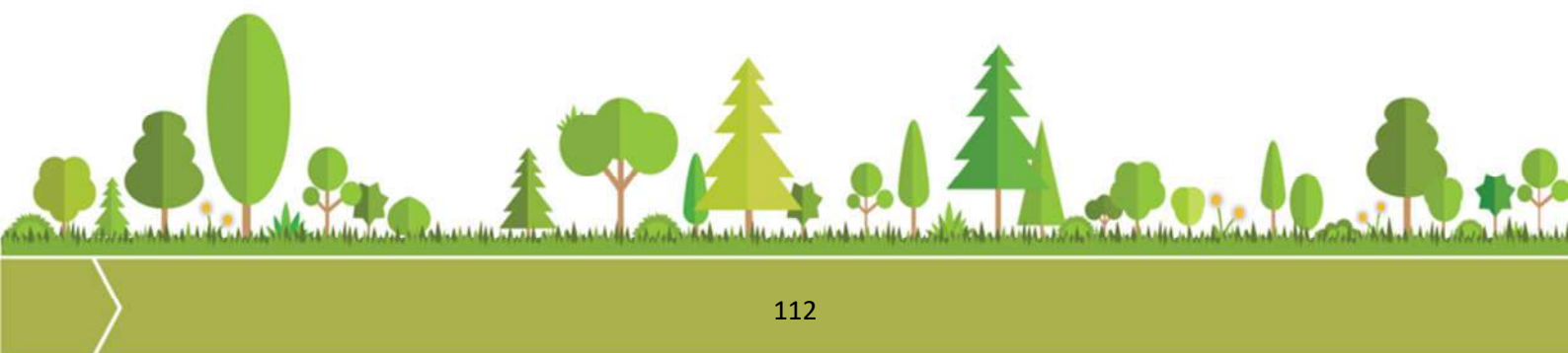
"Juristic person that may have conflict" means a juristic person that is a major shareholder of the company or juristic person who is 1) director or executive or 2) major shareholder or 3) person with controlling interest in the company or 4) person who has blood relationship, marriage or marriage registered with the person under 1) or 2) Or 3) holding shares or having controlling interest or having significant interests, either directly or indirectly

2. Goals

To support the Board of Directors to fulfill their responsibilities by supervising the following matters: (1) prepare the reliable company financial reports (2) comply with the regulations and related laws (3) check the qualifications of the independence auditor and (4) examine the performance of the internal audit section, and the auditor to prepare reports as needed by external regulatory agencies

3. Authority

The audit committee has the authority to operate or delegate power to investigate any important matters within the scope of responsibilities. The Audit Committee has the power as follows: (1) has the power to hire independent outside consultants to advise, comment or assist in the investigation of matters relating to the operations under its responsibility if needed for duty performances at the expense of the company. (2) has the power to request information as needed and ask for cooperation at the request of the company's employees and (3) has the power to invite the executive directors, executives or relevant persons to give statements or useful information or attend a meeting as well as able to invite lawyers, auditors, internal auditors or outside consultants to attend the audit committee meeting.

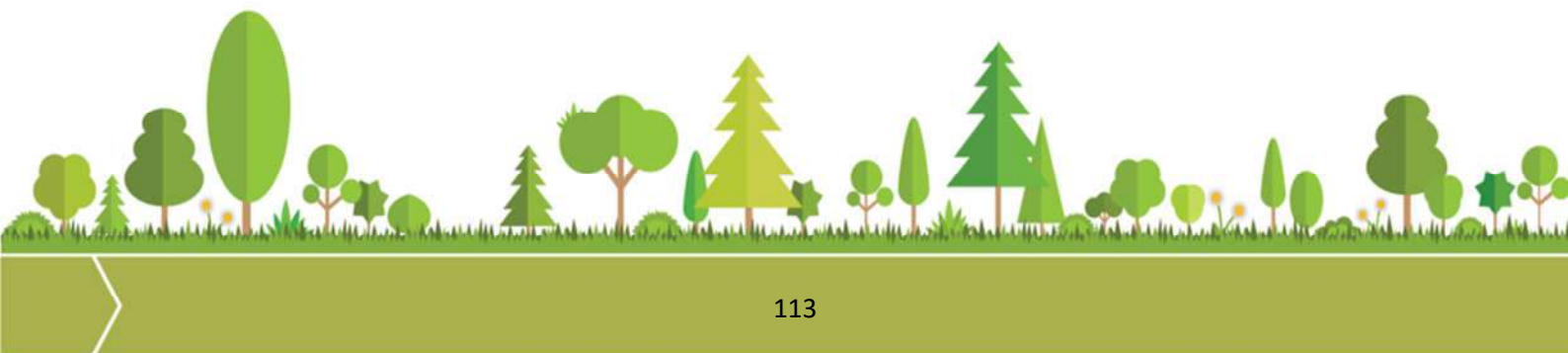


4. Composition of the Audit Committee

- 4.1 The members of the Audit Committee must be an independent director of the company
- 4.2 The members of the Audit Committee must be appointed by the Board of Directors.
- 4.3 The Audit Committee must consist of not less than 3 independent directors
- 4.4 At least 1 Audit Committee member must be knowledgeable. And have sufficient accounting and has adequate experience in accounting or finance to review the credibility of the financial statements
- 4.5 The members of the Audit Committee can hold the position of Audit Committee not more than in 5 listed companies.
- 4.6 The Board of Directors is to select a member of the audit committee to be the Chairman of the Audit Committee.
- 4.7 The Audit Committee is to appoint the Company Secretary as the Audit Committee's Secretary to support the operation of the audit committee about meeting appointment, the meeting agenda preparation, meeting documents delivery and record the minutes of meeting.

5. Qualifications of the Audit Committee

1. Hold no more than 1 percent of the total shares with voting rights of the company, subsidiaries, major shareholders or persons who have controlling interests in the company. This shall include the shareholding of the related parties of that independent director.
2. A director who does not participate in the management of the company, affiliated companies, associated companies, related companies or major shareholders of the company.
3. A director who is not an employee, staff member or advisor receives a regular salary from the company, affiliated companies, associated companies, related companies or major shareholder of the company¹
4. A director who has no direct or indirect benefits or interests in finance and management of the company, affiliated companies, associated companies, related companies or major shareholders of the company.
5. A director who has no benefits or interests in the above nature for a period of 2 years before being appointed as a member of the audit committee unless the Board of Directors has carefully considered and found that having had benefits or interests will not impact on the performance of duties and offer an independent opinion; he or she can be appointed without



any waiting for the lapse of mentioned period.

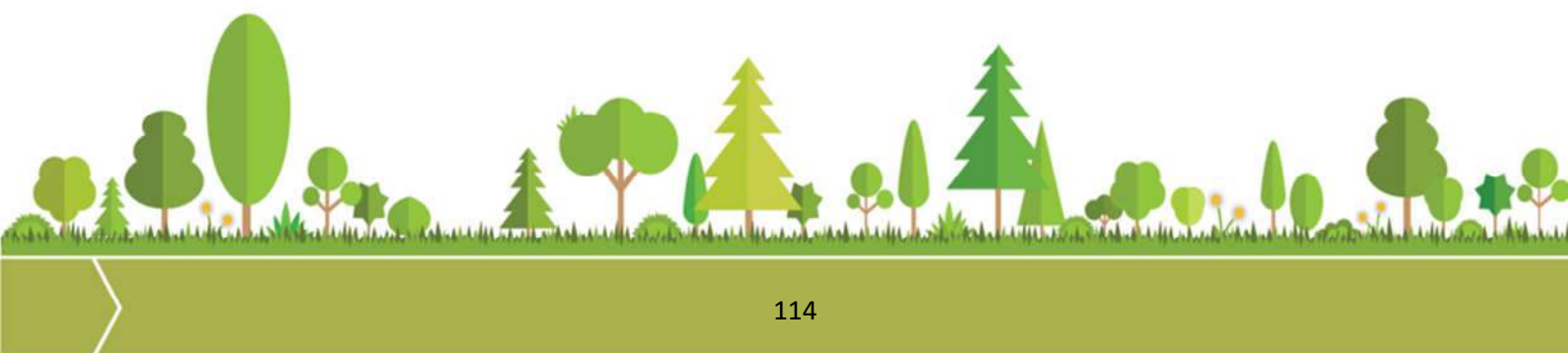
6. A director who is not a related or close relative of the management or major shareholder of the company.
7. A director who has not been appointed as a representative to protect the interests of the directors, major shareholder or shareholders who are related to the major shareholder of the company
8. A director who can perform duties, provide opinions, or report on performance as assigned by the Board of directors, and he or she is not under the control of the management or major shareholders of the company including those who is related or close relatives of the said person.

6. Independence

1. Independent opinion means freely expressing an opinion or report in accordance with the assigned mission without considering any benefits relating to property or position and he or she is not f under the influence of any person or group or any situation that force him or her to unable to express the opinions fully.

2. In the case that it is considered that the assignment is carried out without independence, such as the member of the Audit Committee is under the influence of the directors, executives, company personnel, due to familiarity, consideration or for any reason that leads to the assignment will be according to the needs of the person or group of persons until cause the followings:

- 1) Refrain from performance of assigned tasks.
- 2) Accept proposals or perform any act(s) which should not have been done and create damages or lose of interests that the company and shareholder should obtain.
- 3) Do not express an opinion or present a report to the committee or shareholder openly.
- 4) Do not coordinate, consult, or cooperate with the committee, executives, or officer of the company where he or she performs the assignment.
- 5) Receive financial supports from the company, subsidiaries, associated companies, related companies shares , major shareholders of the company from the usual business in the position is the financial institution
- 6) Perform transactions between the member of the Audit Committee or related



persons of the audit committee with the company, affiliated companies, associated companies, or major shareholders of the company regarding the acquisition or disposal of goods or services that do not comply with the following conditions:

- Acquisition or distribution of goods or services is based on normal business operations and is a general trading condition that is established with clear and disclosed rules and
- The price of goods or service is comparable to the price of goods or service that is offered to other customers.

7) Perform any transaction that is considered a connected transaction and does not comply with related securities market regulations.

8) Perform other transactions which do not comply with the requirements of the Stock Exchange of Thailand.

7. Power of the Audit Committee

The Board of directors assigns the Audit Committee the power to perform the following:

1. Perform duties within the scope of duties and responsibilities specified in the Audit Committee Charter.
2. Invite the directors, executives, or officers of the company attend the meeting or explain or answer questions relating to Business and operations of the company, subsidiaries, joint ventures and joint venture projects within the scope of duties and responsibility of the Audit Committee.
3. Consult with experts or company advisors (if any) or hire outside consultants or experts if needed at the company's expense.
4. Monitor and investigate as needed the matters, and request company information as needed in order to complete the duties under the responsibility of the audit committee.

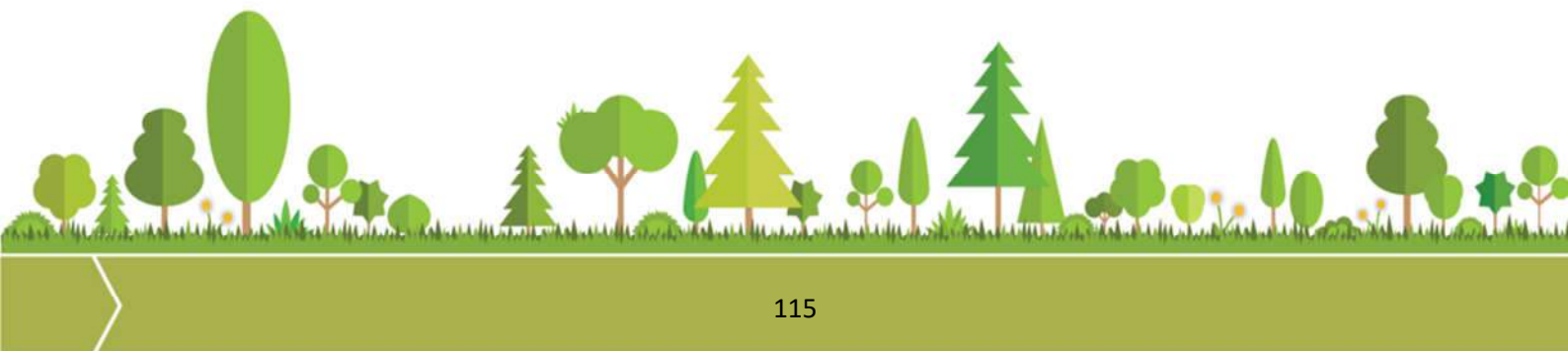
8. Duties, Responsibilities and Report of the Audit Committee

8.1 Financial reports

- (1) Review to ensure that the company has a process to prepare and disclosure of information the company's financial reports to be accurate, complete, sufficient, reliable, and timely by coordinate with the auditors and executives responsible for preparing quarterly and annual financial reports.

8.2 Connected transactions and transactions that may have conflicts of interests.

- (1) Consider the connected transaction and transactions that may have conflicts of interest to be in accordance with the laws and regulations of the stock exchange to ensure that the said transaction



is reasonable and it is in the best interest of the company.

- (2) Consider the disclosure of company information in the event of a connected transaction or related items or items that may cause conflicts of interest to be accurate and complete

8.3 Internal control

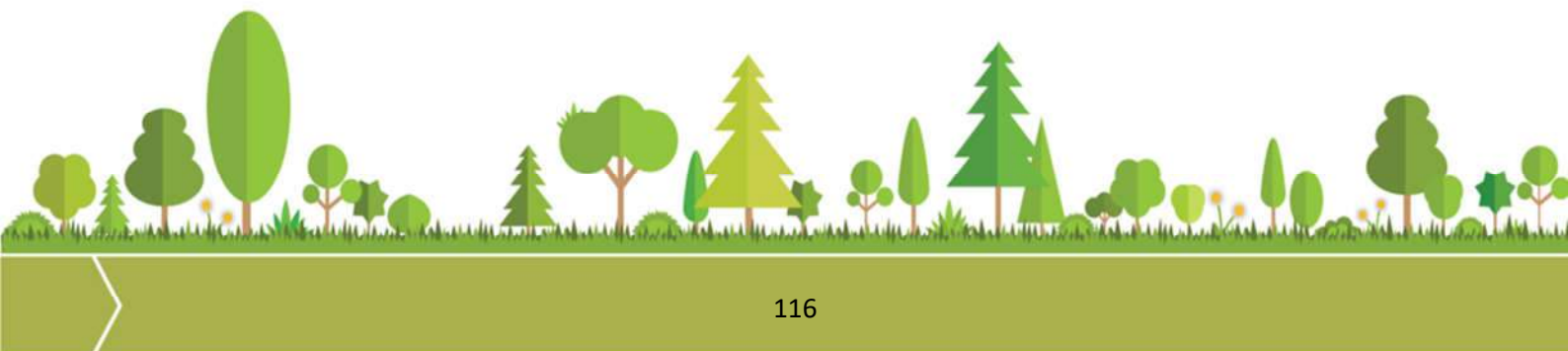
- (1) Review to ensure that the company has an appropriate and effective internal control system.
- (2) Consider the audit results and recommendations of the auditor and the Office of Internal Audit about Internal control system and propose to the management to improve according to the recommendations including follow up the implementation of the recommendations.

8.4 Internal audit

- (1) Review to ensure that the company has an independent internal audit department and it has an effective internal audit system.
- (2) Review activities and the structure of the internal audit department and approve the Internal Audit Office charter.
- (3) Consider and approve the appointment, give merit, relocation, removal or termination of employment, including in setting and adjusting the remuneration for internal auditors to ensure that the department acts independently.
- (4) Review the internal audit plan with the internal auditor especially pertaining to the internal control systems and financial management processes
- (5) Consider and give opinions and observation on the budget and the manpower of the internal audit and propose to the management for approval.
- (6) Consider the audit plan and the scope of the audit of the internal auditor and the company's auditors, including internal auditing consultants (if any), to be complementary and have no redundancy.

8.5 Audit

- (1) Consider selection, appointment and offer remuneration of the auditor In order to obtain an independent auditor with regard to reliability, sufficiency of resources, and workload of the audit office and the experience of the personnel assigned to audit the accounts of the company including the past year's performance and consider the removal of the auditor. The Audit Committee will propose the said opinion to the Board of Directors for further approval.
- (2) Review the scope and audit procedures proposed by the auditor including consider the reasons for change of the audit plan (In the event that the audit plan is changed later)
- (3) Recommend to the auditor for an audit or check any items t needed and it is an important issue



between the company's audit and subsidiaries.

- (4) Review the auditor's prepared report and present to the management for corrections and follow up the implementation of that suggestion.
- (5) Consider the adequacy and efficiency in coordination between the auditors and the internal auditor.
- (6) Acknowledge the facts given by the auditor immediately concerning the suspicious circumstances that the managing director or the person responsible for the company's operations has committed offense under Section 281/2, Paragraph 2, Section 305, 306, 308, 309, 310, 311, 312 or Section 313 of the Act. When an auditor found and proceed with the investigation immediately as well as report the initial audit results to the SEC and the auditor within 30 days from the date of receipt of the notification from the auditor.

8.6 Compliance with related Laws and Regulations

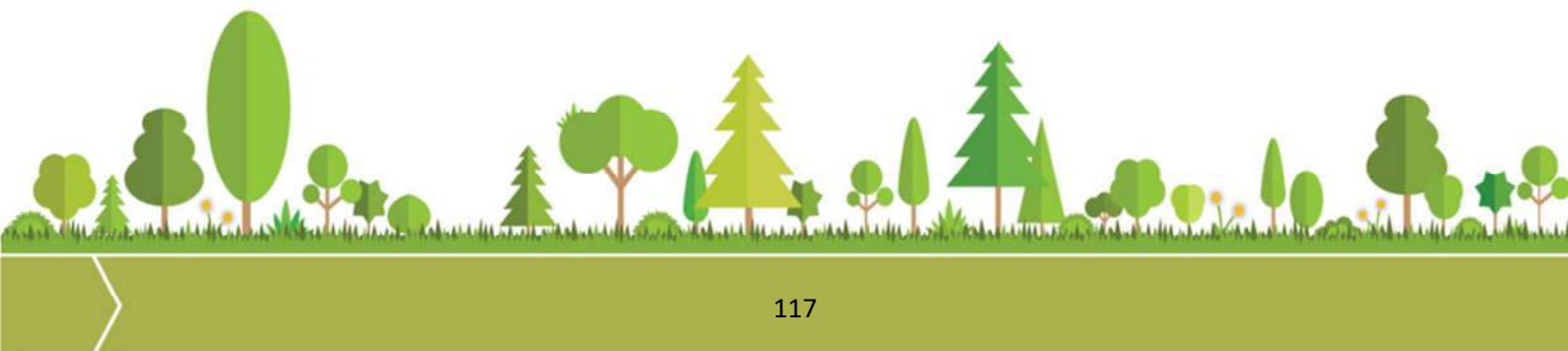
Review the company compliance with the Stock Exchange of Thailand Act or related laws to the company's business.

8.7 Report of the Audit Committee

The Audit Committee has the duties and responsibilities to report the activities of the Audit Committee or other duties assigned by the Board of Directors. The Audit Committee reports will be important to the Board of Directors, shareholders and general investors since the mentioned report is an honest and independent opinion of Audit Committee. The Board of Directors can be assured that the management has cautiously managed and considered the interests of all shareholders equitably.

1. Report to the Board of Directors

- 1) Report the activities regularly to facilitate the Board of Directors awareness of the Audit Committee activities.
 - Minutes of the Audit Committee Meeting that clearly states the opinions of the Audit Committee.
 - Summary of activities reported during the year.
 - Report on opinions financial report, internal audit, and internal audit process.
 - Any other reports that the Board of Directors should be aware.
- 2) Report the findings immediately for the Board of Directors can identify solutions in timely manner.
 - Report conflicts of interest
 - Suspicions or assumptions of fraud or abnormality or a major defect in Internal control



system

- Suspicion of a violation of securities and exchange law, regulation of the securities exchange or laws relating to the company's business.

Any other reports that the Board of Directors should be aware.

2. Reporting to government Authorities

If the Audit Committee has reported to the Board of Directors of the matters that has a significant impact on the financial position, and operation and it has jointly discussed with the Board of Directors and executives about the needs for improvement after the specified time limit expired, If the Audit Committee finds any disregard the said amendment without a good reason, a member of the Audit Committee or the Audit Committee may report the findings to the Office of Securities and Exchange Commission Securities or Stock Exchange of Thailand

3. Report to Shareholders and Investors

Report of activities performed during the year in accordance with duties and responsibilities assigned by the Board of Directors and the report will be signed by the chairman of the audit committee and disclosed in the company's annual report

8.8 Good Corporate Governance

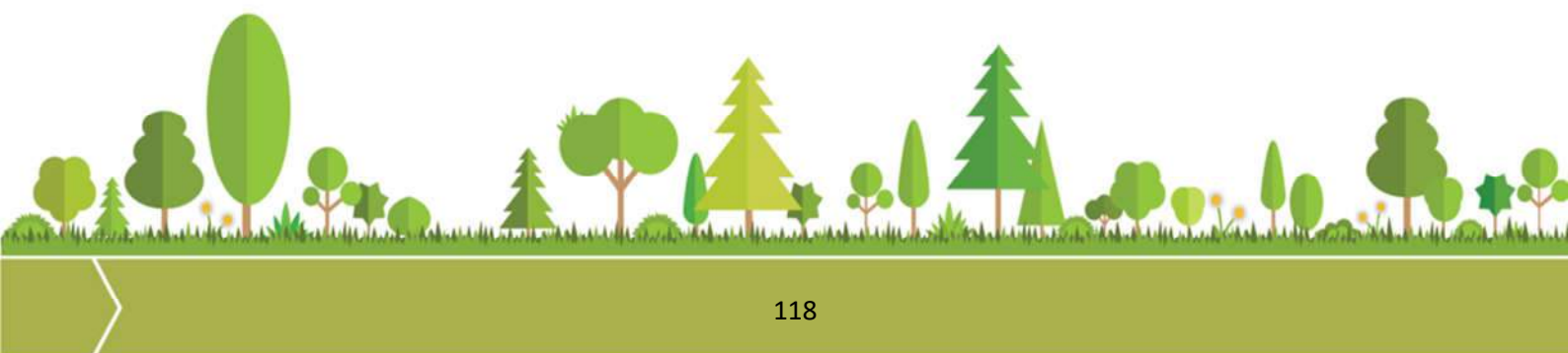
- (1) Review to ensure that the company has a continuous good corporate governance development including provide guidelines and suggestions needed for development.
- (2) Give importance by encouraging the company to specify good corporate governance is a regular agenda for the Board of Directors' meeting and the annual general meeting of shareholders of the company.
- (3) Follow up with the Chairman of the Audit Committee to receive a copy of the conflict of interest report under Section 89/14 of the Act from the Company Secretary within 7 working days from the date the company receives the report.

8.9 Risk Management

- (1) Review to ensure that the company has an appropriate standardized risk management process that is efficient and effective.
- (2) Join with the Risk Management Committee, risk management working group and management for consideration and offer opinions on the report and report the progress of the company's risk management.

8.10 Other responsibilities

- (1) Other responsibilities as assigned by the Board of Directors with the approval of the Audit



Committee. The Audit Committee is responsible to the Board of Directors in accordance with their duties and responsibilities assigned by the Board Directors. While the responsibilities of all company activities to the third party is still remain with the Board of Directors

(2) Review and update the charter on this audit committee to be up to date, and suitable for the normal company's environment once a year.

(3) Have duties as prescribed by additional announcement of the Stock Exchange of Thailand

9. Term of office

9.1 The term of office of the members of the Audit Committee has the term of office of the director as stipulated in the company's regulations.

9.2 The members of the Audit Committee who retire by rotation may be re-appointed without automatically renewal.

9.3 The members of the Audit Committee members who wish to resign before the end of the term should notify and submit the resignation letter to the company in advance, as well as specify the reason for resignation.

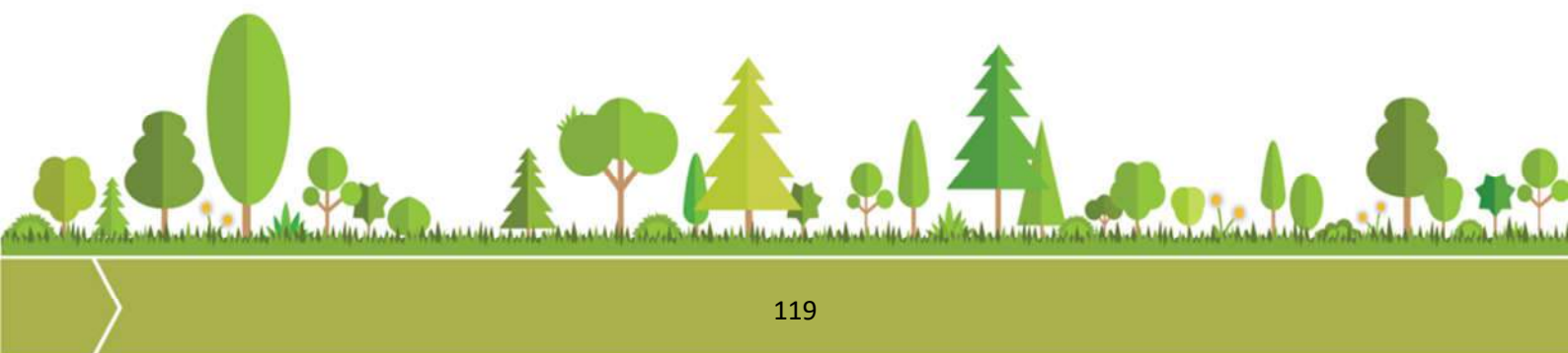
9.4 In the event that the position of the Audit Committee becomes vacant due to reasons other than termination, the Board of Directors shall appoint a person with complete qualifications to replace the member of the Audit without delay. The replaced member of the Audit Committee will hold office for the remaining term of the audit committee he or she replaces.

1. A Member of the Audit Committee shall vacate office when

- (1) Complete the term of office
- (2) lacking the qualifications of the audit committee
- (3) Death
- (4) Resigned
- (5) Removed
- (6) Receive punishment of Imprisonment according to a final judgment or a lawful order to imprisonment, except for offenses committed in negligence or petty offenses.
- (7) Being incompetent or quasi-incompetent person.
- (8) Bankrupt.

10. Audit Committee Meeting

10.1 The meeting of the Audit Committee shall be at least 4 times a year and the meeting agenda must be



stated clearly by sending meeting documents to the Audit Committee at least 7 days before date of the meeting. When it is urgent, the Chairman of the Audit Committee may notify the Audit Committee can be called less than 7 days in advance.

10.2 The Chairman of the Audit Committee may call a meeting of the Audit Committee, in the event of a request from a member of

10.3 Audit Committee, internal auditor or the Board of Directors to consider matters that must be discussed together.

10.4 The members of the Audit Committee should attend all the meetings. At the meeting of the Audit Committee not less than half of the number of the Audit Committee member must be present to constitute a quorum.

10.5 In case the Chairman of the Audit Committee is absent or unable to perform his or her duties, the Audit Committee, who present in the meeting, shall appoint a member the Audit Committee to perform the duty on behalf to the Chairman.

10.6 Each member Audit Committee has one vote. The decision of the meeting will be made by a simple majority vote. In event of tie vote, the Chairman of the meeting shall have the casting vote.

10.6 The members of the Audit Committee who has a conflict interests on any matters in the agenda, that member of the Audit Committee shall not be entitled vote on that matter.

10.7 Voting on a resolution of the Audit Committee may be conducted without holding a meeting, and it is deemed as valid as if a meeting was held when the resolution was adopted by all the member of the Audit Committee.

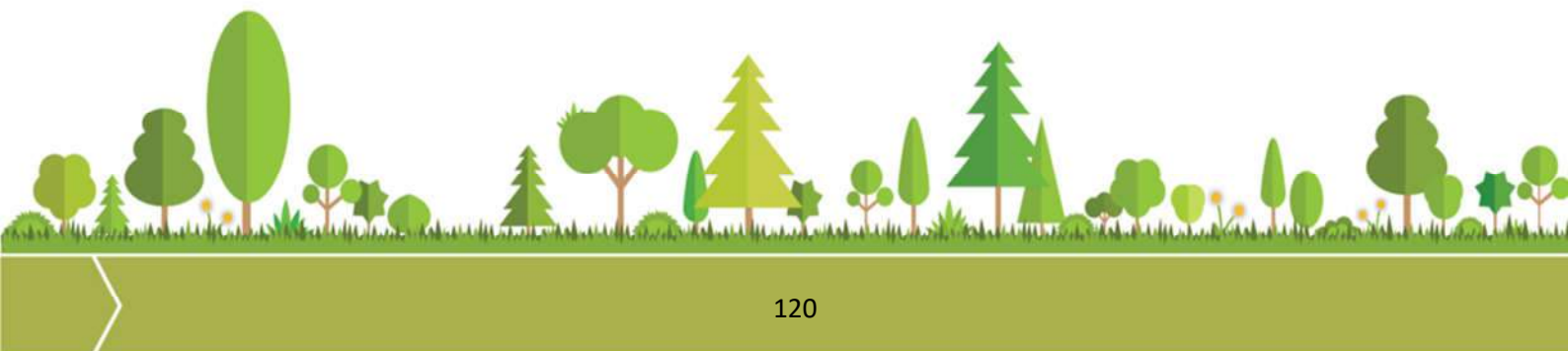
10.8 Secretary to the Audit Committee has no right to vote.

10.9 Secretary of the Audit Committee or assigned parties will record the minutes of the meeting and prepare the minute of the meeting.

10.10 The minutes of every meeting must be submitted to the Audit Committee for consideration at least 7 days in advance prior to the date of next meeting by delivering with the notice of the meeting of the Audit Committee including minutes of the meeting for the Board of Directors to acknowledge.

10.11 The Audit Committee has the power to invite executive directors, executives, or related parties to give statements or useful information or participate in a meeting and it can invite lawyers or the auditor or the auditor internal audit or outside consultant attend the meetings with the Audit Committee

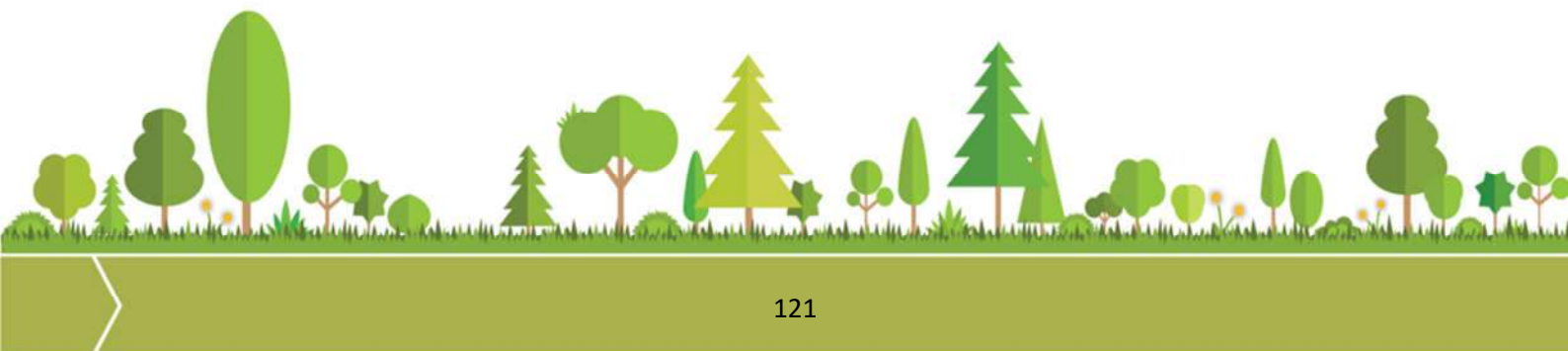
10.12 Arrange a meeting with the auditor of the company without the management participation at least once a year to discuss and to exchange opinions on issues that may be related to the management when a problem is found.



Performance related to the Duties of the Audit Committee

In the performance of duties of the audit committee, it should consider the operations of the Audit Committee member to achieve the objectives such as

1. The Audit Committee should obtain explanations from management regarding important differences in the financial statements during Current year and previous year. (This review may be done at a meeting of the Board of Directors) and consider with the management about the management's discussion and analysis (MD&A) in the annual report.
2. The audit committee should ask the auditor about the scope that the auditor has reviewed on the analysis report and explanation of the department and consider that Information that appears in the report, analysis and explanations of the management and any other information that appears in the annual report regarding its consistency with the information appear in the financial statements.
3. The Audit Committee should ask the management and the auditor to report any important financial issues that required joint discussion during the accounting period and the management corrective actions.
4. Audit Committee should hold specific meetings with the auditor to obtain opinions from the auditor in matters, such as the quality of the accounting and financial staffs and the company's internal auditor including serious concerns issued by the auditor and any other matters that should be jointly discussed with the audit committee which has not been raised or explained elsewhere
5. The Audit Committee and the Board of Directors should consider whether the auditor hold a meeting with the Board of Directors to discuss important issues pertaining to the financial statements and to answer the questions raised by the directors.
6. The Audit Committee should request for an explanation from the company's Chief Financial Officer and the auditor pertaining to changes in accounting standards or regulations of the government authorities oversees the business and affecting the company's financial statements.
7. The Audit Committee should discuss with the management and the auditor about important issues of the problems raised by internal and outside lawyers regarding court cases, the obligation that may occur in the claims or claims of assessments. The audit committee should



consider whether the above issues have appeared in the financial statements.

8. The Audit Committee should review the amount of accrued expenses, provisions or estimates of the management and significant issues that impact on the financial statements.
9. The Audit Committee should examine the income tax issue submitted to the Revenue Department that there may have any important items that could have problems with the Revenue Department and it should inquire about the status of relevant tax reserves.
10. The Audit Committee should review the management representative letter, which has been given to the auditor and ask questions about any complications In obtaining that letter or representations of any specific matters
11. Any other actions that the Audit Committee deems appropriate

Performance Assessment

Audit Committee has an annual self-assessment performance, through self-assessment of each sub-committee for the committee to review the work performance, problems and obstacle for the operation during the previous year, and it will correct and enhance the work efficiency by performance evaluation of the committee using an assessment guideline provided by the Stock Exchange of Thailand, and make appropriate adjustment to meet with the company business.

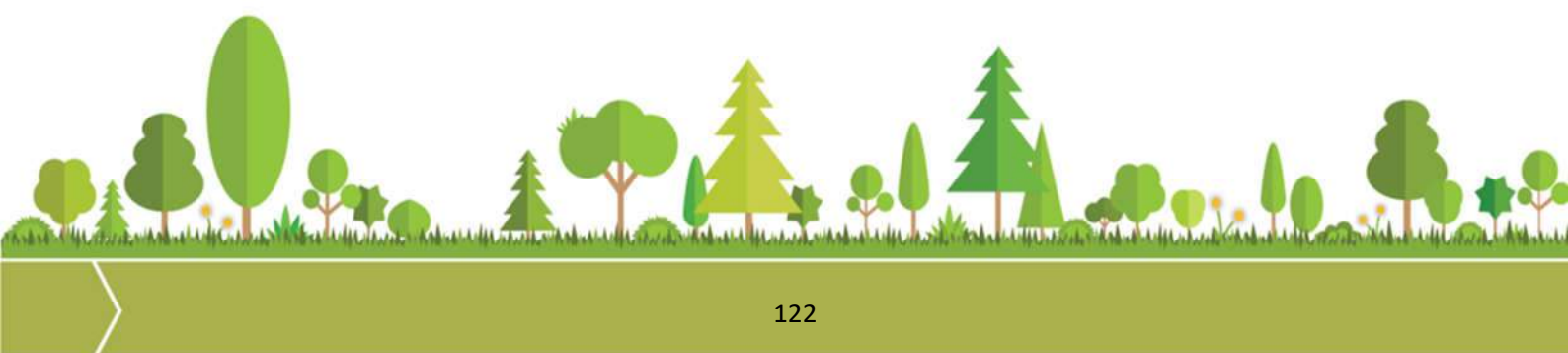
Self-Assessment Performance of each Sub-Committee as follows:

- 1) Structure and qualifications of the Audit Committee
- 2) Meeting of the Audit Committee
- 3) Roles and responsibilities of the audit committee

Attendance of the Audit Committee

In 2018 and 2019, the Board of Directors' as following

Name	Number of Attendance / Total Meeting Attendance	
	Year 2018	Year 2019
1. Ph.D. Sarit Chockchainirand	5/5	4/4
2. Mr. Wichai Pornkeratiwat	4/5	4/4
3. Miss Patrawan Manutsathit	5/5	4/4



Executive Committee

As of December 31, 2019, the Executive Committee, there are 3 directors and / or management as follows:

Name	Position
1. Miss Tiyada Kuansataporn	Chairman of the Executive Committee
2. Mr. Pongtham Danwungderm	Vice Chairperson of the Executive Committee
3. Mrs. Natpapha Kuansataporn	Member of the Executive Committee

Secretary of Executive Committee by Mrs. Apiratee Sakulin

Composition

- The Board of Director shall appoint the Executive Committee by selecting from directors and management as they deem appropriated to be the Board of Directors. Moreover, the managing director shall be the chairman of the Board of Directors consists of no less than 3 committee member.
- The Board shall appoint a Secretary. He or she may be the assistant managing director or other parties as the Executive Committee deems appropriated to assist the Board regarding the schedule of meeting, prepare the meeting agenda, deliver meeting documents and record the minutes of meeting.

Term of Directorship

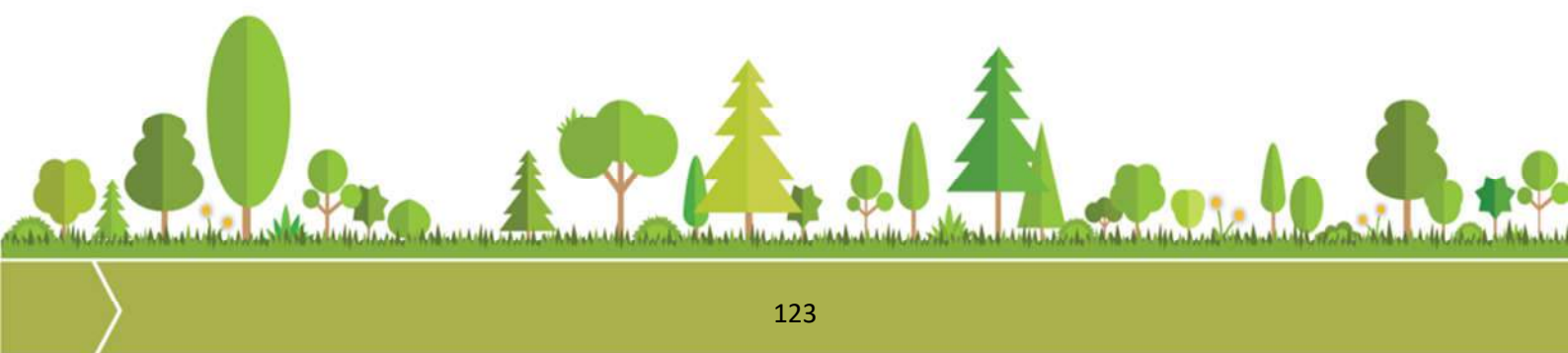
- The Executive Committee has the term of 3 years.
- The retiring directors shall be entitled for reelection for the post, and it shall not be an automatic renewal.

Otherwise retirement by rotation, the directors shall vacate the office upon:

- Death
- Resignation
- Loss of qualification or disqualification under Public Company Limited Act B.E. 2535 (1992) (included all revision and amendment)
- Removal by resolution of the board of directors' meeting
- Removal by court order

Voting rights

A member of the Executive Committee one vote. The board makes decision by a simple majority. In the event of a tie: The chair will cast the deciding vote. In the event that any member of the Executive Committee



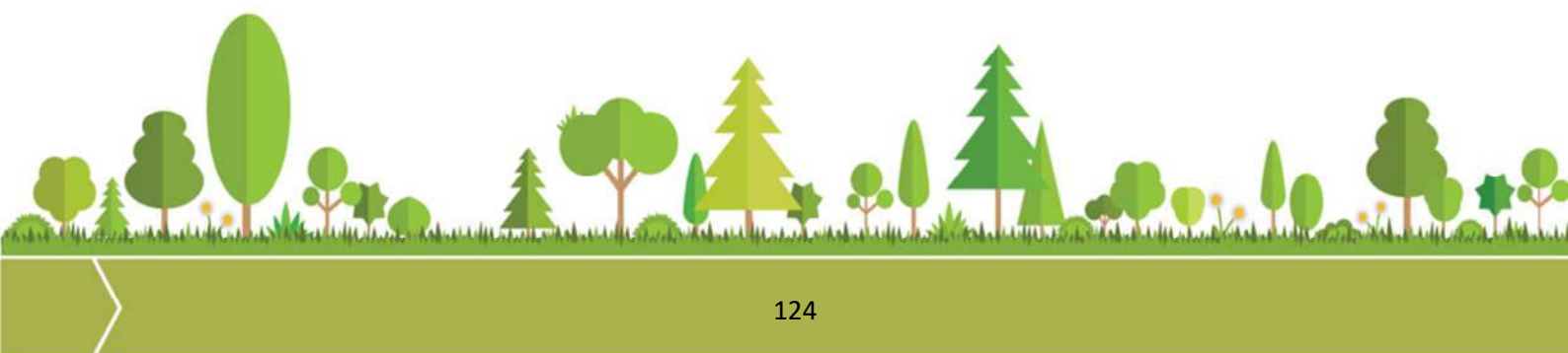
has an interest in the matter considered, that member of the committee must not cast the vote on the matters.

Meeting

- The Executive Committee must hold the meeting at least month and hold extraordinary meeting as needed, by determine the agenda, and inform Executive Committee in advance and provide with the ample data.
- The Executive Committee meeting must have the members of the Executive Committee attend the meeting no less than one half of the Board for the meeting quorum.
- If the chairman of the Board cannot attend the meeting or perform his or her duty, member of the Executive Committee will choose of committee member to be the meeting's chairman.
- The Executive Committee may invite the management, related parties or person(s) as appropriated to attend the meeting of such an agenda, and request for information as needed and appropriated for the agenda
- The Executive Committee secretary will record the minute of the meeting, and make the full report of minute of the meeting together with supportive documents.

Scope of authority

- Consider and screen the business plans annual budget and submits to the Board of Directors
- Formulate financial investment policies for the company and set investment policy direction to be consistence with the policy and approve investment rules and make investment proposals in accordance with company regulations
- Consider and take action on important issues relevant to the company operations
- Consider, screen provide all types of work proposals to the Board of Directors
- Consider the appointment of directors of affiliated companies or joint venture companiess based on proportion to the shareholding or according to the agreement between the shareholders of an affiliated company or a joint venture company (if any)
- Consider and screen the matters proposed by the managing director to the Executive Committee for approval or authorization.
- Approve the employment, appointment, removal and transfer of senior staff at the level of Deputy Managing Director Or other equivalent positions including the approval of salary rates, compensation



or other benefits to such persons

- Approve company financial matters and assets according to the scope of approval authority
- Assign or propose to the managing director to consider or to perform any matter as the Board of Directors deems appropriate
- Appoint a working committee to consider any matters that the Board of Directors deems appropriate.
- Consider and propose matters that the Executive Committee appropriate to notify the Board of Director

for its acknowledgement or consider for approval or approval

- Consider matters or perform other duties that are assigned by the company committee
- Supervise and follow up on the performance of the risk management committee

Performance Assessment

The Executive Committee has an annual self-assessment performance, through self-assessment of each sub-committee for the committee to review the work performance, problems and obstacle for the operation during the previous year, and it will correct and enhance the work efficiency by performance evaluation of the committee using an assessment guideline provided by the Stock Exchange of Thailand, and make appropriate adjustment to meet with the company business.

Self-Assessment Performance of each Sub-Committee as follows:

- 1) Structures and qualifications of Directors
- 2) Meeting of Board of Directors
- 3) Roles, duties and responsibilities of the Board of Directors

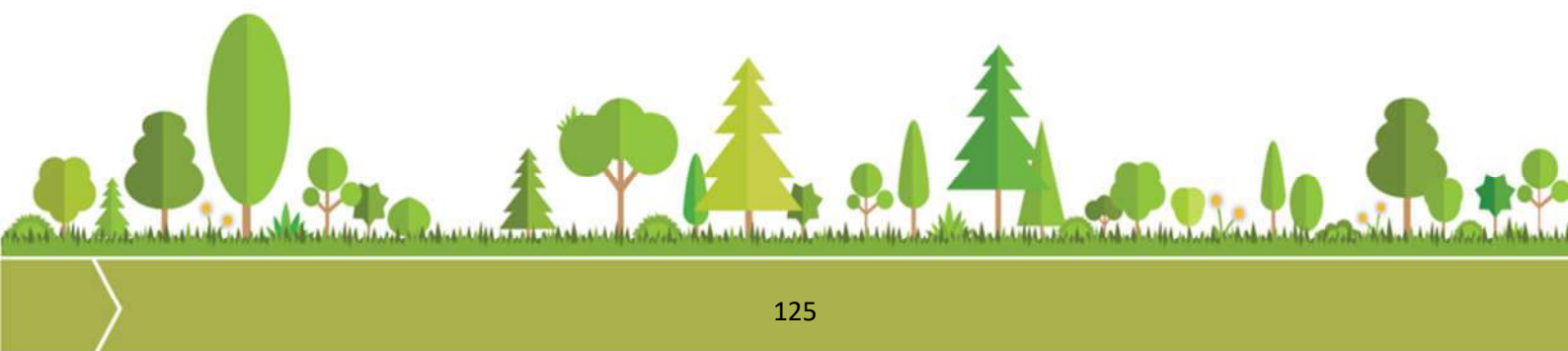
Nomination and Remuneration Committee

As of December 31, 2019, the Nomination and Remuneration Committee There are 3 directors

Name	Position
1.Mr. Wichai Pornkeratiwat	Chairman of the Nomination and Remuneration Committee
2. Mr. Panom Kuansataporn	Member of the Nomination and Remuneration Committee
3. Miss Tiya Kuansataporn	Member of the Nomination and Remuneration Committee

Scope of authority and responsibilities of the Nomination and Remuneration Committee

The Board of Directors Meeting No. 1/2560 resolved to fix the scope and authority of the Nomination and



Remuneration Committee as follows:

Recruitment

1. Formulate policies, qualifications, criteria and procedures for nomination of directors. (Including subcommittees) and top executives to propose to the Board of Directors for approval.
2. Select and nominate qualified candidates. It is in accordance with the relevant regulations and laws to serve as the Company's director Subcommittee and senior executives (senior executives Referring to top executives of the Company) for the Board of Directors to consider and / or propose to the shareholders' meeting for approval. (As the case may be)

In the nomination of directors The Nomination and Remuneration Committee will consider at least one of the key aspects of the position (such as finance, business management, marketing, human resources management, management law, etc.) and consider the ability to help. The Board of Directors is more careful.

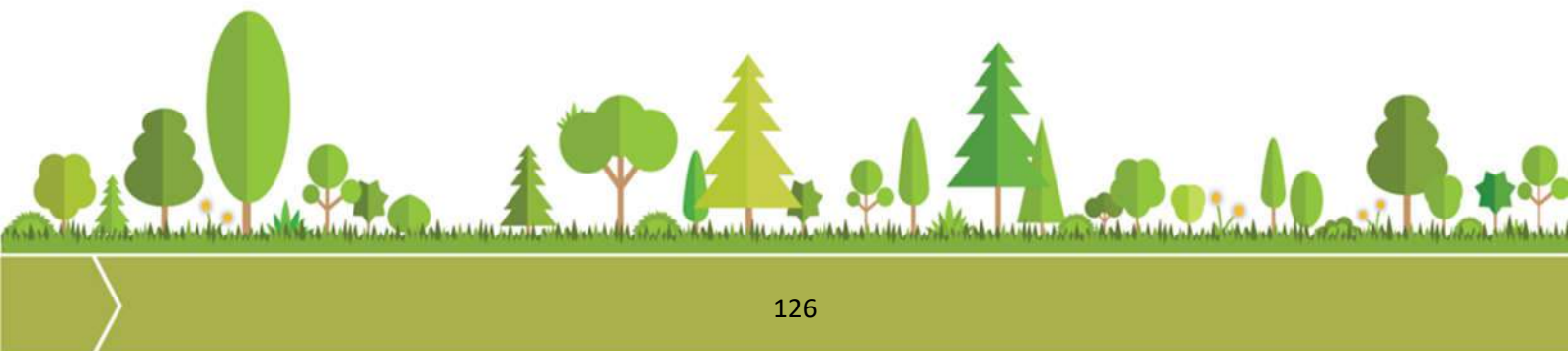
3. Ensure that committees and subcommittees have the appropriate size and composition for the organization including changes to the environment. By the Board of Directors Subcommittees must be composed of persons with the knowledge, skills and experience necessary to conduct business.
4. Disclose the policy and details of the recruitment process in the company's annual report.
5. Review and summarize the results of succession planning and management continuity for senior management positions. Every year, the Company reports to the Board of Directors.
6. Perform any other actions as assigned by the Board of Directors or in accordance with the policy set by the Board of Directors.

Compensation

1. Set policies, criteria or procedures for determining compensation and other benefits. It also includes compensation for directors and top executives. Approved the Board of Directors' Meeting And / or proposed to the shareholders meeting for further approval (As the case may be), with clear, transparent, and appropriate guidelines in accordance with good practice. This will be compared to the same industry. Same level Based on experience.

2. To supervise the Company's director and senior executives are rewarded for their duties and responsibilities.

3. Perform any other tasks as assigned by the Board of Directors or in accordance with the policy set by the Board of Directors.



Term of office of the Nomination and Remuneration Committee

1. The Nomination and Remuneration Committee shall hold office for a term of three (3) years and shall be in accordance with the term of office of the director.
2. The members of the Nomination and Remuneration Committee who are retired by rotation may be reappointed.
3. In the event that the members of the Nominating and Remuneration Committee are retired or unable to hold office until the expiration of the term. As a result, the number of members of the Nomination and Remuneration Committee is less than 3 persons. The Board of Directors shall appoint the new members of the Nominating and Remuneration Committee to be fully or immediately completed within 3 months from the date the number of members is incomplete to ensure continuous operation of the Nominating Committee.

Attendance of the Nomination and Remuneration Committee

In 2018 and 2019, the Board of Directors' as following

Name	Number of Attendance / Total Meeting Attendance	
	2018	2019
1. Mr. Wichai Pornkeratiwat	2/2	2/2
2. Mr. Panom Kuansataporn	2/2	2/2
3. Miss Tiyaada Kuansataporn	2/2	2/2

Risk Management Committee

As of 31 December 2019, the Risk Management Committee, there are 8 directors and / or management as follows:

Name	Position
1. Miss Tiyaada Kuansataporn	Chairman of the Risk Management Committee
2. Mr. Pongtham Danwungderm	Deputy Chairman of the Risk Management Committee
3. Mrs. Natpapha Kuansataporn	Risk Management Committee
2. Mrs. Apiratee Sakulin	Risk Management Committee
3. Mrs. Janphen Keawklinchan	Risk Management Committee
4. Mr. Prutthipol Soisuwan	Risk Management Committee
5. Mr. Chairat Dejpaiboonoyot	Risk Management Committee

Secretary of Risk Management Committee by Mr.Rattapong Wongkom



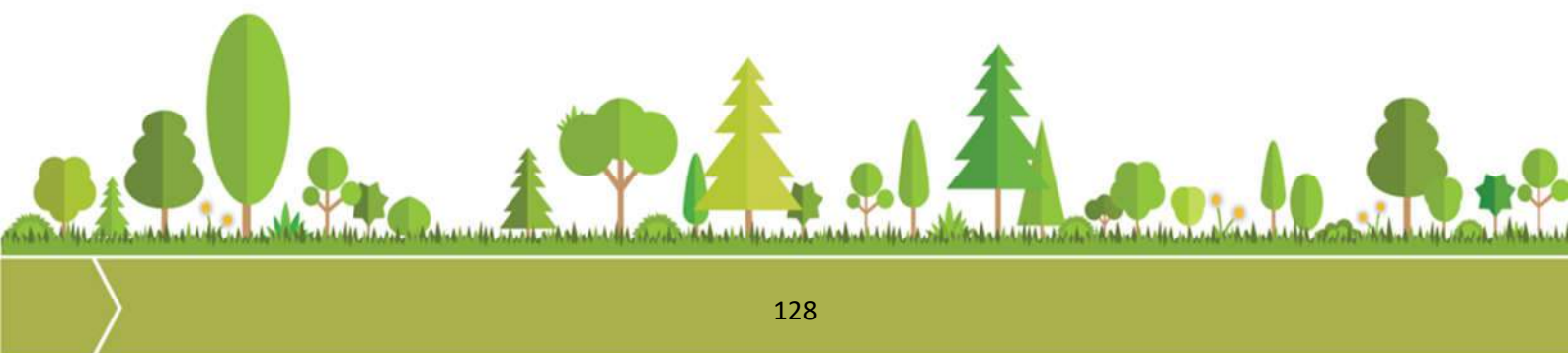
Scope of authority and responsibilities of the Risk Management Committee

The Board of Directors Meeting No. 1/2560 resolved to set the scope and authority of the Risk Management Committee as follows:

1. Formulate policies and guidelines for overall risk management of the company. The Board of Directors has the management to follow the policy and the way it is laid. It also requires the management to report the results to the Risk Management Committee.
2. Review and improve the Company's risk management system to be effective and continuous effectiveness and to evaluate. Follow up risk management in accordance with policy and consistent guidelines. Provide an assessment. Analyze key risks in various areas to be consistent with the current situation systematically and continuously to ensure that the risk assessment covers all stages of business operations. Include suggestions on how to protect. Or reduce the level of risk to an acceptable level.
4. Risk Report The Board of Directors has regularly reviewed the Board of Directors' recommendations and recommendations as assigned by the Risk Management Committee. In case of significant issues, this may significantly affect the Company. Report to the Board of Directors for consideration.
5. Perform other duties as assigned by the Board of Directors.

Term of Office of the Risk Management Committee

1. The Risk Management Committee has a term of office of three years commencing from the date the Board of Directors resolves to appoint. Except for the members of the Risk Management Committee the term of office will be the same as that of the Company's directors at the Annual General Meeting of Shareholders.
2. The Risk Management Committee members who are retired by rotation may be reappointed. It does not automatically renew.
3. In addition to the expiration of the term, the Risk Management Committee vacates office upon
 - death
 - resign
 - lack of qualifications or prohibited characteristics under the Public Limited Company Act BE 2535 (as amended)
 - The meeting of the Board of Directors resolved to issue
 - The court issued an order.



Nomination of Directors and Executives

Nomination of Directors and Top Executives, the nomination and remuneration committee will be appointed by the Nominating and Remuneration Committee or, it is necessary to appoint a director or top executive. The Nomination and Remuneration Committee will consider selection of directors or top executives. The Company also has experience in determining the suitable person in terms of experience, knowledge, and ability to benefit the Company as a director or top executive. Top management of the company must meet all the qualifications under Section 68 of the Public Limited Companies Act BE 2535 (as amended) and the Notification of the SEC and shall not be prohibited under the Securities and Exchange Act (As amended), other laws and regulations. The recruitment criteria are as follows.

Nomination of the Board of Directors

Qualifications of Directors

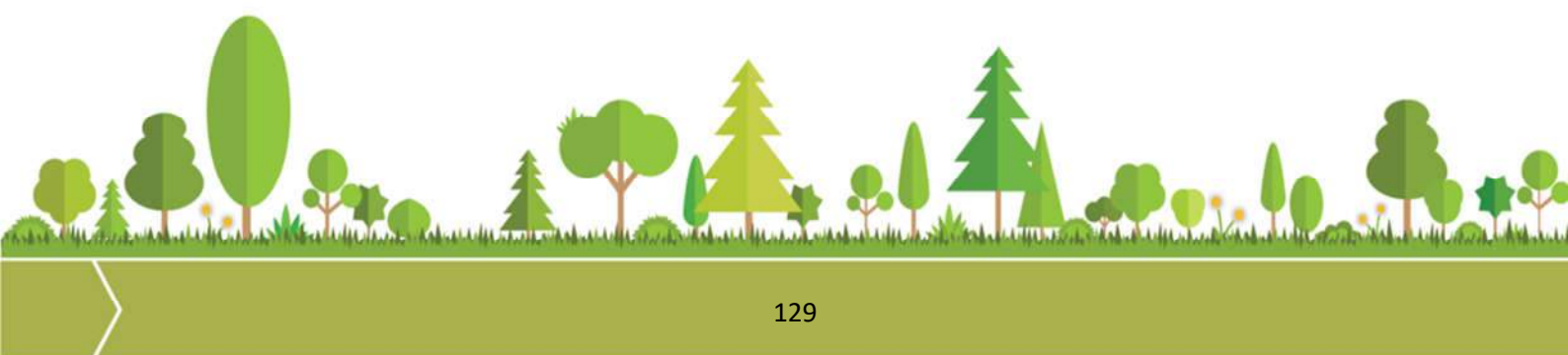
- Having knowledge, ability and experience in conducting business.
- Honest and ethical.
- Identify and deal with major risks of the company.
- Dedication and dedication to responsible work.
- does not operate the same business and competes with the business of the company or is a partner or directors in other juristic persons who have the same conditions and are in competition with the business of the Company, whether for the benefit of one or the other except for the notice to the meeting of shareholders prior to the appointment.
- Directors must notify the Company without delay, if there is any interest in a contract that the company makes, whether directly or indirectly, or if it holds more or less of the debenture in the company or its affiliates.

Every director must have qualifications and no prohibited characteristics as prescribed by the Public Limited Companies Act. Securities and Exchange Act Announcement of Government Regulatory Agency In the case of independent directors, the qualifications required by the Company and the Capital Market Supervisory Board shall also be specified.

Criteria for nomination of directors are as follows

1. The Board of Directors is composed of at least 5 directors, and not less than one half (1/2) of the total number of directors must reside in Thailand and possess the qualifications required by law. The Articles of Association of the Company require the shareholders to elect directors in accordance with the following rules and procedures:

- 1) One shareholder has one vote for one share.



2) Each shareholder will use all the votes in (1) to elect one or several persons as director. In the case of election of several persons as directors. No one can split the votes for any one.

3) In the case of election of several persons as directors The persons who received the highest score in descending order shall be elected as directors, equal to the number of directors to be elected or elected at that time. In the case where a person who has been elected in the next order has the same number of votes in excess of the number of directors to be elected or elected at that time. The chairman of the meeting shall have the casting vote.

2. Agenda of the Annual General Meeting of Shareholders One third of directors must retire. If the number of directors can not be divided into three parts, the nearest one to one-third of the directors must retire. The directors who will be retired in the first and second years after the registration are eligible for re-election. To draw lots in the next year, the director who is in the longest position is the one who left the position.

3. In addition to the term of office. The director shall vacate office upon death, resignation, disqualification or legal disqualification. The shareholders' meeting passed the resolution. Or the court ordered to issue.

4. The shareholders' meeting may elect a director to retire before the expiration of his term by not less than three quarters (3/4) of the total number of shareholders attending the meeting and having the right to vote. The total number of shares held by the shareholders attending the meeting and having the right to vote is not less than half (1/2).

5. In the event that the director vacates office for any reason other than the expiration of the term, the Board shall elect the qualified persons who are not prohibited by the law governing the public limited company and the securities and exchange law. In the next meeting of the Board of Directors, except for the term of the director, the replacement shall be in the position of the director for the remaining term of the director. Instead the resolution of the Board shall consist of not less than three quarters (3/4) of the remaining Directors.

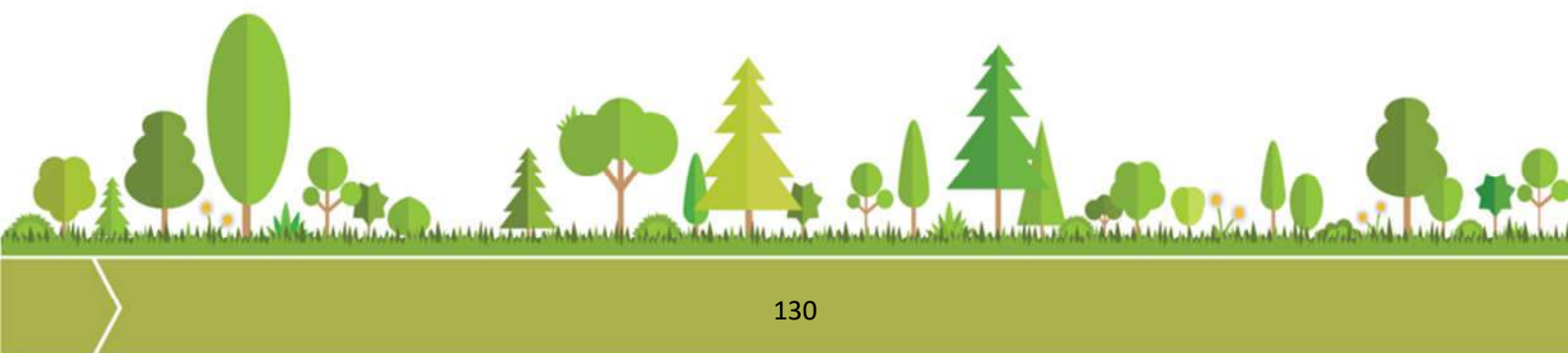
Nomination of the Audit Committee and Independent Director

The qualifications of independent directors are as follows.

1. Holding no more than 1% of the total voting shares of the Company, its parent company, subsidiaries, affiliated companies, major shareholders The shareholding of related persons of such independent director is also included.

2. Not being or being a director who is involved in the management of employees, employees, consultants who receive regular salary. Or the controlling authority of the Company, parent company, subsidiary company, affiliated

company, subsidiary company Major Shareholders or control of the company. However, the prohibited



characteristics do not include the case where an independent director has been a government official for at least two years prior to the date of submission of the application. Or consultant The government agency is the major shareholder or the controlling person of the company.

3. Not a person with blood relations or by legal registration. Parents, spouses, brothers and sisters, including spouses of children of executives, major shareholders Authorized Control Or the person to be proposed to be the executive or the controlling person of the Company or its subsidiaries.

4. None or ever having business relationship with the Company, its parent company, subsidiaries, affiliated companies, major shareholders Or the controlling person of the company. In a manner that may obstruct the use of independent judgment. Not being or being a significant shareholder. Or the controlling person of a person who has business relationship with the Company, its parent company, subsidiary company, associated company, major

shareholder Or the controlling person of the company unless it has been removed from the above characteristics for not less than 2 years before the date of submission of the application to the Office of the SEC.

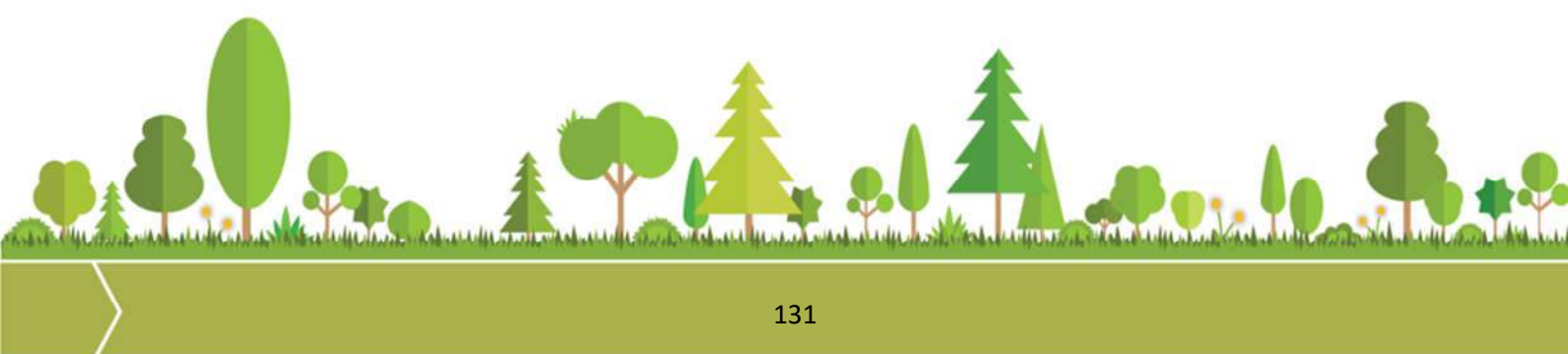
5. Not being or being the auditor of the Company, its parent company, subsidiary company, associated company, major shareholder Or the controlling person of the company and not a significant shareholder. Authorized Control or partner of the audit firm. The auditors of the Company, its parent company, subsidiaries, associates, major shareholders or the controlling person of the company unless it has been removed from the above characteristics for not less than 2 years before the date of submission of the application to the Office of the SEC.

6. Not being or being a professional service provider. This includes providing legal advisors or financial advisors. The Company received the service fee of more than Baht 2 million per annum from the Company, its parent company, subsidiaries, associates, major shareholders or the controlling person of the company and not a significant shareholder, Authorized Control or a partner of that professional service provider unless it has been removed from the above characteristics for not less than 2 years before the date of submission of the application to the Office of the SEC.

7. Not being a director appointed to represent the Company's directors. Major Shareholders Or shareholders who are related to major shareholders.

8. Not having the same business and competition with the business of the Company or its subsidiaries or not a partner in the partnership or a director who is involved in the management of employees, employees, consultants who receive a regular salary or holds more than 1% of the total voting shares of other companies. It is a business of the Company and its subsidiaries.

9. There are no other characteristics that make it impossible to express an independent opinion about the



Company's operations.

10. The qualifications of the above independent directors shall be in accordance with the definition specified in the Notification of the Capital Market Supervisory Board

Qualification of Audit Committee

1. Appointed by the Board of Directors or the shareholders meeting of the Company to be the Audit Committee

2. Being independent director

- Not being a director assigned by the Board. Decide on the operation of the Company, its parent company, subsidiaries, affiliated companies, subsidiaries, affiliated companies Major Shareholders Or entities that may have conflicts and

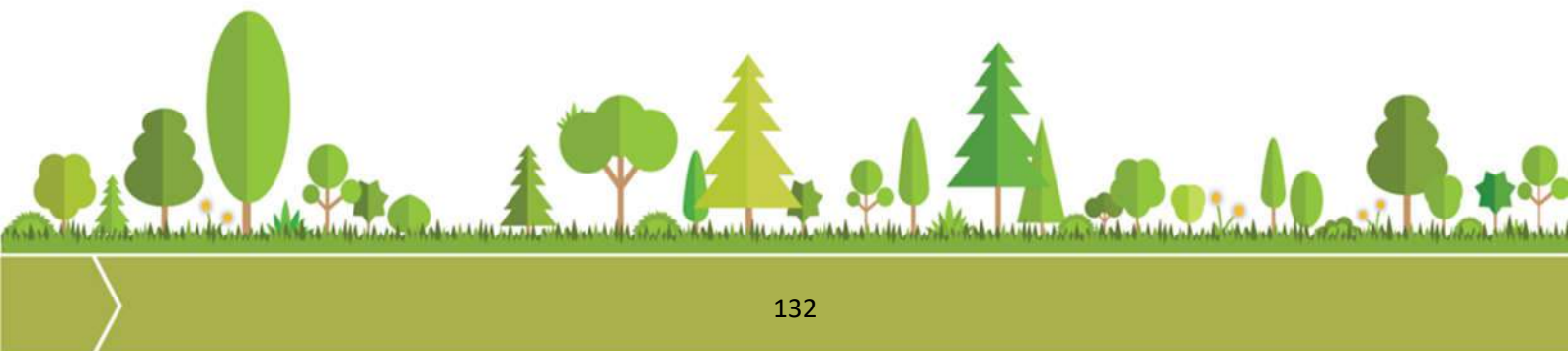
- Not being director of the parent company, subsidiary company or subsidiary company of the same hierarchy.

3. Have the same functions as those specified in the Notification of the Stock Exchange of Thailand The qualifications and scope of work of the Audit Committee.

4. Having sufficient knowledge and experience to be able to serve as an audit committee, at least one member of the Audit Committee who has sufficient accounting and financial knowledge and experience to be able to perform the duties of the Audit Committee. In addition, the Company will consider other qualifications, such as experience in the business. Business-specific expertise And ethics.

The Audit Committee is appointed by the Board of Directors or the shareholders meeting of the Company. Selected by the Board of Directors The qualifications are independent according to the Notification of the Board of Governors of the Stock Exchange of Thailand and the principles of corporate governance. At least one audit committee member must have knowledge of accounting and / or finance to monitor and supervise the operation of the company, supervision of financial reports, internal controls, selection of auditors, and consideration of conflicts of interest. A retired member of the Audit Committee may be re-appointed. If the Audit Committee is vacant for any reason other than the expiration of the term. The Board of Directors shall appoint a qualified person to be a member of the Audit Committee so that the Audit Committee can meet the number of Directors as required by the Board of Directors. A person who is a member of the audit committee will only be able to serve for the remainder of the term

of the committee member who has replaced him or her. When the Audit Committee is less than 3 persons, the Board of Directors or the shareholders' meeting shall be appointed within 3 months from the date the Audit Committee has less than 3 person.



Nomination of the Executive Committee

The Board of Directors will appoint the Executive Committee. The management can deal with issues related to normal business operations. The Executive Committee consists of at least three members of the Executive Committee, who are responsible for overseeing the management of the Company.

Selection of the Nomination and Remuneration Committee

The Board of Directors will appoint the Nomination and Remuneration Committee, Selection of qualified directors to perform the function of nomination and remuneration. The Nomination and Remuneration Committee will select one nomination and remuneration committee member to be the chairman of the Nomination and Remuneration Committee. The Nomination and Remuneration Committee consists of at least 3 members of the Nomination and Remuneration Committee.

Recruitment of the Risk Management Committee

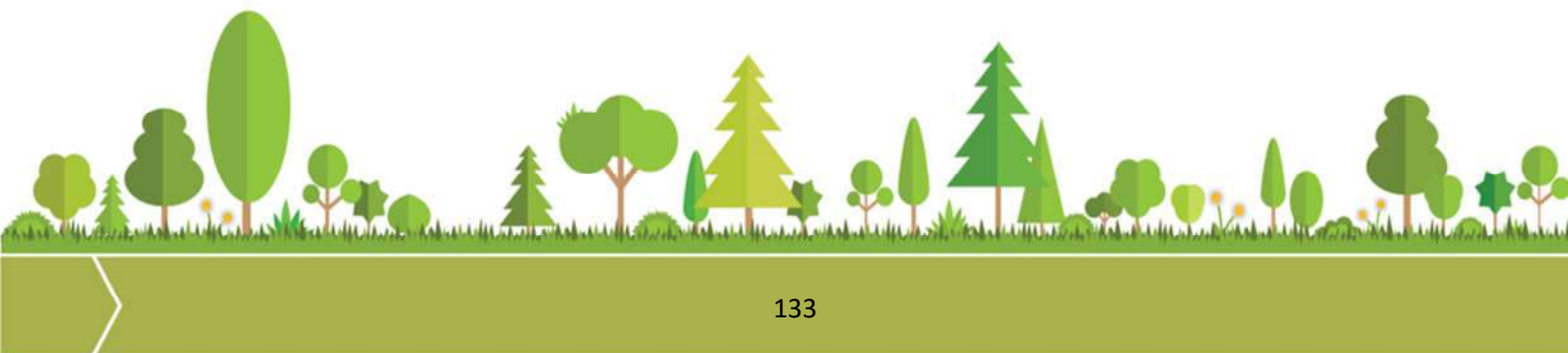
The Board of Directors appoints the Risk Management Committee and Chairman of the Risk Management Committee Selection of Directors And / or management And / or qualified persons with expertise in risk management. The Risk Management Committee consists of at least three Risk Management Committee members.

Nomination of Managing Director

The Board of Directors of the Company and / or its authorized directors will appoint the Managing Director. The Company has a policy to use the knowledge, skills and experience of the Company.

Supervision of operations of subsidiaries and associates

The Company has a policy to invest in businesses related to the Company's core business. The Company considers that it will support its current business operations or maximize its long-term business benefits. In case of investment in a subsidiary The Company will control or set management policies. The accounting system, Internal control and management. Include measures to approve and disclose information on transactions between subsidiaries and persons that may have conflicts. Acquisition and disposition of assets, capital increase and additional investment Like the company. As well as sending representatives into the board and / or executives according to the proportion of shareholding or jointly agreed but for investment in an associated company. The company has limited access to its management. The Company will send representatives to be directors and / or executives according to the proportion of shareholding and appropriate or depending on



mutual agreement. The person who the company submits to be a representative must have appropriate qualifications and experience in managing the business of the subsidiary and associated companies. The Company will closely monitor the operations of its subsidiaries and affiliated companies in order to meet the goals set by the Company. The Board of Directors is responsible for considering the suitability of the persons to be appointed as directors in the subsidiaries and the Company. Together

The use of internal information.

The Company is committed to protecting the use of Company internal information and whether or not to receive a return. The Company has set up guidelines to prevent the use of internal information as follows:

1. Educate the directors and executives of the company regarding the duties of reporting their own securities holdings, spouses and minor children. Married and underage children to the Office of the Securities and Exchange Commission under Section 246 and the Chapter Riot Act under Section 298 of the Securities and Exchange Act BE 2535 (as amended).

2. The directors and executives of the Company Include spouses and minors and disclose the report on securities holdings. To the company on the same day that the report was sent to the Securities and Exchange Commission

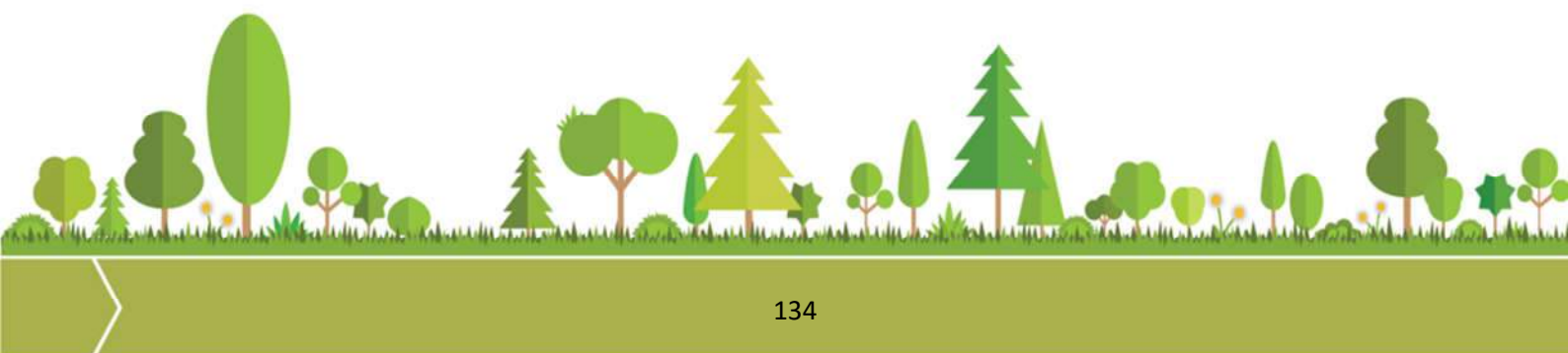
3. The directors, executives, employees and employees of the Company and its subsidiaries who are aware of significant internal information which may affect or affect the change of the Company's securities shall have to suspend the trading of the Company's securities within the last 30 days. The financial statements or internal information will be disclosed to the public. And within 24 hours after the information has been disclosed to the public. And those related to such information must not disclose such information to others until such information is disclosed to the SET. The Company shall be deemed to be a disciplinary offense under the Company's Articles of Association. The punishment will be judged according to the case from verbal warnings. The warnings are a letter of probation, as well as termination of employment.

Remuneration of auditors

The company hired Dr. Virat and Associates Office Company Limited to be the company's auditor which has been approved by the annual general meeting of shareholders for the year 2019 as an independent auditor trustworthy and has no relationship and / or interest in the Company, subsidiaries, directors, executives, major shareholders or related persons which has the list of auditors as follows

Dr. Virach Aphimeteetamrong CPA No. 1378

Mr. Chaiyakorn Aunpitipongsa CPA No. 3196



Mr. Apiruk Ati-anuwat

CPA No. 5202

Dr. Preecha Suan

CPA No. 6718

In 2019 the Company and its subsidiaries the audit fee is as follows:

Name of company paying the audit fees	Audit fee
Asia Biomass PCL	1,655,000 Baht
Sataporn Thanapat Co.,Ltd	244,000 Baht
Paprapat Co.,Ltd	290,000 Baht
ABM Pellet Co., Ltd	54,000 Baht

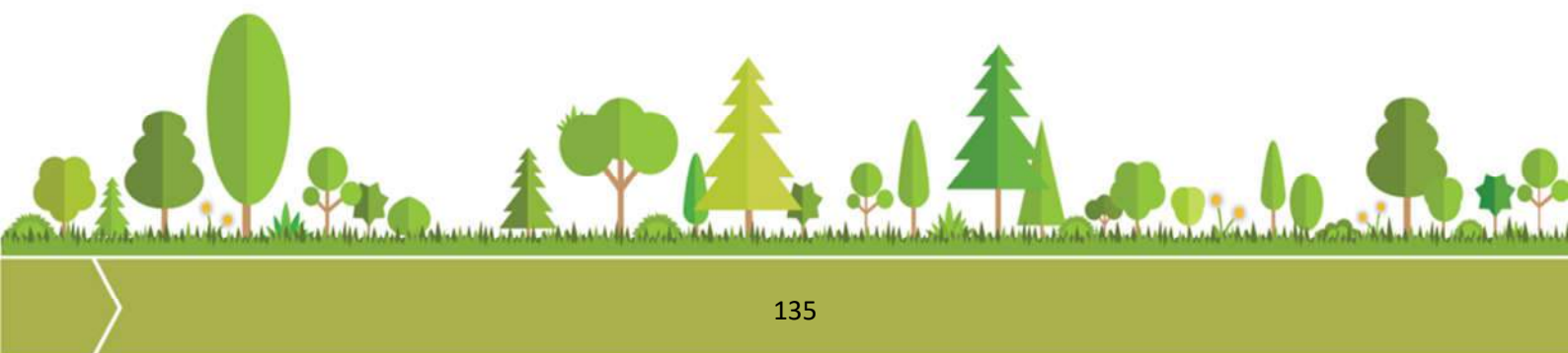
Note : In Annual General Meeting 2019. The company has approved the remuneration of the company's auditor for the year 2019 in the amount not exceeding 1,655,000 baht

Non-Audit Fee

Company	Audit fee
Asia Biomass PCL	69,295 Baht
Sataporn Thanapat Co.,Ltd	414 Baht
Paprapat Co.,Ltd	2,255 Baht
ABM Pellet Co., Ltd	- Baht

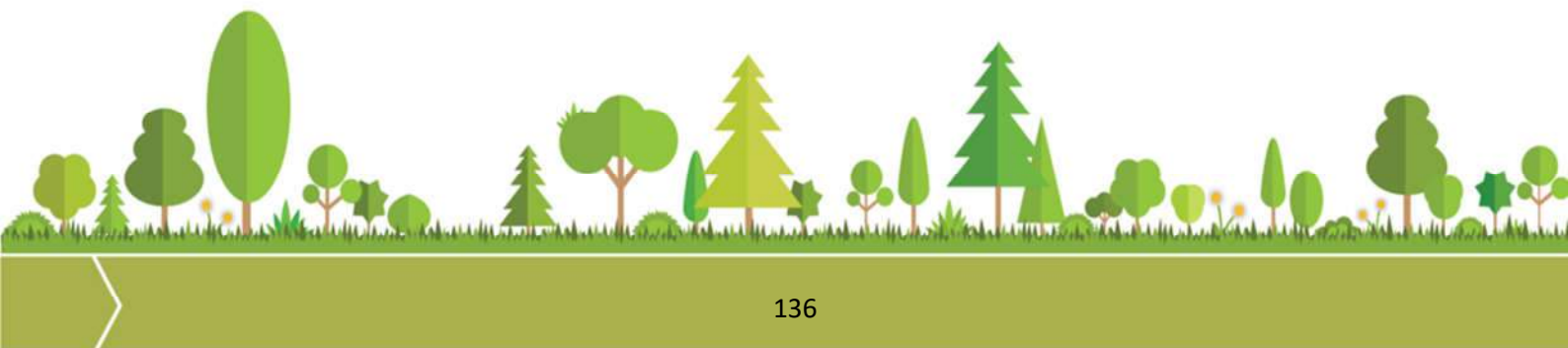
Evaluation of Corporate Governance Compliance

Board of Directors commits to follow the good corporate governance to ensure the transparent and efficient management and responsibility for all stakeholders. The company participated the Corporate Governance Report of Thai listed companies in the past year. The company developed the Corporate Governance score form Good in 2018 to Very good in 2019



The company disclose the Corporate Governance which unaccomplished as follow:

Group	Issues		Reasons
The Role of Stakeholders	C01	Does the company have a separate corporate responsibility report/section or a sustainability report/section?	The company does not have a separate corporate responsibility base on GRI.
Board Responsibilities	E21	Does the board of directors have an internal audit (I/A) operation established as a separate unit in the company?	The company does not have an internal audit department within the company but the company hired an external department which department is directly with the audit committee.
	E42	Does the company require a minimum quorum of at least 2/3 for board decisions?	Currently, the meeting of the board of directors requires that must be at least 1/2 of directors in accordance with the principles of the Department of Business Development.
	E46	Are there any meeting of non-executive directors in the absence of the management?	In the previous year, the company are not have meeting of non-executive directors because no cause of meeting.
	E69	Is the Chairman of the board an independent director?	The Chairman of board is not an independent director but the Chairman does not have any relationship with the major shareholders group including executive committee.



Corporate Social Responsibilities

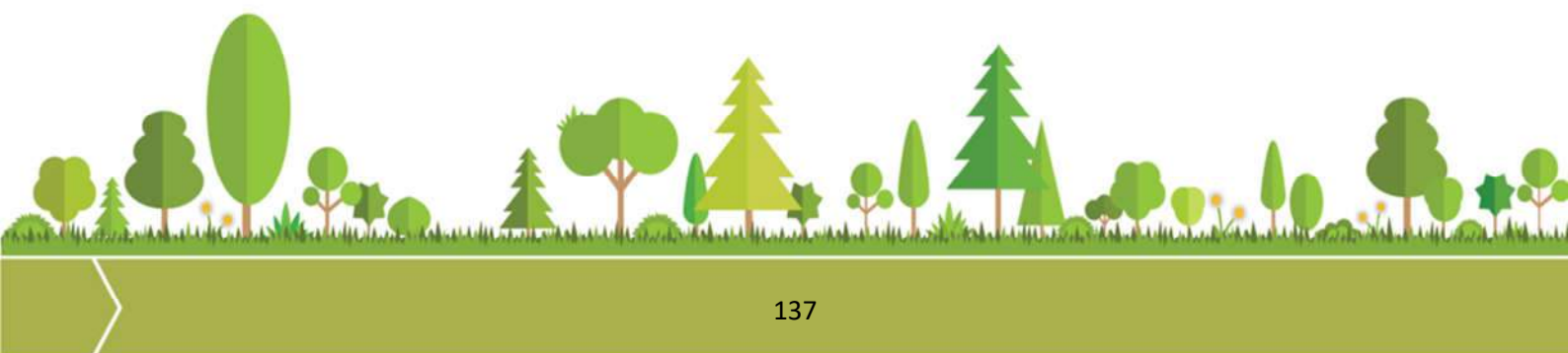
The company recognizes the importance of running a sustainable business under the corporate social responsibilities, focusing on caring for the stakeholders, economy, society and environment with moral and ethics. The company hopes to conduct its business under the corporate social responsibilities to be beneficial to public and at the same time create the company's growth.

Operations

The company's corporate social responsibilities have been managed in a concrete way. The company has set up a CSR Working Group. The roles and responsibilities are as follows.

- (1) Declare company's corporate social responsibility policy in line with company policy.
- (2) Communicate to all levels of employees, contractors, and all stakeholders to be aware of corporate social responsibilities.
- (3) Formulate appropriate plans in line with the business strategy plan and achieve the corporate social responsibility indicators set in a consistent and supportive way.
- (4) Budget, evaluate the performance and report on the performance of the social responsibilities of the departments and review the plans and budgets regularly.
- (5) Issue the rules, orders and announcements of corporate social responsibilities.
- (6) Visit the agency to identify problems, make suggestions and correct them to meet the corporate social responsibility standards.
- (7) Encourage exchange of knowledge, success and social responsibilities between internal and external agencies.
- (8) Appointment, change the person responsible and the corporate social responsibilities committee at the agency level.
- (9) Arrange working group meeting and corporate social responsibility report at least once a month.

Corporate social responsibilities can be divided into two parts: the operation or social and environmental activities in a normal business operation and social and environmental activities which are not under normal business operations. The company has set up a corporate social responsibility policy in 8 categories, which are in line with the corporate social responsibility guidelines set by the Stock Exchange of Thailand.



CSR in Process

Businesses with Fairness

The company is committed to operating its business with honesty, fairness, ethics, and determination to compete commercially in accordance with the Code of Conduct on Trade, Law and Competition. Equally, it also denies any behavior that obstructs fair competition, such as the pursuit of confidential information by competitors, the receipt and non-commercialization of merchandise in the purchase of goods. The company also respects the intellectual property rights of others. The company has a policy to allow personnel to comply with laws and regulations on intellectual property rights, such as the use of copyrighted computer programs. The company also has a campaign to encourage and empower the personnel of the company at all levels to have a responsibility to society.

Respect for Human Rights

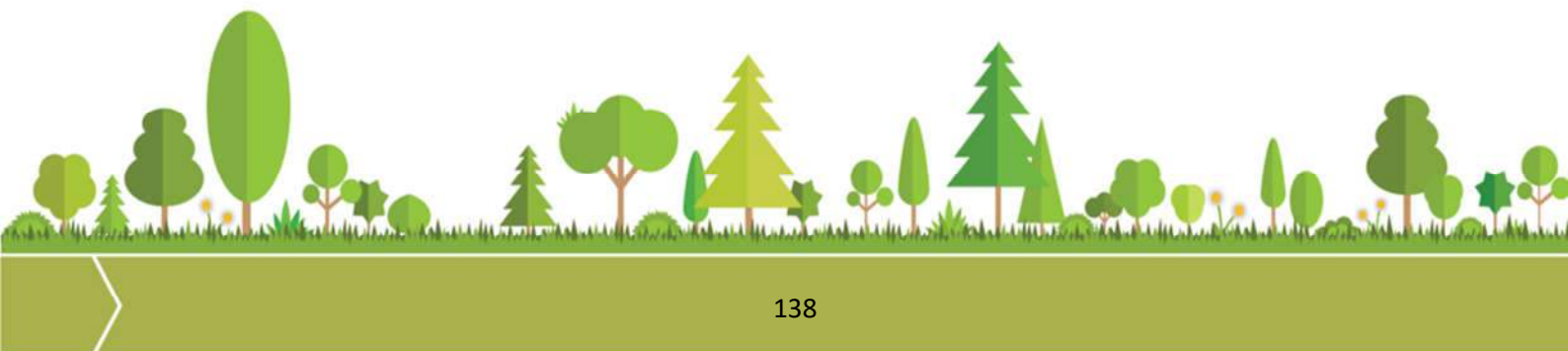
The company supports and respects the protection of human rights by dealing with those involved, whether employees, communities and society around with respect to the value of humanity. Consider equality and equal freedom. Do not violate basic rights and do not discriminate on the basis of race, nationality, religion, language, skin color, sex, age, physical condition or social status. In addition, care should be taken to ensure that the company's business is not involved in human rights abuses such as child labor, sex harassment etc. In addition, the company promotes the monitoring of compliance with human rights requirements. Organize the participation in the forum and the channels of complaints for those who have been damaged by the infringement caused by the business of the company and take appropriate remedies.

In order to respect human rights effectively, the company has built up human rights awareness and awareness of its human rights practices.

Fair Labor Practices

The company recognizes the importance of human resource development and fair labor practices. This will help to increase the value of the business and enhance the company's competitiveness and sustainable growth in the future. The company has set policies and guidelines as follows:

1. Respect the rights of employees based on human rights principles and comply with labor laws.
2. Provide employment process, the fairness of terms of employment, including compensation and considering the merit of the work under the fair evaluation process.
3. Promote human resources development, training, seminars related to the development of knowledge, capability of personnel including good attitude, ethics and teamwork.



4. Provide welfare for employees as required by law, such as social security, etc., and other legal requirements, such as provident fund and accident insurance, as well as providing various types of assistance to employees, such as money for funeral.

5. Provide annual health check-ups to all levels of the company. The risk factors are based on the age, gender, and working environment of the individual.

6. Keep employees safe and good workplace. Accident prevention measures must be provided and strengthen for staff security awareness. Provide training and encourage employees to have good hygiene and to keep the workplace hygienic for their safety.

7. Allow employees to express their opinions or complaints about unfair practices or wrong actions in the company and protect employees who report such matters.

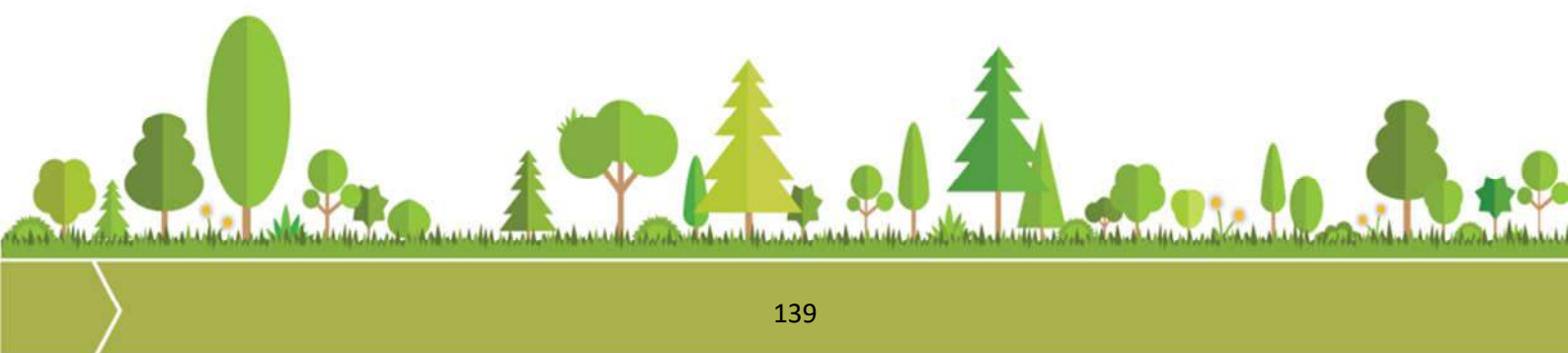
Customer Responsibility

The company is committed to developing products and services of the company and its affiliates for the utmost satisfaction and benefit of its customers and adhering to its customers' responsibilities with honesty and customers' care as if they are under same family as follows:

1. The company is committed to providing quality products and services, quality inspection for accurate and timely delivery to comply with the terms and conditions to be transparent and equal to customers with the attention to the customers' needs in various ways for customers in each industry.
2. The company adheres to fair market. The policy is to provide customers with information about the company's products and services that are accurate, not distort, obscure or over-advertised. Provide customers with accurate and sufficient information to make decisions.
3. Provide a process whereby customers can report the problem of the use of goods or the inappropriate service through email or website so that the company will prevent and solve problems for customers quickly and appropriately and take that information to continuously improve the goods and services.
4. Company will maintain confidentiality of customer information. It will not use such information in the wrong way.
5. The company provides various activities to strengthen the relationship among customers and between customers and the company for sustainable relationship.

Environmental Care

The company attaches great importance to its social responsibility for environmental protection. The company operates and controls its business operations without affecting the society and surrounding communities.



Pay attention to environmental policy, society and community and encourage all employees to use resources economically by campaigning on energy saving, the use of consumable materials such as the use of recycled paper (Re-used), switching off air conditioner during rest and strictly follow the laws related to environmental protection.

The company also operates under the Forest Stewardship Council (FSC) concept. Sustainable forest management systems are applied to the company's products, such as woodchips, biomass pellet and so on. As a distributor, the company has complied with FSC's requirements from the selection of FSC certified wood sources and the company's business practices to focus on environmental sustainability.

FSC has several types, such as FSCFM (Forest Management Certification), which refers to sustainable forest management standards as defined by the FSC. 10 of the certified wooded area must be reserved in order to protect ecosystems and restore biodiversity to keep the environment sustainable.

FSC CoC (Chain of Custody) complies with the requirements of the organization to identify the wood products that are produced or sold from certified wood starting from the raw material sourcing process, receiving and storing raw materials, quantity control as well as sales and delivery must be clearly sort out clear at all stages to ensure there is no mixing of unapproved materials until the end of process.

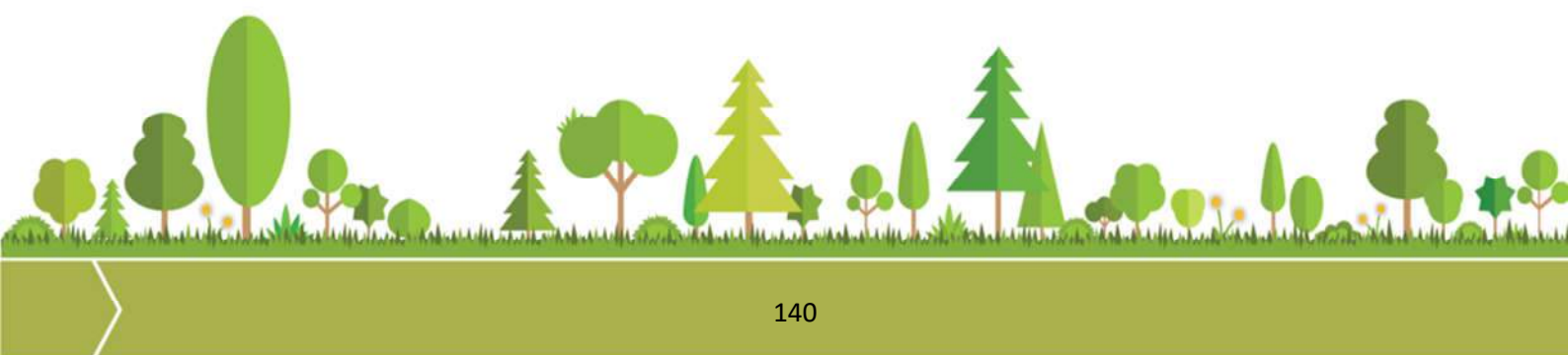
Applicants must adhere to the FSC rules and criteria to confirm that the plantation does not come from deforestation. It must comply with the FSC's 3-balance policy: economy, community, society and environment.

"It is based on the principle of legality of the country where the forest is located regarding the right to use the land on the forest, the right of indigenous peoples living in the forest and utilization of forest in most effective cost, environmental impact and biodiversity treatment, establishment of a proper forest management plan including the forest management system and the replacement forest plan must be operated".

The company is committed to being socially and environmentally responsible in every aspect and recognizing the potential problems of its business operations for present or future to take environmental protection measures to be put in place. The environmental protection measures within the company are as follows:

Warehouse

1. There is a closed warehouse system for wood shaving, sawdust and wood pellets.
2. Provide a canvas cover for biomass.
3. Provide water spray at the warehouse entrance.
4. Planting trees around the warehouse.
5. Provide a dust-proof protection.
6. Provide a water vehicle to spray the yard floor to reduce the spread of dust.



7. Provide a vacuum cleaner car at the warehouse.
8. Have employees regularly sweep the yard.
9. Keep water around the factory by using EM Ball to adjust the water every 2 months.
10. Air, noise and water are measured once a year.



Shipping Advice at Ports

1. Cargo ship docked without a canvas opening before permission.
2. Provide a canvas stretch between the berth and the cargo vessel.
3. Control the amount of luggage of the backhoe.
4. The cargo truck must cover the canvas.
5. Control of the load to the edge of the truck.
6. Port area cleaners
7. Provide a mobile Check the goods during loading and unloading.



The process of transporting goods before bringing trucks to public roads

1. Vehicle Inspection from QC department to check availability of the car and the readiness of the driver before taking the truck to the warehouse.
2. Take a truck to weigh the empty car.
3. Take the truck through the QC system to check the receipt document.
4. Take the truck into the building, the closed system or the cargo yard.
5. Weighing products to control weight not to exceed the legal limit.
6. Properly cover the truck with canvas for anti-fall to comply with the law.
7. Take the truck to weighing scale to check weight before delivery. Receive shipping documents from the staff at the weighing machine.
8. After documents have been received, the security guard inspects the trucks and truck drivers at last stage before going to public road.

Community or Social Development

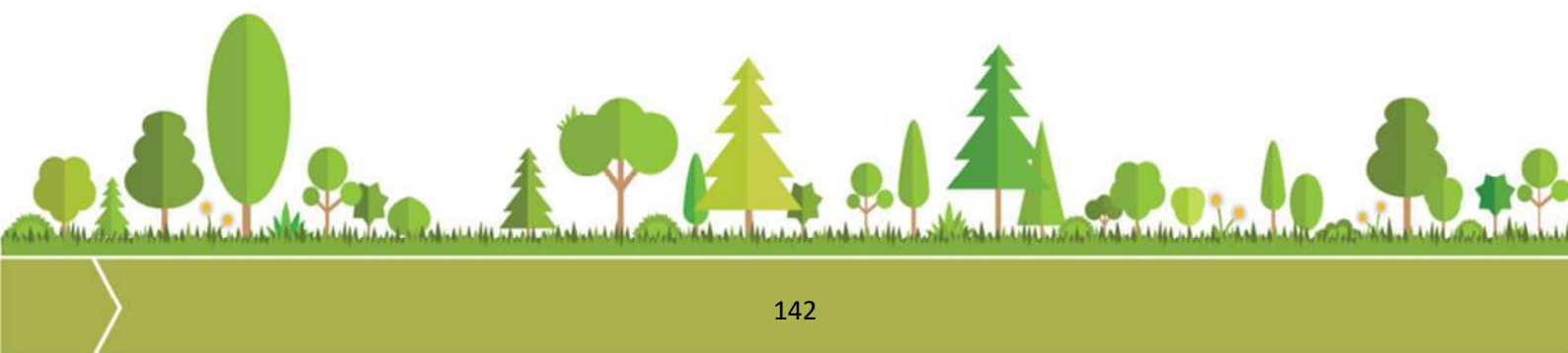
The company is aware of the community and social responsibility. The company has a policy to support and develop the society with the policy that the company has supported the public sector in surrounding and nearby areas, such as the water and firefighting of the company to help sprinkler the water to prevent dust caused by the road to support the activities of government agencies. Support the activities for children and the elderly such as donating computers for schools including activities regarding religions. Moreover, the company provides recruitment to the locals for their job opportunities. It will give priority to those who are domiciled in the area to create jobs for the local community and support those who live in nearby areas to bring income and prosperity to the community including responding to events that affect the community, society and the environment as a result of the company's operations. The company also encourages its employees to have a sense of responsibility and environmental and social responsibility.

Innovation and Dissemination of Innovation from a Society Responsibility Operation and Stakeholders

The company has promoted the participation of stakeholders to develop innovations that balance the values and values of the community, society and the environment, along with sustainable business growth.

CSR after process

The company provide the continuous support for social and environmental benefits as follow



In 2019, The company donated school supplies and sport equipment on the “National Children’s Day” to Ban Bang Nam Chud School, Samutsakorn and Ban San Tisuk school, Suratthani.

Ban San Tisuk School, Suratthani.



Ban Bang Nam Chuet School, Samutsakorn



The Child Development Center at Bang Pakong, Chachoengsao



Asia Biomass Public Company Limited donated water at the annual Kad Krak Temple event.



Asia Biomass Public Company Limited joined “Donate blood save life” project

At G Floor, Maleenont Building 2 (News Building) Channel 3





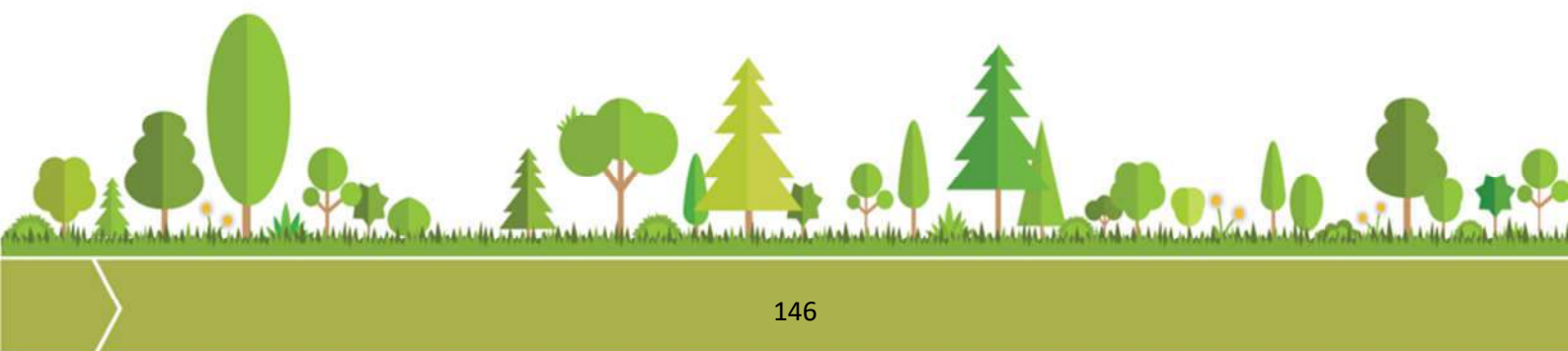
Asia Biomass Public Company Limited spray the water to reduce PM2.5 dust in Bang Nam Chuet, Samut Sakhon



Asia Biomass Public Company Limited joined "Recyclable waste Charity" activity on the day of environmental rehabilitation in Samut Sakhon at Bang Takoy Temple



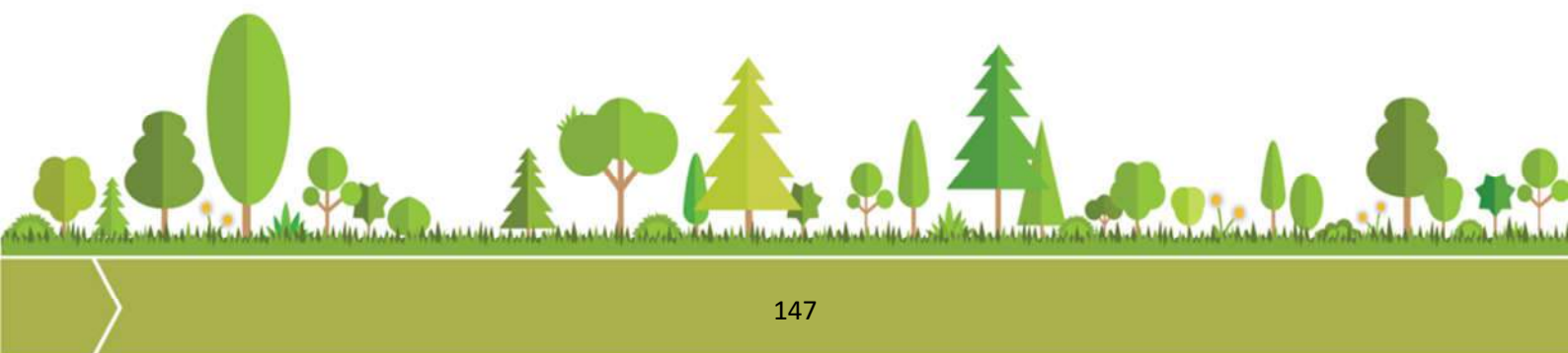
Asia Biomass Public Company Limited donated Blood in "Fill up each other's mind. The more you give, the more you get" event at the National Blood Centre, Thai Red Cross Society.



Asia Biomass Public Company Limited donate to the Thai Red Cross Society by running the Virtual Run in the "Heart Defibrillation Run" project



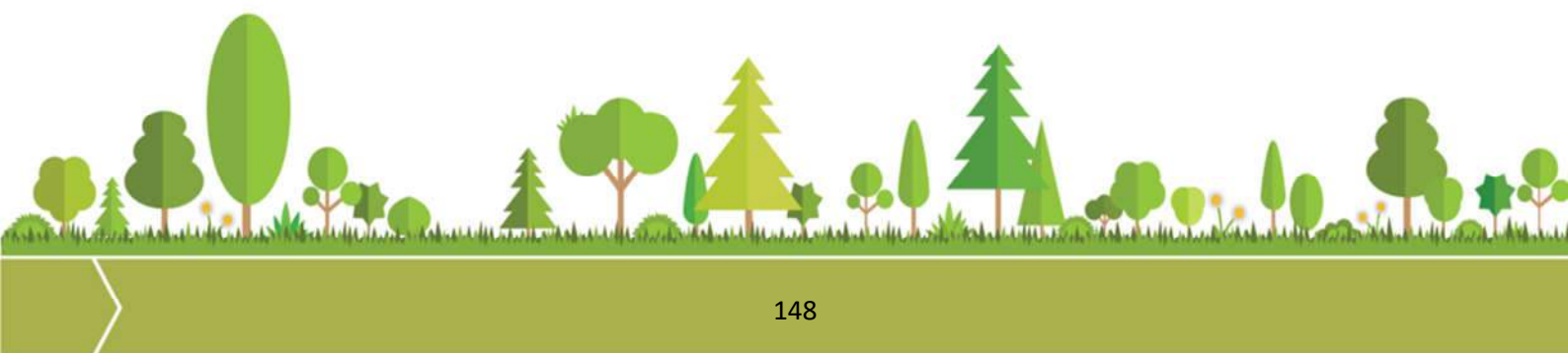
Asia Biomass Public Company Limited in collaboration with Samut Sakhon Fisheries Association Held the destiny of the upper Gulf of Thailand Samut Sakhon which is a continuous tradition for the 8th.



Asia Biomass Public Company Limited organized the rain cloth and candle
at Wat Yai Chom Prasat, Samut Sakhon.



Asia Biomass Public Company Limited organized the rain cloth and candle
at Wat Yai Chom Prasat, Samut Sakhon at Wat Nati Khom Khet, Surat Thani





Asia Biomass Public Company Limited joined with the Sub-district Administration Organization
on Big Cleaning Day in Mother's Day



Asia Biomass Public Company Limited donated 5 fire extinguishers to Ban Santisuk School



Asia Biomass Public Company Limited donated drinking water to help flood victims of Ubon

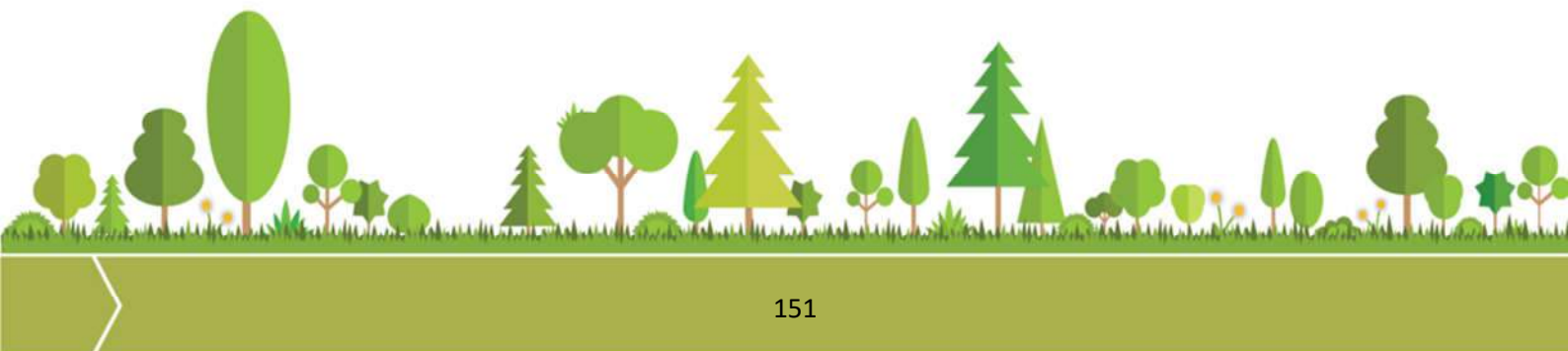


Asia Biomass Public Company Limited participated in the merit making of Kathin ceremony at Wat Chan, Bang Phra Kru Subdistrict, Nakhon Luang District, Phra Nakhon Si Ayutthaya



Overview of CSR Activities

For an overview of CSR activities, the company has been cooperating with all employees and stakeholders for project's implementation. There is exchange of ideas with the people involved to improve and enhance for business growth and sustainably take responsibility for the society forever.



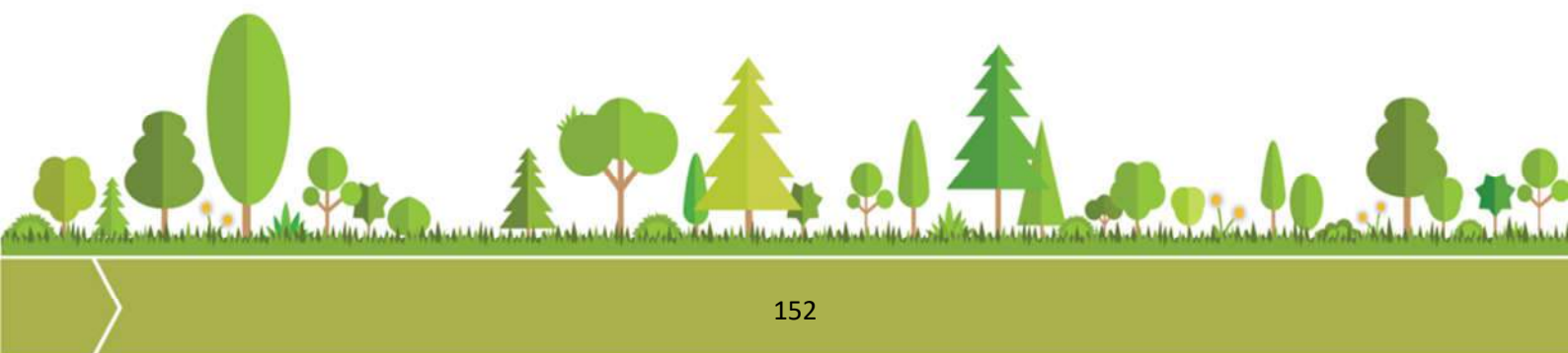
Anti-Corruption Policy

Asia Biomass Public Company Limited has managed its business on a transparent, ethical basis, adhering to the principles of corporate governance and comply with the law relating to prevention and anti-corruption: giving or accepting bribes to government officials or the private sector

In which the company has established an organizational structure to divide responsibilities work process and the chain of command in each department to be clear In order to have a balance of power and have the tightness in checking between each other appropriately

Duties and Responsibility

1. The Board of Directors is responsible for consideration, and approval of policies, Support fraud prevention and supervise so that everyone in the company understands and recognizes the importance of problems arising from corruption., If the Audit Committee has reported fraudulent practices that affecting the Company, the Board of Directors is responsible for providing advice, recommendations for penalties, and jointly finding solutions for the Managing Director.
2. The Audit Committee has the duties and responsibilities as follows:
 - 2.1 Consider the anti-corruption policy received from the managing director to be suitable for the business model, company environment, corporate culture and present to the Board of Directors for approval.
 - 2.2 Consider and review the appropriateness of the change in the anti-corruption policy provided by the managing director, company secretary and present to the Board of Directors for approval.
 - 2.3 Review the audit report of internal control system and assess of fraudulent risks as proposed by the Risk Management Committee to minimize the system risk for opportunities of fraud that effect on the company's financial position and results of operations to suited with the company's business model.
 - 2.4 Receive reports of fraudulent actions involving people in the organization and investigate the facts as received and present the matters to the Board of Directors to jointly consider the punishment or corrections on such problems.
3. Risk Management Committee has duties and responsibilities as follows:
 - 3.1 Perform duties in accordance with the specified risk management plan and report to the Board of Directors for checking and acknowledgement.



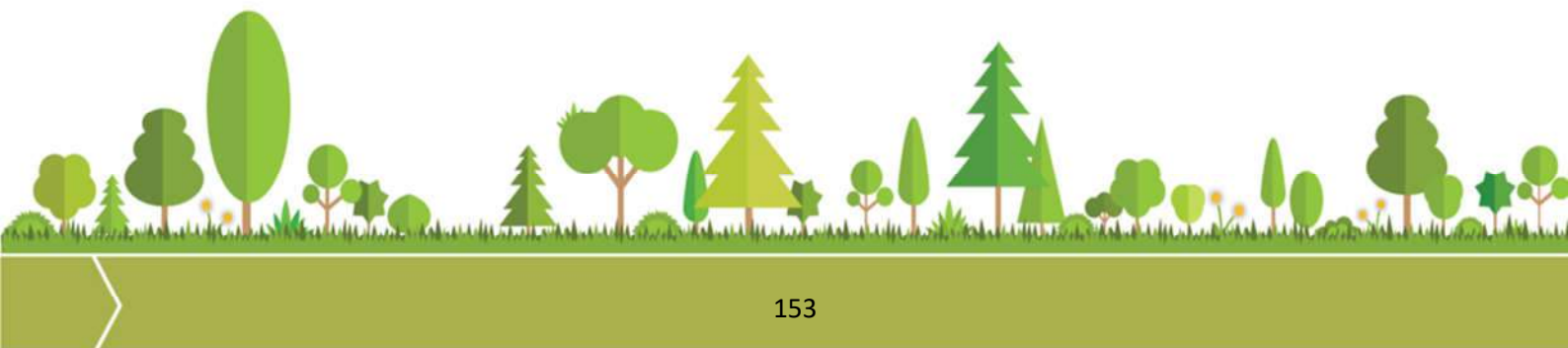
- 3.2 Perform the work as assigned by the Audit Committee concerning the investigation of Corruption related to the organization besides to the risk management plan set.
- 4. Managing Director has duties and responsibilities as follows:
 - 4.1 Formulate fraud prevention policies and propose to the Audit Committee.
 - 4.2 Communicate with personnel in the organization and related persons about the anti-corruption policy.
 - 4.3 Review the appropriateness of the anti-corruption policy to meet with the change of business or legal requirements and submit to the audit committee
 - 4.4 Assist the Audit Committee to investigate the facts as notified or assigned from the Audit Committee on investigation of corruption by assigning works to the executives that could help with the investigation.

Policies and General Practices

Director, executives and employees of the company must strictly comply with the anti-corruption policy and business ethics whether he or she directly or indirectly involved in a corruption.

Practices guideline of directors, executives and employees of the company and its subsidiaries as follows:

- 1. Prohibit the committee, executives and employees of the company operate or accept bribes in all forms both directly or indirectly, included all relevant departments and regularly review the compliance of this anti-corruption policy.
- 2. Directors, executives and employees of the company has the duty of reporting to the company of the actions that are considered fraudulent related to the company by notifying the supervisor Or the person in charge and cooperate in the fact finding investigation.
- 3. The company will be fairness and provide protection to the complainants who report corruption, including those who cooperate in a report and in the process of investigating corruption.
- 4. The Board of Directors and executives must act as a role model in the fight against corruption and he or she is responsible for promoting and supporting resources in accordance with the anti-corruption policy and communicate to employees and all related parties to ensure compliance. It includes reviewing the



appropriateness of policies and measures to meet with changes in business conditions, regulations, and legal requirements.

5. Those who commit corruption are subject to disciplinary action in accordance with the regulations described by the company, and may be punishable under the law if it is a criminal act.
6. The company will provide training and knowledge to directors, executives and employees of the company to have an understanding in the compliance of anti-corruption policy, and promote morality, honesty, responsibility and commitments.
7. The company encourages contractors, trade partners, or other parties to perform duties related to the company to report violations of the company's anti-corruption policy.
8. The company has a policy for recruiting or selecting personnel, promotion, training, performance appraisal and the set remuneration for employees and staffs of the company fairly and satisfactorily to prevent corruption within the company. This is a guarantee for staffs and employees of the company.
9. The company will be transparent in running its business, contacting, negotiation, bidding and other operations with government or private organizations. In addition, the company's directors, executives, staff and employees must not give or receive bribes at all stages of the business operation.

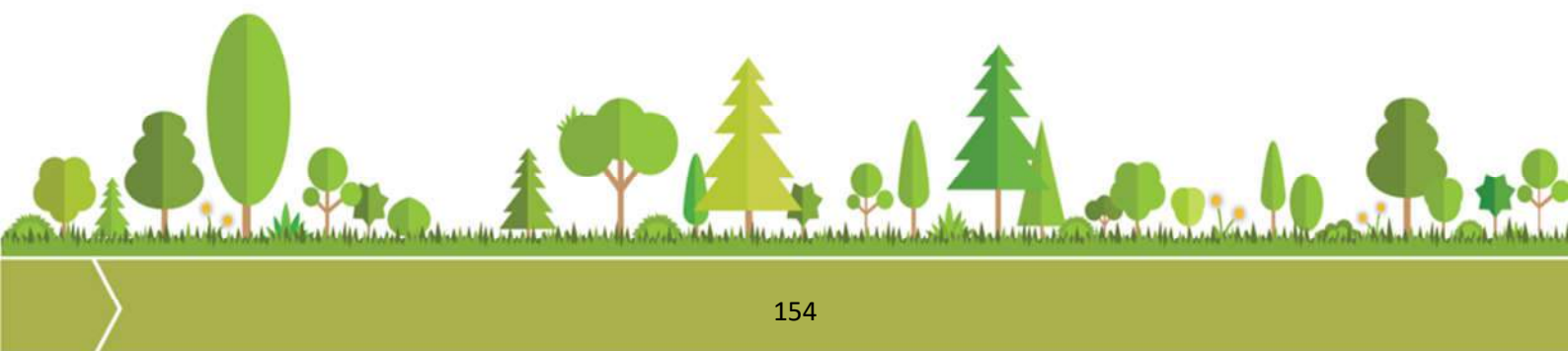
Policies and Guidelines for Political Supports

The company will not support the activities of any political party, and it will remain neutral and not support any political party or group. It will not help any particular political candidate, either directly or indirectly.

The company considers that employees have the rights and duties in the democratic system to freely participate in or support various political activities outside the business hours and he or she shall not use the company's property for such supports.

Policies and Guidelines for Charitable Donations

The company will exercise caution in donating money or things or other benefits to any other parties or juristic person established that is founded without any hidden objectives and such a donation will be for the public, social, environmental benefits such as charities, foundations or non-profit funds. If the donations do not create benefits for the overall economy or society, it is considered a fraud.



The company has a review process. And approval from the management Including tracking To ensure that charitable donations are not used as an excuse for corruption

Policies and Guidelines on Funding

The company has set up an audit process and approval of executives and monitor to ensure that the donation is not a justification for corruption. There is a process for approval and use of funds to meet with the internal control process.

The company is careful to donate money or things or other benefits. To any other person or juristic person established With no hidden objectives and is a donation for the public, society, environment for charities Foundation or fund Non-profit If donations do not create benefits for the economy or society, it is considered fraud.

Policies and Guidelines on Financials Supports

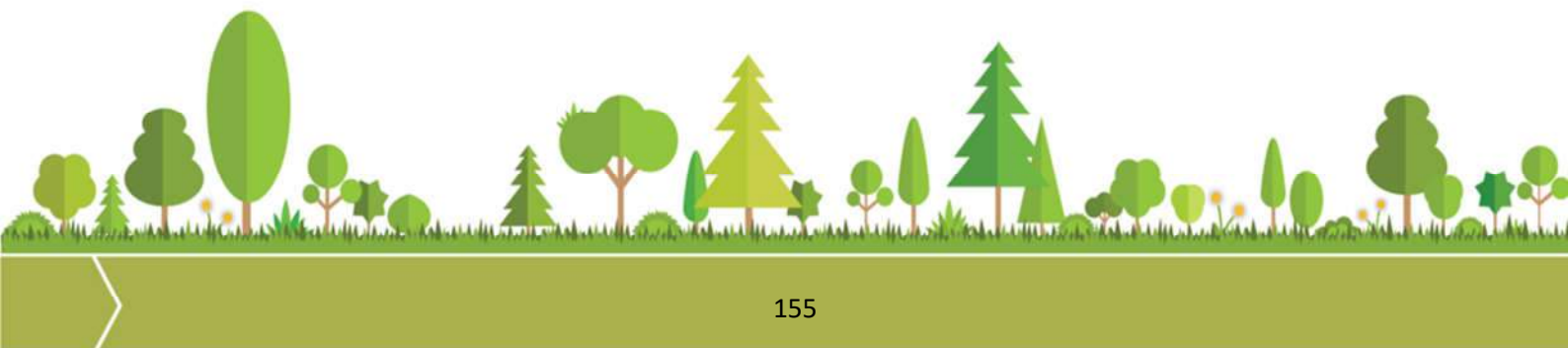
Company funding has an objectives of running a business or create a company reputation that is beneficial in creating trade credibility, help to strengthen business relationship. It should be in accordance with company policy, with transparency and correct. The funding must have documentation for recording in accounting entry, and specify the relevant person, with clear business objectives. It also describes the details of that activity and specifies the payment amount including pictures of the mentioned activities.

The company has set up an audit process to ensure that funding is not used as an excuse for corruption. There is a process for approval and use of funds to meet with the internal control process.

Policies and Guidelines on Gift Values, Hospitality and Other Expenses

Directors, executives, and employees can give and accept gifts under the following conditions:

1. Giving or accepting gifts and the reception must be transparent. It shall not be an act that intended to dominate, influence or reward any parties to obtain any advantages through improper actions or explicit or hidden exchange for assistance or benefits.
2. It is not an illegal act.
3. It is in the name of the company and is not on behalf of the employee.



4. The gift is not in the form of cash or cash equivalents (such as gift certificate or gift voucher).
5. It is suited with the situations such as small gifts for the New Year, Chinese New Year, and Songkran Festival etc.
6. The type and value are appropriate and it is given according to the places and occasion.
7. It is given and accepted openly and not in secret.

If it cannot be refused, he or she must notify the supervisor and send the said gift to the company secretary to be used as a reward to employees or to donate to charity as appropriated. Also, a notification must be given to the audit committee at least once a year.

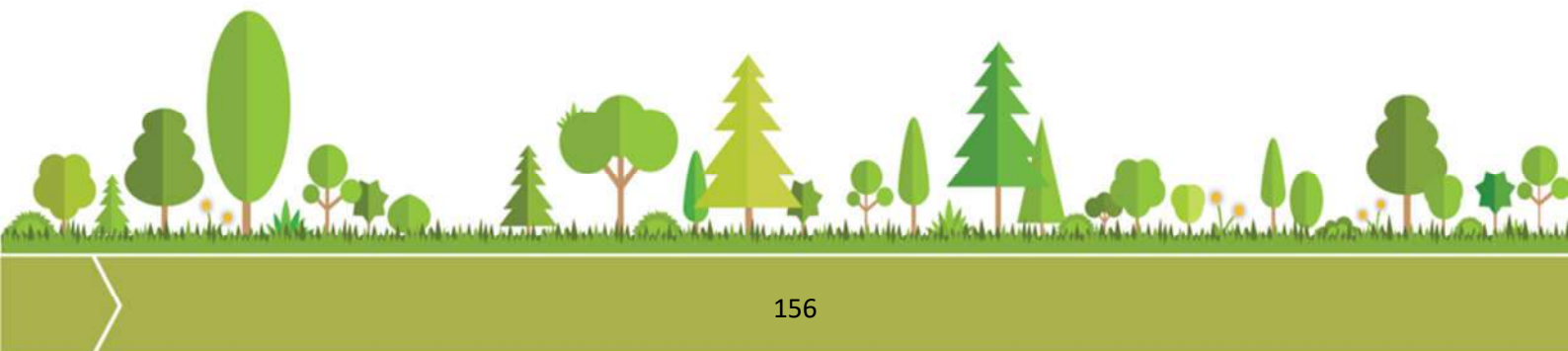
Risk Assessment to Develop Measures Against Corruption

The company requires the management to regularly assess the risk of giving or accepting bribes and corruption that may occur (at least once a year) and review of existing risk management measures. Moreover, the company has a risk management committee responsible for monitoring and investigating risks occurs consistently within the company.

Auditing Process, Internal control and Data Recording

Internal audit and control of the company is a joint operation process of the directors, executives, and employees to gain confidence in the process or operational process as specified. It will help the organization achieve its objectives and is a tool to prevent fraud in the operation process of every department. The details are as follows:

1. All departments have designed internal controls and create written work procedures or work processes for the management in each department to review and the Board of Directors for approval. It will describe duties and responsibilities clearly. Moreover, Including the said documents will be kept in a manner that employees can access.
2. Each department will review the operational procedures or work process. When changes have a significant impact on operations to meet with good control practices. The company also monitors the operations of all departments to comply with rules and regulations and identify faults including giving recommendations for the development of an efficient operational



system for efficiency and effectiveness in accordance with good corporate governance policy.

3. The Audit Committee is responsible for overseeing the process of the preparation of financial reports, accounts, record keeping. The internal audit department is responsible for monitoring the compliance with the internal control system, including a review of compliance with the anti-corruption policy process. When the inspection found any flaws a report will be submitted to Corporate Governance Committee and the audit committee. The management is responsible for the improvement and ongoing development.
4. The Audit committee is responsible for overseeing the preparation of financial reports, internal control system, and internal audit, compliance with the regulations, related laws and policies pertaining to anti-corruption.

Monitor and review

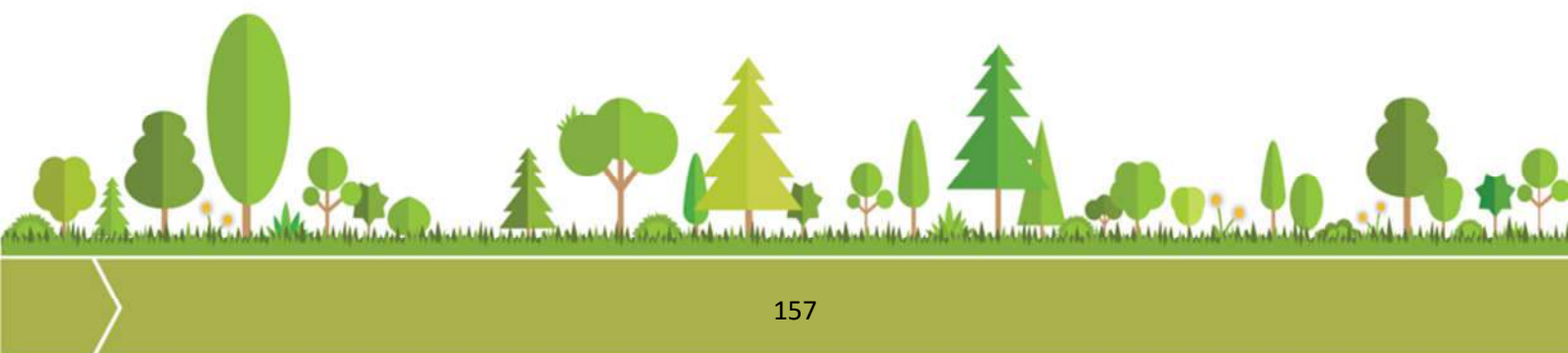
The company requires directors, executives and employees to understand, comply with the policy and practices described in the anti-corruption policy strictly. All levels of in the company executives are responsible for monitor the operation and it is considered an important mission to ensure that employees under the chain of command are aware, understand and strictly comply with the anti-corruption policy.

Moreover, the Board of Directors set that all involved parties based on duty and responsibilities structure must monitor and review their own operations. If in questions about the operation related to corruption, he or she must report such information to the channels or report the complaints of corruption immediately.

The company has monitored and reviewed the policy and guidelines regularly to ensure that the said policy meet with the good corporate governance policy including various regulations, rules and related laws.

Channels for Receiving Reports of Complaints or Corruption

The Board of Directors has assigned the Audit Committee to consider accepting reports of information, complaints and advised about suspicious acts of corruption that occurred in the company directly or indirectly immediately through the complaints channels as specified in this policy. The complainant must give the information to report or the complaint together with the name, address and telephone and sent to the following channels:



- | | |
|---|------------------------------------|
| 1. Chairman of the Audit Committee | Email : ac@asiabiomass.com |
| 2. Managing Director | Email : tiyada@asiabiomass.com |
| 3. Deputy Managing Director | Email : pongtham@asiabiomass.com |
| 4. Company Secretary | Email : secretary@asiabiomass.com |
| 5. Human Resources and Administration Manager | Email : hr_manager@asiabiomass.com |
| Tel. 02-415-0054 ext. 2619 | |
| 6. Notify via suggestion box | |

If the informants or the complainants have a complaint against Company director, senior executives or company secretary, he or she sends the complaint to the Chairman of the Audit Committee. (Independent Director).

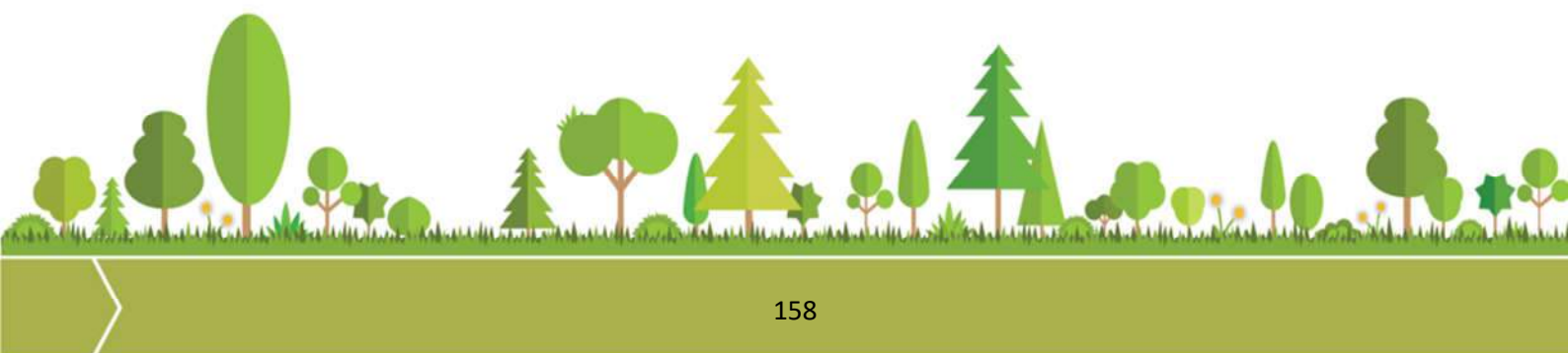
The persons who can report information or complaints about corruption are all stakeholders of the company, including shareholders, customers, competitors, creditors, government, community, society, executives and employees of the company. The company will keep the complaint information confidential.

Measures on Confidentiality

To protect the rights of the complainants and informants, the company will conceal names, addresses, or any information that can identify the complainants or informants and keep the information of the complainants and informants confidential. This information will be restricted to those who are responsible for conducting investigations of complaints, and they can access such information.

The recipient of information obtained from the performance of the duties related to the complaint, he or she is responsible for keeping the information of the complaint and the evidentiary documents of the complainant and the informant confidential. Do not disclose information to uninvolved parties, except as required by law.

However, the company will not demote, punish or give negative outcome to those who reject the corruption, even if such action causes the company to lose business opportunities and communicate these measures to relevant parties.



Investigative Procedure and Punishment

The investigative procedures and punishment will be effective to the management and employees.

The company's investigation procedures as follows:

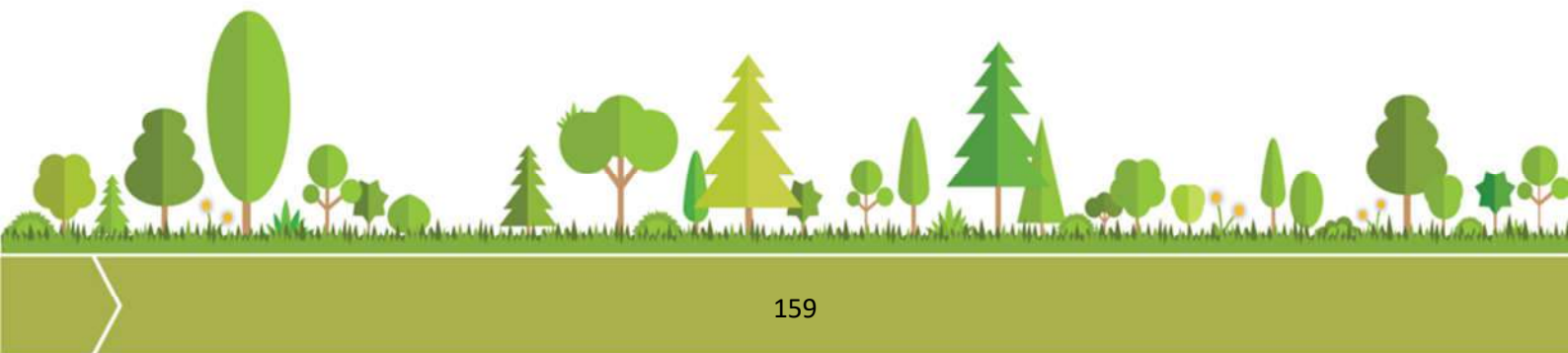
1. when receiving a report, the Managing Director, Company Secretary and the Audit Committee will screen and investigate the facts.
2. During the fact finding investigation, the Managing Director, Company Secretary and the Audit Committee may assign representatives (executives) inform the progress periodically to the informer(s) or complainer(s).
3. After completed an investigation, it is found that the information or evidence has reasonable grounds to believe that the accused has committed fraud, the company will give the right to the accused to acknowledge the allegation and the right of the accused to prove himself by finding information or additional evidence indicating no involvement in the alleged fraud.
4. If the accused has actually committed corruption, he or she shall be subjected to disciplinary action in accordance with the company regulations and if the act of corruption is illegal under the laws, the offender will be punished according to laws. The decision of the Managing Director shall be final.

If there is a complaint against the member of committee, senior executives or company secretary, the Chairman of the Audit Committee will be responsible for receiving information and checking facts and report to the Board of Director to jointly investigate the facts and impose the punishment in accordance with company regulations.

Dissemination of anti-corruption policy

To create understanding for all directors, executives and employees in the company to be informed of the anti-corruption policy and support adherence of anti-corruption measures. The company will proceed as follows:

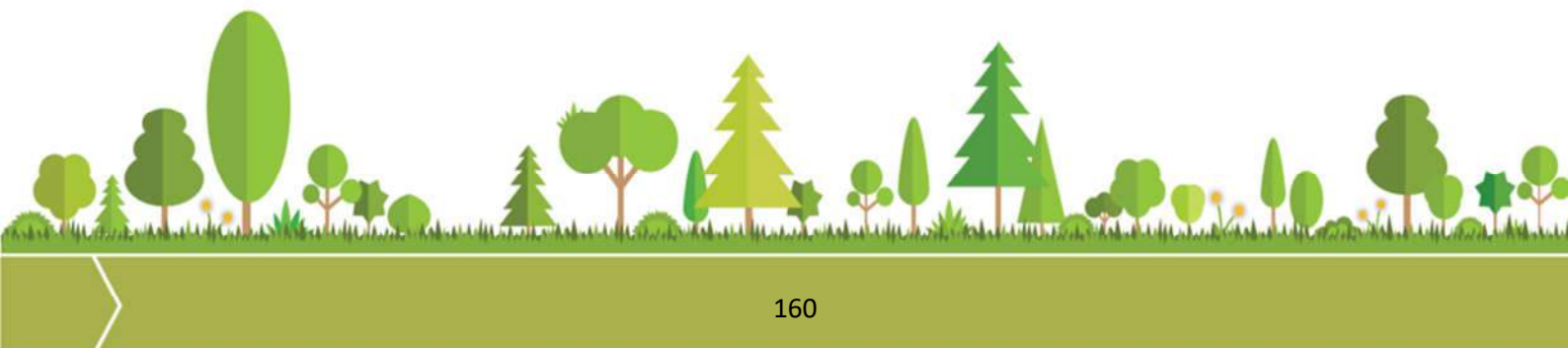
1. The company will post a notice of anti-corruption policy in a prominent location where everyone in the company can read.
2. The company will publish the anti-corruption policy through the company's communication channels



such as the website of the company both internal and external, annual disclosure report (56-1) and annual report (56-2).

3. The company will communicate and publicize the anti-corruption policy to trade partners by preparing in various document formats.

4. The company will provide anti-corruption policy training for new and current employee's ongoing basis.



Opinion of the Board of Directors on the Company's internal control system

The company recognizes the importance of a good internal control system. This will help the business to be effective and effective. The company has the Audit Committee to review the internal control system. The Audit Committee's meeting was held to approve the transactions related to the internal control system of the Company and its subsidiaries (Hereafter referred to as "Company") will always have the auditor and the internal auditor attend the meeting to present information to the Audit Committee to acknowledge the progress and to find solutions to the observations to be able to correct the issue promptly.

The Board of Directors has given importance to the internal control system continuously. By assigning the Audit Committee consisting of independent directors Review the assessment of internal control systems by appointing a company Internal Audit of Dharmniti Co., Ltd. to perform duties of internal auditors of the company, reporting directly to the Audit Committee. And assigned Miss Somjaree Kaewkhomdee, Executive Director and Internal Audit Manager Is the main responsible person to perform the duties of the internal auditor of the company. working in the field of internal audit for more than 10 years and has been trained in related courses through the course of internal auditors, 1-2 COSO Course Risk Assessment Course 2013.

At the Board of Directors' Meeting No. 5/2562 on 13 November 2019, the Chairman of the Audit Committee and both members attended the meeting. The Board of Directors has considered and evaluated the adequacy of the current internal control system. By asking information from the management And related agencies Including reference to the evaluation report of the adequacy of the internal control system prepared by Dharmniti.

1. Control environment: The company has an organizational structure. Ethics Policies and Procedures for Knowledge, Skills and Competence. There are adequate and appropriate follow-up procedures.

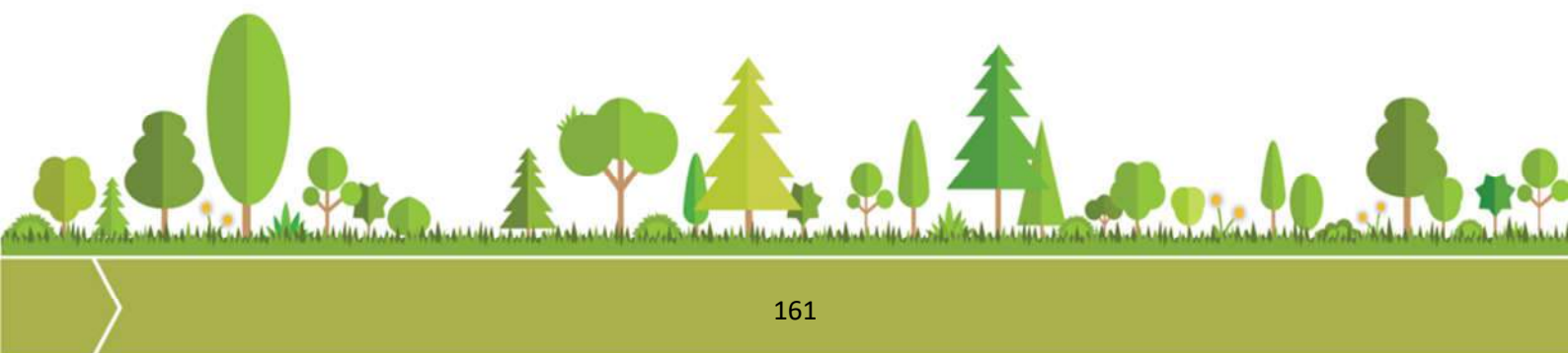
2. Risk Assessment: The Company has set up corporate risk assessments. Risk factors are identified. Risk analysis. It also communicates to all employees to understand and follow the policies and practices set forth.

3. Control activities: The Company has set up an internal control system. At the process level. It has designed internal controls for various processes.

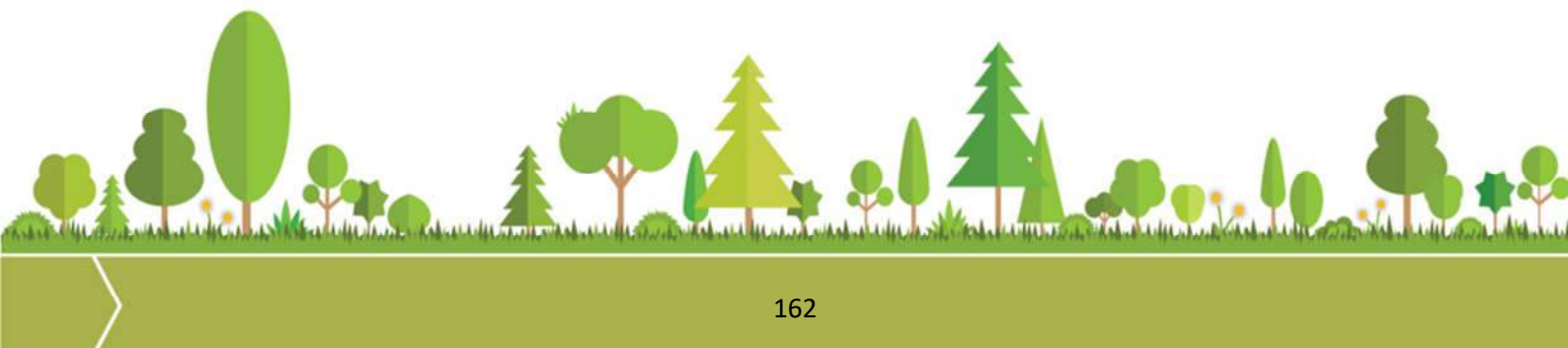
4. Information & Communication: The Company has adequate and appropriate design and control of information technology.

5. Monitoring system: The Company employs internal auditors from external agencies to assess the adequacy of internal control and monitoring systems. Report and report to the Audit Committee.

The Board of Directors is of the opinion that: The Company's internal control system is adequate and



appropriate. The Company has sufficient personnel to perform the system effectively. The system also has internal control to monitor and supervise the operation of subsidiary companies to protect the assets of the Company and its subsidiaries from being misused by the directors or executives. Include transactions with people who may have conflicts and connected persons sufficiently for internal control on another topic. The Board of Directors is of the opinion that the Company has sufficient internal control.



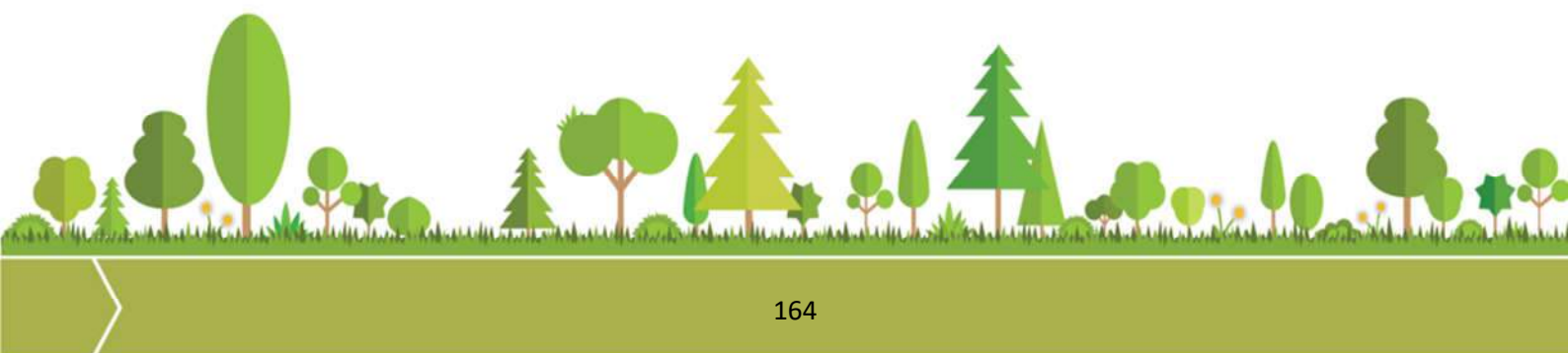
Connected Transactions

1. Summary of connected transaction of the Company with potential conflicts of interest in 2018 and 2019

The Company and its subsidiaries have connected transactions with persons and entities that may have conflicts. The relationship between the parties can be summarized as follows:

Persons who may have conflict of interest	Relationship
1. Paprapat Co.,Ltd (“PPP”) <p>Biomass fuel trader (Exempt from VAT)</p>	<ul style="list-style-type: none"> - PPP is a wholly-owned subsidiary of the Company holding 99.98% of paid-up capital. - The Company and PPP have 2 common directors: <ul style="list-style-type: none"> 1) Mrs. Natpapha Kuansataporn 2) Miss Tiyaada Kuansataporn
2.Sataporn Thanapat Co., Ltd. (“STP”) <p>Truck service mainly to ABM and PPP</p>	<ul style="list-style-type: none"> - STP is a wholly-owned subsidiary of the Company holding 99.99% of paid-up capital. - The Company and STP have 1 common director: <ul style="list-style-type: none"> 1) Mrs. Natpapha Kuansataporn
3. ABM Pellets Co.Ltd. (“ABP”)	<ul style="list-style-type: none"> - ABP is a wholly-owned subsidiary of the Company holding 99.99% of paid-up capital. - The Company and ABP have one common director: <ul style="list-style-type: none"> 1) Miss Tiyaada Kuansataporn
4.PT Asia Biomass Indonesia (“ABI”) <p>Biomass fuel trader in Indonesia</p>	<ul style="list-style-type: none"> - ABI is a wholly owned subsidiary of the Company holding 99.00% of paid-up capital. - The Company and ABI have one common director: <ul style="list-style-type: none"> 1) Miss Tiyaada Kuansataporn
5. Asia Biomass Energy SDN. BHD. (“ABE”) <p>Biomass fuel trader in Malaysia</p>	<ul style="list-style-type: none"> - ABE is a wholly-owned subsidiary of 55.00% of registered and paid-up capital. The Company holds shares with 2 other major shareholders. <ul style="list-style-type: none"> ○ Mr. Law Hieng Chai holds shares in percentage 22.5% of registered and paid-up capital - The Company and ABE have one mutual director: <ul style="list-style-type: none"> Miss Tiyaada Kuansataporn
7. Asia Biomass Resources SDN.	<ul style="list-style-type: none"> - ABR is a wholly-owned subsidiary of 55.00% of

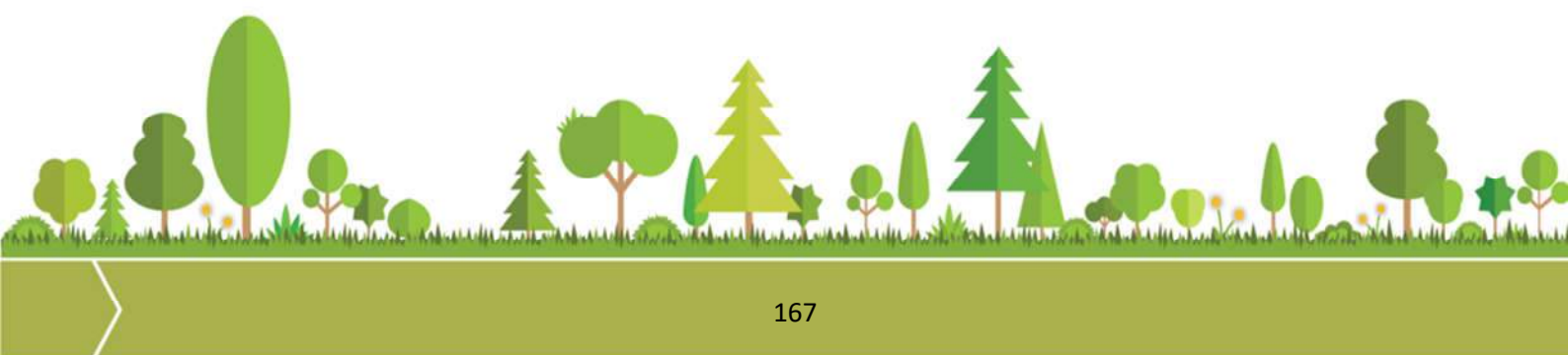
Persons who may have conflict of interest	Relationship
<p>BHD.(“ABR”)</p> <p>Biomass fuel trader in Malaysia</p>	<p>paid-up capital. The Company holds shares with the other major shareholders as follows:</p> <ul style="list-style-type: none"> ○ Mr. Law Hieng Chai holds shares 22.5% of registered and paid-up capital ○ Mr.Ho Kim Hee holds a percentage of shares. 11.25 of registered and paid-up capital ○ Mr. Lai Che Sieng holds a percentage of shares. 11.25 of registered and paid-up capital <p>- The Company and ABR have one mutual director: Miss Tiya Kuansataporn</p>
<p>7. Asia Green Energy Plc. (“AGE”)</p> <p>Engaging in coal distribution</p>	<p>- AGE is a related party of the Company since its shares are held by persons related to the Company as follows:</p> <ul style="list-style-type: none"> ○ Mr. Panom Kuansataporn (ABM Director) holding 6.60% of the registered and paid-up capital ○ Mrs. Natpapha Kuansataporn (ABM Director) holding 6.57% of the registered and paid-up capital ○ Miss Tiya Kuansataporn (ABM Director and Managing Director) holding 6.57% of the registered and paid-up capital ○ Miss Pimyada Kuansataporn, Mr. Nataphat Kuansataporn, Miss Pimchaya Kuansataporn, Mr. Atipat Kuansataporn and Mrs. Panita Kuansataporn (sons and daughters of Mr. Panom and Mrs. Natpapha Kuansataporn who both are ABM Directors) altogether holding 32.85% of the registered and paid-up capital ○ Mrs. Panida Kuansataporn (mother of Mr.



Persons who may have conflict of interest	Relationship
	<p>Panom Kuansataporn, ABM Director) holding 0.78% of the registered and paid-up capital</p> <ul style="list-style-type: none"> ○ Close relatives of Mrs. Natpapha Kuansataporn, ABM Director, altogether holding 2.70% of the registered and paid-up capital ○ Mr. Apisit Rujikeatkamjorn (ABM Director) holding 0.73% of the registered and paid-up capital <p>- The Company and AGE have two mutual directors:</p> <ol style="list-style-type: none"> 1) Mr. Panom Kuansataporn 2) Mr. Apisit Rujikeatkamjorn
<p>8. AGE Transport Co., Ltd. ("AGET")</p> <p>Providing transport service by trucks</p>	<p>- AGET is a related party of the Company since it is a subsidiary of AGE, which holds 99.00% of its registered and paid-up capital, and has the Kuansataporn Family hold 0.99% of its registered and paid-up capital.</p> <p>- The Company and AGET have one mutual director:</p> <ol style="list-style-type: none"> 1) Mr. Panom Kuansataporn
<p>9. AGE Terminal Co., Ltd. ("AGETM")</p> <p>Providing coal handling and screening service and water transport service</p>	<p>- AGETM is a related party of the Company since it is a 100%-owned subsidiary of AGE.</p> <p>- The Company and AGETM have one mutual director:</p> <ol style="list-style-type: none"> 1) Mr. Panom Kuansataporn
<p>10. Multi Energy Trading (2020) Co., Ltd. ("MET")</p> <p>Consulting Business</p>	<p>- MET is a related party of the company which hold by common director.</p> <p>- The company and MET have one mutual director</p> <ol style="list-style-type: none"> 1) Mr. Panom Kuansataporn
<p>11. AGE Marine logistics Co., Ltd (AGEM)</p> <p>Providing services related to water</p>	<p>- AGEM is a related party of the Company since it is a 100%-owned subsidiary of AGE.</p> <p>- The Company and AGEM have one mutual director:</p>

Persons who may have conflict of interest	Relationship
transportation.	1) Mr. Panom Kuansataporn
12. K.H. Development Co., Ltd. (“KHD”) Engaging in sales and lease-out of properties and providing properties for car parking	<ul style="list-style-type: none"> - KHD is a related party of the Company since its shares are held by persons related to the Company as follows: <ul style="list-style-type: none"> ○ Mr. Panom Kuansataporn (ABM Director) holding 51.00% of the registered and paid-up capital ○ Mrs. Natpapha Kuansataporn (ABM Director) holding 7.00% of the registered and paid-up capital ○ Miss Tiya Kuansataporn (ABM Director and Managing Director) holding 7.00% of the registered and paid-up capital ○ Miss Pimlada Kuansataporn, Mr. Nataphat Kuansataporn, Miss Pimchaya Kuansataporn, Mr. Atipat Kuansataporn and Mrs. Panita Kuansataporn (sons and daughters of Mr. Panom and Mrs. Natpapha Kuansataporn who both are ABM Directors) altogether holding 35.00% of the registered and paid-up capital - The Company and KHD have three mutual directors: <ul style="list-style-type: none"> 1) Mr. Panom Kuansataporn 2) Mrs. Natpapha Kuansataporn 1) Miss Tiya Kuansataporn
13. VIVI HOME DECORATIVE CO.,LTD. (“VH”) Home & Decoration Business	<ul style="list-style-type: none"> - VH is a juristic person related to the Company, namely, Mrs. Mrs.Pojanee Tangsubkul, the sister of Mr. Panom Kuansataporn (the Company's director), as a director and shareholder. 25.00 of registered and paid-up capital
14. DTC Enterprise Co., Ltd., (“DTC”) Sales of	<ul style="list-style-type: none"> - DTC is a company-related entity,

Persons who may have conflict of interest	Relationship
vehicle rental services, vehicle tracking equipment through the network	Mr. Apisit Rujikeatkamjorn (Director)
15. Jinsolid SDN. BHD. ("JSD") Biomass Fuel Trader	- JSD is a legal entity that is related to the Company, holding 60.00% of the registered and paid up capital of DHSB and there is a joint shareholder with ABE and ABR, a subsidiary of the Company.
16. Destiny Holdings (M) SDN. BHD. ("DHSB")	- DHSB is a legal entity that is related to the Company and there is a joint shareholder with ABE, a subsidiary of the Company
17. Destiny Integrated Logistics Services SDN. BHD. ("DILS")	- DILS is a legal entity that is related to the Company, holding 51% of the registered and paid up capital of DHSB
18. AJ Biomass SDN. BHD. ("AJB")	- AJB is a legal entity that is related to the Company and there is a joint shareholder with ABE and ABR, a subsidiary of the Company
19. Teck Yien Construction SDN. BHD. ("TYC")	- TYC is a legal entity that is related to the Company and there is a joint shareholder with ABE, a subsidiary of the Company



Persons who may have conflicts	Descriptions	Value (Thousand Baht)			Necessity and appropriateness of related party transactions
		2017	2018	2019	
1. Paprapat Co.,Ltd ("PPP")	<u>Sale</u>	113.01	121.32	112.85	<p>- Palm kernel shell trading between the company and PPP has been operated as normal. When there are purchase orders to be delivered but no supply of that product to deliver, then both companies need purchasing and selling to each other to be able to supply customers the products of their requirements. Trading price between the company and PPP is same rate as sold to other customers is mutually agreed by both parties. Purchasing and selling products between both parties are for efficient inventory management.</p> <p>- The Company provides management services to PPP, which is managed by the amount of the nature of work and the number of hour by the conditions and rates specified in the contract.</p> <p>- The Company leases PPP space, which is based on the cost of the leased space allocated</p>
	- The company sells palm kernel shell to PPP				
	<u>Purchase</u>	127,448.70	150,813.32	267,758.72	
	- The company purchases palm kernel shell from PPP				
	<u>Management fee income</u>	1,176.00	1,176.93	936.00	
	-The company provides management services to PPP in some parts overlap to maximize the efficiency of the group management.				
	<u>Rental income</u>	180.00	180.00	912.00	
	- The company provides PPP space for offices. The rental terms are agreed upon in the lease agreement.				
	<u>Trade receivables</u>	51.15	-	120.75	
	- Occurred from the sale of goods by the terms of the agreement.				

Persons who may have conflicts	Descriptions	Value (Thousand Baht)			Necessity and appropriateness of related party transactions
		2017	2018	2019	
	<u>Other receivables</u> - Occurred from management fee and space rental by the terms of the agreement.	119.86	1,558.18	3,471.70	to the PPP, which corresponds to the market price.
	<u>Trade payables</u> - caused by purchase by terms and conditions under the agreement.	40,193.98	72,295.21	98,701.00	- The Audit Committee is of the opinion that the transaction is reasonable. This is a normal business transaction and to manage the product inventory, human resources and operational areas of the Group. The price of goods, management fees and the rental rates will take into account the cost of the company and its subsidiaries.
	<u>Short-term loans</u> - The Company provides PPP loans for liquidity management within the Group.	-	-	-	- The Company is required to provide PPP loans in order to increase liquidity in the short term to PPP. The loan interest is based on the financial costs that the Company borrows from financial institutions.
	<u>Interest Receivable</u> - The Company received interest from short-term loans to PPP for liquidity management within the Group.	880.57	-	-	- The Audit Committee is of the opinion that the
	<u>Dividend income</u> - The Company received dividends from PPP and PPP investments, dividends paid during	11,997.60	-	-	

Persons who may have conflicts	Descriptions	Value (Thousand Baht)			Necessity and appropriateness of related party transactions
		2017	2018	2019	
	the year.				<p>transaction is reasonable. This is because of liquidity management within the group. Interest is calculated based on the company's financial costs.</p> <ul style="list-style-type: none"> - The Company has invested in PPP by holding 99.98% of its paid-up capital and paid up in 2016, and PPP declared dividend payment since there are enough retained earnings to pay dividends and this dividend is considered normal. - The Audit Committee is of the opinion that the transaction is reasonable. This is due to the dividend payment of the subsidiary with sufficient retained earnings for the dividend payment.
2. Sataporn Thanapat Co.,	<u>Interest income</u> - The Company received interest from short-	1,245.06	1,316.00	1,289.50	- The Company is required to provide STP loans in order to increase its short-term liquidity to STP.

Persons who may have conflicts	Descriptions	Value (Thousand Baht)			Necessity and appropriateness of related party transactions
		2017	2018	2019	
Ltd. ("STP")	<p>term loans from STP for liquidity management within the Group.</p> <p><u>Rental Income</u></p> <p>- The company let STP lease space for its offices and parking space. The rental terms are agreed upon in the lease agreement.</p> <p><u>Delivery cost</u></p> <p>- The company hired STP transportation, which is based on the transportation contract, which has the same standard as the contract with other companies.</p> <p><u>Car rental</u></p> <p>-The company leased the loaders from STP for use in the company. The rental terms are agreed upon in the lease agreement.</p> <p><u>Spare parts and supplies</u></p>	<p>1,018.80</p> <p>46,755.35</p> <p>277.50</p>	<p>1,018.80</p> <p>38,490.34</p> <p>625.57</p>	<p>712.80</p> <p>33,733.94</p> <p>546.90</p>	<p>The loan interest is based on financial costs that the Company borrows from financial institutions.</p> <p>- The Audit Committee is of the opinion that the transaction is reasonable. This is because of liquidity management within the group. Interest is calculated based on the company's financial costs.</p> <p>- The company provide STP rental space. Rental rates are determined by taking into account the cost of space allocated to STP, which corresponds to the market price.</p> <p>- The Audit Committee is of the opinion that the transaction is reasonable. This is a normal business transaction. The rental rates are based on the cost of the space and consistent with the market price.</p> <p>- The company has used STP's transportation</p>

Persons who may have conflicts	Descriptions	Value (Thousand Baht)			Necessity and appropriateness of related party transactions
		2017	2018	2019	
	<p>- The company paid for oil, spare parts and supplies from STP's car rental as agreed in the lease agreement.</p> <p><u>Other receivables</u></p> <p>- Occurred from management fee and space rental. This is due to the fact that ABM has transferred employees who have liabilities after retirement from STP.</p> <p><u>Accrued Interest</u></p> <p>Arising from short-term loans as the terms of interest payment agreed.</p> <p><u>Short-term loans</u></p> <p>- The Company granted STP a short-term loan for liquidity management within the group.</p> <p><u>Trade payables</u></p> <p>- arising from the commissioning of transport</p>	<p>88.64</p> <p>84.90</p> <p>552.41</p> <p>37,600.00</p>	<p>1,011.91</p> <p>2,972.11</p> <p>1,868.41</p> <p>37,600.00</p>	<p>377.14</p> <p>1,816.50</p> <p>1,289.53</p> <p>14,600.00</p>	<p>service. The company has the standard for considering the commissioning of STP as well as hiring other carriers. The rate of pay is the same as that of the other carriers.</p> <p>- The Audit Committee is of the opinion that the transaction is reasonable. This is a normal business transaction. Service fee And trade terms. Similarly, the Company entered into a transaction with a third party.</p> <p>- Truck rental is from STP by paying rental at market price.</p> <p>- The Audit Committee is of the opinion that the transaction is reasonable. This is a normal business transaction. The rent is paid at market price.</p> <p>- The cost of fuel, spare parts and consumables</p>

Persons who may have conflicts	Descriptions	Value (Thousand Baht)			Necessity and appropriateness of related party transactions
		2017	2018	2019	
	Terms and conditions of payment under the agreement.	7,717.65	15,680.69	2,607.05	is incurred as a regular expense from truck rental.
	<u>Transportation costs (PPP)</u>				This is comparable to that of a truck rental company with a third party.
	- PPP employs STP transportation, which is based on a transport contract with the same standard conditions as hiring others.	2,080.24	1,315.77	730.88	- The Audit Committee is of the opinion that the transaction is reasonable. This is a normal business transaction. The terms of trade are the same as those made with outsiders.
	<u>Accounts Payable (PPP)</u>				- The Company has invested in STP by holding 99.99% of its paid-up capital and paid-up capital in 2016 and STP declared dividend payment since there are enough retained earnings to pay dividends and this dividend is considered normal.
	- Arising from the commissioning of transport Terms and conditions of payment under the agreement.	4,999.75	-	275.56	- The Audit Committee has the opinion that the transaction is reasonable. This is due to the dividend payment of the subsidiary with sufficient retained earnings for the dividend payment.
	<u>Dividend income</u>				
	- The Company received dividends from its investment in STP and STP.	-	-	-	

Persons who may have conflicts	Descriptions	Value (Thousand Baht)			Necessity and appropriateness of related party transactions
		2017	2018	2019	
3. PT. Asia Biomass Indonesia ("ABI")	<p><u>Purchase (including purchase of goods on the way)</u></p> <p>- The company purchased palm kernel shell from ABI, a supplier of palm kernel shell from Indonesian.</p> <p><u>Advance payment for goods</u></p> <p>- Purchase of palm kernel shells from ABI will require advance payment like buying a palm kernel shell from other vendors.</p>	63,548.03	-	-	<p>- The company needs to buy palm kernel shell from ABI because ABI can supply palm kernel shell from Indonesia at the price and quantity that the company need by using expertise from local staff. The purchase of palm kernel shells from ABI is the normal business operation of the company. The prices and conditions, including the payment of goods in advance, are the same as the company made transactions with other distributors of products of the company.</p> <p>- The Audit Committee is of the opinion that the transaction is reasonable. This is a normal business transaction and prices and terms of trade are similarly made to others.</p>
4. Asia Biomass Energy SDN. BHD. ("ABE")	<p><u>Purchase</u></p> <p>The company purchases palm kernel shell from</p>	71,027.56	47,380.14	44,426.55	

Persons who may have conflicts	Descriptions	Value (Thousand Baht)			Necessity and appropriateness of related party transactions
		2017	2018	2019	
	<p>ABE who is the trader contacting trader in Malaysia.</p> <p><u>Advance payment for goods</u></p> <p>- Purchase of palm kernel shells from ABE will require advance payment like buying from other vendors.</p>	59,212.43	21,031.47	13,756.47	<p>the company needs by using expertise from local staff. The purchase of palm kernel shell from ABE is a normal business operation of the company.</p> <p>The prices and conditions, including the payment of goods in advance, are the same as the company made transactions with other distributors of products of the company.</p> <p>- The Audit Committee is of the opinion that the transaction is reasonable. This is a normal business transaction and prices and terms of trade are similarly made as transaction with a third party.</p>
5. Asia Biomass Resources SDN. BHD. ("ABR")	<p><u>Purchase</u></p> <p>- The company buys palm kernel shell from ABR who contacts palm kernel shell trader in Malaysia.</p> <p><u>Advance payment for goods</u></p>	<p>17,424.88</p> <p>86,731.57</p>	<p>86,921.46</p> <p>20,720.45</p>	<p>-</p> <p>14,246.53</p>	<p>The company needs to buy palm kernel shells from ABR because ABR can supply palm kernel shells from Malaysia at the price and quantity that the company need by using expertise from local staff. The purchase of palm kernel shells,</p>

Persons who may have conflicts	Descriptions	Value (Thousand Baht)			Necessity and appropriateness of related party transactions
		2017	2018	2019	
	<ul style="list-style-type: none"> - Buying a palm kernel shell from ABR will have to pay for advance purchases like buying from other vendors. 				<p>ABR is the normal business operation of the company. The prices and conditions. In the purchase of goods, including the payment of goods in advance, the same as the company made transactions with other distributors of products of the company.</p> <p>- The Audit Committee is of the opinion that the transaction is reasonable. This is a normal business transaction and prices and terms of trade are similar to other transaction with a third party.</p> <p>- The Company has invested in ABR holds 55.00% of its paid-up capital and paid-up capital in 2017, and ABR announced the dividend payment since there are enough retained earnings to pay dividends and this dividend is</p>
	<u>Dividend income</u>	266.47	-	-	
	<ul style="list-style-type: none"> - The Company received dividends from its investment in ABR and ABR announced the dividend payment during the year. 				
	<u>sell product</u>	-	465.58	-	
	<ul style="list-style-type: none"> - The company sells palm shells to ABR 	-	444.74	-	
	<u>Trade accounts receivable</u>				
	<ul style="list-style-type: none"> - arising from selling products With conditions and billing periods according to the agreement 				
	<u>Trade payables</u>				
	<ul style="list-style-type: none"> - arising from the purchase of palm shells from ABR according to the contract of sale And the value of the product received in excess of 	-	6,830.39	-	

Persons who may have conflicts	Descriptions	Value (Thousand Baht)			Necessity and appropriateness of related party transactions
		2017	2018	2019	
	advance payment for goods				considered normal. -The Audit Committee has the opinion that the transaction is reasonable. This is due to the dividend payment of the subsidiary with sufficient retained earnings for the dividend payment.
6. Asia Green Energy Plc. ("AGE")	<u>Transportation revenue (STP)</u> - AGE employs STP transportation, with shipping costs in line with the standard AGE contract as working with external shipping companies. <u>Other income (STP)</u> - STP has revenue from residual sales to AGE. <u>Accounts Receivable (STP)</u> - caused by transportation services. Terms upon the agreement.	985.76 8.00 187.70	3,061.15 - 982.23	8,829.78 - 1,409.85	- STP provides transportation services to AGE with the same rates as other shipping services. - The Audit Committee is of the opinion that the transaction is reasonable. This is a normal STP business transaction and trade terms are the same as that STP applies to other parties.

Persons who may have conflicts	Descriptions	Value (Thousand Baht)			Necessity and appropriateness of related party transactions
		2017	2018	2019	
7. AGE Transport Co., Ltd. ("AGET")	<u>Shipping cost (for companies and PPP)</u>	1,741.09	4,557.72	3,984.96	<p>- The company and PPP have used AGET's transportation service. The company has the standard of AGET commissioning as well as the hire of other carriers. The rate of pay is the same as that of the other service providers.</p> <p>- STP provides transportation services to AGET. The rate of pay is in line with the STP's commission rate charged to other transportation contractors.</p> <p>- The Audit Committee is of the opinion that such transaction is reasonable. This is a normal business transaction of the Company and its subsidiaries. Service fee and trade terms. The Company and its subsidiaries entered into transactions with third parties.</p>
	- Companies and PPPs use AGET's freight services. Shipping costs are in line with the terms and conditions of the contract.				
	<u>Service revenue (STP)</u>	15.00	4.80	-	
	- AGET employs STP transportation, which is based on a transportation contract, which is identical to the contract AGET does with the company.				
	<u>Other incomes (STP)</u>	-	-	22.56	
	STP has revenue from selling assets to AGE				
	<u>Accounts Receivable (STP)</u>				
	- caused by transportation services. Terms of payment and payment period under general transportation contract.	-	1.50	8.10	
	<u>Accounts payable (for companies and PPPs)</u>	1,439.70	479.36	943.18	

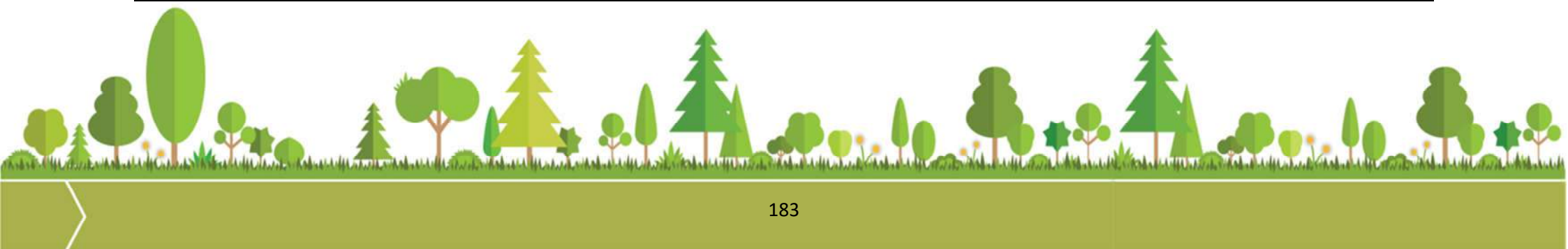
Persons who may have conflicts	Descriptions	Value (Thousand Baht)			Necessity and appropriateness of related party transactions
		2017	2018	2019	
	- Caused by the use of transportation services. Terms of payment and payment period under general transportation contract.				
8. AGE Terminal Co., Ltd. ("AGETM")	<u>Other Services</u> - There is a port service. Loaders and weighing equipment from AGETM. The service charge is in accordance with the standard conditions as the contract with other service providers.	63.88	-	218.06	- The company uses AGETM's port service. The company has a standard for using AGETM services as well as for other service providers. The rates are based on the same rates as service providers. - The Audit Committee is of the opinion that such transaction is reasonable. This is a normal business transaction of the Company and its subsidiaries. Trade terms are similar to other transaction made with a third party.
9. Multi Energy Trading (2020) Co., Ltd. ("MET")	<u>Fuel cost</u> (STP) - STP have brought fuel oil from MET	-	-	480.07	- STP has refueling trucks oil by the purchase price related to market price - The Audit Committee is of the opinion that such transaction is reasonable. This is a normal business transaction of the Company and its

Persons who may have conflicts	Descriptions	Value (Thousand Baht)			Necessity and appropriateness of related party transactions
		2017	2018	2019	
					subsidiaries. Trade terms are similar to other transaction made with a third party.
10. AGE Marine Logistic co.,Ltd. ("AGEM")	<u>Shipping cost (for companies and PPP)</u> - The Company and PPP have used the freight service from AGEM. The transportation fee is set according to the contract of transportation which has the same standard conditions as the contract that the company made with the company providing external transportation services.	-	7,725.75	-	- The Company and PPP have used AGEM's transportation service. The Company has a standard for considering the employment of AGEM, as well as hiring other service providers. another - The Audit Committee is of the opinion that such transaction is reasonable. Because it is a transaction according to normal business operations of the company and its subsidiaries And have a price or service charge And trading conditions The same as the company entered into transactions with external parties
	<u>Trade payables (For companies and PPP)</u> - arising from the use of transportation services With conditions for service charge and payment period according to the general transportation contract	-	178.82	178.82	
11. K.H.	<u>Office rental</u>	1,227.00	1227.00	1,227.00	- The company has rented office from KHD to

Persons who may have conflicts	Descriptions	Value (Thousand Baht)			Necessity and appropriateness of related party transactions
		2017	2018	2019	
Development Co., Ltd. ("KHD")	<u>Electricity bills</u>	618.18	636.04	601.35	<p>use as head office. This is a normal business support transaction with rental rates. Conditions of Renting and utilities services are subject to joint agreements. This can be comparable to the rental of office buildings located in the vicinity of the Company.</p> <p>- The Audit Committee has the opinion that the transaction is reasonable. This is a normal business transaction. Prices and terms of trade are comparable to the rental of office buildings in the vicinity of the Company.</p>
	<p>- Office rental company from KHD by signing the first lease agreement on September 1, 2012, which has been renewed lease. Rental rates have not changed until now. The current lease agreement is signed on October 1, 2017 with lease term 1. The rental rate is 250 baht per square meter, which is comparable to the rental rate of the office building in the same neighborhood. In addition to rent, the company will be obliged to pay utilities to KHD. The expenses will be based on actual consumption at the rate that KHD has to pay to the utilities.</p> <p><u>Accounts payable and other payables</u></p> <p>- arising from unpaid office rents</p>	151.39	160.40	146.08	
12. VIVI HOME	<u>Purchase</u>	20.00	32.00	7.60	- The Company purchases goods from VVH,

Persons who may have conflicts	Descriptions	Value (Thousand Baht)			Necessity and appropriateness of related party transactions
		2017	2018	2019	
DECORATIVE CO.,LTD. (VVH)	The company buys wood shaving from VVH for some particular times. The price and conditions are the same as that of the Company makes with others.				which is the normal business operation of the Company. The prices and conditions. In the same way the company makes transactions with other suppliers of products.
13.DTC Enterprise Co., Ltd., ("DTC")	<u>Installing and Renting a GPS (STP)</u> - GPS and GPS rental fees for STP vehicles. <u>Other payables (STP)</u> - caused by GPS rentals for vehicles, the terms upon the agreement.	220.26 17.33	195.76 18.51	201.37 15.89	- STP has used vehicle repair service, install and lease a GPS device with the same DTC as other service providers. The rates are based on the same rates as other service providers. - The Audit Committee is of the opinion that such transaction is reasonable. This is a normal business transaction of the Company and its subsidiaries. Trade terms are similar to other transaction made with a third party.
14. Jinsolid SDN. BHD. ("JSD")	<u>Purchase</u> - The company purchases palm kernel shell from JSD, which is purchased from Malaysia	-	432.80	-	- The company has purchased palm kernel shell from JSD, which is importing products from Malaysia before the company set up

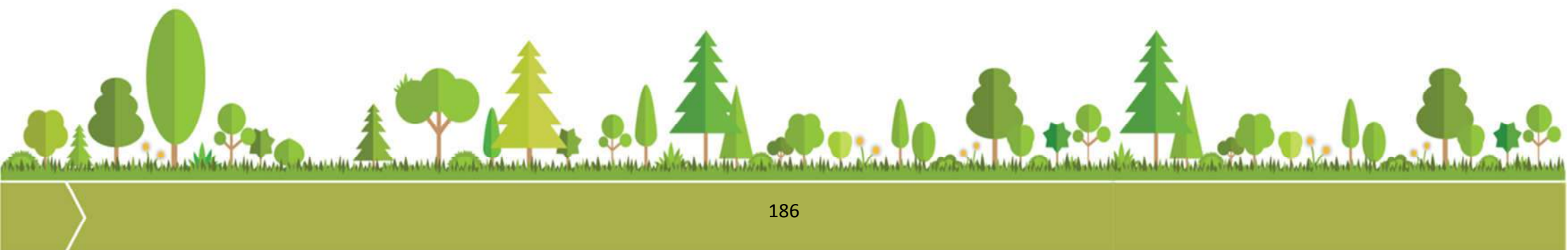
Persons who may have conflicts	Descriptions	Value (Thousand Baht)			Necessity and appropriateness of related party transactions
		2017	2018	2019	
	<p>for export to overseas and sell domestically.</p> <p>JSD operates the same biomass fuel distribution business as the company but is based in Malaysia. The purchase price and trading conditions are the same as that of the Company makes with other vendors.</p> <p><u>Accounts Payable</u></p> <p>- Occurred from the purchase of palm shell from ABR in accordance with the purchase contract and the value of the goods received more than the advance payment</p> <p><u>Advance payment for foreign goods</u></p> <p>- The money that the company paid in advance to JSD for the product that the company has a contract with JSD before the ABE and ABR started operations.</p>	-	102.12	-	<p>subsidiaries, ABE and ABR, in Malaysia then the company is able to procure palm kernel shell in Malaysia through ABE and ABR.</p> <p>JSD's business has been operated in normal manner.</p> <p>- The prices and conditions are similar to other transactions made with other international distributors.</p> <p>- The Audit Committee has the opinion that the transaction is reasonable. This is a normal business transaction. Prices and terms of trade are similar to other transactions made with others.</p>
		347.93	-	-	



Persons who may have conflicts	Descriptions	Value (Thousand Baht)			Necessity and appropriateness of related party transactions
		2017	2018	2019	
15. Destiny Holdings (M) Sdn Bhd ("DHSB")	<u>Miscellaneous expenses (ABE)</u> Miscellaneous expenses (ABE) - Expenses related to rental utility bills which the price and conditions are in general market Management fee (ABE) - DHSB runs office management for ABE and charges management fees on a monthly basis. Office supplies supplies (ABE) - is the cost of office supplies used during office rental which the price and conditions are in general market	195.25	318.20	219.78	- ABE has leased office space Including paying utility bills and management fees according to the market price - The Audit Committee has the opinion that the transaction is reasonable. This is a normal business transaction. Prices and terms of trade are similar to other transactions made with others.
	<u>Other payables (ABE)</u> The expense was from miscellaneous expenses Management fee and office's equipment.	3.90	6.24	20.23	

Persons who may have conflicts	Descriptions	Value (Thousand Baht)			Necessity and appropriateness of related party transactions
		2017	2018	2019	
16. Destiny Integrated Logistics Services Sdn Bhd("DILS")	<u>Expenses for product distribution</u> Harbor service charges and operations (ABE) - This is the cost of ABE in relation to the purchase of palm kernel from JSD as mentioned earlier. Which has the same price and conditions as DILS Providing services to third parties	2,762.13	1,697.01	877.07	- The subsidiary company has rented warehouse and loader service from DIL. Service rate calculation is based on the same criteria as other service providers' rates. - The Audit Committee has the opinion that the transaction is reasonable. This is a normal business transaction. Prices and terms of trade are similar to other transactions made with others.
17. AJ Biomass SDN. BHD. ("AJB")	<u>Miscellaneous expenses (ABE)</u> - Covering equipment - It is labor cost for storing the goods. <u>Other payables (ABE)</u> The expense was from miscellaneous expenses Management fee And wasting office	914.80 33.55	367.88 35.49	425.85 173.34	- Labor costs for storing ABE's products at wages according to the market price. - The Audit Committee has the opinion that the transaction is reasonable. This is a normal business transaction. Prices and terms of trade are similar to other transactions made with others.

Persons who may have conflicts	Descriptions	Value (Thousand Baht)			Necessity and appropriateness of related party transactions
		2017	2018	2019	
	supplies				
18. Teck Yien Construction SDN. BHD. ("TYC")	<u>Miscellaneous expenses (ABE)</u> - is an office telephone charge <u>Other payables (ABE)</u> The expense was from the use of office phone services	44.36 3.35	35.61 5.75	32.00 2.64	- Office telephone charges will be collected according to actual use. - The Audit Committee has the opinion that the transaction is reasonable. This is a normal business transaction. Prices and terms of trade are similar to other transactions made with others.



Measures or procedures for approval of inter-company transactions

The connected transactions between the company and subsidiaries may have conflict of interest. There may be future conflicts of interest with the company for example major shareholders, directors, executives, controlling persons or the connected persons. The company will comply with the Securities and Exchange Act, regulations, notifications and orders of the Capital Market Supervisory Board. The stakeholders will not be able to participate in the approval process.

In the case where the law requires inter-company transactions to be approved by the Board of Directors, the company will arrange for the Audit Committee to attend the meeting to consider and give opinions on the necessity of the transaction and the reasonableness of the transaction. For the transaction that is a commercial agreement with commercial terms in general and the transaction that is a commercial agreement that is not commercial terms in general shall be obliged to the following principles:

(a) A commercial agreement transaction with general commercial conditions

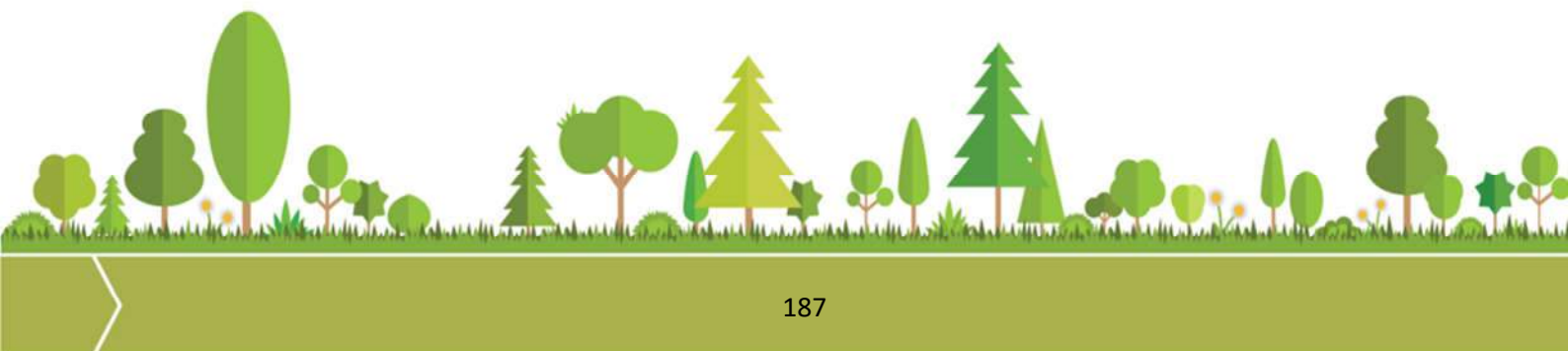
The Board of Directors has approved the principle that the management can approve intercompany transactions with commercial terms and conditions generally between the company and its subsidiaries, with directors, executives or related persons if such an item has a trade agreement in the same way that a normal person would deal with the counterparty in the same situation, the commercial bargaining power is not influenced by being a director, executive or related person (as the case may be).

The company will prepare a summary report of such transaction for reporting to the Audit Committee and shall every quarterly report to the Board of Directors.

(b) A commercial agreement transaction that is not with general commercial conditions

Any transaction that is a trade agreement that is not a general commercial condition must be considered and commented by the Audit Committee before being presented to the Board of Directors or the shareholders' meeting (as the case may be) for further consideration and approval to comply with the Securities and Exchange Act including the regulations, notifications and orders of the Capital Market Supervisory Board and the Stock Exchange of Thailand, including compliance with the disclosure requirements of connected transactions.

In the event that the Audit Committee is not proficient in the consideration of related transactions, the company will appoint an independent expert or an auditor of the company to give an opinion on such connected transactions for the Audit Committee, Board of Directors or shareholders (as the case may be) to ensure that the transaction is necessary and reasonable. The company will disclose the related transactions in the annual report and the financial statements that have been audited by the auditor.



Future Connected Transaction Policy and Tendency of Future Connected Transactions

For future transactions, the Board of Directors must comply with the Securities and Exchange Act, the Articles of Association, announcements and orders of the Board of Directors regarding the disclosure of information of the company or its subsidiaries in accordance with the accounting standards by the Institute of Certified Accountants and Auditors of Thailand. After listing on the Market for Alternative Investment (MAI), the Company expects to enter into inter-company transactions with related companies and/or connected persons in the normal business operation, regular business support and assistance or financial assistance. This can be summarized as follows:

1. Purchasing or selling products between companies in the group and companies that may have conflicts and the business is operated in a normal manner, the price will be set by the Cost Plus Pricing Method, which is to set the selling price from the biomass fuel cost, plus shipping costs, plus selling expenses, plus gross margin. The pricing policy is the same as the sale price to other parties.

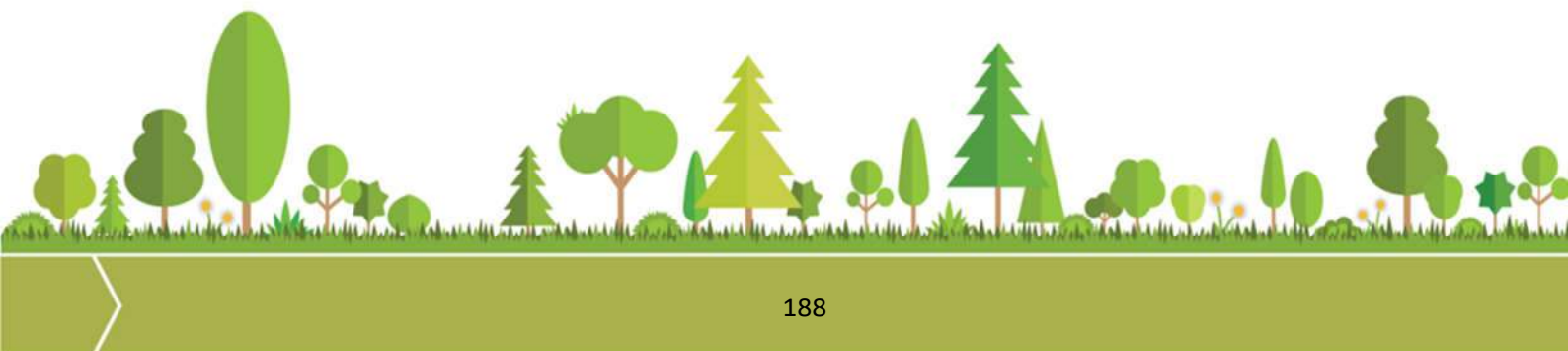
2. The provision or acceptance of freight services between companies within the group and companies that may have conflicts is considered a normal business support. The transportation cost is agreed upon in the contract. The terms and conditions are the same as the company has entered into with other shipping companies.

3. Building space contract from companies that may have conflicts, the space and service charges should be more or less the same as the rental rates in the vicinity. However, rental of accounting room from Mr. Kitichai will not take place in the future. Currently, the company has moved the accounting documents from the area of Mr. Kitichai to the headquarters.

4. Rental or rental of assets used in the business between the company and its subsidiaries and people who may have conflicts is normal business support. By setting rent prices, it takes into account the cost of acquiring property and the suitability of the rental price in the market. There will be a lease contract and the clear and fair conditions comparable to the industry.

5. The provision or acceptance of services between companies within the group and companies that may have conflicts is considered a normal business support. Terms and conditions of trade or other agreements must be similar to the company received or paid to third parties, as the case may be.

If there are transactions between each other, the company will strictly implement the measures or procedures for approving connected transactions as mentioned above.



Management Discussion and Analysis

The analysis of financial information reflects the operating results and financial position of Asia Biomass Public Company Limited and its subsidiaries (Hereinafter referred to as "the Company"). The analysis in this section is based on the consolidated financial statements of the Company for the year ended December 31, 2019.

Operation Performance

The company is principally engaged in the procurement and distribution of biomass fuels, starting with products derived from wood processing such as wood shaving, sawdust. The company has expanded its products such as palm kernel shell, biomass pellet, wood chops and other parts of wood and to streamline the supply and distribution. The company also carries out its own shipments under the management of STP, a subsidiary of the company in conjunction with hiring external transport operators for the most efficient operation of the cargo. In addition to domestic sales, the company has expanded its distribution to overseas and when the demand for biomass fuel both domestically and internationally increases while domestic biomass capacity is limited so the company has been supplying biomass fuel from overseas sources from Indonesia and Malaysia. This will be the source of palm oil for the continued expansion of our biomass fuel distribution business.

Biomass sales volume in 2018 and 2019 was 498.73 and 498.17 thousand tons respectively. 2019's sales volume was stable comparing to those in 2018's due mainly to a drop in domestic sales volume netted with an increase in oversea sales volume.

Sales Volume	Year ended December 31						% change 2018-2017	%change 2019-2018
	2017		2018		2019			
	Thousand ton	%	Thousand ton	%	Thousand ton	%		
- Domestic	532.16	93.05	407.38	81.68	393.34	78.96	(23.45)	(3.45)
- Oversea	39.76	6.95	91.34	18.32	104.84	21.04	129.73	14.78
Total	571.92	100.00	498.73	100.00	498.17	100.00	(12.80)	(0.11)

Domestic sales volume

The main products of the company in 2019 was Palm Kernel Shell, Wood Chips and Other wood products and Wood Shaving respectively, the sales volume slightly declined by 3.45% from Wood Chips and Other wood products which the price was lower than the other products. However, the drop of Wood Chips and

other wood products were replaced by increasing sales of the higher-price product such as Palm Kernel Shell.

Oversea sales volume

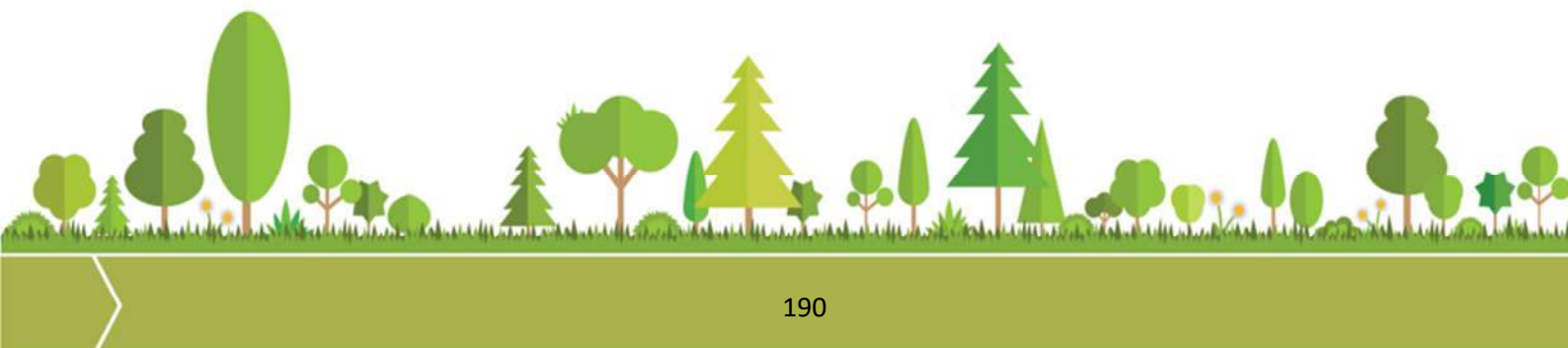
The main products for exported of the company in 2019 was Wood Chips and other wood products, Wood Pellets and Palm Kernel Shell respectively. The volume significant increased by 14.78% from Wood Chips export volume, while Wood Pellets decreased from lower demand of regional wood pellets market impacted Wood Pellets market price tend to decrease in previous year.

Average Selling Price

The company has a variety type of biomass which has different price levels in terms of selling price and profit. The average selling price of the company during 2017 – 2019 as follows

Selling Price	Year ended December 31		
	2017	2018	2019
	Baht	Baht	Baht
Average Selling Price	2,167.35	2,577.85	2,590.73

During 2019, average selling price increased by 0.5% due to the low sales volume of chopped wood replaced by a high-priced product such as Palm Kernel Shell.



Financial Performance

Income Statement	Year ended December 31						% change 2018-2017	%change 2019-2018
	2017		2018		2019			
	MB	%	MB	%	MB	%		
<i>Revenues</i>								
Revenue from sales and services	1,240.90	99.59	1,287.26	99.28	1,323.67	99.37	3.74	2.83
Other incomes	5.16	0.41	9.38	0.72	8.33	0.63	81.78	(11.19)
Total Revenues	1,246.06	100.00	1,296.64	100.00	1,332.00	100.00	4.06	2.73
<i>Expenses</i>								
Cost of sales and services	(946.22)	(75.94)	(1,081.22)	(83.39)	(1,058.61)	(79.48)	14.27	(2.09)
Distribution costs	(172.80)	(13.87)	(163.59)	(12.62)	(195.69)	(14.69)	(5.33)	19.62
Administrative expenses	(96.90)	(7.78)	(83.66)	(6.45)	(88.85)	(6.67)	(13.66)	6.20
Total Expenses	(1,215.92)	(97.58)	(1,328.47)	(102.45)	(1,343.15)	(100.84)	9.26	1.10
Profit (Loss) before interest and tax	30.14	2.42	(31.83)	(2.45)	(11.15)	(0.84)	(205.61)	(64.97)
Financial costs	(13.11)	(1.05)	(11.42)	(0.88)	(12.69)	(0.95)	(12.89)	11.12
Profit (Loss) before income tax	17.03	1.37	(43.25)	(3.34)	(23.84)	(1.79)	(353.97)	(44.88)
Income tax (expenses) revenues	(1.61)	(0.13)	7.29	0.56	1.51	0.11	(552.80)	(79.31)
Net Profit (Loss)	15.42	1.24	(35.96)	(2.77)	(22.33)	(1.68)	(333.21)	(37.90)
Net Profit (Loss) attributable to equity holders	15.63	1.25	(31.15)	(2.40)	(15.66)	(1.18)	(299.26)	(49.74)

Income

Total revenue of the company is from sales of goods and services and other income. Revenue from sales of goods and services is recognized as revenues from the operations of two groups of companies.

(1) Revenue from sales- This is the main income of the company. This is due to the business operations of ABM and its local subsidiaries, namely PPP and its overseas subsidiaries, namely ABI in Indonesia and ABE and ABR in Malaysia. Overseas subsidiaries will provide and gather palm kernel shells produced in Indonesia and Malaysia to distribute to ABM and PPP according to the distribution plan generated by ABM and PPP, which is the contact and receive orders from both domestic and foreign customers.

(2) Revenue from transportation services, STP will be able to provide freight services to ABM and PPP, transport services to related companies and other companies. In case of available service capacity, STP will provide transportation services to related companies and other companies to achieve maximum operational efficiency

The company's total revenues for the year 2018 and 2019 amounted to 1,296.64 million baht and 1,332.00 million baht, respectively. In 2019, the company had an increase in revenue of 35.36 million baht or an increase of 2.73% from the previous year. The major income is 99% of total

revenues, which is the revenue from sales. Moreover, revenue from transportation services to related companies and other companies is approximately 0-1% of total revenues. And others income includes gain on sales of assets, gain on foreign exchange etc.

The total revenue of the company in 2017 - 2019 can be summarized as follows:

Revenue structure	Year ended December 31						% change 2018-2017	% change 2019-2018
	2017		2018		2019			
	MB	%	MB	%	MB	%		
Revenue from sales of goods and services								
1. Revenue from sales	1,239.55	99.48	1,283.76	99.01	1,314.55	98.69	3.57	2.40
2. Revenue from transportation services	1.35	0.11	3.51	0.27	9.13	0.69	159.78	160.25
<i>Total Revenue from sales of goods and services</i>	1,240.90	99.59	1,287.27	99.28	1,323.67	99.37	3.74	2.83
Other Income ^{1/}	5.16	0.41	9.38	0.72	8.33	0.63	81.74	(11.19)
Total Income	1,246.06	100.00	1,296.64	100.00	1,332.00	100.00	4.06	2.73

Remark: 1 / Other income consists of gain on sales of transportation trucks, foreign exchange gain and income from insurance claims, etc.

Revenue structure of the company, there are three types of revenue: revenue from sales, the main income of the company, revenue from transportation services and other income.

(1) Revenue from sales

Revenue from sales, most of them are from biomass fuel products. The company's revenue from sales of biomass fuels was 1,283.76 million baht and 1,314.55 million baht in the years 2018 and 2019 respectively. The revenue from sales of the year 2019 increased from the year 2018 was 30.79 million baht, equivalent to 2.40% due to the portion of high price product increased.

Considering the geographical distribution, the company sells products both in the country and also to other countries. The domestic sales accounted for 70% - 91% of total sales. Proportion of domestic and foreign sales for the year 2017-2019 can be shown in the following diagram.

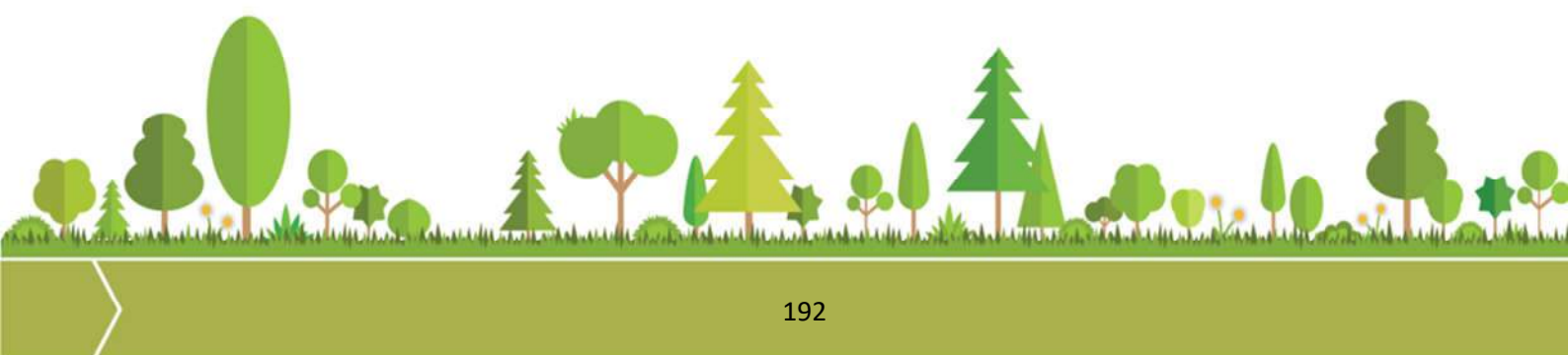


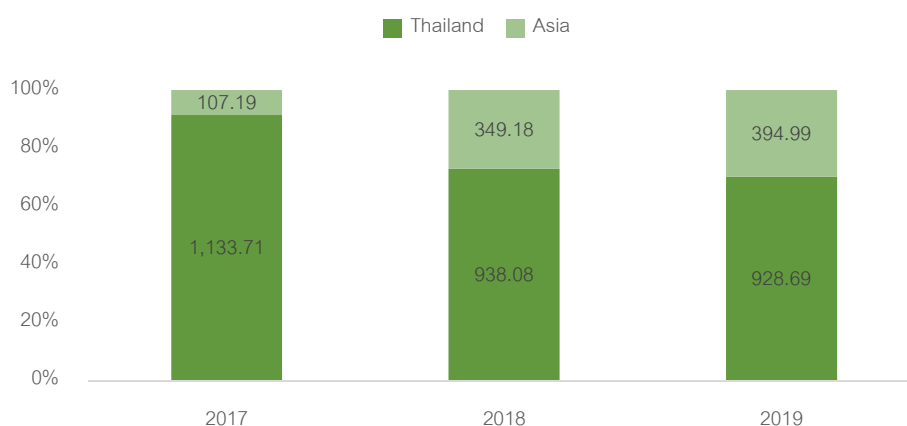
Table showing the distribution of products by geographical area

Based on customer location in 2017 - 2019

Revenue from sales and service by geographical area	Year ended December 31						% change 2018-2017	% change 2019-2018
	2017		2018		2019			
	MB	%	MB	%	MB	%		
Thailand	1,133.71	91.36	938.083	72.87	928.69	70.16	(17.26)	(1.00)
In other countries								
— Countries in Asia	107.19	8.64	349.182	27.13	394.99	29.84	225.76	13.12
Total revenue from sales of goods and services	1,240.90	100.00	1,287.27	100.00	1323.67	100.00	3.74	2.83

Diagram showing the distribution of products by geographical area

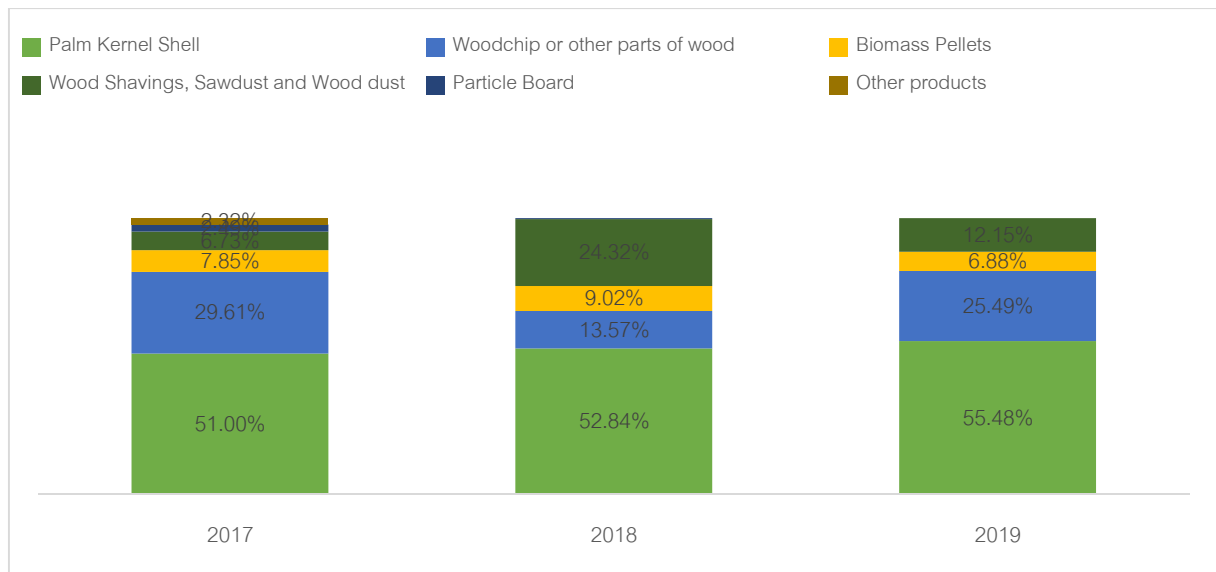
the destination of the products shipped in the year 2017 - 2019



The company has started to study and open the export market to overseas since the year 2013. In the year 2019, the company has revenue from shipping to overseas amounting to 394.99 million baht increased from 2018 by 45.81 million baht accounted for 13.12%. In addition, the main exported products of the company in 2019 were wood chips and other parts, wood pellets and palm kernel shell respectively.

In the year 2017 - 2019, the company's main income from the sale of palm kernel shell accounted for 51 - 55% of total sales. Secondly, the group of woodchips and other parts accounted for 13 - 30% of total revenue from the sale of products, followed by biomass pellet 6 - 25 % of total revenues. The proportion of sales of each type of products can be shown in the following diagram.

Chart showing the distribution of each product in 2017 - 2019

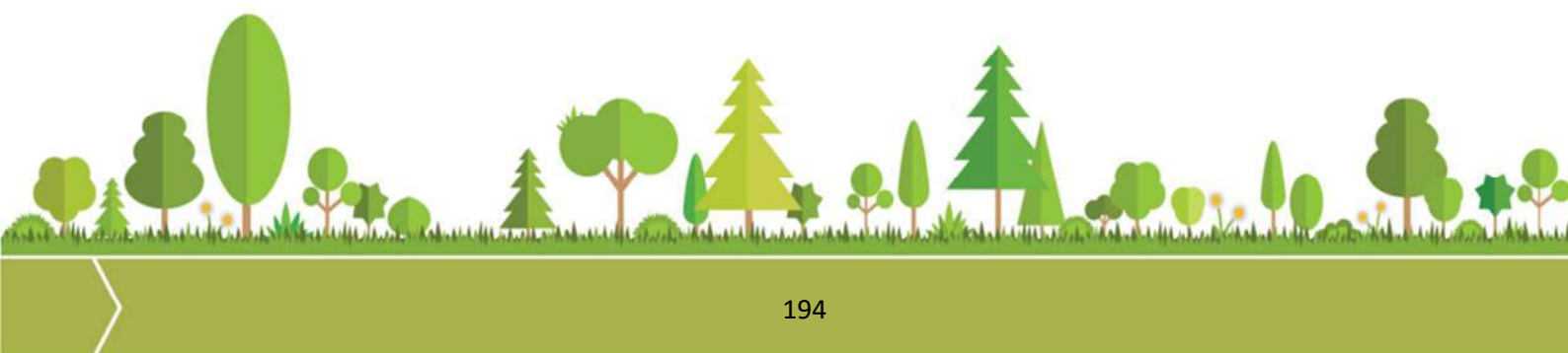


Among the biomass fuel products that the company sells palm kernel shells are considered as the by-products of agricultural processing with the highest demand. It is a high-value biomass fuel and there are enough sources to support the current needs. The company is aware of the trend. The company has focused on the relationship with sources of supply and collection of palm kernel shells both domestically and internationally. In addition, the market of palm kernel shells increased from the original focus on the distribution of products, wood shavings and sawdust as can be seen from the proportion of sales of each type of products mentioned above,

In 2017, products of woodchips and other parts of wood are another product that customers turn to use. This is because the fuel is low cost and there are more trees to cut and use as fuel. In addition, the demand for woodchips for fuel has been increased according to the government's policy to promote alternative energy use and the increasing demand from other industries that use woodchips as a raw material for their production. The company has made relationship with the wood processors.

The proportion of woodchips and other parts of wood in the year 2018 accounted for 13.57% of total revenues from sales which is lower than the year 2017, which accounts for 31.88%. From customers in the sugar factor, there is a lot of switch to fuel from bagasse which has produced a lot. In 2018, palm kernel shell and wood pellet market also has good prospects. Despite fluctuations in price which the company tried to improve the strategy to be able to compete in the market both in terms of cost and quality.

In 2019, wood pellet accounted for 12.15 percent of total revenue, dropped from 2018 by 24.32% which decreased due to the demand of biomass market in regional was reduced. While the proportion of wood chip and



other parts of wood had accounted for 13.57% of total revenue in 2018 to 25.49% in 2019, growing from the volume of wood chip and other parts wood increased in regional area.

(2) Revenue from transportation services

Key factors in the company's business of supplying and distributing biomass fuels, in addition to the source of the product, cargo management is important to maximize business performance. The company has set up a subsidiary company, STP, to carry cargo for the company and its subsidiaries. If the service is available at some time, STP will provide transportation services to related companies and other companies. Revenue from rendering of transportation services to related companies and other companies decreased from 2018 at 3.51 million baht to 9.13 million baht in the year 2019 or increased by 5.62 million baht from the number of transportation service from the company and related increased.

(3) Other incomes

Other incomes of the company in the year 2018 and 2019 were 9.38 million baht and 8.33 million baht, respectively. Other incomes consisted of 1) in the year 2018, the company gained from exchange rate and financial derivatives total was 2.16 million baht while in the year 2019, the company had gain from exchange rate and financial derivatives total was 2.13 million and 2) In 2018, the company received compensation from the fire incident at the subsidiary company. Recognize the net amount of damages as other income in the amount of 4.14 million. 3) In 2019, Main other income including effect from changed in accounting policy (TFRS15) in the amount of 1.3 million, other service income in the amount of 1.4 million.

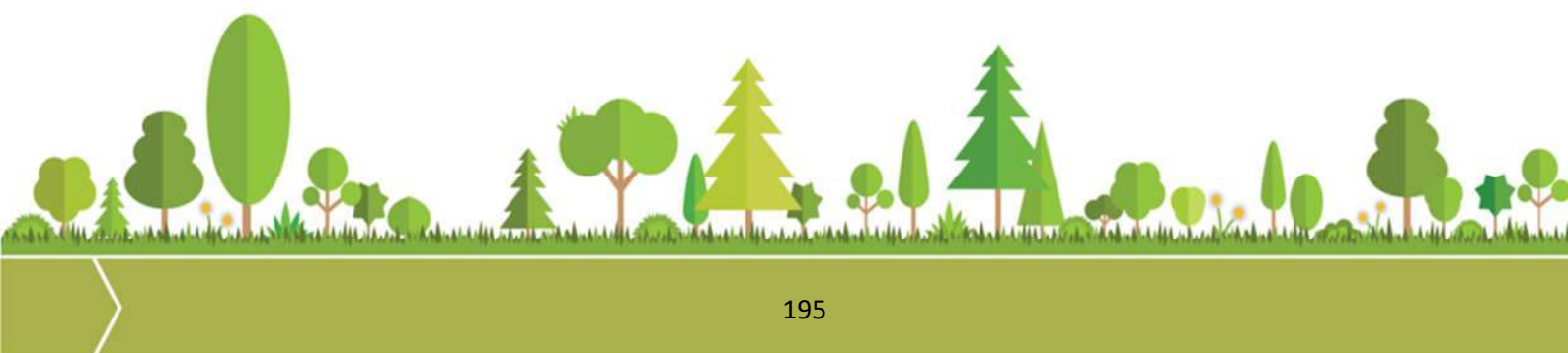
Cost of goods sold and services and gross profit

(1) Cost of goods sold and services and gross profit

The cost of sales of the company in 2018 and 2019 was 1,078.13 million baht and 1,051.22 million baht, respectively. The cost of goods sold in 2019 decreased slightly by 26.91 million baht or 2.5% by compared with 2018 from focused direct shipment strategy caused cost of carrying declined. While gross profit margin in 2018 and 2019 were 16.02% and 20.03% respectively. The gross profit margin increased from the previous year because in 2018 the company had a lot of inventory in the overseas subsidiaries which has a relatively high value. Regarding 2019, the company was able to solve the problem caused gross profit margin increased.

(2) Cost of services and gross profit

The cost of transportation services were 3.09 million baht and 7.39 million baht in 2018 and 2019, respectively. Increase by 139.16% in line with the increase in the volume of transportation services. The gross profit margin accounted for 18.06% and 21.80% respectively as a result of the company's policy not to expand the



own truck but focus on expand the logistic network. Also over the past years, the company sold the old transport trucks that make more efficient on transportation management and provide service for clients.

Distribution costs and administrative expenses

(1) Distribution costs

Distribution costs in 2018 and 2019 were at 163.59 million baht and 195.69 million baht respectively. Distribution costs inclined by 19.62% compared with 2018 in line with the increase of revenue. In spite of direct shipment strategy in 2019 effect to the company's distribution cost increased significantly when compared with 2018.

(2) Administrative expenses

The company's administrative expenses during 2018 and 2019 were 83.66 and 88.85 million baht accounted for 7.78% 6.45% and 6.67% of total revenues respectively. In 2019, administrative expenses rose 6.20% compared with 2018 because of allowance on doubtful debt expense.

Most of the administrative expenses are employee compensation. This accounted for more than 50% of the administrative expenses, followed by rental and service expenses. This includes property operating leases, service fees, such as professional fees, consulting fees, internal audit fees, audit and review financial report and training/seminars fees etc. The next will be the cost of travel, depreciation and amortization expenses are also included in the administrative expenses, such as allowance for diminution in value of inventories, reserve or burn out fire allowance for doubtful accounts and bad debts and other expenses such as foreign exchange losses and financial derivatives.

Financial costs

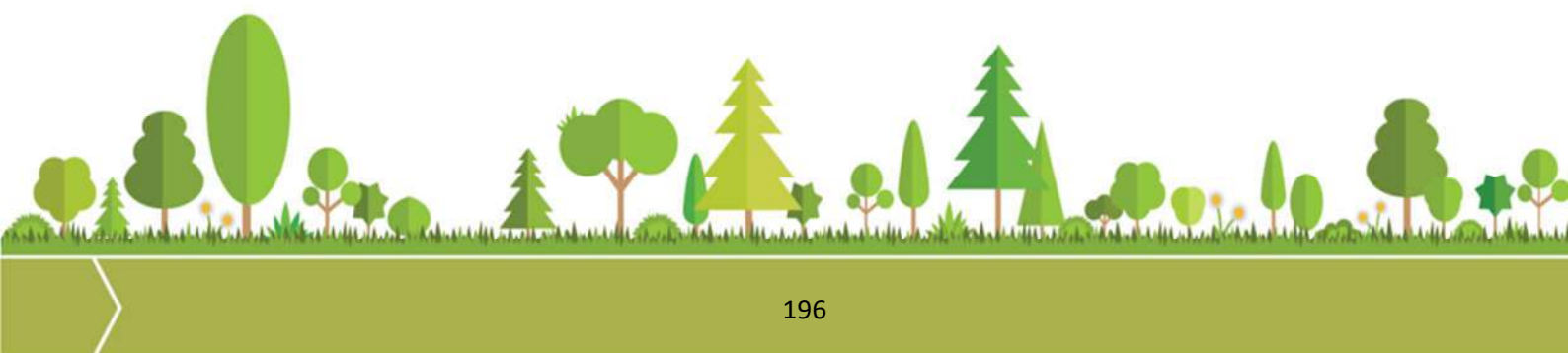
The company has finance costs of 11.42 million baht and 12.69 million baht in 2018 and 2019, respectively, accounted for 0.88% and 0.95% of the total revenue respectively. The financial cost slightly increased and in line with interest bearing debt increased.

Corporate Income Tax

In 2018 and 2019, the company had income tax revenue of 7.29 million baht and 1.51 million baht, respectively, resulting from loss from operation.

Net profit (loss)

As a result, in 2019, the net loss attributable to equity holders of the company was 15.66 million baht decreased by 15.49 million baht when compared with 2018, which has net loss at 31.15 million baht



Financial Position Analysis

Asset

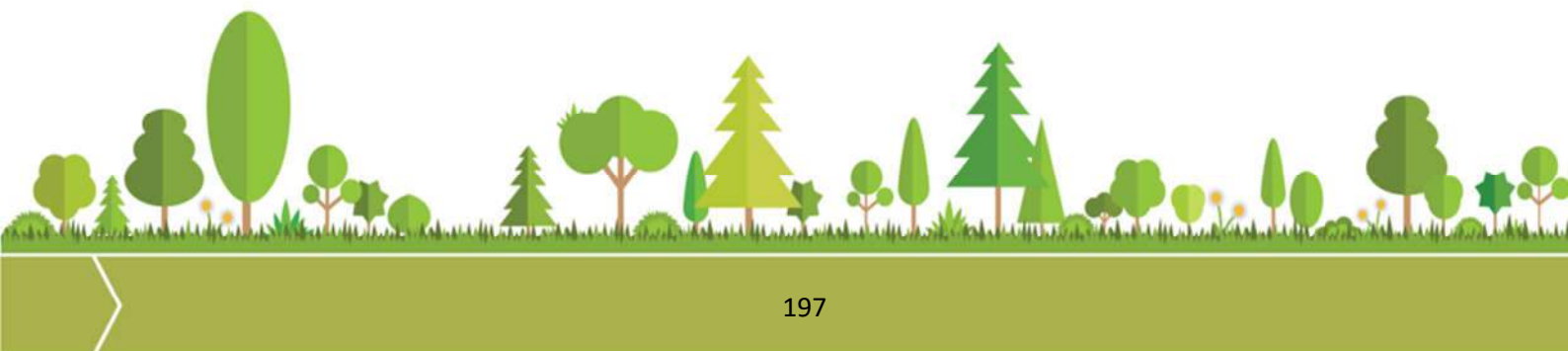
Financial Position	As of 31 December						% change 2018-2017	% change 2019-2018
	2017		2018		2019			
	MB	%	MB	%	MB	%		
<u>Assets</u>								
<i>Current Assets</i>								
Cash and cash equivalents	35.89	4.44	25.06	3.87	27.45	3.84	(30.18)	9.53
Trade and other accounts receivable	91.66	11.34	131.03	20.23	158.30	22.14	42.95	20.81
Inventories	337.44	41.74	139.24	21.50	153.51	21.47	(58.74)	10.25
Revenue receivables	3.29	0.41	0.57	0.09	6.62	0.93	(82.67)	1,062.22
Advance payment for purchase of inventories	12.83	1.59	21.39	3.30	13.92	1.95	66.72	(34.94)
Other current assets	17.85	2.21	10.46	1.62	8.29	1.16	(41.40)	(20.73)
Total current assets	498.96	61.72	327.75	50.61	368.09	51.48	(34.31)	12.31
<i>Non-current Assets</i>								
Deposits at financial institutions under pledge	10.00	1.24	10.00	1.54	40.00	5.59	0.00	300.00
Property, plant and equipment	275.93	34.13	279.55	43.16	273.70	38.28	1.31	(2.09)
Computer software	2.60	0.32	1.93	0.30	1.25	0.17	(25.77)	(35.39)
Deferred tax assets	9.50	1.18	19.44	3.00	28.17	3.94	104.63	44.89
Other non-current assets	11.46	1.42	8.97	1.39	3.75	0.52	(21.73)	(58.16)
Total non-current assets	309.49	38.28	319.89	49.39	348.84	48.79	3.36	9.05
Total assets	808.45	100.00	647.64	100.00	714.96	100.00	(19.89)	10.39

The total assets of the company as at 31 December 2018 and 2019 amounted to 647.64 million baht and 714.96 million baht, respectively. The company's main assets are trade and other receivables, inventory, and property, plant and equipment. As of December 31, 2019, the company's total assets increased by 67.32 million baht or 10.39% mainly due to the increase in trade and other receivables and inventories which are major assets of the company.

The major components of the Company's assets are as follows:

(1) Trade and other receivables

Trade and other receivables of the company at the end of 2018 and 2019 amounted to 131.04 million baht and 131.03 million baht, respectively, equivalent to 20.23% and 22.14% of total assets of the company, with



other accounts receivable less than 1% of total assets. The remaining is trade receivables.

- **Trade accounts receivable**

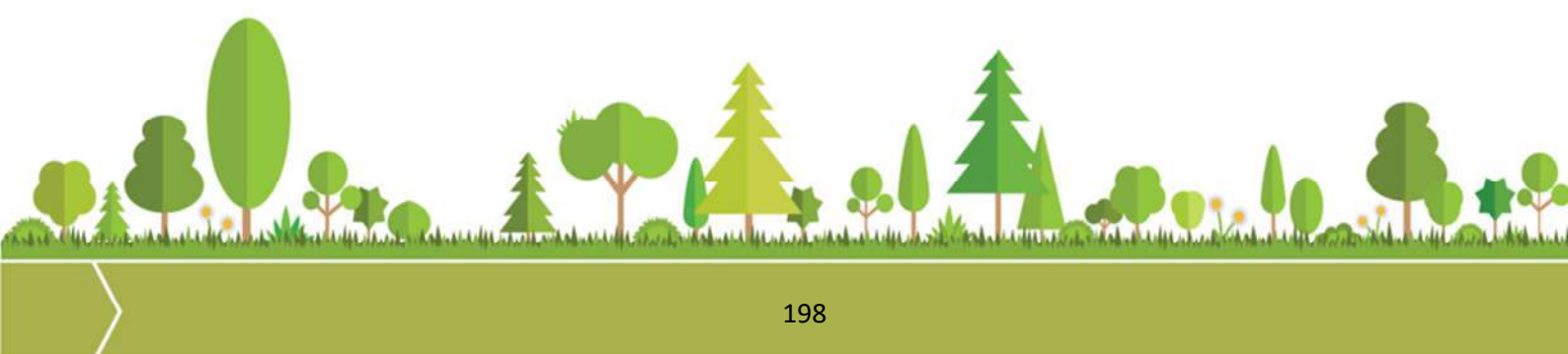
As at the end of 2019, the company's trade receivables was 157.00 million baht increased to 28.36 million baht from 128.64 million baht at the end of 2018 or an increase of 22.04%, mainly due to more sale volume near the end of the year so most of the receivables are not yet overdue or overdue less than 3 months as shown in table below.

. The company's trade accounts receivable consist of trade accounts receivable from related parties and other entities. Details of trade accounts receivable classified by aging are as follows:

Trade and other receivables	As of 31 December						% change 2018-2017	% change 2019-2018
	2017		2018		2019			
	MB	%	MB	%	MB	%		
Notes receivable	3.10	3.29	6.30	4.81	7.10	4.48	103.34	12.63
Trade accounts receivable								
Classified by aging of receivables								
Current	68.45	72.72	82.64	63.07	100.92	63.75	20.74	22.12
Overdue within 3 months	17.98	19.10	33.51	25.58	42.52	26.86	86.40	26.86
Over 3 to 6 months	-	-	4.48	3.42	0.43	0.27	-	(90.30)
Over 6 to 12 months	0.46	0.49	1.01	0.77	3.55	2.24	118.97	252.60
Over 12 months	0.79	0.84	0.70	0.53	2.48	1.57	(12.42)	256.93
Total trade accounts receivable	90.78	96.45	128.64	98.17	157.00	99.18	41.71	22.04
<u>Less</u> Allowance for doubtful accounts	(1.22)	(1.30)	(1.70)	(1.30)	(7.54)	(4.76)	39.45	342.65
Trade accounts receivable-net	89.56	95.15	126.94	96.87	149.46	94.41	41.74	17.74
Other receivables	4.56	4.85	4.10	3.13	8.84	5.59	(10.23)	115.82
Total trade and other receivables	94.12	100.00	131.03	100.00	158.30	100.00	39.22	20.81

At the end of 2018, the company's allowance for doubtful accounts increased to 7.54 million baht from 1.70 million baht at the end of 2018. The company has policy to set allowance for doubtful accounts as follows:

- Overdue receivables less than 180 days No allowance for doubtful accounts
- Overdue receivables 181 - 360 days Allowance for doubtful accounts at 50%
- Overdue more than 360 days Allowance for doubtful accounts is 100%.



Policy on allowance for doubtful accounts, the company has considered the debt repayment history of the past receivables, which is sufficient to manage the company's debtors. However, the allowance for doubtful accounts will also be used with other information. Without allowance for doubtful accounts, reasons must be submitted to the financial director for consideration and approved by managing director. The company will review the allowance for doubtful accounts at least once a quarter. The company also considers the adequacy of the setting the allowance for doubtful accounts for specific to each debtor based on the financial position, historical payment, the amount of debt outstanding against the ability to repay the debt and other factors. However, debtors who have had a bad history, long overdue or have financial problems, the company will control such receivables allowance for doubtful accounts particularly to that person.

- **Other receivables**

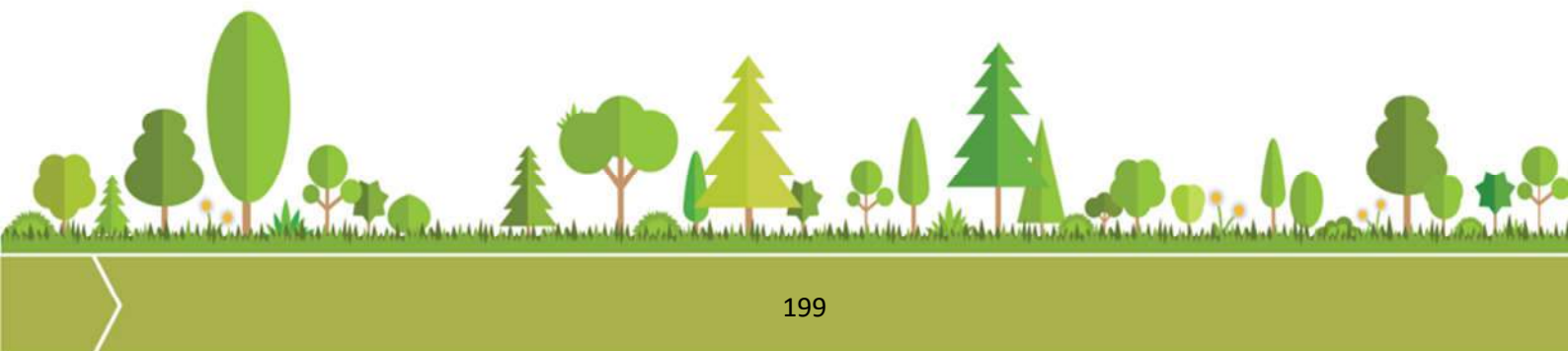
Other receivables are accounts receivable due to operating expenses paid in advance and amortized over the period of expenses incurred, payroll advance, loans to employees, etc. At the end of 2019, the company had other receivables at 8.84 million baht, a decrease of 4.47 million baht from the previous year. Other accounts receivable of the company are less than 1% of total assets.

(2) Inventories

At the end of 2018 and 2019, the company had net inventories (After allowance for decline in value of inventories) of 139.24 million baht and 153.51 million baht or at 21.50% and 21.47% of total assets, respectively. In 2019, the inventories increased by 14.27 million baht or 10.25%. 2018 because of the purchasing products according to the purchase plan during the low price period of palm kernel shell and reserved during the off-season. However, the company currently focuses on efficiency inventory management.

(3) Advance payment for goods

Most of the purchases of the company will be subject to payment terms in advance for the amount specified in the contract. Mostly it is the nature of money transfer to the manufacturer in advance for a certain amount of goods. Once the goods are received, the value of the goods will be deducted to the prepaid balance. Until the money paid in advance is lower than the agreed amount. The company will transfer the advance payment to the manufacturer to the full amount of advance payment as specified in the contract of purchase. The amount of advance payment for each product manufacturer will depend on the volume of goods that the distributor. There are deals to sell to companies. This advance payment policy is typical for the biomass fuel supply and distribution business. This is to ensure that the manufacturer will sell the products manufactured by the manufacturer to the company in accordance with the amount agreed. The company has set up sub-committee to consider the credit



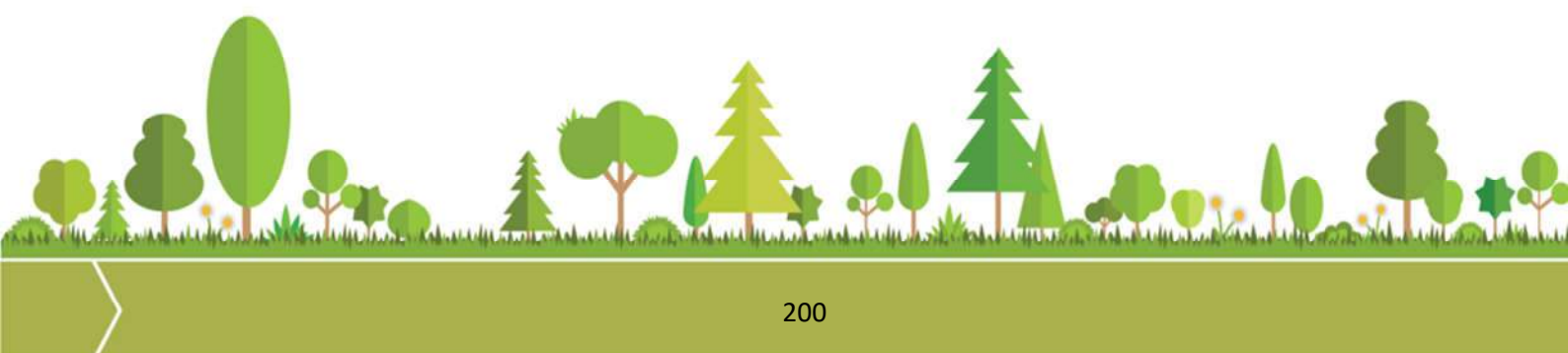
line for both accounts receivable and advance payment. It is necessary to review the information of partners who have agreed to pay for goods, such as registration information of partners and financial information as well as other business information, etc. The committee will have the highest management. Financial management is always considered and commented. In addition, the company manages the risk of advance payment by reducing the advance payment limit to the amount that the company has to pay in advance necessary according to the potential of partners as well. The direct purchase from the manufacturer or via a small retailer by subsidiaries of the company in both Indonesia and Malaysia is upon receipt of goods into the warehouse of the subsidiary, the company then prepares the advance payment to the seller under the next purchase contract.

At the end of 2018 and 2019, the company had advance payment for goods amounting to 21.39 million baht and 13.02 million baht, or 3.30% and 1.94% of total assets, respectively. The company currently focuses on efficiency inventory management. The company should have business partners to ensure that would be enough products.

(4) Property, plant and equipment

The nature of the business of supply and distribution of biomass fuels, key factors that make the company continue to operate today, the company can supply and collect products from various sources to sell to customers throughout the year and deliver the quality products that customers need within the time. The company will be able to do that. The company needs to invest in warehouses to store and maintain the quality of their products to meet the shortage of goods. In addition, the company has invested in a fleet of vehicles which can be effectively managed. At the end of 2018 and 2019, the company's property, plant and equipment (net) were 279.55 million baht and 273.70 million baht or 43.16% and 38.16% of total assets, respectively. In 2019, the company's property, plant and equipment consisted of land and land improvement about 178.20 million baht, building structure and improvement about 42.42 million baht, machinery and equipment about 6.07 million baht, furniture fixtures and office equipment about 2.19 million baht, vehicles about 22.33 million baht, fixed assets under installation and assets under financial lease about 9.17 million baht.

In 2019, the company's property, plant and equipment (net) decreased by 5.85 million baht by compared with 2019. The decrease in the company's vehicles mainly resulted from the sale of long-life truck which was not worth the cost of repair and maintenance.



Liabilities

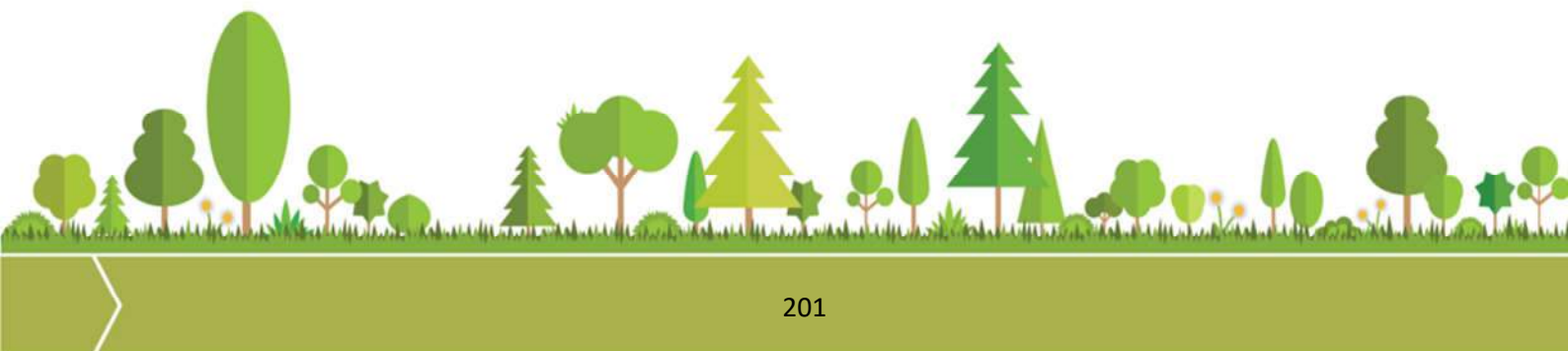
Financial Position	As of 31 December						% change 2018-2017	% change 2019-2018
	2017		2018		2019			
	MB	%	MB	%	MB	%		
<u>Liabilities and Shareholders' Equity</u>								
<i>Current Liabilities</i>								
short-term loans from financial institutions	562.43	69.57	353.13	54.53	354.83	49.49	(37.21)	0.48
Trade and other accounts payable	43.23	5.35	46.04	7.11	34.44	4.80	6.50	(25.20)
Current portion of finance lease liabilities	4.29	0.53	2.03	0.31	1.63	0.23	(52.68)	(19.94)
Long-term loans	-	-	-	-	14.93	2.08		
Income tax payable	2.85	0.35	1.12	0.17	3.93	0.55	(60.70)	250.81
Dividend payable	33.75	4.17	-	-	-	-		
Accrued expenses and other current liabilities	2.33	0.29	2.48	0.38	3.69	0.52	6.44	48.97
Total current liabilities	648.88	80.26	404.80	62.50	413.44	57.67	(37.62)	2.14
<i>Non-current Liabilities</i>								
Long-term loans	-	-	-	-	78.86	11.00		
Finance lease liabilities	3.18	0.39	1.14	0.18	4.25	0.59	(64.15)	273.09
Deferred tax liabilities	0.25	0.03	-	-	-	-		
Liability for post-employment benefits	3.22	0.40	2.26	0.35	4.61	0.64	(29.81)	104.13
Total non-current liabilities	6.65	0.82	3.40	0.52	87.72	12.24	(48.87)	2,480.13
Total liabilities	655.53	81.08	408.20	63.03	501.17	69.90	(37.73)	22.78

The company's total liabilities as at 31 December 2018 and 2019 amounted to 408.20 million baht and 501.17 million baht respectively increase by 92.97 million baht, 22.78%. The Company's main liabilities were short-term loans from financial institutions, trade and other payables and long-term loans.

The major components of the company's liabilities are as follows:

(1) Bank overdrafts and short-term loans from financial institutions

Short-term loans from financial institutions are considered as principal funds used in the business of the company. Short-term loans from financial institutions include Promissory Note ("P / N"), Trust Receipt ("T / R") and Export Credit (Packing Credit, "P / C"). At the end of 2018 and 2019, the company had short-term loans from financial institutions amounting to 353.13 million baht and 354.83 million baht respectively or 54.53% and 49.49% % of total liabilities and shareholders' equity, respectively.



(2) Trade and other payables

Accounts payable and other payables of the company by the end of 2018 and the year 2019 was 46.06 million baht and 34.44 million baht respectively or 7.11% and 4.80% of total liabilities and shareholders' equity respectively.

Trade and other payables	As of 31 December						% change 2018-2017	% change 2019-2018
	2017		2018		2019			
	MB	%	MB	%	MB	%		
Trade accounts payable	24.13	54.45	21.81	47.39	13.04	37.88	(9.61)	(40.19)
Accrued expenses	11.95	26.97	15.10	32.81	9.23	26.79	26.34	(38.89)
Other payables	8.24	18.58	9.12	19.81	12.17	35.33	10.70	33.46
Total	44.32	100.00	46.03	100.00	34.44	100.00	3.86	(25.18)

- Trade payables

The company had trade accounts payable amounting to 21.81 million baht and 13.04 million baht at the end of 2018 and 2019, respectively. Typically, the company will have a relatively small proportion of accounts payable in comparison with the volume of purchases each year as most producers will require the company to prepay the goods if producers agree to pay after receiving the goods, credit term is quite short.

- Accrued expenses and other payables

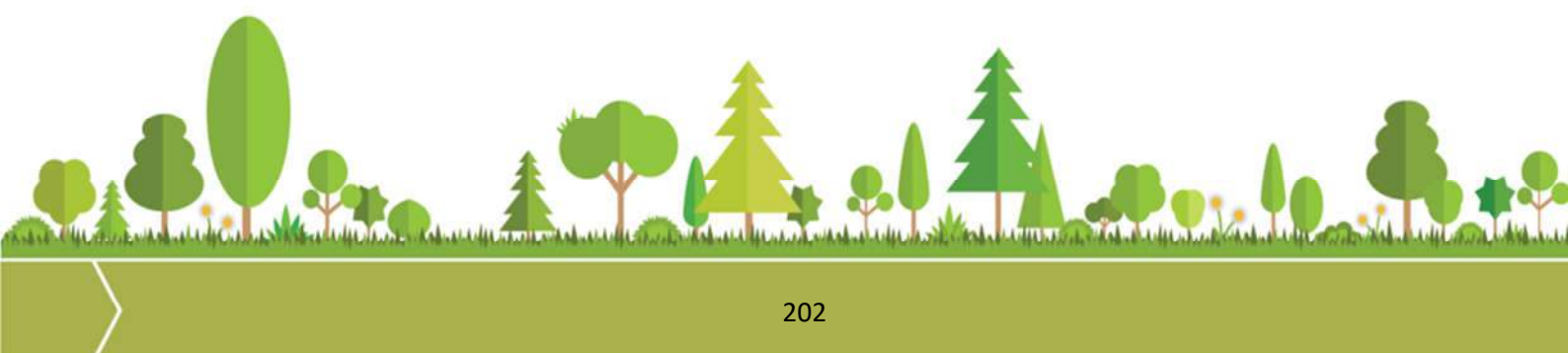
Most of the other payables are related to the business operations of the company. It has not paid, such as accrued bonuses, Revenue Department, Accrual accounting service, Accrued shipping charges, Land and building lease payable and other service payable.

(3) Long-term loans

Long-term loans in 2019 increase in all amount 93.79 million baht from 2018 due to the company converted short-term loans to long-term loans for more appropriate debt structure for investing in warehouse and production plant at Bang Kung, Surat Thani and minimize liquidities risk.

(4) Liabilities under financial lease

Liabilities under financial leases are liabilities arising from the provision of financial services by financial institutions for the purchase of trucks and other vehicles. At the end of 2018 and 2019, the company has financial lease liabilities amounting to 3.18 million baht and 5.88 million baht, respectively or 0.49% and 0.82 % of total liabilities and shareholders' equity, respectively



Shareholders' Equity

Financial Position	As of 31 December						% change 2018-2017	% change 2019-2018
	2017		2018		2019			
	MB	%	MB	%	MB	%		
Shareholders' Equity								
Issued and paid-up share capital	112.50	13.92	150.00	23.16	150.00	20.98	33.33	0.00
Share premium	5.17	0.64	90.51	13.97	90.51	12.66	1,650.62	0.00
Surplus on business combination under common control	2.48	0.31	2.48	0.38	2.48	0.35	0.00	0.11
Appropriated for legal reserve	6.10	0.75	6.10	0.94	6.10	0.85	0.00	0.00
Unappropriated	34.49	4.27	4.30	0.66	(11.93)	(1.67)	(87.53)	(377.43)
Other components of shareholders' equity	(11.89)	(1.47)	(10.03)	(1.55)	(12.69)	(1.77)	(15.64)	26.50
Equity attributable to equity holders of the	148.85	18.41	243.36	37.58	224.47	31.40	63.49	(7.76)
Parent	4.07	0.50	(3.92)	(0.61)	(10.69)	(1.49)	(196.31)	172.58
Non-controlling interest	152.92	18.92	239.44	36.97	213.79	29.90	56.58	(10.71)
Shareholders' Equity	808.45	100.00	647.64	100.00	714.96	100.00	(19.89)	10.39

Shareholders' Equity (Excluding non-controlling interest) at the end of 2018 and 2019 amounting to 243.36 million baht and 224.47 million baht or 37.58% and 31.40% of total liabilities and shareholders' equity, respectively. At the end of 2018, the company's equity increased by 91.34 million baht from the end of 2017, due to during February 19-21, 2018, the company has sold its initial public offering of ordinary share amount of 75 million shares with a par value of 0.50 baht per share. The offering price was Baht 1.80 per shares totally to Baht 135 million, so the company has a paid-up share capital increase of 37.50 million baht and premium on common stock increase of 85.34 million baht. The shares of the company have been traded in the Market for Alternative Investment (mai) on February 27, 2018. The company has registered an increase in paid-up capital from 112.50 million to 150 million days on February 22, 2018. While in 2019, Shareholders' Equity decreased due to the company had net loss in profit.

Liquidity analysis

Cash Flow	As of 31 December		
	2017	2018	2019
Net cash provided by (used in) operating activities	(36.98)	133.18	(53.70)
Net cash provided by (used in) investing activities	(7.09)	(36.48)	(21.48)
Net cash provided by (used in) financing activities	30.88	(121.40)	92.82
Impact of exchange rate on Cash and cash equivalents	(0.02)	(0.01)	(0.04)
Impact of the translation of the financial statements	(0.09)	(1.12)	(0.22)
Net increased (decreased) in Cash and cash equivalents	(13.29)	(10.83)	2.39
Cash and cash equivalents at beginning of the period	49.18	35.89	25.06
Cash and cash equivalents at end of the period	35.89	25.06	27.45

Net cash provided by (used in) operating activities

In 2018, cash flow came from operating activities of 133.18 million baht due to significantly decrease in inventory amounting to Baht 194.72 million and increase in trade and other payables Baht 1.68 million even though the company had net loss Baht 43.25 million and increase in trade receivables and other receivable Baht 37.43 million.

In 2019, the company's operating activities declined from loss in earning before tax about 23.84 million baht and spent in operating activities consisted of trade and other receivables increased 33.25 million baht inventories increased 19.98 million baht and trade and other payables decreased 11.69 million baht including interest and taxes 11.54 million baht.

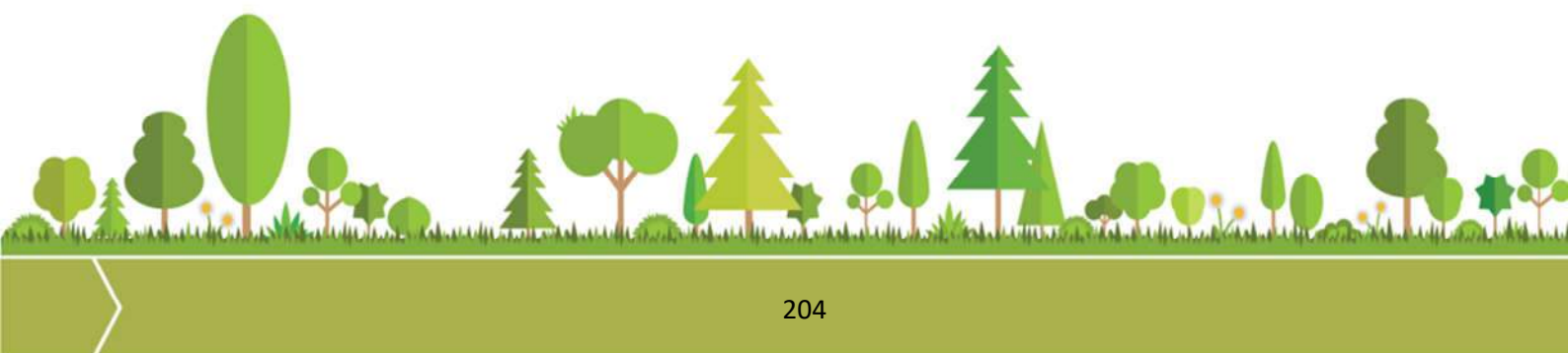
Net cash provided by (used in) investing activities

In 2018, cash flow from investing of 21.48 million baht due to cash paid for land and wood chip factory in Surat Thani amounting to 28.51 baht million and cash received from sales of fixed asset amounting to 6.91 million baht.

In 2019, the company had cash used in investing activities of 36.48 million baht because of bank deposits with obligation and invest in property, plant and equipment about 12.60 million baht.

Net cash provided by (used in) financing activities

In 2018, cash flow from investing of Baht 121.4 million increased due to the company received cash from initial public offering of ordinary share amount of Baht 125.94 million. During the year the company repaid short-term loans from financial institution amount of Baht 209.3 million and paid dividend from 2017 amounting to Baht 33.75 million, Interest payment and repayment of financial lease liabilities amounted to Baht 10.67 million and Baht 4.29 million, respectively. In 2019, the company received cash from financing activities of 92.83 million baht



due to long-term loans from financial institutions for investing in warehouse and production plant at Bang Kung, Surat Thani.

Financial Ratios

Financial Ratios		As of 31 December		
		2017	2018	2019
<u>LIQUIDITY RATIO</u>				
Current ratio	(Times)	0.77	0.81	0.89
Quick Ratio	(Times)	0.25	0.47	0.52
Cash flows ratio	(Times)	(0.06)	0.25	(0.13)
Accounts receivable turnover	(Times)	10.87	11.58	9.15
Average collection period	(days)	33.11	31.53	39.89
Inventory turnover	(Times)	3.43	4.54	7.23
Inventory days	(days)	104.92	80.46	50.47
Accounts payable turnover	(Times)	18.68	24.22	26.31
Accounts payable days	(days)	19.27	15.07	13.87
Cash Cycle	(days)	118.76	96.92	76.49
<u>PROFITABILITY RATIO</u>				
Accounts payable days	(%)	23.65	16.11	20.03
Operating profit margin	(%)	2.42	(2.45)	(0.84)
Other profit margin	(%)	0.41	0.72	0.63
Profitability Ratio	(%)	5.09	5.62	(2.25)
Net profit margin	(%)	1.24	(2.40)	(1.18)
Return on equity	(%)	10.78	(15.88)	(6.69)
<u>EFFICIENCY RATIO</u>				
Return on assets	(%)	1.96	(4.37)	(1.64)
Return on fixed assets	(%)	5.54	(11.46)	(4.03)
Assets turnover	(Times)	1.59	1.78	1.96
<u>FINANCIAL POLICY RATIO</u>				
Debt to equity ratio	(Times)	4.29	1.68	2.23
Interest coverage ration ^{1/}	(Times)	2.30	3.44	20.09
cash basis	(Times)	(1.39)	0.55	(3.96)
Dividend payout ratio	(%)	215.89	-	-

Note:1/ calculated by (operating cash flow+ interest expenses from operating taxes)/interest expenses from operating and investing



Liquidity Ratios

The Company's main current assets are trade and other receivables, Inventories and advance payment for goods. Total assets accounted for approximately of 40-50% total asset. The main source of working capital is short-term loans from financial institutions and trade and other payables.

At the end of 2018 and 2019, the company's liquidity ratio was 0.81 times and 0.89 times, respectively increased due to convert short-term loan loans for investing in warehouse and production plant at Bang Kung, Surat Thani to long-term in order to improve debt structure. As well as the better of quick ratio from 0.47 times in year 2018 to 0.52 times in year 2019.

The company had average collection period at 31.53 days and 39.89 days in 2018 and 2019 respectively, increased due to sales order near the end of period also late billing due to long weekend what might cause high trade and other receivables.

Inventory days were at 80.46 days and 50.47 days in 2018 and 2019 respectively. Due to in 2019, the company focused in direct shipment strategy caused lesser transporting cost to warehouse, also carrying cost and inventories in warehouse dropped significantly. And maintain suitable stock.

In term of account payable days of the company was at 15.07 days and 13.87 days in 2018 and 2019 respectively. The decrease of account payable days was from buying products from the individual suppliers which had short billing period.

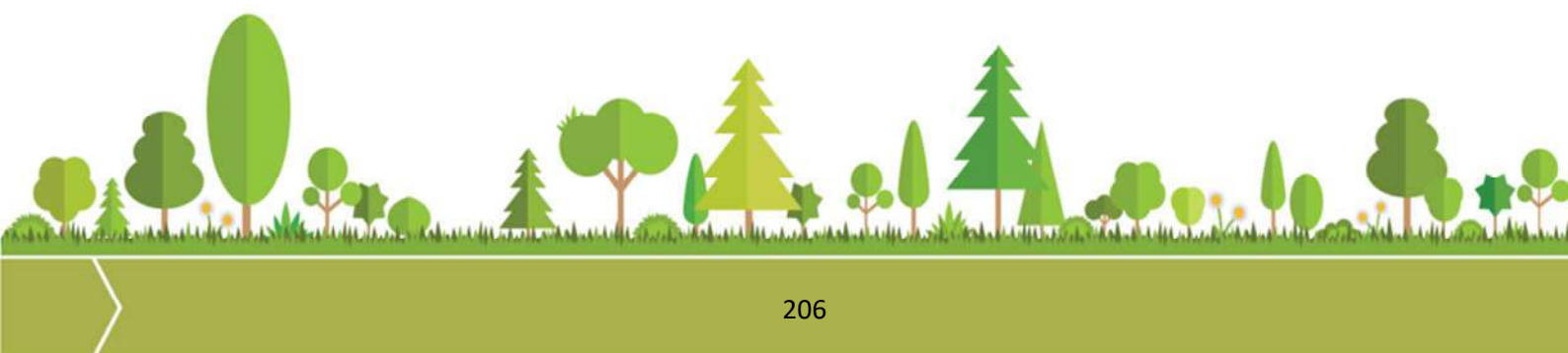
In this regard, the cash cycle in the year 2018 and the year 2019 has the cash cycle at 96.92 days and 76.49 days respectively, mainly due to the decrease in inventories, distribution cost and inventory management.

Profitability Ratios

In 2018 and 2019 the company had a gross margin for sales of goods and services 16.11% and 20.23% respectively, increase from direct shipment strategy for reduce a number of inbound logistics transaction impacted cost of carrying dropped significantly also in 2018, the company's cost of goods and services rose which caused gross profit margin decreased.

Efficiency Ratios

In 2018 and 2019, Total asset turnover was at 1.78 and 1.96 respectively, the increase in total asset turnover was from the company had more efficiency in assets utilization.



Financial Policy Ratios

Debt to equity ratio of the company in 2018 and 2019 was at 1.68 times and 2.23 times respectively. The major source of working capital is short-term loans from financial institutions. Total liabilities increased in line with total assets increased such as account receivables, Inventory and eposits at financial institutions under pledge while the company had loss in profit caused debt to equity ratio increased significantly by compared with previous year.



Responsibility of the Board of Directors for Financial Reporting

DEAR SHAREHOLDERS,

The Board of Directors recognizes its duties and responsibilities, as directors of a listed company, for the financial statement of Asia Biomass Public company Limited, as well as other financial information appearing in the Annual Report. The financial statements have been prepared in accordance with generally accepted accounting principles in Thailand with appropriate accounting policies applied on a conservative and consistent basis. Where judgment and estimates were required, these were made with careful and reasonable consideration, and adequate disclosures have been made in the notes to the financial statements. So, that the shareholders, investors and the public obtain sufficient, accurate and timely information.

The Board of Directors has also adopted and maintained an appropriate and efficient system of risk management as well as internal control systems to ensure that the reliability and completeness of financial information are in place with ability to protect the Company's assets in order to prevent fraud or materially irregular operation. In this regard, the Board of directors has appointed an Audit Committee which comprises three independent directors who are responsible for reviewing and working with internal and external auditors on the financial reports, financial statements and a quarterly and yearly basis, internal control, related transactions. To make certain that the information in these financial reports is prepared according to the intended objectives and under the good corporate governance system.

The Board of Directors therefore of the opinion that the Company has adequate and appropriate corporate governance, risk management system and internal control system, thus providing reasonable confidence that financial reports for the year ended December 31, 2019 and information of the Company has been prepared under the financial reporting standards, suitable and consistently-conformed accounting policies, with proper and prudent discretion, as well as with sufficient, accurate and timely information disclosure.



Mr. Apisit Rujikeatkamjorn

Chairman of the Board of Director



Report of the Nomination and Remuneration Committee

To Shareholders,

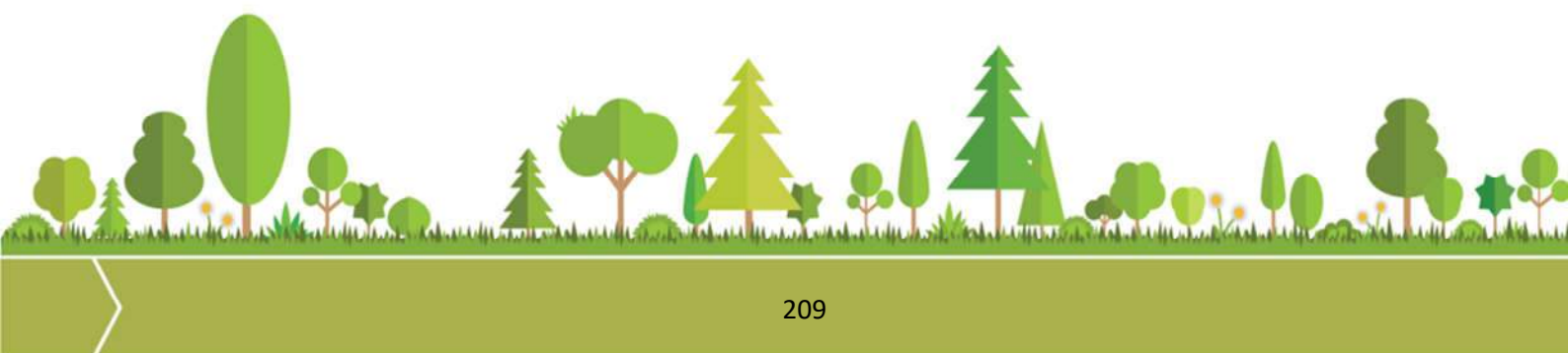
Asia Biomass Public Company Limited has appointed the Nomination and Remuneration Committee which comprises three directors, while the Chairman of the Nomination and Remuneration Committee is an independent director and does not serve on any other committee. The members of the existing Nomination and Remuneration Committee are:

- | | |
|-----------------------------|---|
| 1. Mr. Wichai Pornkeratiwat | Chairman of the Nomination and Remuneration Committee |
| 2. Mr. Panom Kuansataporn | Member of the Nomination and Remuneration Committee |
| 3. Miss Tiya Kuansataporn | Member of the Nomination and Remuneration Committee |

In 2019, the Nomination and Remuneration Committee has performed its duties as assigned by the Board of Directors. The Committee held altogether two meetings, 2 members of the Nomination and Remuneration Committee attended in the 1st meeting because it was considered the remuneration of the Managing Director which Ms.Tiyada had to leave the meeting by having the remaining nomination committees consider of the issues. The second meeting, 2 members of the Nomination and Remuneration Committee attended the meeting which the Chairman of the Nomination and Remuneration Committee had to leave the meeting due to he is Directors who retired by rotation. The Nomination and Remuneration Committee is responsible to make a consideration in various The results of the Committees meeting are reported regularly to Board of Director. The essence of the performance of duties in 2019 can be summarized as follows:

- 1) Considered and proposed to the Board of Directors the appointment of three directors that completed their terms of service. The Nomination and Remuneration Committee considered three directors are still fully qualified and have performed their duties with care as well as giving suggestions and opinions that are beneficial to the company and shareholders.
- 2) Considered and proposed to the Board of Directors the remuneration of the directors and sub-committees.
- 3) Considered and proposed to the Board of Directors the remuneration of the Managing Directors.

The Nomination and Remuneration Committee has considered remuneration for the Managing Directors that is commensurate with their respective duties and responsibilities, their performance results and the



Company's operating outcome.

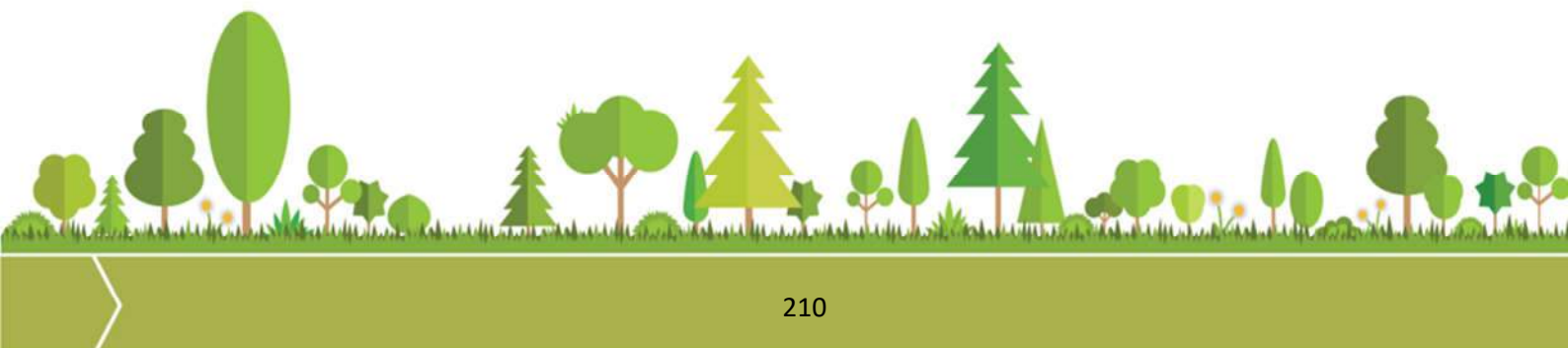
- 4) evaluate the annual performance of the Board of Directors and the Managing Director.

In 2019, the Nomination and Remuneration Committee has fulfilled their duties as assigned by the Board of Directors, by employing their knowledge, ability with due care and independence for the overall benefit of the Company and shareholders appropriately.



(Mr. Wichai Pornkeratiwat)

Chairman of the Nomination and Remuneration committee



The Report of the Audit Committee

Dear Shareholders of Asia Biomass Public Company Limited

The Audit Committee of Asia Biomass Public Company Limited consists of three following independent directors with qualifications and expertise in accounting, finances and management.

- | | |
|-------------------------------|--|
| 1. Ph.D. Sarit Chokchainirand | Chairman of the Audit Committee and Independent Director |
| 2. Mr. Wichai Pornkeratiwat | Audit Committee and Independent Director |
| 3. Miss Patrawan Manutsathit | Audit Committee and Independent Director |

The Company Secretary, acts as the Secretary of the Audit Committee.

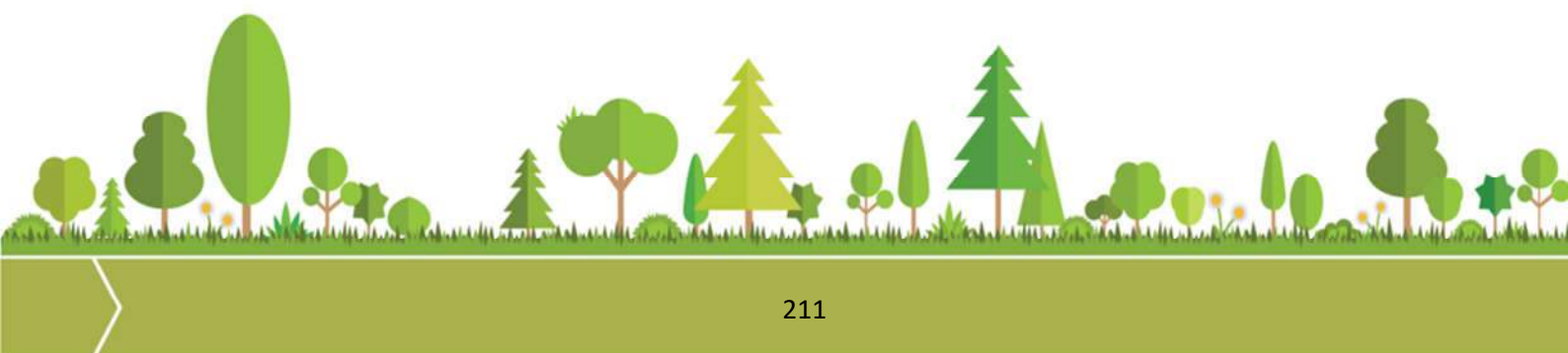
The Audit Committee has performed its duties in accordance with the charter of the Audit Committee which is assigned by the Board of Directors. It also complies with the regulation of the Stock Exchange of Thailand. In the accounting period of the year 2019, the Audit Committee convened a total of 4 meetings in order to consider issues. The relevant issues were discussed by the Risk Management , Dharmniti Internal Audit Co.Ltd. and the Auditor, The report of the meeting was submitted to the Board of Directors for acknowledgement every time. The main points of the missions can be summarized as follows:

The Financial Statement Reports

The Audit Committee, together with the auditors, the Management Team, and the Internal Audit Division, reviewed the Company's quarterly and the yearly financial statements as well as the consolidated financial statements of the Company and its subsidiaries. The auditors gave approval to certify the financial statement unconditionally. The Audit Committee asked and considered the Key Audit Matters (KAMs), auditing standards and financial reporting standards which were changed, information disclosure in the financial statement that were sufficient, in-time, and useful for users of the financial statement, provided useful recommendations in order that the Company's financial statement would be accurate and trustworthy according to financial reporting standards.

The Related Transactions or Potential Conflict of Interest Transactions

The Audit Committee considered and gave opinions about related transactions or transactions that might give rise to a conflict of interest with the Company and its subsidiaries, prior to report to the Board of Directors or shareholders as specified, with the principles of integrity, precautions, rationality, transparency and taking the interest of the Company and stakeholders into account. Information was sufficiently disclosed and consistent with the Good



Governance policy and the regulations imposed by the Stock Exchange of Thailand.

The Internal Control and Risk Management

The Audit Committee reviewed the adequacy of the Company's from Dharmniti Internal Audit Co.Ltd its and risk management by considering performance, asset management, prevention of damage or corruption, obedience to law, rules, and regulations. The Audit Committee also reviewed significant reports of the Internal Audit Division and the auditors, amended the Key Audit Matters according to the audit reports, and acknowledged the organization's key risk management by having a meeting with the risk management unit. The Audit Committee gave opinions about the assessment of the sufficiency, the appropriateness and the efficiency of the Company's internal control system, and its risk management.

The Good Corporate Governance

The Audit Committee reviewed the management, compliance with the policy and measures against corruption in order to ensure stakeholders and conform to regulations stipulated by the Stock Exchange of Thailand.

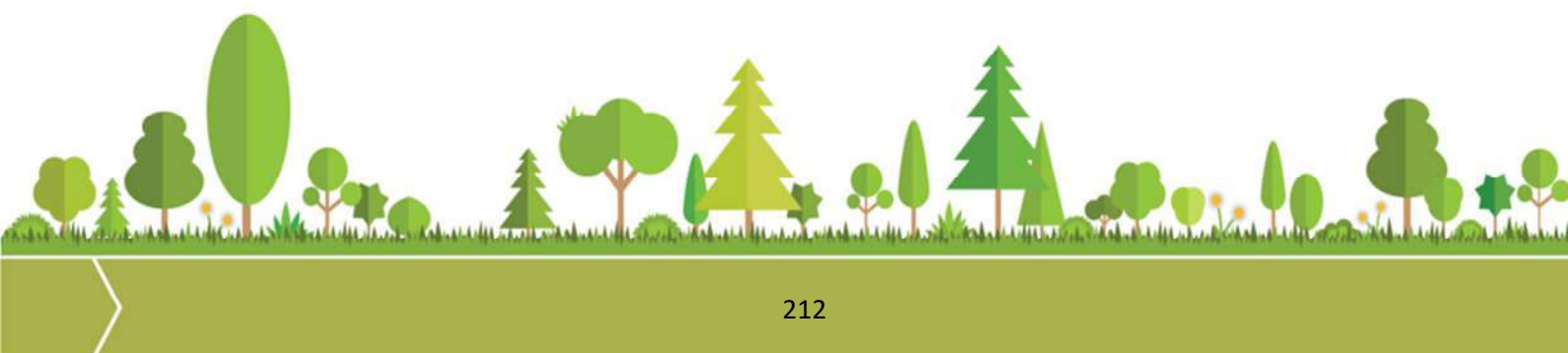
Considering the Selection of Auditors and Their Remuneration

The Audit Committee selected and considered the remuneration of the auditors of Dr.Virach and Associates Co.,Ltd. by considering auditors qualifications, knowledge, capabilities, experiences, and independence of the auditors which were in accordance with the regulations of The Stock Exchange of Thailand or any other related agencies, and the quality of auditing in the previous year. The Audit Committee approved that the auditors from Dr.Virach and Associates Co.,Ltd. had good understanding of the Company's business and regularly delivered their work in a timely manner, thus the Board of Directors proposed to the Annual General Meeting of Shareholders of the year 2019 to appoint Dr.Virach and Associates Co.,Ltd. as the Company's auditor

Conducted self-assessment of the Audit Committee

The result of the overall assessment is at "Good" This was particularly noticeable how efficiently the audit committees carried out their responsibilities delegated by the Board of Directors, in line with best practices guidelines for Audit Committee.

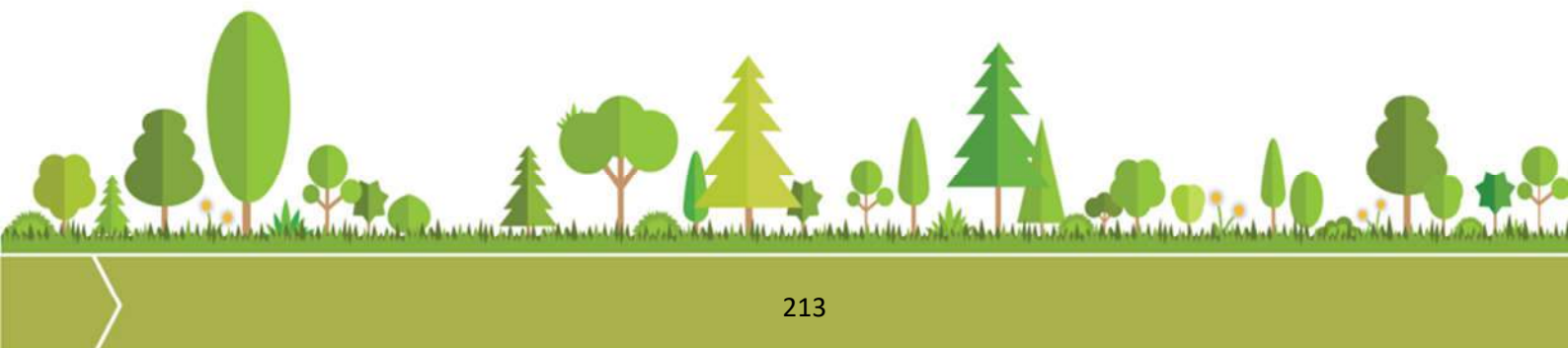
The Audit Committee carried out their duties, as assigned by the Board of Directors, which conformed to the Charter of the Audit Committee, by exercising knowledge, abilities, and precautions, prudence, and independence. The Audit Committee deemed that during the accounting period ended on 31st December 2019, the Company provided the financial statement which was accurate according to the financial reporting standards and sufficient



information disclosure. For the Company's business operations, it established the internal control system and proper risk management and complied with the stipulations and related laws.



Ph.D. Sarit Chokchainirand
Chairman of the Audit Committee and Independent Director



ASIA BIOMASS PUBLIC COMPANY LIMITED
AND SUBSIDIARIES

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
DECEMBER 31, 2019



AUDITOR'S REPORT

To the Shareholders of Asia Biomass Public Company Limited

Opinion

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

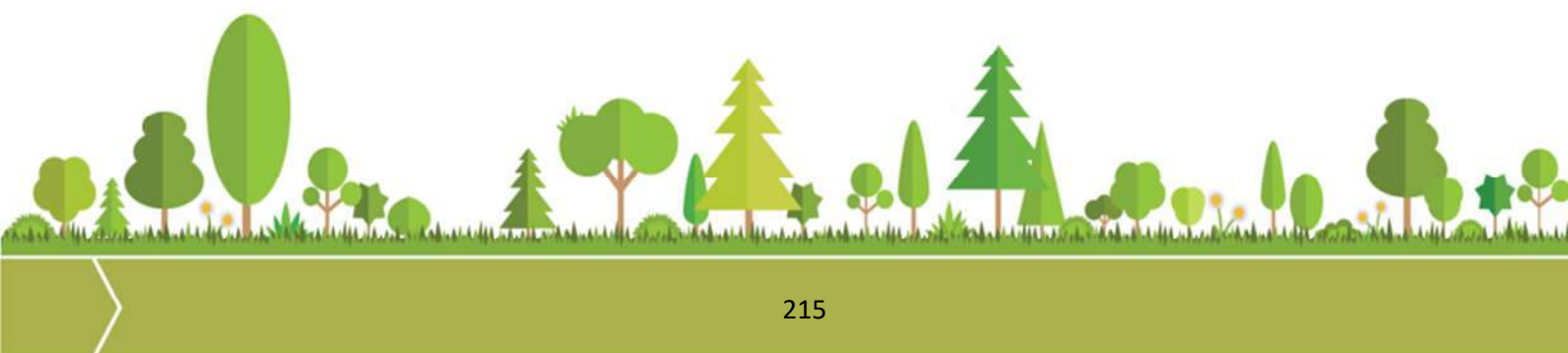
In my opinions, the financial statements referred to above present fairly, in all material respects, the financial position of Asia Biomass Public Company Limited and its subsidiaries and Asia Biomass Public Company Limited as at December 31, 2019, their financial performance and cash flows for the year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

Basis of 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.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were 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 these matters.



1. The completeness of the revenue recognition from export sales.

Sales of goods are recognized when the Company has transferred control over the goods to the customer. The consolidated statements of comprehensive income for the year ended December 31, 2019, the Company has export sales amount of Baht 394.99 million accounted for 30.04% of total revenues from sales. Due to the term of transferring the control to customer is different. Therefore, the revenues recognition from export sales from many condition terms may have effect to the accuracy and completeness of revenues recognition.

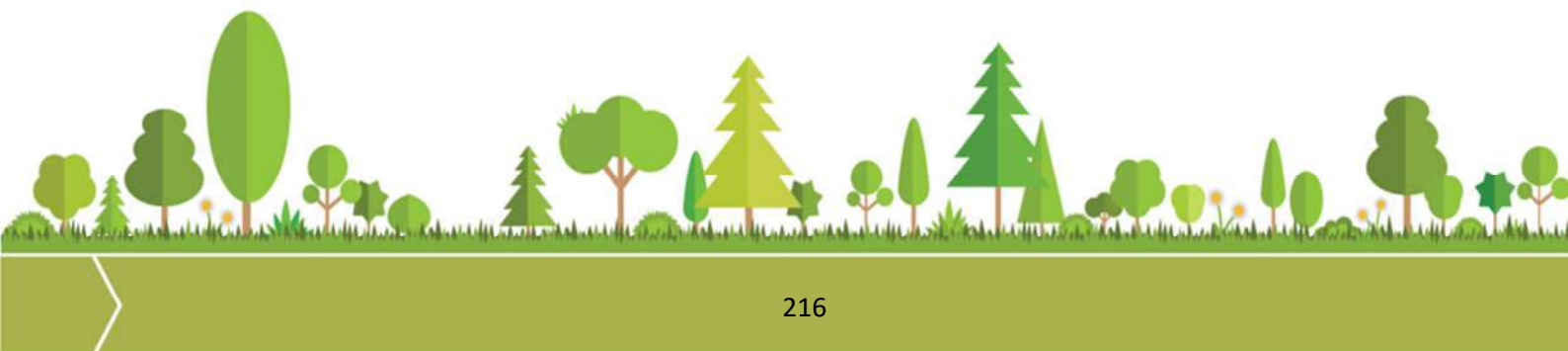
I have assessment and testing of revenue recognition system, account receivable and settlement, examined the related supporting documents of the revenues recording from export and cut-off. All audited to ensure the revenue recognition from export sales are properly recorded and complete.

2. Deferred tax assets

The separate statements for the year ended December 31, 2019, the Company had deferred tax assets amount of Baht 33.70 million, of which amount of Baht 23.87 million relates to deferred tax assets recognized from cumulative tax losses carried forward by the Company (tax deficits not exceeding five accounting years amount of Baht 119.35 million). The Company has disclosed its accounting policy and the detail relating to deferred tax assets in Notes 4.11 and 25 to the financial statements, respectively. Deferred tax assets are recognized when it is highly probable that the Company taxable profit will be sufficient to allow utilization of the deferred tax assets in the future. Determining whether there will be sufficient future taxable profit available to utilise taxable losses requires significant management judgment with respect to the preparation of business plans and projections of future taxable profits based on approved business plans. Therefore, there is a risk with respect to the amount of deferred tax assets.

I have assessed and inquired the management's judgement and assumptions applied in the Company's cash flow forecasts in the five-year business plan. During the five-year period, the Company is capable of utilizing the benefits derived from the accumulated tax losses by considering the probability of the assumption about the future profit growth rates which result from the revenue growth. This also includes the comparison of the revenue growth rate in the business plan to industry forecasts.

As a result, I considered management's key assumptions used in the estimate of future taxable profit to be within a reasonable range.



Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, 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, 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 cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the 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 judgment and maintain professional skepticism throughout the audit. I also:

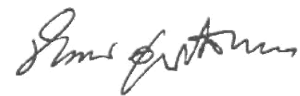
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting 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 those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



(Mr. Chaiyakorn Aunpitipongsa)

Certified Public Accountant Registration No. 3196

Dr. Virach & Associates Office Co., Ltd.

Bangkok : February 26, 2020



ASIA BIOMASS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

		ASSETS			
		BAHT			
		CONSOLIDATED		SEPARATE FINANCIAL	
				STATEMENTS	
	Notes	2019	2018	2019	2018
Current Assets					
Cash and cash equivalents	4.2 and 5	27,449,384	25,059,692	11,328,746	13,307,748
Trade and other receivables	4.3 and 6	158,301,790	131,034,581	118,742,762	104,327,886
Advance payment for goods	7	13,916,212	21,392,719	24,207,829	61,597,863
Short-term loans to subsidiary	8	-	-	14,600,000	37,600,000
Inventories	4.4 and 9	153,507,158	139,238,924	17,142,453	48,990,094
Other current assets		14,801,942	11,028,813	6,671,727	1,309,007
Non-current assets classified					
as held for sale	4.5 and 10	114,677	-	-	-
Total Current Assets		368,091,163	327,754,729	192,693,517	267,132,598
Non-current Assets					
Investments in subsidiaries	4.6 and 11	-	-	8,496,026	18,008,134
Investments in related company	12	-	-	-	-
Bank deposits with obligation	13	40,000,000	10,000,000	40,000,000	10,000,000
Property, plant and equipment	4.7 and 14	273,698,042	279,546,928	239,012,787	239,374,156
Intangible assets	4.8 and 15	1,246,979	1,926,365	1,205,296	1,853,466
Deferred tax assets	4.11 and 25	28,166,482	19,440,284	33,703,315	19,019,227
Other non-current assets					
Withholding tax		1,206,074	861,886	321,847	286,761
Deposit for equipment		478,068	-	-	-
Others		2,069,130	8,110,061	910,200	6,879,229
Total other non-current assets		3,753,272	8,971,947	1,232,047	7,165,990
Total Non-current Assets		346,864,775	319,885,524	323,649,471	295,420,973
TOTAL ASSETS		714,955,938	647,640,253	516,342,988	562,553,571

ASIA BIOMASS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

LIABILITIES AND SHAREHOLDERS' EQUITY

		BAHT			
		CONSOLIDATED		SEPARATE FINANCIAL	
				STATEMENTS	
	Notes	2019	2018	2019	2018
Current Liabilities					
Short-term loans from financial institutions	16	354,829,453	353,132,427	107,091,951	198,845,964
Trade and other payables	17	34,438,135	46,026,804	122,015,292	120,664,729
Current portion					
Financial leases liabilities	4.9 and 18	1,625,176	2,034,541	-	-
Long-term loans	19	14,928,000	-	14,928,000	-
Accrued income tax		3,929,106	1,118,619	-	-
Other current liabilities		3,694,369	2,483,710	3,633,168	2,387,279
Total Current Liabilities		413,444,239	404,796,101	247,668,411	321,897,972
Non-current Liabilities					
Financial lease liabilities	4.9 and 18	4,253,258	1,143,388	-	-
Long-term loans	19	78,858,000	-	78,858,000	-
Provision for long-term employee benefits	4.10 and 20	4,613,315	2,256,745	2,345,829	1,765,733
Total Non-current Liabilities		87,724,573	3,400,133	81,203,829	1,765,733
TOTAL LIABILITIES		501,168,812	408,196,234	328,872,240	323,663,705

ASIA BIOMASS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)

	Notes	BAHT			
		CONSOLIDATED		SEPARATE FINANCIAL	
		2019	2018	2019	2018
Shareholders' Equity					
Share capital	21				
Authorized share capital					
300,000,000 common stocks of Baht 0.50 par value		150,000,000	150,000,000	150,000,000	150,000,000
Issued and paid-up share capital					
300,000,000 common stocks of Baht 0.50 par value		150,000,000	150,000,000	150,000,000	150,000,000
Premium on common stocks		90,507,012	90,507,012	90,507,012	90,507,012
Surplus on business combination under					
common control		2,482,778	2,482,778	-	-
Retained earnings (deficits)					
Appropriated					
Legal reserve	22	6,100,000	6,100,000	6,100,000	6,100,000
Unappropriated		(11,929,666)	4,301,420	(56,805,631)	(7,717,146)
Other components of shareholders' equity		(12,687,759)	(10,030,534)	(2,330,633)	-
Total Equity of the Parent		224,472,365	243,360,676	187,470,748	238,889,866
Non-controlling interests		(10,685,239)	(3,916,657)	-	-
Total Shareholders' Equity		213,787,126	239,444,019	187,470,748	238,889,866
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		714,955,938	647,640,253	516,342,988	562,553,571

ASIA BIOMASS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2019

		BAHT			
		CONSOLIDATED		SEPARATE FINANCIAL	
				STATEMENTS	
Notes		2019	2018	2019	2018
REVENUES					
	Revenues from sales	1,314,546,195	1,283,757,712	1,004,888,711	1,109,009,365
	Revenues from services	9,126,922	3,506,779	-	-
	Other incomes				
	Gain from exchange rates	2,133,510	2,160,142	-	1,285,965
9	Others	6,195,031	7,217,708	9,024,573	4,680,871
		8,328,541	9,377,850	9,024,573	5,966,836
	Total Revenues	1,332,001,658	1,296,642,341	1,013,913,284	1,114,976,201
EXPENSES					
	Cost of sales	1,051,219,152	1,078,132,837	800,440,443	930,850,604
	Cost of services	7,386,226	3,089,516	-	-
	Distribution costs	195,692,477	163,594,278	164,745,756	148,161,676
	Administrative expenses	85,955,879	80,702,806	100,943,113	72,216,281
	Loss from exchange rates	-	-	492,296	-
23	Directors' remuneration	2,895,000	2,960,000	2,895,000	2,960,000
	Finance costs	12,692,618	11,416,588	7,071,325	7,916,109
	Total Expenses	1,355,841,352	1,339,896,025	1,076,587,933	1,162,104,670
	Loss before income tax	(23,839,694)	(43,253,684)	(62,674,649)	(47,128,469)
4.11 and 25	Income tax revenues	(1,508,376)	(7,292,240)	(13,998,377)	(12,473,516)
	Loss for the year	(22,331,318)	(35,961,444)	(48,676,272)	(34,654,953)

ASIA BIOMASS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2019

		BAHT			
		CONSOLIDATED		SEPARATE FINANCIAL	
				STATEMENTS	
Notes		2019	2018	2019	2018
Other comprehensive income (loss)					
	Foreign currency translation differences of foreign operation	(420,205)	(1,308,497)	-	-
	Loss on cash flow hedges	(2,913,291)	-	(2,913,291)	-
	Components of income tax	582,658	-	582,658	-
	Loss on cash flow hedges-net of tax	(2,330,633)	-	(2,330,633)	-
	Actuarial gain (loss) from employee benefit plan	(718,421)	1,203,097	(515,266)	805,681
	Components of income tax	143,684	(240,619)	103,053	(161,136)
	Actuarial gain (loss) from employee benefit plan-net of tax	(574,737)	962,478	(412,213)	644,545
	Other comprehensive income (loss) for the year	(3,325,575)	(346,019)	(2,742,846)	644,545
	Total comprehensive loss for the year	(25,656,893)	(36,307,463)	(51,419,118)	(34,010,408)
Loss Attributable to					
	Equity holders of the parent	(15,656,349)	(31,150,400)	(48,676,272)	(34,654,953)
	Non-controlling interests	(6,674,969)	(4,811,044)	-	-
		(22,331,318)	(35,961,444)	(48,676,272)	(34,654,953)
Total Comprehensive Loss Attributable to					
	Equity holders of the parent	(18,888,311)	(31,136,483)	(51,419,118)	(34,010,408)
	Non-controlling interests	(6,768,582)	(5,170,980)	-	-
		(25,656,893)	(36,307,463)	(51,419,118)	(34,010,408)
Loss per Share of the Parent					
	Basic Loss per Share	4.12	(0.052)	(0.162)	(0.120)
	The number of common stocks used in				
	computation loss per share (share)	300,000,000	289,315,068	300,000,000	289,315,068

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

CONSOLIDATED

BAHT

	Note	Shareholders' equity of the parent								Non-controlling interests	Total
		Issued and paid-up share capital	Premium on common stocks	Surplus on business combination under common control	Retained earnings (deficits)		Other components of shareholders' equity		Total equity of the parent		
							Other comprehensive loss				
							Legal reserve	Unappropriated			
					Year 2018						
Beginning balances as at January 1, 2018		112,500,000	5,170,000	2,482,778	6,100,000	34,489,342	(9,081,973)	(9,081,973)	151,660,147	1,254,293	152,914,440
Capital increase	21	37,500,000	85,337,012						122,837,012		122,837,012
Increase in non-controlling interests										30	30
Total comprehensive income (loss) for the year 2018											
Comprehensive loss for the year 2018						(31,150,400)	(948,561)	(948,561)	(32,098,961)	(5,170,980)	(37,269,941)
Actuarial gains from employee benefit plan-net of tax						962,478	-	-	962,478	-	962,478
Total comprehensive loss for the year 2018						(30,187,922)	(948,561)	(948,561)	(31,136,483)	(5,170,980)	(36,307,463)
Ending balances as at December 31, 2018		150,000,000	90,507,012	2,482,778	6,100,000	4,301,420	(10,030,534)	(10,030,534)	243,360,676	(3,916,657)	239,444,019

Notes to the financial statements form an integral part of these statements.

ASIA BIOMASS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2019

CONSOLIDATED

BAHT

	Shareholders' equity of the parent										Non-controlling interests	Total
	Retained earnings (deficits)					Other components of shareholders' equity			Total equity of the parent			
	Issued and paid-up share capital	Premium on common stocks	Surplus on business combination under common control	Legal reserve	Unappropriated	Other comprehensive loss		Total Other components of shareholders' equity				
						Foreign currency translation differences of foreign operations	Loss on cash flow hedges					
Year 2019												
Beginning balances as at January 1, 2019	150,000,000	90,507,012	2,482,778	6,100,000	4,301,420	(10,030,534)	-	(10,030,534)	243,360,676	(3,916,657)	239,444,019	
Total comprehensive loss for the year 2019												
Comprehensive loss for the year 2019					(15,656,349)	(326,592)		(326,592)	(15,982,941)	(6,768,582)	(22,751,523)	
Loss on cash flow hedges							(2,330,633)	(2,330,633)	(2,330,633)		(2,330,633)	
Actuarial loss from employee benefit plan-net of tax					(574,737)	-	-	-	(574,737)	-	(574,737)	
Total comprehensive loss for the year 2019					(16,231,086)	(326,592)	(2,330,633)	(2,657,225)	(18,888,311)	(6,768,582)	(25,656,893)	
Ending balances as at December 31, 2019	150,000,000	90,507,012	2,482,778	6,100,000	(11,929,666)	(10,357,126)	(2,330,633)	(12,687,759)	224,472,365	(10,685,239)	213,787,126	

Notes to the financial statements form an integral part of these statements.

ASIA BIOMASS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2019

SEPARATE FINANCIAL STATEMENTS

	Note	BAHT			
		Issued and paid-up share capital	Premium on common stocks	Retained earnings (deficits)	
				Legal reserve	Unappropriated
					Total
<u>Year 2018</u>					
Beginning balances as at January 1, 2018		112,500,000	5,170,000	6,100,000	26,293,262
Capital increase	21	37,500,000	85,337,012		
Total comprehensive income (loss) for the year 2018					
Comprehensive loss for the year 2018					(34,654,953)
Actuarial gains from employee benefit plan-net of tax					644,545
Total comprehensive loss for the year 2018					(34,010,408)
Ending balances as at December 31, 2018		150,000,000	90,507,012	6,100,000	(7,717,146)

Notes to the financial statements form an integral part of these statements.

ASIA BIOMASS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2019

SEPARATE FINANCIAL STATEMENTS

BAHT						
	Issued and paid-up share capital	Premium on common stocks	Retained earnings (deficits)		Other components of shareholders' equity	Total
			Legal reserve	Unappropriated	Other comprehensive	
					loss	
					Loss on cash flow hedges	
<u>Year 2019</u>						
Beginning balances as at January 1, 2019	150,000,000	90,507,012	6,100,000	(7,717,146)	-	238,889,866
Total comprehensive loss for the year 2019						
Comprehensive loss for the year 2019				(48,676,272)		(48,676,272)
Loss on cash flow hedges					(2,330,633)	(2,330,633)
Actuarial loss from employee benefit plan-net of tax				(412,213)		(412,213)
Total comprehensive loss for the year 2019				(49,088,485)	(2,330,633)	(51,419,118)
Ending balances as at December 31, 2019	150,000,000	90,507,012	6,100,000	(56,805,631)	(2,330,633)	187,470,748

ASIA BIOMASS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (1/3)

FOR THE YEAR ENDED DECEMBER 31, 2019

	BAHT			
	CONSOLIDATED		SEPARATE FINANCIAL	
			STATEMENTS	
	2019	2018	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES				
LOSS BEFORE INCOME TAX	(23,839,694)	(43,253,684)	(62,674,649)	(47,128,469)
ADJUSTMENTS TO RECONCILE LOSS BEFORE INCOME TAX				
TO NET CASH PROVIDED FROM (USED IN) OPERATION :				
Depreciation	17,773,936	18,062,487	11,716,208	10,846,333
Amortization of computer softwares	657,719	671,816	627,033	637,869
Amortization of withholding tax	-	496,372	-	357,694
(Gain) loss on equipment disposal	(582,086)	(104,737)	(709,815)	617,211
Loss on unused equipment and intangible assets	46,234	-	43,554	-
Bad debt - trade accounts receivable	60,100	-	60,100	-
Bad debt - advance payment for goods	174,989	547,600	174,989	547,600
Bad debt - deposit	156,000	-	156,000	-
Doubtful debt - trade accounts receivable	5,834,522	481,688	3,534,447	481,688
(Reverse) doubtful debt - advance payment for goods	5,434,585	(372,611)	25,710,425	(372,611)
Doubtful debt - deposit	594,000	20,000	594,000	20,000
Unrealized loss on forward exchange contracts	-	31,705	-	31,705
Unrealized (gain) loss on exchange rates	125,237	(24,700)	135,955	(24,700)
Increase (decrease) on provision for diminution in inventories	(5,338,173)	3,488,592	(4,843,962)	4,586,510
Loss from adjustment of differences of stocktaking	10,953,453	-	458,020	-
Loss from impairment of investments in subsidiary	-	-	9,512,108	2,285,222
Long-term employee benefit expenses	1,795,245	570,846	1,027,988	388,858
Interest income	(103,373)	(121,487)	(1,458,378)	(1,434,634)
Interest expenses	11,423,602	10,675,232	5,999,023	7,214,852
PROFIT (LOSS) FROM OPERATION BEFORE CHANGES IN				
OPERATING ASSETS AND LIABILITIES ITEMS	25,166,296	(8,830,881)	(9,936,954)	(20,944,872)
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS				
Trade and other receivables	(33,249,809)	(37,426,298)	(18,676,272)	(22,447,601)
Advance payment for goods	1,866,933	(8,737,790)	11,504,620	93,887,741
Inventories	(19,883,514)	194,716,550	36,233,583	88,219,841
Other current assets	(3,773,129)	6,338,915	(5,362,720)	687,377
Other non-current assets	5,290,931	(51,062)	5,219,029	(1,183,287)
INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS				
Trade and other payables	(11,690,551)	1,682,475	1,250,770	43,369,571
Other current liabilities	(1,702,632)	1,214,009	(1,667,402)	1,302,563

ASIA BIOMASS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (2/3)

FOR THE YEAR ENDED DECEMBER 31, 2019

	BAHT			
	CONSOLIDATED		SEPARATE FINANCIAL	
			STATEMENTS	
	2019	2018	2019	2018
Provision for long-term employee benefits	(157,096)	(319,215)	(963,158)	-
CASH PROVIDED FROM (USED IN) OPERATING ACTIVITIES	(38,132,571)	148,586,703	17,601,496	182,891,333
Interest paid	(11,535,683)	(10,671,845)	(6,114,952)	(7,304,929)
Income tax expenses paid	(4,318,404)	(4,734,721)	(35,086)	(3,517)
Income tax refunded	282,907	-	-	-
NET CASH PROVIDED FROM (USED IN) OPERATING ACTIVITIES	(53,703,751)	133,180,137	11,451,458	175,582,887
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease in short-term loans to subsidiaries	-	-	23,000,000	-
Increase in investments in subsidiary	-	-	-	(999,970)
Interest received	103,373	121,487	2,037,249	118,634
Increase bank deposits with obligation	(30,000,000)	-	(30,000,000)	-
Purchase of property, plant and equipment	(12,598,370)	(28,506,695)	(11,559,174)	(26,938,831)
Purchase of computer softwares	(5,773)	-	(5,773)	-
Proceeds from disposal of equipment	6,247,789	6,907,623	1,112,140	2,206,916
Payment deposit on vehicles	(223,255)	-	-	-
Increase in non-controlling interests	-	30	-	-
NET CASH USED IN INVESTING ACTIVITIES	(36,476,236)	(21,477,555)	(15,415,558)	(25,613,251)
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase (decrease) in short-term loans				
from financial institutions	1,697,026	(209,298,577)	(91,754,013)	(241,915,040)
Increase in long-term loans from financial institutions	95,030,000	-	95,030,000	-
Payment for long-term loans from financial institutions	(1,244,000)	-	(1,244,000)	-
Payment for financial lease	(2,654,524)	(4,292,185)	-	(348,072)
Proceeds from capital increase and premium on common stocks	-	125,937,369	-	125,937,369
Dividend payment	-	(33,750,000)	-	(33,750,000)
NET CASH PROVIDED FROM (USED IN) FINANCING ACTIVITIES	92,828,502	(121,403,393)	2,031,987	(150,075,743)
Effects of exchange rates in cash and cash equivalents	(37,930)	(5,987)	(46,889)	(5,987)
Effects from currency translation difference	(220,893)	(1,122,913)	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,389,692	(10,829,711)	(1,979,002)	(112,094)
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	25,059,692	35,889,403	13,307,748	13,419,842
CASH AND CASH EQUIVALENTS AS AT DECEMBER 31,	27,449,384	25,059,692	11,328,746	13,307,748

ASIA BIOMASS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (2/3)

FOR THE YEAR ENDED DECEMBER 31, 2019

	BAHT			
	CONSOLIDATED		SEPARATE FINANCIAL	
			STATEMENTS	
	2019	2018	2019	2018
Provision for long-term employee benefits	(157,096)	(319,215)	(963,158)	-
CASH PROVIDED FROM (USED IN) OPERATING ACTIVITIES	(38,132,571)	148,586,703	17,601,496	182,891,333
Interest paid	(11,535,683)	(10,671,845)	(6,114,952)	(7,304,929)
Income tax expenses paid	(4,318,404)	(4,734,721)	(35,086)	(3,517)
Income tax refunded	282,907	-	-	-
NET CASH PROVIDED FROM (USED IN) OPERATING ACTIVITIES	(53,703,751)	133,180,137	11,451,458	175,582,887
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease in short-term loans to subsidiaries	-	-	23,000,000	-
Increase in investments in subsidiary	-	-	-	(999,970)
Interest received	103,373	121,487	2,037,249	118,634
Increase bank deposits with obligation	(30,000,000)	-	(30,000,000)	-
Purchase of property, plant and equipment	(12,598,370)	(28,506,695)	(11,559,174)	(26,938,831)
Purchase of computer softwares	(5,773)	-	(5,773)	-
Proceeds from disposal of equipment	6,247,789	6,907,623	1,112,140	2,206,916
Payment deposit on vehicles	(223,255)	-	-	-
Increase in non-controlling interests	-	30	-	-
NET CASH USED IN INVESTING ACTIVITIES	(36,476,236)	(21,477,555)	(15,415,558)	(25,613,251)
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase (decrease) in short-term loans				
from financial institutions	1,697,026	(209,298,577)	(91,754,013)	(241,915,040)
Increase in long-term loans from financial institutions	95,030,000	-	95,030,000	-
Payment for long-term loans from financial institutions	(1,244,000)	-	(1,244,000)	-
Payment for financial lease	(2,654,524)	(4,292,185)	-	(348,072)
Proceeds from capital increase and premium on common stocks	-	125,937,369	-	125,937,369
Dividend payment	-	(33,750,000)	-	(33,750,000)
NET CASH PROVIDED FROM (USED IN) FINANCING ACTIVITIES	92,828,502	(121,403,393)	2,031,987	(150,075,743)
Effects of exchange rates in cash and cash equivalents	(37,930)	(5,987)	(46,889)	(5,987)
Effects from currency translation difference	(220,893)	(1,122,913)	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,389,692	(10,829,711)	(1,979,002)	(112,094)
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	25,059,692	35,889,403	13,307,748	13,419,842
CASH AND CASH EQUIVALENTS AS AT DECEMBER 31,	27,449,384	25,059,692	11,328,746	13,307,748

ASIA BIOMASS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

1. GENERAL INFORMATION

1.1 Company status	A juristic person established under Thai law and listed on the Stock Exchange of Thailand.
1.2 Company location	
- Head Office	273/2 Rama II Road, Samae Dam Sub-District, Bang Khun Thian District, Bangkok.
- Branch 1	122 Moo 1, Tambol Bang Nam Chuet, Amphur Mueang Samut Sakhon, Samut Sakhon Province.
- Branch 2	284 Moo 1, Tambol Bo Haeo, Amphur Mueang Lampang, Lampang Province. The branch was closed on September 7, 2018.
- Branch 3	155/1 Moo 14, Tambol Bangpakong, Amphur Bangpakong, Chachoensao Province.
- Branch 4	133/1 Moo 3, Kanjanavithi Road, Tambol Bangkung, Amphur Mueang Surat Thani, Surat Thani Province.
1.3 Type of business	(1) Engaged in trading of biomass. (2) Invested in subsidiaries which operate business according to Note 11 to the financial statements.

The Company listed on the Market for Alternative Investment (mai) on February 27, 2018.

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

2.1 These consolidated and the separate financial statements are prepared in accordance with the Accounting Standards and Financial Reporting Standards issued by Federation of Accounting Professions under the Accounting Profession Act, B.E. 2547 (2004), the Accounting Act, B.E. 2543 (2000) and the Notification of the Office of the Securities and Exchange Commission. Except the financial statements of subsidiaries, the financial statements of PT Asia Biomass Indonesia are prepared in accordance with the accounting standards of Indonesia, the financial statements of Asia Biomass Energy SDN. BHD. and the financial statements of Asia Biomass Resources SDN. BHD. are prepared in accordance with the accounting standards of Malaysia. In preparation of the consolidated financial statements, they are adjusted to be under the same accounting policies as parent company.

2.2 The consolidated financial statements included the financial statements of Asia Biomass Public Company Limited and its subsidiaries as follows :

SUBSIDIARIES	% HOLDING		COUNTRY OF INCORPORATION
	2019	2018	
1. Sathaporn Tanapat Co., Ltd.	99.99	99.99	THAILAND
2. Paprapat Co., Ltd.	99.98	99.98	THAILAND
3. ABM Pellets Co., Ltd.	99.99	99.99	THAILAND
4. PT Asia Biomass Indonesia	99.00	99.00	INDONESIA
5. Asia Biomass Energy SDN. BHD.	55.00	55.00	MALAYSIA
6. Asia Biomass Resources SDN. BHD.	55.00	55.00	MALAYSIA

2.3 Inter-company balances and significant transactions between the Company and the subsidiaries have been eliminated from the consolidation.

2.4 The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

2.5 These financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.6 The financial reporting standards and financial reporting standard interpretation that became effective in the current accounting year are as follows:

Thai Accounting Standards (TAS)

- | | |
|---------------------------|---|
| 1. TAS 1 (revised 2018) | Presentation of Financial Statements |
| 2. TAS 2 (revised 2018) | Inventories |
| 3. TAS 7 (revised 2018) | Statement of Cash Flows |
| 4. TAS 8 (revised 2018) | Accounting Policies, Changes in Accounting
Estimates and Errors |
| 5. TAS 10 (revised 2018) | Events After the Reporting Period |
| 6. TAS 12 (revised 2018) | Income Taxes |
| 7. TAS 16 (revised 2018) | Property, Plant and Equipment |
| 8. TAS 17 (revised 2018) | Leases |
| 9. TAS 19 (revised 2018) | Employee Benefits |
| 10. TAS 20 (revised 2018) | Accounting for Government Grants and Disclosure of
Government Assistance |
| 11. TAS 21 (revised 2018) | The Effects of Changes in Foreign Exchange Rates |
| 12. TAS 23 (revised 2018) | Borrowing Costs |
| 13. TAS 24 (revised 2018) | Related Party Disclosures |
| 14. TAS 26 (revised 2018) | Accounting and Reporting by Retirement Benefit Plans |
| 15. TAS 27 (revised 2018) | Separate Financial Statements |
| 16. TAS 28 (revised 2018) | Investments in Associates and Joint Ventures |
| 17. TAS 29 (revised 2018) | Financial Reporting in Hyperinflationary Economies |
| 18. TAS 33 (revised 2018) | Earnings Per Share |
| 19. TAS 34 (revised 2018) | Interim Financial Reporting |
| 20. TAS 36 (revised 2018) | Impairment of Assets |
| 21. TAS 37 (revised 2018) | Provisions, Contingent Liabilities and Contingent Assets |
| 22. TAS 38 (revised 2018) | Intangible Assets |
| 23. TAS 40 (revised 2018) | Investment Property |
| 24. TAS 41 (revised 2018) | Agriculture |

Thai Financial Reporting Standards (TFRS)

- | | |
|---------------------------|---|
| 25. TFRS 1 | First-time Adoption of International Financial Reporting
Standards |
| 26. TFRS 2 (revised 2018) | Share-based Payment |

27. TFRS 3 (revised 2018)	Business Combinations
28. TFRS 4 (revised 2018)	Insurance Contracts
29. TFRS 5 (revised 2018)	Non-current Assets Held for Sale and Discontinued Operations
30. TFRS 6 (revised 2018)	Exploration for and Evaluation of Mineral Resources
31. TFRS 8 (revised 2018)	Operating Segments
32. TFRS 10 (revised 2018)	Consolidated Financial Statements
33. TFRS 11 (revised 2018)	Joint Arrangements
34. TFRS 12 (revised 2018)	Disclosure of Interests in Other Entities
35. TFRS 13 (revised 2018)	Fair Value Measurement
36. TFRS 15	Revenue from Contracts with Customers

Thai Accounting Standard Interpretations (TSIC)

37. TSIC 10 (revised 2018)	Government Assistance - No Specific Relation to Operating Activities
38. TSIC 15 (revised 2018)	Operating Leases – Incentives
39. TSIC 25 (revised 2018)	Income Taxes - Changes in the Tax Status of an Entity or Its Shareholders
40. TSIC 27 (revised 2018)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
41. TSIC 29 (revised 2018)	Service Concession Arrangements : Disclosure
42. TSIC 32 (revised 2018)	Intangible Assets - Web Site Costs

Thai Financial Reporting Standard Interpretations (TFRIC)

43. TFRIC 1 (revised 2018)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
44. TFRIC 4 (revised 2018)	Determining Whether an Arrangement Contains a Lease
45. TFRIC 5 (revised 2018)	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
46. TFRIC 7 (revised 2018)	Applying the Restatement Approach under TAS 29 (revised 2018) Financial Reporting in Hyperinflationary Economies
47. TFRIC 10 (revised 2018)	Interim Financial Reporting and Impairment
48. TFRIC 12 (revised 2018)	Service Concession Arrangements

49. TFRIC 14 (revised 2018)	TAS 19 (revised 2018) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction
50. TFRIC 17 (revised 2018)	Distributions of Non-cash Assets to Owners
51. TFRIC 20 (revised 2018)	Stripping Costs in the Production Phase of a Surface Mine
52. TFRIC 21 (revised 2018)	Levies
53. TFRIC 22	Foreign Currency Transactions and Advance Consideration

These financial reporting standards and financial reporting standard interpretations do not have any significant impact on the financial statements.

2.7 The Federation of Accounting Professions has issued the new and revised financial reporting standards and financial reporting standards interpretations.

Effective for fiscal years beginning on or after January 1, 2020, financial reporting standards and financial reporting standards interpretations adopted at the first time on 7 revised standards.

Thai Accounting Standards (TAS)

1. TAS 1	Presentation of Financial Statements
2. TAS 2	Inventories
3. TAS 7	Statement of Cash Flows
4. TAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
5. TAS 10	Events After the Reporting Period
6. TAS 12	Income Taxes
7. TAS 16	Property, Plant and Equipment
8. TAS 19	Employee Benefits
9. TAS 20	Accounting for Government Grants and Disclosure of Government Assistance
10. TAS 21	The Effects of Changes in Foreign Exchange Rates
11. TAS 23	Borrowing Costs
12. TAS 24	Related Party Disclosures
13. TAS 26	Accounting and Reporting by Retirement Benefit Plans
14. TAS 27	Separate Financial Statements
15. TAS 28	Investments in Associates and Joint Ventures

16. TAS 29	Financial Reporting in Hyperinflationary Economies
17. TAS 32 (Adopted in 2020)	Financial Instrument: Presentation
18. TAS 33	Earnings Per Share
19. TAS 34	Interim Financial Reporting
20. TAS 36	Impairment of Assets
21. TAS 37	Provisions, Contingent Liabilities and Contingent Assets
22. TAS 38	Intangible Assets
23. TAS 40	Investment Property
24. TAS 41	Agriculture

Thai Financial Reporting Standards (TFRS)

25. TFRS 1	First-time Adoption of International Financial Reporting Standards
26. TFRS 2	Share-based Payment
27. TFRS 3	Business Combinations
28. TFRS 4	Insurance Contracts
29. TFRS 5	Non-current Assets Held for Sale and Discontinued Operations
30. TFRS 6	Exploration for and Evaluation of Mineral Resources
31. TFRS 7 (Adopted in 2020)	Financial Instruments: Disclosures
32. TFRS 8	Operating Segments
33. TFRS 9 (Adopted in 2020)	Financial Instruments
34. TFRS 10	Consolidated Financial Statements
35. TFRS 11	Joint Arrangements
36. TFRS 12	Disclosure of Interests in Other Entities
37. TFRS 13	Fair Value Measurement
38. TFRS 15	Revenue from Contracts with Customers
39. TFRS 16 (Adopted in 2020)	Leases

Thai Accounting Standard Interpretations (TSIC)

40. TSIC 10	Government Assistance - No Specific Relation to Operating Activities
41. TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or Its Shareholders

42. TSIC 29	Service Concession Arrangements : Disclosure
43. TSIC 32	Intangible Assets - Web Site Costs
Thai Financial Reporting Standard Interpretations (TFRIC)	
44. TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
45. TFRIC 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
46. TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
47. TFRIC 10	Interim Financial Reporting and Impairment
48. TFRIC 12	Service Concession Arrangements
49. TFRIC 14	TAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction
50. TFRIC 16 (Adopted in 2020)	Hedges of a Net Investment in a Foreign Operation
51. TFRIC 17	Distributions of Non-cash Assets to Owners
52. TFRIC 19 (Adopted in 2020)	Extinguishing Financial Liabilities with Equity Instruments
53. TFRIC 20	Stripping Costs in the Production Phase of a Surface Mine
54. TFRIC 21	Levies
55. TFRIC 22	Foreign Currency Transactions and Advance Consideration
56. TFRIC 23 (Adopted in 2020)	Uncertainty over Income Tax Treatments

Management of the group companies is evaluating the impact of such financial reporting standards and financial reporting standard interpretations on the financial statements in the year when they are adopted.

3. EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARD

The Company has adopted TFRS 15 Revenue from Contracts with Customers during the current year by recognized adjustment consideration payable to customers offset with income in the year. The Company certain accounting transactions in the related consolidated and separate statements of comprehensive income for the year ended December 31, 2018 have been reclassified to conform to the related consolidated and separate statements of comprehensive income for the year ended December 31, 2019. The reclassifications had no effect to previously reported loss or shareholders' equity, reclassifications are as follow:

BAHT

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2018	CONSOLIDATED		
	AS PREVIOUSLY REPORTED	DECREASE	THAI FINANCIAL REPORTING STANDARD 15
Revenues from sales	1,285,323,426	(1,565,714)	1,283,757,712
Distribution costs	165,159,992	(1,565,714)	163,594,278

BAHT

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2018	SEPARATE FINANCIAL STATEMENTS		
	AS PREVIOUSLY REPORTED	DECREASE	THAI FINANCIAL REPORTING STANDARD 15
Revenues from sales	1,110,575,079	(1,565,714)	1,109,009,365
Distribution costs	149,727,390	(1,565,714)	148,161,676

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Revenues and expenses recognition

The Company and subsidiaries recognized revenues from sale of goods when the Company has transferred control over the goods to the customer. Revenues from the sales are stated at the invoiced without VAT and after discount.

The Company and subsidiaries recognized revenues from services when those services are already rendered to customers.

The Company and subsidiaries recorded revenues and expenses on an accrual basis.

4.2 Cash and cash equivalents

Cash and cash equivalents are cash on hand and fixed deposit at the financial institutions due not more than 3 months from the date of acquisition with no obligation.

4.3 Allowance for doubtful accounts

Allowance for doubtful accounts is made for estimated loss which may be incurred where collection is doubtful.

4.4 Inventories

Inventories are stated at the lower of cost (after deduction of allowance for diminution in inventories) or net realizable value.

Cost is calculated using the moving average cost formula; and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost includes an appropriate share of overheads.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

An allowance is made for all deteriorated, damaged, obsolete and slow moving inventories.

4.5 Non-current assets classified as held for sale

Non-current assets classified as held for sale are stated at book value or net fair value, whichever is the lower.

4.6 Investments

Investments in subsidiaries mean those companies in which the parent company in the group companies, directly or indirectly, has power more than one half of the total voting rights or power to govern the financial and operating policies of subsidiaries. Investments in subsidiaries for the separate financial statements are presented by the cost method net after the allowance for impairment.

4.7 Property, plant and equipment

Property, plant and equipment are stated at cost. Depreciation is calculated by the straight-line method over the estimated useful life of the following assets:

PARTICULARS	YEARS OF USEFUL LIFE
Land improvements	5 - 20
Building and building improvements	5 - 20
Machinery and equipment	5 - 20
Equipment and furniture	3 - 5
Vehicles	5 - 10

Assets under financial leases are recorded by the fair value at the inception of the lease. Depreciation is calculated by the straight - line method based on the estimated useful life of assets.

4.8 Intangible assets

Computer softwares amortized to expense by the straight-line method for 5-10 years.

4.9 Leases

Financial leases

Financial leases are leases which transfer to the Company most of substantial risks and rewards of ownership other than legal title. At the inception of the leases, the fair value of assets is recorded together with the obligation, excluding interest element, to pay future rentals.

Interest or financial expenses are recognized in the statements of comprehensive income in proportion to the principal balance.

Operating leases

Leases where most of the substantial risks and rewards of ownership of assets still remain with the leasing company are accounted for as operating leases. Rentals applicable to such operating leases are charged to the statements of comprehensive income according to the lease term.

4.10 Employee benefits

Short-term employee benefits

The Company and subsidiaries recognized salaries, wages, bonuses and contributions to the social security fund as expenses when incurred.

Long-term employee benefits

Defined contribution plan

The Company and subsidiaries provide a provident fund, which is a defined contribution plan, the assets of which are held in a separate trust fund and managed by the external fund manager. The provident fund is contributed by payments from employees and the Company and subsidiaries. Contributions to the provident fund are recorded to expense in the statements of comprehensive income in the incurred period.

Defined benefit plan

The provision for employee retirement benefits is recognized as an expense of operations over the employee's service period. It is calculated by estimating the amount of future benefit earned by employees in return for service provided to the Company and subsidiaries in the current and future periods, with such benefit being discounted to determine the present value. The reference point for setting the discount rate is the yield rate of government bonds as at the reporting date. The calculation is performed by a qualified actuary using the Projected Unit Credit Method.

4.11 Deferred tax assets/liabilities

Deferred tax assets/liabilities are recognized for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes as at the statements of financial position date. They will be realised in future period when the income is realized, or the expenses provided for are actually incurred and considered deductible for income tax purposes.

Deferred tax assets are recognized for deductible temporary differences or addtible tax are deferred tax liabilities if it is highly probable that the Company will generate sufficient taxable profits from its future operations to utilise these assets.

At each statement of financial position date, the Company reviews and reduces the carrying amount of deferred tax assets/liabilities to the extent that it is no longer probable that sufficient taxable profit be available to allow all or part of the deferred tax asset or deferred tax liabilities to be utilised.

Income tax expenses (revenues)

Income tax expenses (revenues) from profit/loss for the year consist of current income tax and deferred tax. Income tax expenses (revenues) recognized in the statements of comprehensive income unless part of transaction recorded in shareholders' equity recorded directly to equity.

4.12 Loss per share

Basic loss per share is calculated by dividing the annual net loss for the year by the number of weighted average common stocks held by outsiders during the years.

4.13 Foreign currency transactions

Foreign currency transactions are recorded in Baht at the rate ruling on the date of transactions. Outstanding foreign currency assets and liabilities at the end of the years are converted to Baht at the rate of exchange in effect on that date. Except the agreed rates of forward exchange contracts with the bank, will be recorded at fair value. Gains or losses on exchange rate are credited or charged to operations during the years.

For preparation of consolidated financial statements, the financial statements of the subsidiaries denominated in foreign currencies are converted to Baht based on following exchange rates:

- Assets and liabilities were translated by the average exchange rates at the end of the year.
- Shareholders' equity and depreciation were translated by the exchange rate in effect on the transaction dates.
- Revenues and expenses were translated by the average exchange rates for the year.

The translation of financial statement differences in foreign currencies was shown under other comprehensive income.

4.14 Financial instruments

Hedge Accounting

Cash flow hedge, the Company recognized a change in fair value of hedging instruments in other comprehensive income.

4.15 Use of accounting estimates and judgment

In preparation of financial statements in accordance with generally accepted accounting standards requires management to use judgment on various estimates and assumptions that will affect the reported amounts of revenues, expenses, assets and liabilities including disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company and subsidiaries make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions of significant accounting relate primarily to allowance for doubtful accounts, provision for diminution in inventories, allowance for impairment of investments in subsidiary, allowance for depreciation of plant and equipment, amortization of intangible assets and provision for long-term employee benefits. All other estimates mentioned above are further disclosed in the corresponding notes to the financial statements.

5. CASH AND CASH EQUIVALENTS

BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Cash	109,079	115,083	80,000	90,000
Cheques on hand	3,643,691	4,207,068	3,364,463	4,207,068
Bank deposit	23,696,614	20,737,541	7,884,283	9,010,680
Total cash and cash equivalents	27,449,384	25,059,692	11,328,746	13,307,748

6. TRADE AND OTHER RECEIVABLES

BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Notes receivable	7,098,271	6,302,198	5,099,910	5,866,030
Trade accounts receivable				
Classified by aging of receivables as follows:				
Current	100,915,285	82,638,428	63,538,442	77,758,130
Overdue within 3 months	42,515,032	33,514,013	38,231,422	12,941,642
Over 3 to 6 months	434,995	4,483,255	141,069	1,656,797
Over 6 to 12 months	3,551,499	1,007,240	1,545,351	1,007,240
Over 12 months	2,482,552	695,528	2,482,552	695,528
Total trade accounts receivable	156,997,634	128,640,662	111,038,746	99,925,367
<u>Less</u> Allowance for doubtful accounts	(7,537,291)	(1,702,769)	(5,237,216)	(1,702,769)
Trade accounts receivable-net	149,460,343	126,937,893	105,801,530	98,222,598
Other receivables	8,841,447	4,096,688	12,941,232	6,105,288
Total trade and other receivables	158,301,790	131,034,581	118,742,762	104,327,886

7. ADVANCE PAYMENT FOR GOODS

BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Advance payment for goods				
Subsidiaries	-	-	34,837,649	46,921,637
Other companies	20,225,443	22,267,367	15,255,594	14,851,215
Total advance payment for goods	20,225,443	22,267,367	50,093,243	61,772,852
<u>Less</u> Allowance for doubtful accounts				
Subsidiaries	-	-	(21,081,184)	-
Other companies	(6,309,231)	(874,648)	(4,804,230)	(174,989)
Total advance payment for goods - net	13,916,212	21,392,719	24,207,829	61,597,863

8. SHORT-TERM LOANS TO SUBSIDIARY

BAHT

PARTICULARS	SEPARATE FINANCIAL STATEMENTS		Interest rate (%)	
	2019	2018		
Sathaporn Tanapat Co., Ltd.				
Beginning principal balances	37,600,000	37,600,000		
<u>Less</u> : Settlement during the year	(23,000,000)	-		
Total short-term loans to subsidiary	14,600,000	37,600,000	3.50	3.50

9. INVENTORIES

BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Finished goods	133,291,777	143,889,344	17,229,653	53,809,738
Goods in transit	19,626,279	117,740	-	117,740
Supplies	953,594	934,505	22,800	16,578
Total	153,871,650	144,941,589	17,252,453	53,944,056
<u>Less</u> Provision for diminution in inventories	(364,492)	(5,702,665)	(110,000)	(4,953,962)
Inventories-net	153,507,158	139,238,924	17,142,453	48,990,094

In February 2018, there was fire incident happened in a stockpile of the subsidiary in Malaysia. The subsidiary has written off damaged inventories which no longer be used for sale due to fire amount of Baht 6.68 million (MYR 0.83 million) and has recorded allowance for inventories written down on fire incident amount of Baht 0.70 million (MYR 0.09 million) shown in administrative expenses in the statements of comprehensive income for the first quarter ended March 31, 2018, and the subsidiary wrote off damaged inventories amount of Baht 2.84 million (MYR 0.35 million) shown in administrative expenses in the statements of comprehensive income for the second quarter ended June 30, 2018. However, the subsidiary has fire insurance coverage for the stock loss by the fire. In June 2018, the subsidiary has received compensation from the fire insurance amount of Baht 14.36 million (MYR 1.78 million) shown in other income in the statements of comprehensive income for the second quarter ended June 30, 2018 and show net of compensation and fire damaged inventories in other income amount of Baht 4.14 million in the statements of comprehensive income for the year ended December 31, 2018.

10. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
As at January 1, 2019	-	-	-	-
Transfer from vehicles	114,677	-	-	-
As at December 31, 2019	114,677	-	-	-

11. INVESTMENTS IN SUBSIDIARIES

SUBSIDIARIES	% HOLDING		INVESTMENT AMOUNT (BAHT)	
	2019	2018	2019	2018
1. Sathaporn Tanapat Co., Ltd.	99.99	99.99	3,999,800	3,999,800
2. Paprapat Co., Ltd.	99.98	99.98	999,800	999,800
3. ABM Pellets Co., Ltd.	99.99	99.99	999,970	999,970
4. PT Asia Biomass Indonesia	99.00	99.00	9,512,108	9,512,108
5. Asia Biomass Energy SDN. BHD.	55.00	55.00	2,496,456	2,496,456
6. Asia Biomass Resources SDN. BHD.	55.00	55.00	2,285,222	2,285,222
Total			20,293,356	20,293,356
<u>Less</u> Provision for diminution in investments			(11,797,330)	(2,285,222)
Total			8,496,026	18,008,134

SUBSIDIARIES	NATURE OF BUSINESS	PAID-UP SHARE CAPITAL			Dividend	
		2019	2018	Currency	2019	2018
1. Sathaporn Tanapat Co., Ltd.	Transportation	4,000,000	4,000,000	THB	-	-
2. Paprapat Co., Ltd.	Trading of biomass	1,000,000	1,000,000	THB	-	-
3. ABM Pellets Co., Ltd.	Manufacturing Wood chip and Biomass pellet	1,000,000	1,000,000	THB	-	-

SUBSIDIARIES	NATURE OF BUSINESS	PAID-UP SHARE CAPITAL			Dividend	
		2019	2018	Currency	2019	2018
4. PT Asia Biomass Indonesia	Trading of biomass	300,000	300,000	USD	-	-
5. Asia Biomass Energy SDN. BHD.	Trading of biomass	500,000	500,000	MYR	-	-
6. Asia Biomass Resources SDN. BHD.	Trading of biomass	500,000	500,000	MYR	-	-
Total dividend					-	-

On November 8, 2018, the Company has invested in ABM Pellets Company Limited, the common stock of 99,997 shares amount of Baht 999,970, to be 99.99% in shareholding proportion.

In 2019, the Company recorded allowance for impairment of investment in PT Asia Biomass Indonesia in the separate financial statements amounting to Baht 9.51 million, because the subsidiary has a large number of deficits.

In 2018, the Company recorded allowance for impairment of investment in Asia Biomass Resources SDN. BHD. in the separate financial statements amounting to Baht 2.29 million, because the subsidiary has a large number of deficits.

12. INVESTMENTS IN RELATED COMPANY

BAHT

Company	% HOLDING		CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Asia Panel Co., Ltd.	-	5.00%	-	7,500,000
<u>Less</u> Provision for diminution in investments			-	(7,500,000)
Total investments in related company			-	-

On October 31, 2018, the Extraordinary General Shareholders' Meeting No.1/2018 of Asia Panel Company Limited was held and has resolution to register for dissolution. The related company has registered with the Ministry of Commerce for dissolution on November 2, 2018 and registered with the Ministry of Commerce for the completion of the liquidation on January 24, 2019.

13. BANK DEPOSITS WITH OBLIGATION

The Company has pledged its deposit at bank as collateral for the repayment of loans.

14. PROPERTY, PLANT AND EQUIPMENT

BAHT

CONSOLIDATED	Land and land improvement	Building structure and improvement	Machinery and equipment	Furniture fixtures and office equipment	Vehicles	Fixed assets under installation	Assets under financial leases	Total
<u>Cost</u>								
As at January 1, 2018	167,898,880	60,854,599	13,272,178	13,494,876	134,140,387	2,699,120	16,337,093	408,697,133
Purchases	14,069,340	2,871,550	1,144,646	1,076,090	767,700	8,663,519	-	28,592,845
Sold and amortization	(135,000)	(9,800)	(677,336)	(226,936)	(20,991,283)	-	-	(22,040,355)
Transfer to/from	414,069	564,000	3,308,490	-	1,702,804	(4,286,559)	(1,702,804)	-
Currency translation differences	-	-	(125,395)	(8,987)	(24,741)	-	-	(159,123)
As at December 31, 2018	182,247,289	64,280,349	16,922,583	14,335,043	115,594,867	7,076,080	14,634,289	415,090,500
Purchases	1,034,220	1,433,679	825,172	562,777	751,084	13,561,101	-	18,168,033
Sold and amortization	-	(143,758)	(1,534,845)	(1,292,337)	(20,622,007)	-	-	(23,592,947)
Transfer to/from	2,551,500	4,779,580	-	-	-	(7,331,080)	-	-
Transfer to non-current assets classified as held for sale	-	-	-	-	(1,102,000)	-	-	(1,102,000)
Transfer to deposit for equipment	-	-	(254,813)	-	-	-	-	(254,813)
Currency translation differences	-	-	(248,052)	(7,665)	(47,293)	-	-	(303,010)
As at December 31, 2019	185,833,009	70,349,850	15,710,045	13,597,818	94,574,651	13,306,101	14,634,289	408,005,763
<u>Accumulated depreciation</u>								
As at January 1, 2018	3,691,605	19,806,259	6,835,131	11,156,818	87,612,745	-	3,665,455	132,768,013
Depreciation for the year 2018	1,820,391	3,688,397	1,637,760	824,654	8,547,594	-	1,543,691	18,062,487
Sold and amortization	(64,036)	(9,617)	(188,628)	(218,924)	(14,756,264)	-	-	(15,237,469)

Transfer to/from	-	-	-	-	1,078,938	-	(1,078,938)	-
Currency translation differences	-	-	(29,056)	(4,338)	(16,065)	-	-	(49,459)
As at December 31, 2018	5,447,960	23,485,039	8,255,207	11,758,210	82,466,948	-	4,130,208	135,543,572
Depreciation for the year 2019	2,185,386	4,587,714	2,024,746	931,144	6,727,860	-	1,317,086	17,773,936
Sold and amortization	-	(143,755)	(561,344)	(1,275,917)	(15,926,904)	-	-	(17,907,920)
Transfer to non-current assets classified as held for sale	-	-	-	-	(987,323)	-	-	(987,323)
Currency translation differences	-	-	(74,174)	(4,641)	(35,729)	-	-	(114,544)
As at December 31, 2019	7,633,346	27,928,998	9,644,435	11,408,796	72,244,852	-	5,447,294	134,307,721
<u>Book Value</u>								
As at December 31, 2018	176,799,329	40,795,310	8,667,376	2,576,833	33,127,919	7,076,080	10,504,081	279,546,928
As at December 31, 2019	178,199,663	42,420,852	6,065,610	2,189,022	22,329,799	13,306,101	9,186,995	273,698,042

BAHT

SEPARATE FINANCIAL STATEMENTS	Land and land improvement	Building structure and improvement	Machinery and equipment	Furniture fixtures and office equipment	Vehicles	Fixed assets under installation	Assets under financial leases	Total
<u>Cost</u>								
As at January 1, 2018	167,898,880	59,819,171	9,837,568	11,904,584	40,630,020	2,699,120	1,702,804	294,492,147
Purchases	14,069,340	2,871,550	392,541	987,531	40,500	8,663,519	-	27,024,981
Sold and amortization	(135,000)	(9,800)	(60,000)	(226,936)	(11,789,872)	-	-	(12,221,608)
Transfer to/from	414,069	564,000	3,308,490	-	1,702,804	(4,286,559)	(1,702,804)	-
As at December 31, 2018	182,247,289	63,244,921	13,478,599	12,665,179	30,583,452	7,076,080	-	309,295,520
Purchases	1,034,220	1,017,268	778,311	489,526	248,411	8,206,072	-	11,773,808
Sold and amortization	-	(143,758)	(336,308)	(1,101,100)	(2,581,552)	-	-	(4,162,718)
Transfer to/from	2,551,500	4,779,580	-	-	-	(7,331,080)	-	-

As at December 31, 2019	185,833,009	68,898,011	13,920,602	12,053,605	28,250,311	7,951,072	-	316,906,610
<u>Accumulated depreciation</u>								
As at January 1, 2018	3,691,605	18,776,594	6,285,763	9,928,654	28,937,563	-	852,333	68,472,512
Depreciation for the year 2018	1,820,391	3,684,120	1,282,973	733,716	3,098,528	-	226,605	10,846,333
Sold and amortization	(64,036)	(9,617)	(59,999)	(218,924)	(9,044,905)	-	-	(9,397,481)
Transfer to/from	-	-	-	-	1,078,938	-	(1,078,938)	-
As at December 31, 2018	5,447,960	22,451,097	7,508,737	10,443,446	24,070,124	-	-	69,921,364
Depreciation for the year 2019	2,185,386	4,566,416	1,823,627	842,923	2,297,856	-	-	11,716,208
Sold and amortization	-	(143,755)	(308,740)	(1,084,920)	(2,206,334)	-	-	(3,743,749)
As at December 31, 2019	7,633,346	26,873,758	9,023,624	10,201,449	24,161,646	-	-	77,893,823
<u>Book Value</u>								
As at December 31, 2018	176,799,329	40,793,824	5,969,862	2,221,733	6,513,328	7,076,080	-	239,374,156
As at December 31, 2019	178,199,663	42,024,253	4,896,978	1,852,156	4,088,665	7,951,072	-	239,012,787

The Company has mortgaged some land with structure with commercial bank as collateral for loans obtained from the financial institutions (Notes 16 and 19).

15. COMPUTER SOFTWARES

BAHT

PARTICULARS	CONSOLIDATED	SEPARATE FINANCIAL STATEMENTS
<u>Cost</u>		
As at January 1, 2018	5,908,262	5,750,056
Purchases	-	-
Currency translation differences	(5,332)	-
As at December 31, 2018	5,902,930	5,750,056
Purchases	5,773	5,773
Sold and amortization	(964,170)	(964,170)
Currency translation differences	(3,273)	-
As at December 31, 2019	4,941,260	4,791,659
<u>Accumulated amortization</u>		
As at January 1, 2018	3,307,953	3,258,721
Amortization for the year 2018	671,816	637,869
Currency translation differences	(3,204)	-
As at December 31, 2018	3,976,565	3,896,590
Amortization for the year 2019	657,719	627,033
Sold and amortization	(937,260)	(937,260)
Currency translation differences	(2,743)	-
As at December 31, 2019	3,694,281	3,586,363
<u>Book Value</u>		
As at December 31, 2018	1,926,365	1,853,466
As at December 31, 2019	1,246,979	1,205,296

16. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Trust receipts	159,629,453	100,082,427	13,891,951	46,795,964
Promissory notes	195,200,000	253,050,000	93,200,000	152,050,000
Total	354,829,453	353,132,427	107,091,951	198,845,964

The Company has pledged its deposit at bank and mortgaged the land with structure of the Company, related companies and directors as collateral for short-term loans from financial institutions, with the related party and the Company's directors as the co-guarantors.

17. TRADE AND OTHER PAYABLES

BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Trade accounts payable	13,044,011	21,810,363	105,597,289	88,707,621
Accrued expenses	9,227,395	15,099,750	6,719,818	12,672,659
Other payables	12,166,729	9,116,691	9,698,185	19,284,449
Total	34,438,135	46,026,804	122,015,292	120,664,729

18. FINANCIAL LEASE LIABILITIES

BAHT

PARTICULARS	CONSOLIDATED	
	2019	2018
Within 1 year	1,625,176	2,034,541
Over 1 year not due	4,253,258	1,143,388
Total minimum amount to pay	5,878,434	3,177,929
<u>Less</u> Portion due within one year	(1,625,176)	(2,034,541)
Financial lease liabilities-net	4,253,258	1,143,388

The portion of long-term financial lease liabilities due within one year has been shown under current liabilities.

Vehicle Leasing Agreement

CONSOLIDATED					
Agreement Dates	Period		Amount in Agreement (Million Baht)	Rental per Month (Baht)	Notes
	Started	Ended			
June 2017	August 2017	July 2021	2.78	57,827	- Hire purchase
December 2019	December 2019	December 2024	2.70	40,866	- Leasing
December 2019	December 2019	December 2024	2.70	40,866	- Leasing

19. LONG - TERM LOANS

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
Credit line	Payment conditions	Principal balances (Baht)	
		2019	2018
Baht 99.00 million started on November 29, 2019	<ul style="list-style-type: none"> - Settlement has to be made within 6 years 6 months total 78 months, the first payment on the due date on the last day of the 2nd months from the date of the first drawdown by monthly repayment amount of Baht 1,244,000 and the last due payment by remaining. - Payment of interest within the first month onwards interest rest THBFIX 6 M plus interest rate 1.82% per annum - Interest rate swap contracts to be fixed rate at 4.10% per annum (Interest Rate Swap : IRS) from November 29, 2019 until the end of the contract. 	93,786,000	-
Total		93,786,000	-
<u>Less</u> Long-term loans due within one year		(14,928,000)	-
Long-term loans from financial institutions - net		78,858,000	-

The significant conditions under loan contract of the Company and the financial institution are summarized as follows:

- The bank will be the beneficiary of the insurance policy.
- To maintain the ratio of debt to shareholders's equity and debt coverage ratio in the agreement.
- The Company must register the machinery, hand over the registration book, appraise and notify the bank of the collateral details in accordance with the forms and procedures specified by the bank within June 30, 2020, unless otherwise agreed by the bank.

The Company has pledged its deposit at bank and mortgaged the land with structure of the Company with the subsidiary as the co-guarantors.

The long-term loan due within one year has been shown under current liabilities.

As at December 31, 2019, the Company has debt to shareholders's equity ratios as follows:

PARTICULARS	CONSOLIDATED	SEPARATE FINANCIAL STATEMENTS
Debt to equity ratio	2.34 : 1	1.75 : 1

20. PROVISION FOR LONG-TERM EMPLOYEE BENEFITS

BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Defined benefit obligation				
Balances as at January 1,	2,256,745	3,222,694	1,765,733	2,182,556
Actuarial (gain) loss (recognized in other comprehensive income)	718,421	(1,203,097)	515,266	(805,681)
Benefit paid during the year	(157,096)	(319,215)	-	-
Transfer of provision for long-term employee benefits	-	-	(963,158)	-
Current service cost	979,548	434,446	618,827	354,866
Past service cost	758,221	-	380,629	-
Interest cost	57,476	136,400	28,532	33,992
Transaction difference of foreign operation	-	(14,483)	-	-
Balances as at December 31,	4,613,315	2,256,745	2,345,829	1,765,733

The principal assumptions used in determining the employee benefit liabilities are shown as follows:

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Discount rate	1.46-7.60 % per annum	2.18-7.60 % per annum	1.68 % per annum	2.47 % per annum
Salary increase rate	5.00-7.00 % per annum	5.00-7.00 % per annum	5.00 % per annum	5.00 % per annum
Staff turnover rate	0-55.00 % per annum	0-58.00 % per annum	0-29.00 % per annum	0-31.00 % per annum

The new Labor Protection Act, announced in the Government Gazette on April 5, 2019, has imposed additional compensation rates in the case of employers terminating employment. For employees who have worked for 20 years or more to have the right received compensation of not less than the final last 400 days, based on the final wage rate. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional liabilities for long-term employee benefits in the statements of financial position. The Company and its subsidiaries have recorded the effect of the change by recognising past service costs as expenses immediately in the consolidated statements of comprehensive income amount of Baht 0.76 million (separate financial statements amount of Baht 0.38 million).

21. SHARE CAPITAL

During 19 to 21 February 2018, the Company has sold its initial public offering of ordinary share amount of 75 million shares with the par value of Baht 0.50 per share. The offering price of these shares was Baht 1.80 per share totally to Baht 135 million. The Company recorded expenses in respect of share distribution amount of Baht 12.16 million as a deduction from the share premium, paid-up share capital increase of Baht 37.50 million and premium on common stock increase of Baht 85.34 million. The shares of the Company have been traded in the Market for Alternative Investment (mai) on February 27, 2018.

The Company has registered the increase of the paid-up share capital with the Ministry of Commerce from Baht 112.50 million (225,000,000 shares at Baht 0.50 par value) to Baht 150 million (300,000,000 shares at Baht 0.50 par value) on February 22, 2018.

22. LEGAL RESERVE

In compliance with the Public Company Act, B.E. 2535 (1992), the Company has to set aside for legal reserve at least 5% of annual net profit less deficits (if any) until meet 10% of authorized share capital. Such legal reserve is not allowed to pay for dividend.

23. DIVIDEND PAYMENT AND DIRECTORS' REMUNERATION

On December 28, 2017, the Board of Directors meeting was held and approved the resolution to pay the interim dividend to the shareholders at Baht 0.15 per share, totaling Baht 33.75 million. The dividend was duly paid on January 25, 2018.

On April 26, 2019, the Ordinary General Shareholders' Meeting for 2019 was held and approved to pay the directors' remuneration for 2019 at the maximum of Baht 5 million.

On April 26, 2018, the Ordinary General Shareholders' Meeting for 2018 was held and approved to pay the directors' remuneration for 2018 at the maximum of Baht 5 million.

24. EXPENSES BY NATURE

BAHT

FOR THE YEARS ENDED DECEMBER 31,	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Decrease (increase) in change of finished goods and goods in transit	(8,910,972)	193,122,492	36,697,825	88,157,912
Purchase of goods for sale	913,183,126	764,350,822	727,533,012	770,215,409
Transportation expense	136,843,490	91,555,438	131,367,124	108,775,337
Oil fuel expense	13,254,541	16,265,772	3,090,254	3,974,930
Director and management benefit expenses	16,610,491	15,416,149	16,610,491	15,416,149
Employee benefit expenses	55,469,878	60,354,555	34,807,236	42,231,849
Depreciation and amortization expenses	18,431,655	18,734,303	12,343,241	11,484,202
Finance costs	12,692,618	11,416,588	7,071,325	7,916,109
Other expenses	198,266,525	168,679,906	107,067,425	113,932,773
Total	1,355,841,352	1,339,896,025	1,076,587,933	1,162,104,670

25. INCOME TAX

Corporate income taxes of the Company and subsidiaries for the years ended December 31, 2019 and 2018 were calculated from the accounting profit (loss), adjusted with other revenues and some expenses which are exempted from income tax or being disallowable expenses in tax computation purposes.

The Company income taxes calculated at the rate of 20 percent.

The subsidiaries established under Thai law income taxes calculated at the rate of 20 percent.

The subsidiaries established under foreign law income taxes calculated at the rates of 24 and 25 percent.

Income taxes revenues recognized in the statements of comprehensive income consist:

BAHT

FOR THE YEARS ENDED DECEMBER 31,	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
The corporate income tax for the year	6,483,702	3,231,354	-	-
Deferred taxes from temporary differences and reversal of temporary differences	(7,992,078)	(10,523,594)	(13,998,377)	(12,473,516)
Income tax revenues	(1,508,376)	(7,292,240)	(13,998,377)	(12,473,516)

As at December 31, 2019 and 2018, the deferred tax assets arose from the following temporary differences:

BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Accumulated temporary differences in the statements of comprehensive income the rate of 20%				
Allowance for doubtful trade accounts receivable	7,537,291	1,702,769	5,237,216	1,702,769
Allowance for doubtful advance payment for goods	4,804,230	174,989	25,885,414	174,989
Allowance for doubtful guarantees for inventory	750,000	156,000	750,000	156,000
Provision for diminution in inventories	301,680	5,123,923	110,000	4,953,962
Provision for diminution in investments related company	-	7,500,000	-	7,500,000

Provision for diminution in investments subsidiaries	-	-	11,797,330	-
Unrealized loss on forward exchange contracts	-	72,994	-	31,704

BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Long-term operating lease	157,501	120,834	94,500	72,500
Financial lease liabilities	1,293,483	1,812,358	45,671	153,249
Provision for long-term employee benefits	2,884,846	3,435,237	1,819,006	2,571,414
Tax deficits not exceeding five accounting years.	119,348,882	78,585,231	119,348,882	78,585,231
	137,077,913	98,684,335	165,088,019	95,901,818
Accumulated temporary differences in the statements of comprehensive income the rate of 24%				
Provision for diminution in inventories	62,812	578,742	-	-
Calculate depreciation difference from tax rate	-	(854,187)	-	-
	62,812	(275,445)	-	-
Accumulated temporary differences in the statements of comprehensive income the rate of 25%				
Calculate depreciation difference from tax rate	14,155	15,967	-	-
Provision for long-term employee benefits	23,776	24,605	-	-
	37,931	40,572	-	-
Temporary differences in other comprehensive income				
- recognized in retained earnings the rate of 20%				
Provision for long-term employee benefits	718,421	(1,203,097)	515,266	(805,681)
Unrealized loss on derivative	2,913,291	-	2,913,291	-
	3,631,712	(1,203,097)	3,428,557	(805,681)
Total	140,810,368	97,246,365	168,516,576	95,096,137
Deferred tax assets	28,166,482	19,440,284	33,703,315	19,019,227

26. FOREIGN CURRENCY TRANSACTIONS

26.1 The Company and subsidiaries have outstanding assets and liabilities denominated in foreign currencies as follows:

THOUSAND

PARTICULARS	CONSOLIDATED				SEPARATE FINANCIAL STATEMENTS			
	2019		2018		2019		2018	
	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht
<u>Assets</u>								
USD	875.26	26,237.49	62.57	2,020.13	871.50	26,124.56	58.74	1,896.32
MYR	-	-	-	-	34.14	246.31	57.79	444.74
IDR	-	-	6,786.00	14.47	-	-	6,786.00	14.47
Total		26,237.49		2,034.60		26,370.87		2,355.53
<u>Liabilities</u>								
USD	142.97	4,336.34	21.12	688.81	7.63	231.46	21.12	688.81
MYR	-	-	-	-	125.00	928.63	863.01	6,830.39
Total		4,336.34		688.81		1,160.09		7,519.20

26.2 As at December 31, 2018, the Company and subsidiary have entered into Buying Forward Exchange Contracts with the local commercial bank for hedging against the fluctuation in exchange rates. It can be summarized as follows:

THOUSAND

PARTICULARS	CONSOLIDATED			
	Foreign Currency	Fair Value (BAHT)	Exchange rates on the delivery date (BAHT)	Delivery Date
Buying Forward Exchange Contracts				
USD	237	7,728	32.60-32.62	June 2019

THOUSAND

PARTICULARS	SEPARATE FINANCIAL STATEMENTS			
	Foreign Currency	Fair Value (BAHT)	Exchange rates on the delivery date (BAHT)	Delivery Date
Buying Forward Exchange Contracts				
USD	99	3,244	32.62	June 2019

27. PROVIDENT FUND

The Company and its subsidiaries have set up a provident fund for the employees under the Provident Fund Act, B.E. 2530 (1987), in order to be their welfare as well as security whenever resignation or retirement as defined by the Company's regulation, with partly contribute by its employees and another part by the Company at the rate 2% on their salaries. The Company has also appointed TISCO Asset Management Company Limited to manage such fund. The subsidiary in Malaysia contribute at the rate 13%.

The Company and subsidiaries's contributions for the employees provident fund and recorded as expenses in the statements of comprehensive income for the years ended December 31, 2019 and 2018 are as follows :

BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Asia Biomass Public Co., Ltd.	540,923	449,183	540,923	449,183
Sathaporn Tanapat Co., Ltd.	18,542	32,165		
Paprapat Co., Ltd.	59,990	-		
Asia Biomass Energy SDN. BHD.	61,202	67,267		
	680,657	548,615		

28. COMMITMENT AND CONTINGENT LIABILITIES

28.1 The Company and subsidiaries have commitment and contingent liabilities as follows:

MILLION

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Letters of guarantee issued by commercial banks - BAHT	2.94	2.96	2.94	2.94

28.2 As at December 31, 2019, the Company has capital expenditure commitment for the purchase of machinery contract amount of Baht 0.85 million and the subsidiary has capital expenditure commitment for the purchase of vehicles equipment contract amount of Baht 0.47 million.

28.3 As at December 31, 2019 and 2018, the Company had a contract for building construction amount to Baht 2.05 million and Baht 3.17 million, respectively.

28.4 The Group companies had land rental for warehouses and vehicle agreements for a various periods up to July 2026. The Group companies are committed to pay rental fee under the agreements as follows:

THOUSAND BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Within 1 year	3,814	5,476	1,880	2,240
After 1 year but within 5 years	5,073	7,882	3,565	4,751
After 5 years	1,811	2,846	1,087	1,708
Total	10,698	16,204	6,532	8,699

28.5 As at December 31, 2019 and 2018, the Company had contingent liabilities for guaranteed bank credit facilities of its subsidiary (Paprapat Co., Ltd.) amounting to Baht 370 million and Baht 250 million, respectively.

28.6 On August 25, 2018, the Company has signed the purchase of Acacia Species agreement with the Forest Industry Organization amount of Baht 24.23 million. The payment is to be made at the rate 50% in the 1st to 4th year of February every year in proportion to the amount specified in the agreement and another 50% will be paid full amount in the 5th year when the Acacia Species are removed from the forest.

As at December 31, 2019 and 2018, the Company has paid amount Baht 9.69 million and Baht 6.78 million, respectively.

29. FINANCIAL INFORMATION BY SEGMENTS

THOUSAND BAHT

CONSOLIDATED	FOR THE YEAR ENDED DECEMBER 31, 2019		
	Sale	Services	Total
Local revenues	919,559	9,127	928,686
Export revenues	394,987	-	394,987
Total	1,314,546	9,127	1,323,673
Cost of sales and services	(1,051,219)	(7,386)	(1,058,605)
Gross profit by segments	263,327	1,741	265,068
Non-allocation expenses			(284,543)
Loss from operation			(19,475)
Other incomes			8,329
Finance costs			(12,693)

Income tax revenues			1,508
Loss for the year			(22,331)
Property, plant and equipment-net	240,773	32,925	273,698

THOUSAND BAHT

CONSOLIDATED	FOR THE YEAR ENDED DECEMBER 31, 2018		
	Sale	Services	Total
Local revenues	934,576	3,507	938,083
Export revenues	349,182	-	349,182
Total	1,283,758	3,507	1,287,265
Cost of sales and services	(1,078,133)	(3,090)	(1,081,223)
Gross profit by segments	205,625	417	206,042
Non-allocation expenses			(247,256)
Loss from operation			(41,214)
Other incomes			9,378
Finance costs			(11,417)
Income tax revenues			7,292
Loss for the year			(35,961)
Property, plant and equipment-net	242,914	36,633	279,547

30. TRANSACTIONS WITH RELATED PARTIES

The Company has certain accounting transactions with related parties. These transactions were reflected in the accompanying in normal business and the mutual conditions under the following relationship:

RELATED PARTIES	RELATIONSHIP
1. Subsidiaries	Note 11
2. Related companies	
2.1 Asia Green Energy Public Co., Ltd.	Co-shareholders and director
2.2 A.G.E. Transport Co., Ltd.	Co-shareholders and director
2.3 K.H. Development Co., Ltd.	Co-shareholders and director
2.4 AGE Marine Logistics Co., Ltd.	Co-shareholders and director
2.5 AGE Terminal Co., Ltd.	Co-shareholders and director
2.6 Multi Energy Trading (2020) Co., Ltd.	Co-shareholders and director
(Terminate related party on July 3, 2019)	

2.7 Jinsolid SDN. BHD.	Co-shareholders and director of subsidiary
2.8 AJ Biomass SDN.BHD.	Co-shareholders and director of subsidiary
2.9 ViVi Home Decorative Co., Ltd.	Shareholders and director are close relative with director
2.10 D.T.C. Enterprise Co., Ltd.	Co-director
2.11 Teck Yien SDN.BHD.	Co-shareholders and director of subsidiary
2.12 Teck Yien Construction SDN.BHD.	Co-shareholders and director of subsidiary
2.13 Destiny Holding (M) SDN.BHD.	Co-shareholders and director of subsidiary
2.14 L.C Panmal Trading Company	Co-shareholders and director of subsidiary
2.15 New World Suites SDN.BHD.	The close relative with director and co-shareholders of subsidiary are the major shareholders
2.16 The Golden Mines F&B Services SDN.BHD.	Co-shareholders and director of subsidiary
2.17 Destiny Properties SDN.BHD	The close relative with director and co-shareholders of subsidiary are the major shareholders
2.18 Destiny Integrated Logistics Services SDN.BHD.	Co-shareholders and director of subsidiary

The significant transactions with related parties are as follows:

30.1 Revenues and expenses with related parties for the years ended December 31,

THOUSAND BAHT

RELATED TRANSACTIONS IN STATEMENTS OF COMPREHENSIVE INCOME	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Revenues from sales				
Subsidiaries	-	-	112,853	586,897
Revenues from services				
Related companies	8,829,778	3,065,952	-	-
Interest income				
Subsidiary	-	-	1,289,534	1,316,000
Other incomes				
Subsidiaries	-	-	2,563,300	2,375,735
Related company	22,562	-	-	-
Total	22,562	-	2,563,300	2,375,735
Cost of sales				
Subsidiaries	-	-	320,097,816	293,880,305

Related companies	2,247,137	6,240,306	7,600	4,321,237
Total	2,247,134	6,240,306	320,105,416	298,201,542
Cost of services				
Related companies	899,516	195,757	-	-
Distribution costs				
Subsidiary	-	-	26,563,044	30,401,168
Related companies	4,172,842	10,359,078	2,187,255	6,824,454
Total	4,172,842	10,359,078	28,750,299	37,225,622
Administrative expenses				
Subsidiaries	-	-	182,400	961,252
Related companies	2,080,131	2,568,582	1,828,351	2,180,490
Total	2,080,131	2,568,582	2,010,751	3,141,742

30.2 Balances of receivable and payable from sales, purchase and service rendered to related parties

THOUSAND BAHT

RELATED TRANSACTIONS IN STATEMENTS OF FINANCIAL POSITION	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Trade and other receivables				
Subsidiary-accrued interest incomes	-	-	1,289,534	1,868,405
Subsidiaries-other	-	-	5,655,263	3,106,622
Related companies	1,419,797	982,231	-	-
Total	1,419,797	982,231	6,944,797	4,975,027
Advance payment for goods (Note 7)				
Subsidiaries	-	-	34,837,649	46,921,637
<u>Less</u> Allowance for doubtful accounts	-	-	(21,081,184)	-
Net	-	-	13,756,465	46,921,637
Rental guarantees				
Related company	-	351,250	-	-
Short-term loans to related party				
Subsidiary (Interest rate 3.50% per annum)	-	-	14,600,000	37,600,000
Sale of asset				
Related company	-	150,000	-	-
Trade and other payables				

Subsidiaries	-	-	102,236,680	94,806,292
Related companies	1,575,146	2,074,461	899,858	873,959
Total	1,575,149	2,074,461	103,136,538	95,680,251

31. DISCLOSURE OF FINANCIAL INSTRUMENTS

The Company and subsidiaries have information relating to financial instruments both in and off statements of financial position as follows :

31.1 Accounting policies

Accounting policies are disclosed in Note 4 to the financial statements.

31.2 Risk from breach of contracts

- Due to the contracting party does not follow the requirement in the contract which caused damage to the Company and subsidiaries.
- The credit risk with respect to the concentration of trade accounts receivable consists of:
 - Revenues of the Company and its subsidiaries resulting from sale to few major customers with very high proportion.
 - Revenues of the Company and subsidiaries resulting from sale and services to the small business customers has no concentration of credit risk, because they have a large number of customers.
- For the financial assets shown in the statements of financial position, the book value of such assets is net from various provisions to be estimated fair value. Such provisions are assumed to be the highest value of risk incurred from breach of contracts.

31.3 Risk relating to interest rate of financial assets and liabilities

Risk from the fluctuation in interest rate may have negative effect to the Company and subsidiaries for the current and the following years. The Company expects that it can manage the contingent risk, due to the Company has set a plan and follow up the situation closely.

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Company's operations and its cash flows. The Company is primarily exposed to interest rate risk from its borrowing. The Company uses derivative financial instruments which is interest rate swap to manage exposure to fluctuations in interest rates.

31.4 Risk from currency exchange rate

The Company and subsidiaries have risk from the fluctuation of foreign exchange rates, due to some debtors and creditors arisen from the trading in foreign currencies. The Company and subsidiaries will provide the forward exchange contract, in case of Baht currency is highly fluctuated and it is appropriate for the situation.

31.5 Fair value of financial instruments

The following methods and assumptions are used to estimate the fair value of the financial instruments.

- Financial assets shown at book value which are equal to the estimated fair value.
- Financial liabilities shown at book value which are equal to the estimated fair value. Loans carrying interest rates close to the market rate.

32. LITIGATION

The Company has litigation cases as follows;

- In year 2018, the Company sued the business partner to pay the debt under the contract which had amount of Baht 1.01 million. Later, the parties counterclaimed to pay the damages and the penalty of Baht 2.14 million and in December 2019, has been judge by the Court of First Instance ordering the parties to pay back deposits of Baht 0.80 million with interest and the Company has to pay the difference of the goods not delivered in amount of Baht 1.90 million with interest. The Company is appealing to the Court. The management of the Company believes that no obligations significant impact in the financial statements.
- In year 2018, the Company sued the business partner to pay the debt with damages in the amount of Baht 12.86 million in case of breach of buy and sale asset contract. Later, the parties filed a counterclaim to pay damages and fines, which has a debt capital amount of Baht 0.91 million and in November 2019, the Company agreed to a compromise agreement in the Court, allow the counter party to pay damage amount of Baht 5 million within February 2020.

33. FINANCIAL STATEMENTS APPROVAL

These financial statements are duly approved by the Company's directors on February 26, 2020.

2019

www.asiabiomass.com



AsiaBioMass

บริษัท เอเชีย ไบโอบีโอส จำกัด (มหาชน)
273/2 ถนนพระรามที่ 2 แขวงแสมดำ
เขตบางขุนเทียน กรุงเทพฯ 10150
โทร 0-2415-0054 แฟกซ์ 0-2894-0055