



บริษัท พลังงานบริสุทธิ์ จำกัด (มหาชน)
Energy Absolute
Public Company Limited

Annual Report 2012



Contents

1	Message from the Chairman of the Board
3	The Directors of the Company
7	Management Team of the Company
8	General Information of the Company
13	Report of the Audit's Committee
16	Financial Highlights
19	Nature of Business
36	Risk Factors
48	Capital Structure
51	Management Structure
71	Internal Control
73	Related Transaction
90	Financial Position and Performance
114	Financial Statement and Notes to Financial Statement



Message from the Chairman of the Board



Dear Shareholders

On behalf of the Board of Director of Energy Absolute Public Company Limited, I feel gratitude and wish to express my sincerest thanks to all of Shareholders for trust and support for our operating business of the Company throughout the year and days. We are proud to inform our Shareholders that the Company has reached and satisfied achievement and well performance in the previous year. The Company has recognized the revenue from our operation and expenditure for the amount of 4,478.98 million baht and 4,371.88 million baht, respectively whereas the Company has realized the annual net profit for 107.10 million baht.

Considering the current situation and the near future of our business, the Company has a mission with policy which is aligned and responded to serve the Government's energy security policy through the use of fuel source by reducing fossil fuel consumption in generating electricity activity and promote to produce with renewable energy sources instead of. In this regards, the Company has one significant project for a 90 Megawatts Solar Farm at Nakornsawan which is currently under execution. Such project is now on the positive and progressive move on schedule and is anticipated to complete within this Yr. 2013 whereby after its completion we anticipate that the operating business of the project will support us to enjoy with its generated revenue derived from its performance, agreeably. Furthermore, the Company still has the plan to expand our business for the renewable energy producing for many projects in pipeline. In term of solar power plant and wind farm plant which we are confident that those will bring us reaching the target and lead an enjoyable result of performance with more reliable to the Shareholders and every investors. Realizing, tha, the Company shall operate the business base on careful supervision and attention to comply with the laws, ruels and regulations as well as to maintain the benefits of Shareholders and all of interested parties.

Last but not least, I wish to express my sincerest appreciattion to executives and all of staffs for your dedication, contribution, intelligence and industrious work driven Company for the progressive movement with its stability and durability growing. Thank you all of Shareholders, community, public sector and private sector, central , regional and locality, as well as relevant parties for their interest, support, advice which are

really beneficial to our operation and business of the Company. These are major strokes that give us strength to push forward and encourage the Company to realize on their intention to work as admitted mission and vision, and bring out the growth of business with well quality and efficiency for renewable engery power production where responsive to the social requirement better.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Somchai Eengtrakul', is positioned above a horizontal line.

(Mr. Somjainuk Eengtrakul)

Chairman of the Board

The Directors of the Company



Mr. Somphote Ahunai

Director

Chairman of Executive Committee

Chief Executive Officer



Mr. Amorn Sapthaweekul

Director

Executive Committee

Chief Financial Officer

The Directors of the Company



Mr. Wutthilerd Chiannikulchai

Director
Executive Committee



Mr. Sutham Songsiri

Director
Executive Committee

The Directors of the Company



Mr. Chaiwat Pongpisitsakul

Chairman of the Audit Committee
Independent Committee



M.R. Bravochat Chatchai

Audit Committee
Independent Committee

The Directors of the Company



Mr. Bannarat Pichayakorn

Audit Committee

Independent Committee



ACM. Chainan Thumasujarit

Audit Committee

Independent Committee

Management Team of the Company



1. Mr. Somphote Ahunai
2. Mr. Amorn Saphaweeikul
3. Mr. Wutthilerd Chiannikulchai
4. Mrs. Dujdao Luksanaviwat
5. Mr. Sutham Songsiri



General Information of the Company

1. General information of company

Thai name	: บริษัท พลังงานบริสุทธิ์ จำกัด (มหาชน)
English name	: Energy Absolute Public Company Limited (EA)
Registered company	: 0107551000061
Category of business	: 1) Operate business of produce and distribute biodiesel (B100), Diesel fuel, Refined Glycerin, raw material and byproduct. 2) Operate business of produce and distribute current from alternative energy
Location of headquarter	: No. 888 I Tower, 15 th floor, Vibhawadee Rangsit Road, Jatujak Sub-District, Jatujak District, Bangkok 10900
Location of factory	: 1) For business of produce and distribute biodiesel: No. 507, Village No. 9, Soi. 7, Kabinburi Industrial Park, Kabinburi-Nakornratchasima Road, Km. 12, Hnongkee Sub-District, Kabinburi District, Prachinburi Province 25110 2) Business of produce and distribute solar cell: No. 188 Village No. 3, Saikoktoom-Maenampasak Road (Highway no. 3333) Km. 21, Pattananikhom Sub-District, Pattananikhom District, Lopburi Province 15140
Telephone	: 02-554-9238-42
Fax	: 02-554-9243
Website	: www.energyabsolute.co.th
Paid capital for sale,	: 317,000,000 baht (Three hundred seventeen million baht only) after offer ordinary share is increased to people in first time on 24 January, 2013.
Par value	: 0.10 baht (Ten Satang)

2. Juristic person information is company holding share since 10% up of all distributed shares.

Company	Location	Type of business	Registered capital (Baht)	Paid share (share)	Par value (Baht)	Holding share (share)	Proportion of Holding share (%)
1. Continental Oils Co., Ltd.	888 I Tower Building , Floor 15, Vibhavadi Rangsit Road , Chatuchak Sub-district, Chatuchak, District, Bangkok 10900. Tel. 0-2554-9238 Fax. 0-2554-9243	Fuel wholesale	100,000	1,000	100	993	99.30
2. Sahaphanit Petroleum Co., Ltd.	888 I Tower Building , Floor 15, Vibhavadi Rangsit Road , Chatuchak Sub-district, Chatuchak, District, Bangkok 10900. Tel. 0-2554-9238 Fax. 0-2554-9243	Fuel wholesale	100,000	1,000	100	993	99.30
3. Petroplanet Co., Ltd.	888 I Tower Building , Floor 15, Vibhavadi Rangsit Road , Chatuchak Sub-district, Chatuchak, District, Bangkok 10900. Tel. 0-2554-9238 Fax. 0-2554-9243	Fuel wholesale	100,000	1,000	100	993	99.30
4. Surachai (1997) Co., Ltd.	888 I Tower Building , Floor 15, Vibhavadi Rangsit Road , Chatuchak Sub-district, Chatuchak, District, Bangkok 10900. Tel. 0-2554-9238 Fax. 0-2554-9243	Produce and distribute current	12,000,000	12,000	1,000	11,800	98.33

Company	Location	Type of business	Registered capital (Baht)	Paid share (share)	Par value (Baht)	Holding share (share)	Proportion of Holding share (%)
5. EA SOLAR CO., LTD.	888 I Tower Building , Floor 15, Vibhavadi Rangsit Road , Chatuchak Sub-district, Chatuchak, District, Bangkok 10900. Tel. 0-2554-9238 Fax. 0-2554-9243	Produce and distribute current	200,000,000	Ordinary share 980,000 Preference share 1,020,000	Ordinary share 100 Preference share 100	Ordinary share 979,999 Preference share -	Direct 49.00 Indirect 50.05 Total 99.05
6. EA SOLAR NAKORNSAWAN CO., LTD.	888 I Tower Building , Floor 15, Vibhavadi Rangsit Road , Chatuchak Sub-district, Chatuchak, District, Bangkok 10900. Tel. 0-2554-9238 Fax. 0-2554-9243	Produce and distribute current	20,000,000 After the capital increase. 31 January 2013 1,690,000,000	2,000,000 169,000,000	10 10	1,999,998 168,999,998	99.99 99.99
7. Energy Solution Management Co., Ltd.	888 I Tower Building , Floor 15, Vibhavadi Rangsit Road , Chatuchak Sub-district, Chatuchak, District, Bangkok 10900. Tel. 0-2554-9238 Fax. 0-2554-9243	Counseling service in project of Electric Power and employed construction Electric Power Plant.	10,000,000	100,000	100	99,995	99.99
8. Surachai Solar (1997) Co., Ltd.	888 I Tower Building , Floor 15, Vibhavadi Rangsit Road , Chatuchak Sub-district, Chatuchak, District, Bangkok 10900. Tel. 0-2554-9238 Fax. 0-2554-9243	Produce and distribute current	1,000,000	1,000	1,000	-	Direct - Indirect 98.13 Total 98.13

3. Other reference information

Securities registrar	Thailand Securities Depository Co., Ltd. 62 Stock Exchange of Thailand Building, Ratchadapisek Road, Klongtoey Sub-District, Klongtoey District, Bangkok 10110 Tel. 0-2229-2800 Fax. 0-2654-5427
Certified public accountant	Miss Chawana Wiwatpanachart Certified public accountant No. 4712 Miss Wanpen Ounruan Certified public accountant No. 7750 Pitisevi Office 8/4 Phanachart Building, , Vibhavadi Rangsit Road , Ladyao Sub-district, Chatuchak District, Bangkok 10900. Tel. 0-2941-3584 Fax 0-2941-3658
Law consultant	Royal Advocates International Co., Ltd. 2/4 Nailert Tower, 5 th floor, Wireless Road, Lumpini Sub-District, Pathumwan District, Bangkok 10330 Tel. 0-2655-2112 Fax 0-2655-2118



Report of the Audit's Committee

REPORT OF THE AUDIT'S COMMITTEE

Dear Shareholders of the Energy Absolute Public Company Limited

The Audit Committee of the Energy Absolute Public Company Limited comprises four Independent Directors who have completed qualifications to act as the Independent Director and Committee members and complied with guidelines and practices regulated under the Stock Exchange of Thailand, and are free to perform their duties as defined under the Audit Committee Charter, namely as following;

1. Mr. Chaiwat	Pongpisitsakul	Chairman of the Audit Committee
2. ACM. Chaiyanunt	Thammasudjarit	Audit Committee
3. M.R. Bravochat	Chatchai	Audit Committee
4. Mr. Bannarat	Pichayakorn	Audit Committee

The Audit Committee convened five meetings and all attended the meeting concurrently except one meeting held without presence of the executive committee. During the meeting, the executive committee, the internal auditor, the certified public accountant were invited to participate and clarify the factual information and the result from accounting audit as well as to present the related evidence for each quarter

The meetings of the Audit Committee were strictly conformed to those required under the Audit Committee Charter and the result of the meetings were presented to the Board of Directors for consideration and acknowledgement whereby were significantly summarized as following;

- Reviewing the financial statement both quarterly and annually as for Year 2012 prior to present to the Board of Directors in order to ensure its accuracy and compliance with the standard of accounting and relevant laws. Including but not limited to the disclosure of information at the remark of the financial statement sufficiently. Purposely to be aware of the problems and to find out the solutions to bring benefit to the company. The Audit Committee contemplated the financial statement of the company was reached the standard practice of accounting and reliable.
- Reviewing the adequacy, efficiency, independency of the internal audit activities as well as the approval of annual audit plan as for Year 2013 which arranged in accordance with the risk contingency and aiming to utilize such plan efficiently and effectively. Beside to develop the internal audit system continually for good internal control system.
- Reviewing the compliance with the rules and regulations of the Securities and Stock Exchange and the Stock Exchange of Thailand and other related business laws. The Audit Committee contemplated that the company has complied with this criteria.
- Reviewing the related transactions that might lead conflict of interest. The Audit Committee contemplated that the company has complied with this criteria.

- Reviewing the risk management, report of auditing and notice of the internal assessment including the exchange of top management's opinions. The company set up the monthly and quarterly meeting with the board of executive to brainstorming the measurement for risk management . In addition to report the progress of performance from the responsible parties continually. The Audit Committee contemplated that the company has complied with this criteria.
- Consideration to appoint the accounting auditor with his performance from the previous year contemplating his reputation, reliability, accountability and to certify the financial statement in timely manner. The Audit Committee contemplated to propose Ms. Chaovana Viwatpanachati - Certified Public Accountant (Thailand) No. 4712 and Ms.Wanpen Oonruen - Certified Public Accountant (Thailand) No. 7750 from the Pitisevi & Company to act as the certified accountant of the company for the accounting period Year 2013 with the remuneration fee of 2,100,000 Baht.
- the Audit Committee assessed his overall self-operating performance for the Year 2012 and opined that the Audit Committee has adequately reached and compeltely complied with the rules, laws of the Audit Committee Charter.

On behalf of the Audit Committee

Energy Absolute Public Company Limited



(Mr. Chaiwat Pongpisitsakul)

Chairman of the Audit Committee



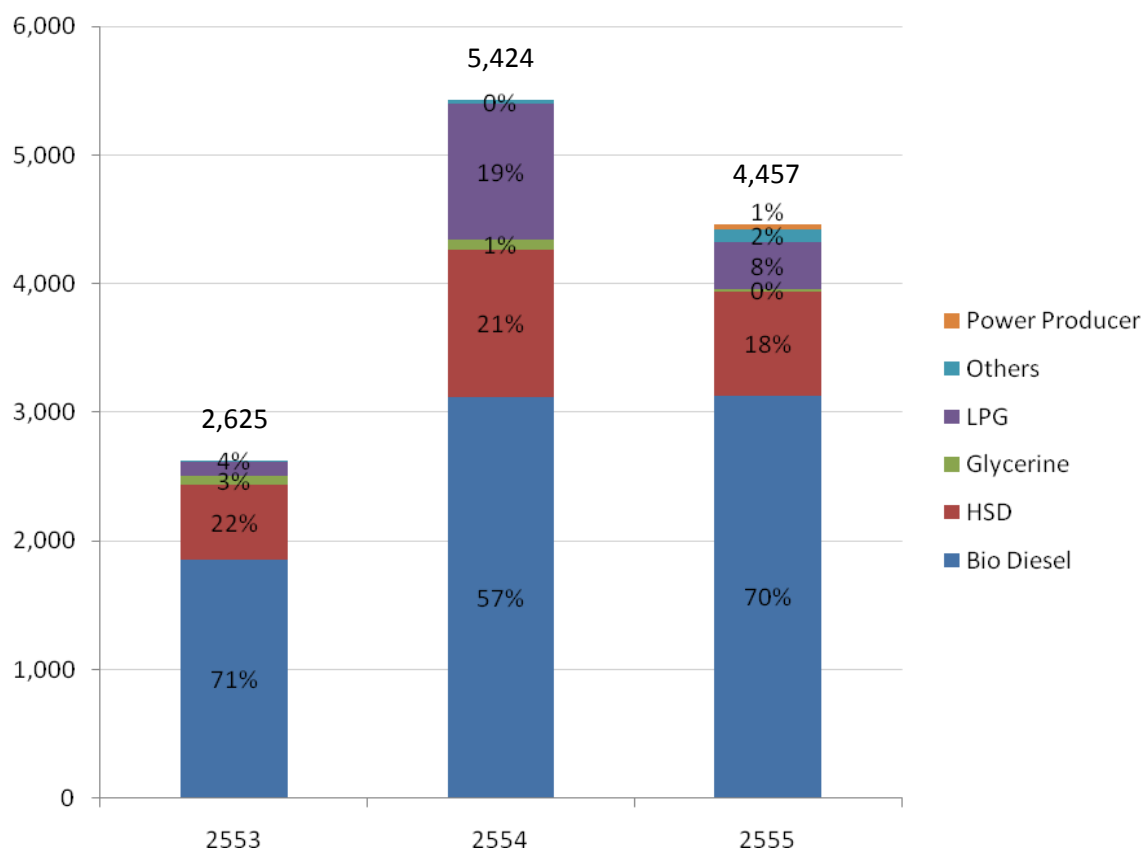
Financial Highlight

in Million Baht

	2012	2011	2010
Balance Sheet			
Assets (MB)	2,545.06	1,724.88	1,071.10
Liabilities (MB)	1,403.24	707.98	533.07
Shareholders' Equity (MB)	1,141.82	1016.90	538.03
Paid up Capital (MB)	317.00	305.00	279.38
Profit and Loss Statement			
Revenues from Sales (MB)	4,457.73	5,423.98	2,624.82
Profit/Loss (MB)	107.01	63.01	26.91
Financial Ratio			
Return on Asset (%)	5.01%	4.51%	2.95%
Return on Equity (%)	10.08%	8.28%	6.15%
Net Profit Margin (%)	2.40%	1.16%	1.03%

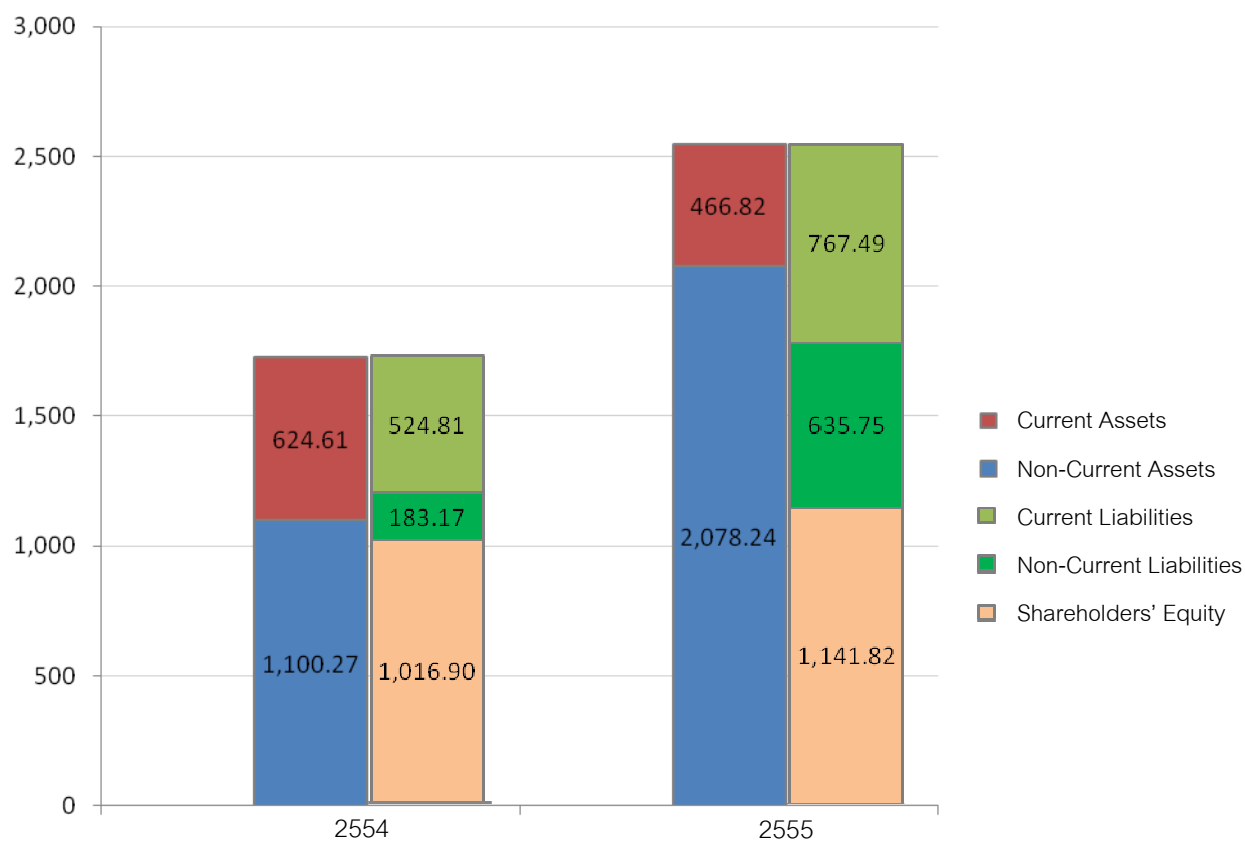
Revenues from Sales and Services

Million Baht



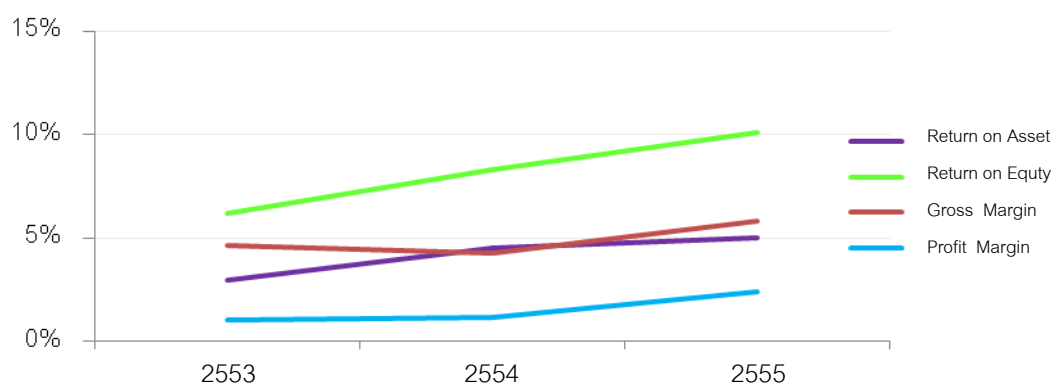
Balance Sheet

Million Baht



Financial Ratio

Percent





Nature of Business

1. History and main development

Energy Absolute Public Company Limited is a registered company incorporated on March 6, 2006 the name was Sun Tech Palm Oil Co., Ltd., with initial registered capital of 50.00 million baht on 2008 was registered as a public company and changed. Name the Energy Absolute Public Company Limited and the registered capital of 50.00 million to 250.00 million, 360.00 million and 373.00 million in the year 2008, 2009, 2012, respectively, the Company has registered and paid a total of 373.00 million baht for shares 3,730,000,000 shares at par value of 0.10 baht per share, the company's main business is the production and distribution of biodiesel (B100) diesel fuel, Pure glycerin and raw materials and by-products of biodiesel production process, the company has licensed a trader under Section 7 of the Trade Act of 2000, the Department of Energy fuel on October 14, 2009, the company has also expanded business to produce and distribute electricity from solar and wind energy, the solar power plant. The Company entered into a Power Purchase Agreement will be total 278 MW divided by 8 MW 1 project in Lopbur,i and 3 projects are producing the 90 megawatts Nakornsawan, Lampang and Phitsanulok. For the wind power plant, the company has submitted information to sell power to the Electricity Generating Authority of Thailand, includes 16 projects totaling 761 MW of capacity and can be considered a response to the power. Then all three projects included 126 MW of the remaining projects currently under consideration.

Company has located on no. 888, I Tower, 15th floor, Vibhawadee Rangsit Road, Jatujak Sub-District, Jatujak District, Bangkok 10900. Factory has located on no. 507 Village No. 9 Soi. 7, Kabinburi Industrial Park, Kabinburi-Nakornratchasime Road, Km. 12, Hnongkee Sub-District, Kabinburi District, Prachinburi Province 25110

Anyhow, company has important development categorized as each item as follow.

1.1 Main development about registered capital and paid capital, structure of shareholding and establishment subsidiary of company

- Year 2006 - Shareholders of Sun Tech Palm Oil Co., Ltd. was registered is incorporated in Thailand with a registered capital of 50 million baht par value 100.00 baht per share, with the primary purpose of the business of producing and selling biodiesel, methyl esters of fatty acids and glycerol in biodiesel production capacity to 200,000 liters per day.
- Year 2008 - The Company increased its share capital from 50,000,000 baht (consisting of common stock 500,000 shares at par value of 100 baht per share), a 250 million baht (consisting of common stock 2,500,000 shares at par value of 100 baht per share) by issuing new shares. 2,000,000 shares of face value of 100baht per share, the company's registered capital divided into 250,000,000 fully paid ordinary shares 2,500,000 shares at par value of 100 baht.
- On March 12, 2008, the Extraordinary General Meeting of Shareholders approved the Company's operations as a public company. The preparation of the Company's

common stock is listed on the Market for Alternative Investment (MAI) and decided to change its name to Energy Absolute Public Company Limited and flexibility in the distribution of shares and liquidity of the shares of the company. Resolved the share value at par of 100.00 baht, a 0.10 and a resolution to increase the authorized share capital amounting to 49 million baht by issuing new ordinary shares of 490,000,000 shares with a par value of Baht 0.10 per share to be offered to the public. the first (IPO), the company's share capital is divided into 299,000,000 ordinary shares. 2,990,000,000 shares with a par value of 0.10, with a paid up capital equivalent to 250.00 million Baht

- On March 27, 2008, the Company registered as a public company and changed its name to Energy Absolute Public Company Limited.

Year 2009 - Board of Directors and the shareholders had resolution to change the purpose of the issuance of additional shares to be held by the year 2008 from the sale of 490 million shares to the public as a private placement offering. With a registered capital of 299 million baht, lower resolutions are 250 million by way of such shares or the shares not yet sold, and a resolution to increase the authorized share capital of 250 million baht to 360 million baht par value of 0.10 baht per share, the shares are allocated.

- Initial proposed offer (IPO) for 55,000,000 baht or 550,000,000 shares and
- Proposed in limit group for 55,000,000 baht and 550,000,000 shares for investment fund of production and distribution of electric and as current fund consists of
 - Proposed in limit group for 50,000,000 baht or 500,000,000 shares, each share 1.00 baht
 - Proposed executive of company for 5,000,000 baht or 50,000,000 shares, each share 0.10 baht

Year 2010- shareholders' meeting was approved the sale of the shares that have not been allocated a portion of the sale of the private placement. According to the offering of the resolutions of the shareholders' meeting on the year 2009 of 550 million shares, while the ordinary share capital of 293,800,000 shares by the allotment of shares into the offer price of 0.10 baht. 50,000,000 shares and 1.00 of 243,800,000 shares of the Company's paid-up capital changes 250,000,000 Baht 279,380,000 remaining shares that have not been allocated a total of 256,200,000 shares because the company is in the process of investing in the project solar power. This requires working capital to carry out the project without any liquidity problems, proposed terms of the offering of shares to be allocated as follows.

- Offer sale to former shareholder for 1.00 baht per share
- Offer sale to new shareholder for 1.20 baht per share

In case the existing shareholders to buy new shares at a price per share of 1.00 baht will be allowed to sell shares (Silent Period) from the time the subscription is for a period of 6 months.

- Year 2011 - The shareholders' meeting approved the allocation of shares for the remainder of the subscription in accordance with the resolutions of the shareholders' meeting on the year 2553 which was a period of one year from the sale of shares. The funds have not been allocated a total of 256,200,000 shares further for a period of one year after the date of this meeting. The pricing for the minimum price of 1.20 baht per month in June 2011, the Company sold shares to the existing shareholders and the new shareholders at a price per share of 1.50 baht, totaling 384.3 million baht registered with the Ministry of Commerce. The company has a paid-up capital is 305 million baht.
- Year 2012 - the shareholders was approved the reduction of the share capital of 360 million baht to 305 million baht par value of such shares at 0.10 per share by way of sale or that are not yet sold. The company has agreed to increase the registered capital of 305 million baht to 373 million baht by issuing 680,000,000 new ordinary shares at par value of 0.10 baht per share, shares are allocated.
- Initial Public Offering: IPO for 560,000,000 shares
 - Rights Offering: RO for 120,000,000 shares 1.50 baht per share
- The Board of Directors of the Company was approved the liquidation of three subsidiaries: 1) The United Commercial Petroleum Co., Ltd. 2) Continental Oil Co., and 3) Petro Planet Ltd. The Company currently has no operations business and the transaction. By the Board of Directors of United Commercial Petroleum Co.Ltd, Continental Oil Co., Ltd. and PetroChina Ltd. Planet has approved the dissolution of the company. In addition, the shareholders of all three companies have approved the dissolution of the Company with effect from 19 September 2555 onwards, including the appointment of a liquidator and the auditor in the preparation of financial statements in liquidation.

1.2 Main development of biodiesel business

- Year 2008 - The company has been promoted by the Board of Investment (BOI) in the manufacture of glycerin purification percent 99.50 a capacity of 6,000 tons a year (with the support of a capacity 24,000 tons. years) with the benefits of the exemption from income tax on profits from the operation of aggregate 100.00 of investment excluding cost of land and working capital for a period of eight years from the date earned. of the operation. And thereafter will be deductible from income tax on profits derived from the investment in 50 percent of the normal rate for the next 5 years, the company has income from such operations from 13 May 2010.
- Later, the company has been promoted by the Board of Investment (BOI) in the manufacture of biodiesel. Capacity 120 million liters per year (with the support of the capacity 240 million liters per year) with the benefits of the exemption from income tax on profits from the operation for a period of 8 years. income from the date of the operation. And thereafter will be deductible from income tax on profits derived from

the investment in 50 percent of the normal rate for the next 5 years, the company has income from the operation of such date 6 March 2009.

- Year 2009 - Construction of a new biodiesel production facility was completed. The company has a production capacity of biodiesel (B100) is equal to 400,000 gallons per day and the plant produces pure glycerin, capacity of 20 tonnes per day.
- On 14 October, 2009, company was granted an oil under Section 7 of the Trade Act of 2000, the Department of Energy Fuel.
- Year 2010 - The production capacity further by the construction of the biodiesel plant. The company has the capacity of biodiesel is 800,000 liters per day, an increase of the capacity of its 400,000 liter per day capacity glycerol purity is 80 tons per day, an increase of the capacity of the original. 20 tons per day, as well as a distillation of the methanol, the residue from the manufacturing process used to produce new.
- The company has developed a process by bringing fatty acids Palm (Palm Fatty Acid Distillate: PFAD) as feedstock addition of stearic Marine (Stearine) Crude Palm Oil (CPO) and palm oil, semi-refined (RBD) in the. production of biodiesel (B100), the company has a production capacity of 20 tons per day PFAD Esterification (or 20,000 liters per day).
- Year 2011 - The Company has been promoted by the Board of Investment (BOI) in manufacturing, palm oil, semi-refined (RBD) capacity 158,075 tons per year, with benefits of exemption from income tax on profits from the business combination does not exceed 100 percent of the investment, excluding land and working capital for a period of eight years from the date the income from the operation. And thereafter will be deductible from income tax on profits from the investment at 50 per cent of the normal rate for the next 5 years, the company has no revenues from palm oil, semi refined by benefits such tax above. Because the company is a pure semi-refined crude palm oil (RBD) and the Company are not available to people outside the RBD RBD was used as a raw material in the production of biodiesel. It could not be exercised BOI tax.
- The Company has been promoted by the Board of Investment (BOI) in the manufacture of glycerin purification Percentage 99.5 a capacity 124,800 tons per year, with benefits of exemption from income tax on profits. from business combination under 100 percent of the investment, excluding land and working capital for a period of eight years from the date the income from the operation. And thereafter will be deductible from income tax on profits from the investment at 50 per cent of the normal rate for the next 5 years, the company has no revenues from glycerin, purified by tax benefits are. As mentioned above, the system is being tested in preparation for the start of commercial operations.
 - The company has started the construction of oil refinery tower. To increase capacity to 600,000 liters per day for a total capacity at 800,000 liters per day and a refining glycerin, purified an additional 80 tons per day to increase the effectiveness of the refined glycerin to yield (. Yield) to improve the capacity of the system. Esterification.

Biodiesel production is 40 tons per day to 80 tons per day, the company has started commercial operations in the distillation of crude palm oil and. Esterification. Biodiesel production in September 2555 and the glycerine purification refinery is currently being tested in preparation for the start of commercial operations.

- Year 2012- Company has certified Roundtable on Sustainable Palm Oil: RSPO is second of Thailand, certified standard by PT.TÜV NORD INDONESIA, as company was certified international standard of service. In addition, RSPO has objective to support stability product palm oil covering management and operating law, possibility of economics, appropriate of environment and benefits to social under framework of international RSPO.
- Company has certified quality management ISO 9001: 2008 (Quality Management Systems) จาก URS Thailand (United Registrar of Systems (Thailand) Ltd.).

1.3 Main development of Solar Power Plant Business

- Year 2009 - Board of director has resolution approved investment project of generating power from solar, capacity 270 megawatts, categorized as 3 projects, capacity 90 megawatts , located on Nakornsawan, Lampang and Pitsanulok, respectively.
- Year 2011 - The company began expanding the production and sale of electricity from solar energy. By late May 2011, the Company acquired shares in Surachai (1997) Company Limited from its existing shareholders 75.00% of the share capital in the company as portion of 50.25 million baht (including investment of 50.00 million baht and expenses directly related to the acquisition of approximately 0.25 million baht). Besides, firm bought shares in the company of Surachai (1997) Co., Ltd. for operate production and distribution of electricity from solar energy. Since Surachai (1997) Co., Ltd is direct contractor to sell electricity from solar power projects, capacity 8 MW in Lopburi with the Provincial Electricity Authority (PEA). This project will be added to the purchase price of electricity (Adder) for Very Small Power Producer (VSPP) of renewable energy at a rate of 8 baht per kilowatt – hour is support for a period of 10 years from Commercial Operation Date: COD.
- Year 2012 - On July at board of director meeting has resolution approved as follows.
- Approved more sale share from group of Mr. Surachai Ngermsakulrungle, holding share in Surachai (1997) Co., Ltd. and EA Solar Co., Ltd. is subsidiary of company and company is shareholder in Surachai (1997) Co., Ltd. for wholly.
 - Approved investment in purchase shares of Energy Solutions Management Co., Ltd. (ESM) by the buyer and seller are related persons on operating design, construction and maintenance of Solar Farm. Company was established on June 21, 2012 with a registered capital of Baht 10,000,000 baht par value of 100 baht per share paid-up capital of 25 baht per share, or a total 2,500,000

baht. Company has invested to buy shares in ESM on July 24, 2012 in order to provide the company with an experienced staff on civil work and installation of solar power plant. When combined with the existing personnel of the organization performing the task is better in the future. The Board of Directors has approved the acquisition at a price above par only the paid-up capital, Personnel and the transfer of the EPC (Engineering Procurement and Construction) to the company, this The approval for the allotment of shares amounting to 49.00% of the team's solar power projects of company. It is sold as 1 in 3 of the shares allocated to the project team, the solar power plant capacity of 90 MW each project is completed. (Project to supply electricity to commercial (COD)) to the allotment of shares each will need to be approved by the Board of Directors whenever the team is entitled to receive an allocation of shares: 1) Mr. Suphon Chanthapanyarat 2) Mr. Kitthithat Tutsanawat 3) Mr. Kongsak Charoenphon 4) Mr. Nunthasak Sakkosit and 5) Soilcreate Technology Co., Ltd. If the future company has issued share capital of the ESM, Company will comply with the regulations, or announcements relating to the Office of the Securities and Exchange Commission and The Stock Exchange of Thailand, including the acquisition or disposition of assets of the Company or subsidiaries, etc.

For data of Energy Solution Management Co., Ltd. before and after sale ordinary share as follows.

Data of Energy Solution Co., Ltd. <u>after</u> operate sold ordinary share.	
Registered capital/paid capital	Registered capital 10,000,000 baht, par value 100 baht paid 2,500,000 baht (25 baht per share)
Type of business	Design, construction and maintenance solar farm
Date of establishment	21 June, 2012
Director list name	1) Mr. Kitthithat Thatsanawiwat 2) Mr. Sompote Hahunai 3) Mr. Amorn Thupthawekul
Shareholder list name (at 24 July, 2012)	1) Energy Absolute Public Company Limited in portion of 99.995 2) Mr. Kitthithat Thatsanawiwat in portion of 0.001 3) Mr. Suphon Chanthapanyarat in portion of 0.001 4) Mr. Kongsak Charoenphon 5) Mr. Nanthanasak Sakkosit in portion of 0.001 6) Soil Creet Technology Co., Ltd. in portion of 0.001

Remark: On 7 September, 2012 has paid remain share affect present ESM has registered capital and paid for 10.00 million baht and company holding share at portion of 99.995%.

- On August company has operate increase purchase share from group of Mr. Surachai Ngermsakulrungle as approved from board of director meeting on July, entering purchase share from group of Mr. Surachai Ngermsakulrungle as ordinary share in Surachai (1997) Co., Ltd. in portion of 23.33 of registered capital of Surachai (1997) Co., Ltd. and in portion 14.70 of registered capital of EA Solar Co., Ltd. result to present company has shareholding structure as follows.

Summary of Surachai (1997) Company, Surachai (1997) Solar Co., Ltd. and EA Solar Co., Ltd. in present

<u>Data of Surachai (1997) Co., Ltd. in present</u>	
Registered capital/paid capital	Registered capital 12.00 million baht, par value 1,000 baht paid 12.00 million baht
Type of business	Operate business of production and distribution current
Director list name (at 3 September, 2012)	1) Mr. Sompote Hahunai 2) Mr. Amorn Thupthawekul 3) Mr. Wutthilert Jialaninkulchai
Shareholder list name (at 20 August, 2012)	1) Energy Absolute Public Company Limited in portion of 98.33 2) Mr. Sompote Hahunai in portion of 0.83 3) Mr. Amorn Thupthawekul in portion of 0.93

<u>Data of Surachai (1997) Solar Co., Ltd. in present</u>	
Registered capital/paid capital	Registered capital 1.00 million baht, par value 1,000 baht paid 1.00 million baht
Type of business	Operate business of production and distribution current
Director list name (at 3 September, 2012)	1) Mr. Sompote Hahunai 2) Mr. Amorn Thupthawekul 3) Mr. Wutthilert Jialaninkulchai
Shareholder list name (at 21 May, 2012)	1) Surachai (1997) Co., Ltd. in portion of 99.80 2) Mr. Sompote Hahunai in portion of 0.10 3) Mr. Wutthilert Jialaninkulchai in portion of 0.10

<u>Data of EA Solar Co., Ltd. in present</u>	
Registered capital/paid capital	Registered capital 200.00 million baht, par value 100 baht paid 200.00 million baht

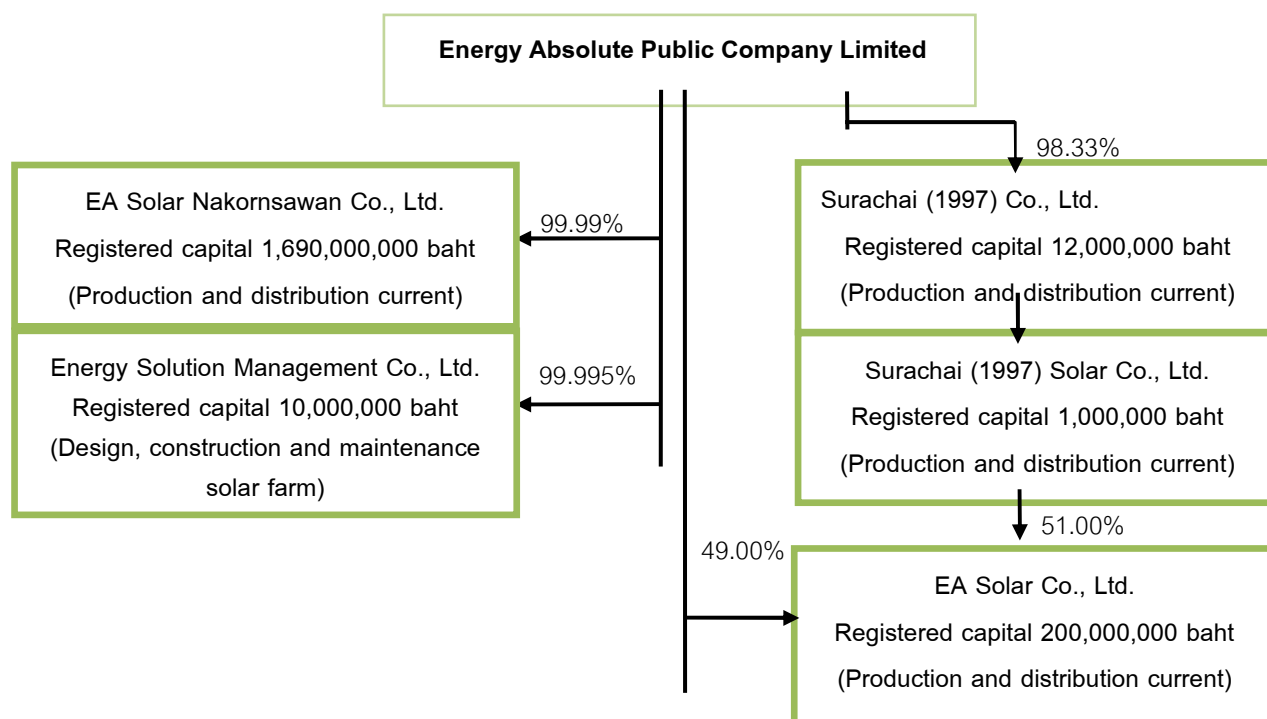
Data of EA Solar Co., Ltd. in present	
Director list name (at 3 September, 2012)	1) Mr. Sompote Hahunai 2) Mr. Amorn Thupthawekul 3) Mr. Wutthilert Jialaninkulchai
Shareholder list name (at 20 August, 2012)	1) Surachai (1997) Solar Co., Ltd. in portion of 51.00 (Has right to vote as portion of 9.43) 2) Energy Absolute Public Company Limited in portion of 49.0 (Has right to vote as portion of 90.57) 3) Mr. Sompote Hahunai in portion of 0.0001 (Has right to vote as portion of 0.0001)

- On August, company was established EA Solar Co., Ltd. is operate business of production and distribution of electricity from solar energy, capacity of 90 MW in Nakornsawan on registered capital and paid-up capital is 1,000,000 baht, company has holding share 99.99%. Company is in the process of transfer of rights in the power purchase agreement for the sale of electricity produced from the project to the Electricity Generating Authority of Thailand (EGAT) to the EA Solar Nakornsawan Co., Ltd. under condition of subsidiary according to Revenue Code, Section 39 (3). Namely, the right to transfer its power purchase agreements for solar to EA Solar Nkornsawan Co., Ltd. Due to holding more than 50.00% of the share capital of EA Solar Nakornsawan Co., Ltd.
 Later in September shareholders of EA Solar Nakornsawan Co., Ltd. has resolved to increase the share capital as 19 million baht result in company has registered capital at 20,000,000 baht.
- Next in January, 2013 shareholder meeting of EA Solar Nakornsawan Co., Ltd. has resolution increase registered capital of EA Solar Nakornsawan Co., Ltd. from 20 million baht as 1,690 million baht.

2. Overview of operation business of company

Energy Absolute Public Company Limited has business structure by 5 subsidiaries exhibit in structure of shareholding as follows.

Structure of operation business of Energy Absolute Public Company Limited



Remark: Continental Oil Co., Ltd. , Petroplanet Co., Ltd. and Commerce Union Petroleum Co., Ltd. are subsidiaries of company and dissolution on 19 September, 2012 and in process of payment account. Due to company as mentioned is not operate business and transaction, for dissolution 3 companies not affected to financial position and performance of company.

Subsidiary

1. Surachai (1997) Co., Ltd.

Established on 24 February, 1997, present has registered capital and paid capital at 12,000,000 baht par value 1,000 baht. Original business is construction service and distribution construction material and office appliance. Thereafter, on 20 January, 2010 Surachai (1997) Co., Ltd. has entering sale contract with The Provincial Electricity Authority (PEA.) capacity 8 megawatts in Lopburi. On 6 May, 2011 company was purchased ordinary share of Surachai (1997) Co., Ltd. in portion of 75.00% of registered capital of Surachai (1997) Co., Ltd. Due to that time Surachai (1997) Co., Ltd. is major shareholder of Surachai (1997) Solar Co., Ltd., which operate business of production and distribution electric from solar in portion of 80.00% and next time Surachai (1997) Co., Ltd. is subsidiary of company has portion of shareholding in Surachai (1997) Solar Co., Ltd. as 99.80%. Surachai (1997) Solar Co., Ltd. is assignee in sale contract to The Provincial Electricity Authority (PEA) capacity 8 meawatts from Surachai (1997) Co., Ltd. under condition of subsidiary of Surachai (1997) Co., Ltd. as Revenue Code section 39(3).

Besides, on 20 August, 2012 company has increase share from group of Mr. Surachai Ngermsakulrungrrote, holding share in Surachai (1997) Co., Ltd. in portion of 23.33%, as result in present company has holding share in Surachai (1997) Co., Ltd. in portion of 98.33% and now Surachai (1997) Co., Ltd. has operate production and distribution electric from solar power as only.

2. Surachai (1997) Co., Ltd.

Established on 1 December, 2010 has registered capital and paid at 1,000,000 baht par value 1,000 baht for operate business of production and distribution electric from solar power. On 1 March, 2011 Surachai (1997) Solar Co. Ltd. has transfer right in sale contract to The Provincial Electricity Authority (PEA), capacity 8 megawatt from Surachai (1997) Co., Ltd. under condition of subsidiary of Surachai (1997) Co., Ltd. according to Revenue Code, section 39(3). Now Surachai (1997) Co., Ltd. is holding share in Surachai (1997) Solar Co., Ltd. in portion of 99.80%.

3. EA Solar Co., Ltd.

Established on 27 May 2011 with an initial registered capital 100,000 baht par value 100 baht per share includes shares with name 490 shares and preferred shares are listed 510 stocks (by Preferred 10 shares with voting rights 1 points) to produce and distribute electricity. The General Meeting of Shareholders to 1/2011 of EA Solar Co., Ltd. on July 7, 2011 to approve the increase of EA Solar Co., Ltd. for 199,900,000 baht par value of 100 baht, total 1,999,000 shares, including 979,510 shares of its common stock and 1,019,490 shares of preferred stock. Company has registered capital and paid capital 200 million baht to invest in the construction of an 8 MW solar power plant in Lopburi. On July 26, 2011, EA Solar Co., Ltd. has acquired the right to purchase electricity to the Provincial Electricity Authority (PEA) of 8 MW to Surachai (1997) Solar Co., Ltd. according to Revenue Code, section 39 (3) and the Provincial Electricity Authority (PEA) has consented to the transfer of the said Authority reserves the right to terminate sale contract with EA Solar Co., Ltd. If appears that the EA Solar Co., Ltd., ceases to be a subsidiary of the company, Surachai (1997) Solar Co., Ltd Under the terms of Revenue Code. At present, Surachai (1997) Solar Ltd. has holding share in EA Solar Co., Ltd. in portion of 51.00%, Energy Absolute Public Company Limited holding 34.30% and Mr. Surachai holding 14.70%.

However, on August 20, 2012, company acquired additional shares from Mr. Surachai has holding 14.70% result company has direct holding in EA Solar Co., Ltd. in portion of 49.00% and indirectly held through Surachai (1997) Solar Co., Ltd. in proportion 51.00%.

4. EA Solar Nakornsawan Co., Ltd.

Established on 24 August, 2012 has registered capital and paid capital for 1,000,000 baht, on 31 January, 2013 has increase registered capital and paid capital as 1,690,000,000 baht, consists of ordinary share 169,000,000 shares, par value 10 baht for operate business of production and distribution electric from solar power, capacity 90 megawatts in Nakornsawan. Company has holding in portion of 99.99%. Now company is in process of transfer right to EA Solar Nakornsawan Co., Ltd. under condition of subsidiary in Revenue Code.

5. Energy Solution Management Co., Ltd.

Established on 21 June, 2012 with registered capital of 10 million baht consists of ordinary share 100,000 shares at par value 100 baht per share and paid-up capital initially at 2.5 million baht (fully paid shares at 25 baht). Later on September 7, 2012, company paid the balance in full as a result, the company has registered and paid-up share capital comprising 10,000,000 ordinary shares of 100,000 shares at a par value of 100baht for business of construction and maintenance of solar power plants that company holding for 99.995%.

Involved company and may be conflict on benefits

In part of Mr. Wutthilert Jialaninkulchai is shareholder of company in portion of 1.70% of paid capital of company (Data at March 19, 2013) and take in position of authorized director and executives director has involved company and may be conflict on benefits as follows.

1. Mitr Siam Oil Co., Ltd.

Established on 6 February, 1987 for operate business of production and distribution lubricating oil and grease , has registered capital and paid capital as 1,000,000 baht, Mr. Wutthilert Jialaninkulchai is director of such company.

2. Malee Oil Co., Ltd.

Established on 10 January, 1992 for operate business of wholesale fuel, registered and paid capital as 5,000,000 baht, Mr. Wutthilert Jialaninkulchai is director of such company.

1. C.C. Oil Co., Ltd.

Established on 1 September, 1992 for operate business of wholesale fuel, registered and paid capital as 1,000,000 baht, Mr. Wutthilert Jialaninkulchai is director of such company.

2. Chali Trading Co., Ltd.

Established on 28 February, 1992 for operate business of wholesale fuel, registered and paid capital as 1,000,000 baht, Mr. Wutthilert Jialaninkulchai is director of such company.

3. Macharoen Co., Ltd.

Established on 28 February, 1992 for operate business of wholesale fuel, registered and paid capital as 1,000,000 baht, Mr. Wutthilert Jialaninkulchai is director of such company.

4. Suebnuang Trading Co., Ltd.

Established on 28 February, 1992 for operate business of wholesale fuel, registered and paid capital as 1,000,000 baht, Mr. Wutthilert Jialaninkulchai is director of such company.

5. Two Plus One Oil Co., Ltd.

Established on 28 February, 1992 for operate business of wholesale fuel, registered and paid capital as 1,000,000 baht, Mr. Wutthilert Jialaninkulchai is director of such company.

6. Neo Metrics Co., Ltd.

Established on 31 October, 1996 for operate business of investment on holding company, registered and paid capital as 1,000,000 baht, Mr. Wutthilert Jialaninkulchai is director and major shareholder of such company.

7. Double 10 Co., Ltd.

Established on 30 July, 2001 for operate business of wholesale fuel, registered and paid capital as 1,000,000 baht, Mr. Wutthilert Jialaninkulchai is director of such company.

8. Power 10 Co., Ltd.

Established on 30 July, 2001 for operate business of wholesale fuel, registered and paid capital as 1,000,000 baht, Mr. Wutthilert Jialaninkulchai is director of such company.

9. Famous 10 Co., Ltd.

Established on 30 July, 2001 for operate business of wholesale fuel, registered and paid capital as 1,000,000 baht, Mr. Wutthilert Jialaninkulchai is director of such company.

10. Daily Oil Co., Ltd.

Established on 12 May, 2003 for operate business of wholesale fuel, registered and paid capital as 1,000,000 baht, Mr. Wutthilert Jialaninkulchai is director and major shareholder in portion of 50.00% of such company.

11. Thai Jobber Co., Ltd.

Established on 12 May, 2003 for operate business of wholesale fuel, registered and paid capital as 1,000,000 baht, Mr. Wutthilert Jialaninkulchai is director and major shareholder in portion of 33.32% of such company.

12. Perfect Oil Co., Ltd.

Established on 17 August, 2004 for operate business of wholesale fuel, registered and paid capital as 1,000,000 baht, Mr. Wutthilert Jialaninkulchai is director of such company.

13. R.J. Logistics Co., Ltd.

Established on 19 July, 2010 for operate business of transport vehicle gas, registered and paid capital as 1,000,000 baht, Mr. Wutthilert Jialaninkulchai is director of such company. However, board of director meeting of 2/2012 on 30 March, 2012 has resolution cancel business of sale liquefied petroleum gas within end of April, 2012.

Other companies as involved and may be conflict on benefits as follows

1. Wataback Wind Co., Ltd.

General data and relation

Wataback Wind Co., Ltd. established on 20 April, 2009 for operate business production and distribution electric from solar power for 1 project; project of Wataback Sub-District, Chaiyaboom, present is in process of proposal of sale electric from wind power, capacity 60 megawatts.

Wataback Wind Co., Ltd. has relation with Energy Absolute Public Company Limited is director and has director and shareholder as follows.

- 1) Mr. Sompote Hahunai, director and chief of executive officer of Energy Absolute Public Company Limited, take in position of director of Wataback Wind Co., Ltd. and major shareholder in portion of 23.75%.

Mr. Amorn Thrupthaweeikul as director and chief executive officer of accounting and finance of Energy Absolute Public Company Limited, holding share in portion of 1.25%.

2. Dhipaya Insurance Public Company Limited

Established on November 9, 1951 on Business of Insurance (Non-Life Insurance) is divided into four main categories; fire insurance, marine and transport insurance, car insurance and piecemeal insurance and investment business under the control of the Office of Insurance Commission on the Promotion and Insurance. The rest of insurance business was investment in any kind such as deposit bank and financial institute, Government bond and investments in both short and long term has registered capital and paid-up 300 million baht. Mr. Somjainuek Hengtrakul is committee chairman, take in position of committee chairman and chief of executive of the company.

3. Online Assets Co., Ltd.

Established on 24 September, 2001 for operate business of service information via internet and distribution product about computer, registered and paid capital as 30,000,000 baht, by Miss Supaporn Hahunai is executives of company and take in position of director of company.

Besides, company is involved of each company has disclose particulars about interaction of 2.11, including policy and reasonable of interaction as mentioned.

Overview of business

Energy Absolute Public Company Limited is operated business of producer and distribution biodiesel (B100), fuel diesel, pure glycerin and material and by-product. Moreover, company has expanding business to production field and distribution alternative energy such as solar power and wind power, etc.

Line of biodiesel

Product of biodiesel line consists of 3 main products 1) Biodiesel (B100) 2) Fuel diesel 3) Pure Glycerin and material and by-product from produced. Company has licensed as oil trader according to section 7 of Fuel Trading Act, 2000 (Oil Trader as section 7 mean oil trader has quantity of each fuel or all kind for each year from 100,000 Metric-ton or around 120 million litre up) by main product as.

1. Biodiesel (B100) is liquefied fuel is derived from vegetable oil and animal fatty, has chemical reaction called Transesterification Process with alcohol such as methanol until gained ester is similar properties of diesel, alternative diesel called biodiesel (B100).
2. Fuel diesel (B2, B3, B4, B5) is biodiesel (B100) mixed with diesel (B0 in any ratio such as
 - Fuel diesel B2 is fuel diesel (B0) is mixed with biodiesel (B100) in portion of 2% with diesel 98%.
 - Fuel diesel B3 is fuel diesel (B0) is mixed with biodiesel (B100) in portion of 3% with diesel 97%.
 - Fuel diesel B4 is fuel diesel (B0) is mixed with biodiesel (B100) in portion of 4% with diesel 96%.
 - Fuel diesel B5 is fuel diesel (B0) is mixed with biodiesel (B100) in portion of 5% with diesel 95%.

Fuel diesel has same properties of general diesel

3. Pure Glycerin is a clear, colorless, odorless liquid with a sweet taste, soluble in alcohol and water. But not fat soluble. Because glycerol has chemical properties that are different, so it can be used as a precursor in the synthesis of other chemicals that are widely used in industry, food, medicine, cosmetics Link soap etc. glycerin purification of the crude glycerin (Raw Glycerin) from the manufacturing process. Biodiesel refining process Glycerin (Glycerine Refining Process) as a pure glycerol (Purified Glycerine) became one of the company's products. For use as an ingredient in a wide range of products such as cosmetics link and pharmaceutical products items used in daily life, such as toothpaste, etc.
4. Material and by-product was produced such as Crude Glycerin and Free Fatty Acid: FFA.
For Liquefied Petroleum Gas; LPG, company is operating in 3rd quarter of 2010 but company has stop business of liquefied petroleum gas on April of 2012, focus on distribution biodiesel is main product of company.

Business line of alternative power plant

Company has operated as producer and distribution electric from alternative power, consists of solar power plant for 4 projects, capacity 278 megawatts. Moreover, for stability of long term performance and spreading risk of business, as particulars of power plant project as follows.

1. Solar power plant

Company was operated producer and distribution electric from solar power for 4 projects, capacity 278 megawatts such as

- 1) Solar power plant, capacity 8 megawatt, located on no. 188 village no. 3, Saikoktoom-Maenampasak Road, (Highway no. 3333), Km. 21, Pattanankhom Sub-District, Pattananikhom District, Lopburi 15140, which distributed commerce electric in October 2012 is already.
- 2) Project of Solar power plant, capacity 90 megawatts, located on Huawai Sub-District, Taklee District, Nakornsawan which signed sale contract with The Provincial Electricity of Authority of Thailand (PEA). Present project is in process of improved land and provide fund for construction building that no income until present.
- 3) Project of solar power plant, capacity 90 megawatts, located on Banoum Sub-District, Muang Lampang District, Lampang, which signed for sale contract with The Provincial Electricity of Authority of Thailand (PEA). Present project is in process of improved land and provide fund for construction building that no income until present.
- 4) Project of solar power plant, capacity 90 megawatts, located on Matong Sub-District, Prompiram District, Pitsanulok, which signed for sale contract with The Provincial Electricity of Authority of Thailand (PEA). Present project is in process of provide land for 60% of target of total area and no income in the present.

3. Income structure of company

Type of Income	Year 2010		Year 2011		Year 2012	
	MB	%	MB	%	MB	%
Income from sale						
1. Biodiesel	1,851.55	70.46	3,113.90	57.33	3,133.03	69.95
2. Fuel diesel	583.45	22.20	1,149.61	21.17	808.08	18.04
3. Pure Glycerin	67.70	2.58	78.60	1.45	17.54	0.39
4. Liquefied petroleum gas ^{/1}	117.14	4.46	1,055.85	19.44	366.28	8.18
5. Solar power ^{/2}	-	-	-	-	10.61	0.24
6. Allowance for purchase electric ^{/2}	-	-	-	-	23.92	0.53
5. Material and by-product ^{/3}	4.98	0.19	26.01	0.48	98.27	2.19
1) <i>Palm acid</i>	2.99	0.11	-	-	-	-
2) <i>Crude Glycerin</i>	1.99	0.08	26.01	0.48	98.14	2.19
3) <i>Others</i>	-	-	-	-	0.13	0.00
Total income from sale	2,624.81	99.89	5,423.98	99.86	4,457.73	99.52
Income from service ^{/3}	-	-	-	-	6.18	0.14
Other income ^{/4}	2.92	0.11	7.34	0.14	15.07	0.34
Total income	2,627.73	100.00	5,431.32	100.00	4,478.98	100.00

Remark:

/1: Company has revenue from the sale of liquefied petroleum gas in the third quarter of 2010 and ceased operations in April of 2012 to allow the company to focus on the sale of biodiesel, which is the main product of the company is important. Because of its liquefied petroleum gas in the range from conducting business that make rate of profit is very low rate. Operating personnel must use quite a lot and requires a high investment in the long term is a risk that the government's policy.

/2: Company has revenue from the sale of electricity from solar energy in the first quarter of 2012 to the fourth year of solar power projects, capacity of 8 MW in Lopburi of EA Solar Co., Ltd. is subsidiary of the Company, and marginal revenue funding of the purchase price (Adder) of the project at 8 per kilowatt for a period of 10 years from the date of commercial operation and trading.

/3: Income from sale material and by-product consists of income from sale palm acid during 2009-2010, income from sale Free Fatty Acid : FFA. From 2011 company is no income from sale palm acid, due to development production leading FFA back to produce biodiesel. Income from sale crude palm and sterine during 2009 due to many inventory of material, then must get out of some part and income from sale Crude Glycerine has trend of higher income. Due to found that sale in kind of crude glycerin is make profit than sale Pure Glycerin, due to process of production must have improve for more efficiency, reduce cost and more profit. Trend of distribution may be lower after company was operate produce in

pure glycerin and income from sale Sterol Glucoside is substance from biodiesel production process (as income of 2012).

/3: Income from service for 6.18 million baht which is last time of payment from construction employed of Surachai (1997) Co., Ltd. is subsidiary of company, according to employment contract for improve one school of 2010 before company has operate purchase ordinary share in Surachai (1997) Co., Ltd.

/4: Other income such as profit from exchange rate, distribution assets, interest, sale waste material, etc.

4. Target of operate business

The company strives to be a leader in business related to alternative energy using modern technology. The power of biodiesel quality of raw materials, including crude palm oil, semi Refined Palm Oil, Stearic fatty acid palm tree (PFAD) and free fatty acids (FFA) to use renewable energy and reduce dependence on foreign oil. In order to support the policy of the government to keep prices of agricultural products such as palm oil are more stable. Moreover, help solving environmental problems in terms of air pollution and global warming (Global Warming). The Company will continue to push for and support the development of the biodiesel industry in Thailand, as well as a leader in the production of electricity from renewable energy including electricity from solar energy and wind power. The Company has established the following strategic goals.

1. As leader of production is efficiency and value.
2. Operating marketing on increase customer and expanding distribution channel
3. Control procedure production for reduce production cost, keeping quality level as required, including risk management is may be incurred as compact production process.
4. Development and training personnel for all levels for more efficiency and Effectiveness for advantage of long term competition in business.
5. Development method of work and information technology for most efficiency of work.



Risk Factors

1. Risk factors in operate business

1.1 Risk from rely on large customer

The company's main business is the production and distribution of biodiesel (B100) diesel fuel. Diesel fuel is combination of diesel fuel (BO) and biodiesel (B100) to be used as fuel. It is also a leading manufacturer and distributor of refined glycerin including raw materials and by-products. The Company's reliance on major customers and suppliers Biodiesel number representing the number 8-10 for customers in the years 2011- 2012 was mainly selling biodiesel to customers under Sales Agreement. However, each sale representing not less than 30% of total revenues due to the sale of goods to major oil companies of Thailand. This can be beneficial to the company as a major oil company has financial reliability. However, the proportion of the transaction may be lowered to meet the demand for traded goods in each period. Additionally, the company believes that Potential loss of a major customer is minimal. Due to company currently has a contract with a major customer (Sales Agreement) contract period of 3-6 months and a maximum not over 1 year, with a discount price of diesel announced by the government. When dealing with a customer's contract to expire company will be offering sale biodiesel (Bid) by the discount price of diesel announced by the government for a major client in the next time. In a continuous offering of each contract period government has determined that the fuel major under Section 7 (fuel trader under Section 7 refers to oil traders that trade volume of fuel types or a combination of all kinds per year from 100,000 metric tons, or about 120 million liter or more) to biodiesel (B100) is a mixture of diesel fuel distributor. Therefore, the demand of biodiesel (B100) is increased by the rate of increase in vehicles using biodiesel while manufacturers are still available capacity is insufficient to meet demand increases, so the partners are the company's purchase of biodiesel (B100), we can find a niche distribution of biodiesel (B100) to major oil companies and other retailers for the sale of diesel fuel.

The company has a customer number 3-6 in the period 2011-2012 by the Company's dependence on certain major customers in the sale of diesel fuel but not more than 30% of total revenues.

1.2 The risk of fluctuations in the price of biodiesel.

From demand of oil is rising globally renewable energy is energy that has received much attention during the oil price situation. The biodiesel is a renewable energy supported by government but in a situation where oil prices are likely to rise, it will result in demand for palm oil for biodiesel production is likely to increase, which will result in the actual cost of producing biodiesel increased, and likely to increase in line with crude oil prices in the world market. If it can be said that fossil fuel production from crude palm oil prices are high, demand for biodiesel as a renewable energy will more increase. As a result, the price of oil rising distributions affect production costs of biodiesel to increase the price of oil affects the price of biodiesel by the Executive Committee Energy Policy (ECEP).

For an overview of biodiesel in the last 3 years, the biodiesel industry has the potential competition and consumption of biodiesel, according to government policy. In early 2009 the use of biodiesel has grown dramatically as a result of the government's policy to encourage the use of high speed diesel (B5). However, in the second half of year 2009, industry of biodiesel is decline consumption. Part of the

affected especially during low season, which is usually in the first year, the sale of biodiesel during Low Season is during the rainy season. Since most consumers are in the construction, transportation, and the rainy season will affect the business operations of these industries as a result, fuel consumption is reduced.

In 2010 the biodiesel industry continues to fluctuate and a major manufacturer in the market. As a result, the supply in the market is higher and price competition in the market. However, during the fourth quarter of 2010 due to the decline in oil output causes flooding in the south. Output is less than the market expected stock of oil reserves fell sharply in late 2010 resulted in a shortage of vegetable oil crude palm oil prices rose. And as a result, the price of biodiesel in the fourth quarter of 2010 the price of biodiesel was increased continuously.

In the year 2011, a change of government policy in favor of palm oil-based biodiesel in consumption poverty has insufficient domestic sales and prices to rise again in early 2011, the government had to abandon its support of biodiesel to produce diesel fuel, B5 and B3 remaining, but the diesel B2 in early 2011 that the market demand for biodiesel is greatly reduced. But in the second half of 2011 has increased the use of diesel fuel as B4.

For the year 2012, is year of biodiesel price does not fluctuate as much as the years 2010-2011 and of the country's current stock of CPO increased by the Department of Energy to determine the nature and quality of fuel. According to a document dated October 21, 2012 due to the use of biodiesel fatty acid methyl esters of fatty acids not less than 4.5% and no higher than 5%, effective from 1 November, 2012 onwards.

The fuel diesel (B2, B3, B4, B5) is biodiesel (B100) is mixed with diesel (B0) in various ratios such as.

- Fuel diesel B2 is fuel diesel (B0) is mixed with biodiesel (B100) in portion of 2% with diesel 98%.
- Fuel diesel B3 is fuel diesel (B0) is mixed with biodiesel (B100) in portion of 3% with diesel 97%.
- Fuel diesel B4 is fuel diesel (B0) is mixed with biodiesel (B100) in portion of 4% with diesel 96%.
- Fuel diesel B5 is fuel diesel (B0) is mixed with biodiesel (B100) in portion of 5% with diesel 95%.

1.3 Risk of competition in the industry.

Currently, production and sale of biodiesel is likely to increase competition. It will be seen from the policy aspects of renewable energy from governments to support such a privilege tax under the privileges of the Board of Investment (BOI) that since 2005, the number of biodiesel increased as of November 2012. Biodiesel is the name of the type of fatty acid methyl ester (B100) has been approved for sale or distribution of biodiesel from the Department of Energy (Including name of company) totaled 13 companies, representing a total capacity of approximately 5,205,800 gallons / day. Data from the management company were three cases of biodiesel production capacity are 650,000 liters per day for the current production. In addition, the Ministry of Agriculture and Cooperative is promotes community about biodiesel makes a biodiesel retail lots

more. Including entering the biodiesel producers in the market company may be exposed to competition in the domestic market may be more serious, such as a discount on the price of diesel prices announced by the government.

However, in the case of biodiesel, the small producers mainly used machine for agricultural purposes only and has not yet been developed to improve the general level of the engine. Because farmers are promoting the use of vegetable oil instead of relying on diesel alone but in most of the major manufacturers company was aware of the potentially serious. The company has developed a process that can be used as feedstock in the production of a variety of different types of competitors. By the second grade crude palm oil (CPO-B) to produce higher amounts of other manufacturers. The CPO grade secondary (CPO-B) is cheaper than oil grade (CPO-A) and in the production of the CPO-B can cause fatty acids than the CPO-A, where the production process of the company. Fatty acids have the ability to Palm Beach (Palm Fatty Acid Distillate: PFAD) by PFAD a byproduct of the manufacturing process which can then be used to produce biodiesel are new. And now, without any manufacturer in Thailand with palm fatty acid that can process more than 5% of the raw material for biodiesel production. To produce biodiesel as well as the company this is a major advantage compared to other competitors in the industry. In particular, the prices are highly volatile. To improve productivity to increase the value of the first derivative of the production, including glycerine purification it can also reduce the cost of production per unit of raw material that can be used with a variety of low cost. Maintain quality of product according to the standards set. The company has a competitive advantage over other competitors in the fierce competition in the market.

1.4 Risk from changing policy of public sector

In the past, oil prices in the world market has increased steadily government has a policy to develop renewable energy in various forms for biodiesel. The government has recognized the importance of Biodiesel as well and considering the price, amount of renewable energy that can then be developed. The government has promoted the use of palm oil as a raw material in the production of biodiesel, an alternative to oil palm growers. It also supported the palm oil price of one way. Ministry of Energy and Ministry of Agriculture and Cooperatives are defined strategic of development and promotion of used biodiesel from palm oil. Which aims to promote the production and use to 8.5 million liters of biodiesel per day replace 10% percent of diesel consumption in the year 2012, which as of November 2012. Biodiesel is a type of fatty acid methyl ester (B100) has been approved for sale or distribution of biodiesel from the Department of Energy (Including name of company) totaled 13 companies, representing a total capacity of approximately 5.21 million gallons per day (Including the production of bio-diesel 3 companies with a total capacity of 650,000 liters per day. Now has stopped the production at present) In this regard, the government has prepared an action plan to develop and promote the use of biodiesel throughout support grow four million hectares of palm oil as raw material for biodiesel production. Support the production of biodiesel with the privileges of the Board of Investment (BOI), such as import duty exemption on machinery. Income tax exemption for eight years, including the market for the sale of biodiesel by means of the measure of the tax to the retail price of diesel with a biodiesel mixture under the retail price of diesel is fairly dark and issued by the Department of Energy, regarding the type and quality of biodiesel methyl Esters of fatty acids. To build confidence in quality to the

consumer that the policy of the government to facilitate the production of biodiesel is greatly business of manufacturing, and sale of biodiesel and rewarding evening for investment. However, the risk of changes in government policies that may affect the Company if there is a change in policy on the various links in the future such as guidelines to determine the price of biodiesel may result in a lower yield. But the company is confident that Opportunity for the government to cancel the policy to support renewable energy industry there is very little water. The diesel price has been adjusted to increase steadily throughout.

From information in the past, the present shortage of palm oil consumption in the period from late 2010 onwards, the government changed policy in 2011 with the development of bio-diesel for 15 years (2008-2022) from across the country to force the sale of B5 and B10 is available only in the year 2011 and the distribution of B2 B3 B4 B5 across the country (based on the declaration of the state at different times) and current. Ministry of Energy has revised its oil resources of diesel (B100) in a B5 blend diesel with effect from November 1, 2012 so that the change of government is the appropriate amount in domestic palm.

However, the risk of changes in government policy, factors outside the company's control company is trying to reduce that risk by extending the scope of its business to production and distribution of electricity from solar energy.

2. Risk about product and supply product

2.1 Risk in the supply of raw materials.

Main feedstock to produce biodiesel, the company's crude palm oil (CPO) Stearine and semi-refined palm oil (RBD Palm Oil) government is responsible for determining the amount of oil palm. Woodstock is sufficient demand and supply of the domestic market and lead to policy-makers in the oil used to produce biodiesel. To accelerate the push for bio-diesel with a mixture of biodiesel and diesel fuel as the oil is to be produced and sold commercially throughout the country. However, in 2010- 2011 through a severe shortage of palm oil for consumption by the production of palm oil in the market were not sufficient to meet the needs of the market or the export of palm oil in bulk as surplus. The balance in the market is cause an imbalance of supply and demand in the market for palm oil production, consumption and marketing of biodiesel. This may cause problems in the supply of raw materials for biodiesel production companies. However, since 2008 the company has no problems in the supply of raw materials in the production in any way. However, to prevent the problem is not enough oil in the future. The company is planning to streamline the process and materials used in the manufacture of various types of Crude palm oil (CPO) Stearic Marine (Stearine) Semi Refined Palm Oil (RBD Palm Oil) Palm Fatty Acid (Palm Fatty Acid Distillate: PFAD) or free fatty acids (Free Fatty Acid: FFA).

For the year 2012 the proportion of the raw material in the production of biodiesel and crude palm oil (CPO) in the proportion of 60 percent stearic Marine (Stearine) holds 19% of palm oil, semi-refined (RBD Palm Oil) in percent and 11 fatty acids, Palm (Palm Fatty Acid Distillate: PFAD) with free fatty acids (Free Fatty Acid: FFA) in the ratio of 10% (the fatty acids of both types is a byproduct of the biodiesel production company.) by reason that the company is using palm oil (CPO) as the feedstock to produce biodiesel up. The company has expanded the capacity of the distillation of crude palm oil (CPO) in the year

2011 company is capable of refining crude palm oil for biodiesel production has increased. As a result, companies can reduce the cost of buying raw materials, semi-refined palm oil (RBD Palm Oil), which is an intermediate material (Intermediate Raw Material) at a higher price of Crude palm oil (CPO), which is an advantage from other manufacturers.

Now, company is at risk in the supply of raw materials, the manufacturers may not produce or distribute material to the company in accordance with the terms and conditions set by the company or the supplier of raw materials for the company may have to consider investing in the production of biodiesel itself, and distribution of raw materials to the Company which will affect the operation of the company.

The company has plans to prevent and mitigate the risk of such cases over the past years the company has been trading and have extensive relationships with manufacturers and suppliers, including the company's policy to diversify the supply of raw materials from various manufacturers and distributed by different regions in the country, such as palm oil, oil (CPO) company will purchase from the extraction of palm oil in the south. The semi-refined palm oil (RBD Palm Oil) and stearic Marine (Stearine) is purchased from plant oils grown in the central and eastern regions. To avoid the risk in the event that some regions may experience a catastrophic event that may result in different output not enough or does not meet the standard. The company has been in contact with raw material manufacturers in the country to meet the quality standards of the company increases. The company also has a research and development process, the company can use the CPO grade secondary (CPO-B), which is cheaper than oil grade (CPO-A) in the production of the above another manufacturers (Produced by the CPO-B can cause fatty acids than the CPO-A), which processes the company has the ability in fat palm (Palm Fatty Acid Distillate: PFAD) by PFAD a byproduct of the manufacturing process. The company can then be used to produce biodiesel. Therefore, the Company believes that the risk arising from the supply of raw materials is reduced and the Company has not experienced any such problems.

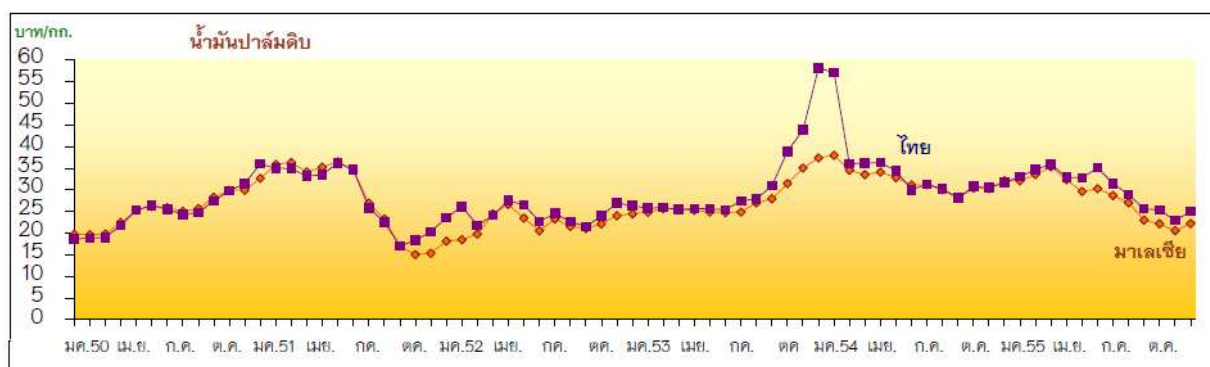
However, due to the landscape of the dating biodiesel plant of the company situated in Prachinburi is located at a distance of transportation of raw materials to the plant is not very good. But the impact of the transport of the raw materials is not a disadvantage when compared with other produce biodiesel. There are advantages for the plant in the province. The other side is making it suitable for distribution to the northeast and east. The company pays attention to the other factors that will help increase competitiveness, such as the ability to further develop the technology in order to reduce production costs. The use of coal, which is cheap and so is the heat machine can get crude palm oil grade secondary (CPO-B), which is the raw material that is in proportion to the increase in these, and so the current area planted palms began to expand to the east and southeast, north to the south. In the future, the company expects to reduce restrictions on the location and will continue to benefit the company in the long term.

2.2 The risk of fluctuations in the price of raw materials to the world market.

The Company may be exposed to risks from fluctuations in raw material costs. For raw materials in the production of biodiesel (B100) of company, such as crude palm oil (CPO) Stearine) and semi refined palm oil (RBD Palm Oil), which may be the market price fluctuations of demand and supply in the market.

Because stearine as byproduct of refining crude palm oil obtained from the fruit crop. But in the past, such as palm yields in 2009 were affected by drought. As a result, palm yield (Yield) is lower than expected, resulting in higher crude palm oil prices or governments in countries like China or India to cut import duties on palm, it may result in the supply of oil flowing into the country even more. Palm oil prices have increased and the supply of raw materials in the country may be even more difficult.

Anyhow, price of crude palm oil in Malaysia are based on market prices which is a major producer of palm oil in the world market as a graph.



Source: Office of Promotion Agricultural Products, Department of Internal Trade

From the graph it is seen that in late 2010 to early 2011 the price of crude palm oil prices are very volatile during the fourth quarter of 2010. Due to lower oil yield severe flood events in the South output is less than the market expected. There are also some middlemen have exported crude palm oil to sell a significant amount of stock reserve of oil fell sharply in late 2010 as resulted in the production of crude palm oil shortage, the price of palm oil and crude prices rise. And as a result, the price of biodiesel in the fourth quarter of 2010 to the first quarter of 2011 has increased the price of biodiesel is wrong as well.

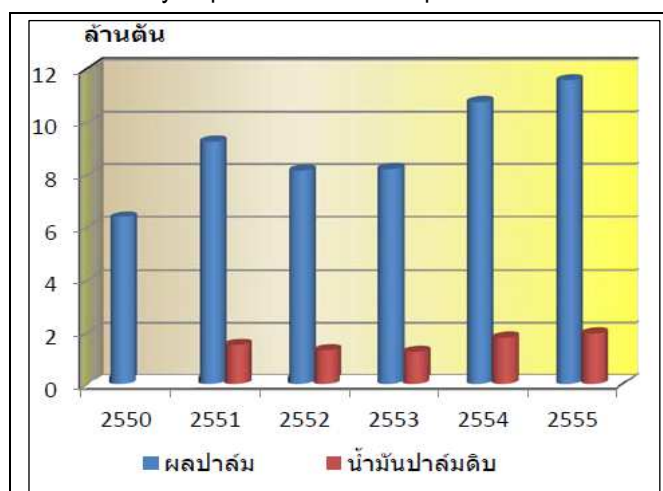
For CPO price trend of a declining trend since 2012 due to.

- A slowdown in the global economy, demand for oil has been reduced. The price of crude palm oil in the world market decreased.
- Volume of crude palm oil in Malaysia in September 2012 has increased up to 2.4 million tons.
- To yield the palm to the market and the Department of Energy revised mix oil in gasoline decreased the mixing ratio of 5 percent to a mixing ratio of 3.5 percent during the period from July 19 to October 31, 2012, the stock of palm oil remaining current increases. This results in a decrease in the price of crude palm oil.

However, due to the current production has continued to market. Ministry of Energy has increased its use of biodiesel (B100) in a B5 blend diesel with effect from 1 November 2012 onwards, which is expected to produce biodiesel plant to buy crude palm oil increased. As a result, palm oil prices are likely to be flat or rise slightly in the year 2012.

Also in January 2013, Malaysia will cut crude palm oil export tax of 23% from 4.5 to 8.5, depending on the market conditions. To stimulate exports and dancing stock up on a record and be able to compete with Indonesia, including cancellation of quota duty on crude palm oil to 3 million tons per year to another.

Productivity of palm oil and crude palm oil in Thailand



Source: Office of Promotion Agricultural Products, Department of Internal Trade

The company is aware of the potential risks of fluctuations in raw material prices in order to hedge the price. The Company seeks to manage the raw materials they need on defined period for the purchase of raw materials, in line with plans to sell the water beyond. To reduce the risk of inventory management is to minimize the amount of material necessary to reduce the impact of raw material prices may change at any time and the Company can Prevention and Risk Management (Hedging) with derivatives as well. Company's research and development, production and construction of the extension of the production of biodiesel that can be used to produce a greater variety, such as farm fat palm (PFAD) and free fatty acids (FFA), which are byproduct of the manufacturing process used to produce biodiesel are new and reduce the risk if there is a specific type of raw material price fluctuations, etc. too.

Moreover, company has set up a procurement committee approved by the Board of Directors Meeting No. 2/1012 on 30 March 2012 by the Commission for the purchase of raw materials is performed under the executive committee. To jointly considered, negotiate for the purchase of raw materials in terms of the volume and the price of major raw material, provide adequate and appropriate and decision to buy quickly in order to support the ongoing production, according to company policy.

3. The risk of management

3.1 Risk from rely on executives

Due to business operations of the company for more than five years, the administration of the shareholders and the management is Mr. Sompote Hahunai, position of the director, director ha authorized signature acting President, Chief Executive Officer and a major shareholder of the Company. He is person who has the knowledge, expertise and experience in the production planning, development process, Expanding distribution channels, improving the quality of its products in order to meet the needs of customers and partners as well. Including the concept of management is a vital course, plans to expand its business

operations to generate returns and growth for the company has continued operating. Credits must also cover the key management in the administration and management.

However, the Company has adopted a management professional have a fiduciary duty and a responsibility to work to management and other employees it clearly planned system of internal control. There is a system to store data and information that does multi. As well as the exchange of information related to the management and employees on a regular basis. They are also investing in the development of the company's workforce by supporting the training to enhance their knowledge and skills to work. The company's personnel have a better understanding of their roles and functions of a company also has a policy of recruiting staff with the knowledge to be consistent with the company's plans for expansion for create sustainable growth for the company in the long run.

4. Risk from investment in new project

The company is engaged in the manufacture and sale of electricity from solar energy totaling four projects representing a total capacity of 278 MW which is one fourth of the program. The first project is a solar power plant with a capacity of 8 MW is located at no.188 Village no. 3, Saikoktoom-NMaenampasak Road (Highway No. 3333) Km 21, Pattananikhom Sub-District, Pattananikhom District, Lopburi 15140, which is available from current commercial operations in October 2012 and by the power plant is operating under the EA Solar Limited, a subsidiary company held direct and indirect shares in 100.00% and the remaining three projects, solar power projects capacity 90 MW project located in Lampang Province, Nakhon Sawan and Phitsanulok. This is an investment in the years 2013, 2014 2015, respectively. By the year 2015 the operation of the power plant will generate solid returns over the long term is diversify the business risk to the company. Moreover, the implementation of the government policy to promote the use of renewable and alternative energy.□

The company estimates that it will invest in solar power projects capacity 90 MW in the Nakornsawan is about 6680 million baht, in Lampang province about 6,680 million baht, in Phitsanulok approximately 6780 million baht. Anticipated was invested in 2013 - 2015, despite investment in the project of solar power. The company is also in the process of implementation of various companies, which also have the potential risk of the investment in the project is as follows.

4.1 Risk of acquired land for the power plant.

For solar power projects in the Nakornsawan and Lampang company has acquired land for the project has been nearly completed. The total area of the farm and 1,852-2-59.6 2,050-0-68 acres, respectively, which is sufficient to operate the solar power plant project already. In term of Power Project 90 MW solar capacity in Phitsanulok process of acquiring land for the project which began purchasing land to some of the 1,035-2-44 hectares, with the goal of purchasing land for the project total approximately 2,000 acres. It also has the risk of acquiring land to meet the solar power plant. Or there is a risk that land prices may be higher than the market price, or the price should be. However, if the company uses a crystalline photovoltaic technology (Crystalline Solar Cells) for solar power projects in Phitsanulok is approximately 1,000

acres of land was considered sufficient to carry out the project. However, the company aims to buy land because the company can choose to use a variety of technologies in the future.

4.2 Risk in document of the project plant.

Now, company entered into a power purchase agreement (PPA) with the Electricity Authority (PEA) for solar power projects, capacity 8 MW. Lopburi has 1 project and power purchase agreement with the Electricity Generating Authority of Thailand (EGAT) for solar power projects capacity 90 MW project in Nakhon Sawan and Phitsanulok and Lampang for three projects to sell electricity produced from the solar power plant to the power of the government was completed. The company assumes no risk for a power purchase agreement for solar power plant project in any way, but the company will need to get the factory license (Ror.Ngor. 4) shall be completed before the start projects. In addition, if the company planned construction period Company may not be able to produce and supply electricity in commercial time as the power purchase agreement with the Electricity Generating Authority of Thailand (EGAT) is a summary of the detailed schedule of project construction powerhouse, solar energy capacity 90 MW project in Nakornsawan, Lampang and Phitsanulok.

4.3 Risk in financing for the power plant.

The company plans to construct solar power plant of 3 projects are producing the 90 megawatts, which is located in the province of Nakhon Sawan province, Lampang and Phitsanulok Province. In the year of 2013, 2014 and 2015, respectively, investment approximately 6680 million baht, 6,680 million baht and 6,780 million baht, respectively, which is a very high value investment options, company may be at risk of not being able to obtain financing from the capital. If within the period specified will result in a turnover performance does not meet expectations. The company provides financial to consult in the supply of loans from financial institutions which is consult such as financial institutions. It serves as a consult and dashed for the task of providing loans to the solar power plant and three of such Nakornsawan, Lampang and Phitsanulok to the company, as an option to the , Lampang and Pitsanulok to company is option of operating project (Project Finance) solar power plant, capacity 90 MW project in Nakornsawan Lampang and Phitsanulok provinces, respectively.

For loans from financial institutions by the solar power plant project in 3 above company provides financial consult of financial institutions to provide loans to companies for use in the project (Project Finance) and three solar power projects 90 MW capacity projects already. Company is anticipated risk of not support of finance in term of long term loan rather low and is the funding of the project in Nakorsawan and then Lampang after completion and in order for a project in Phitsanulok. The company's risk financing to bring the project to a defined time period if within the period specified. It would result in operation is to be expected.

4.4 The financial risk of the power plant.

The solar power plant in Lopburi Solar Company Ltd. EA has been borrowing money from financial institutions to finance the construction of solar power plants. Proportion of debt to equity ratio 3: 1 times higher than the proportion of debt to equity and the consolidated financial statements of the company at 3 projects in 2012 with a debt to equity ratio was 1.23: 1. And investment in solar power for 3 projects are producing the 90 megawatts, which is located in the province of Nakornsawn, Lampang and Phitsanulok of company will have debt-to-equity ratio 3: 1. As a result the company have higher debt lodge and would result in a debt to equity ratio of the company's overall growth as well.

4.5 The risk that the return on investment may not be as expected.

Solar power projects capacity 8 MW, Lopburi. Began selling electricity to PEA since October 2012 of financial projections of the expected full-year in 2013 to an income of about 149.17 million baht per year and a net profit of about 63.49 million baht per year, the company expects revenue from the solar power plant again. First solar power plant projects, including the Nakormsawan capacity 90 MW in the year 2013 is expected to have a full-year 2014 of approximately 1,586.35 million baht per year and a net profit of about 915.75 million baht per year, which is a factor that affects significantly. The implementation of the project may make the results of the project are lower than anticipated. Factors that may result in the return does not meet the expectations. Electricity rate hike lower than it is now (Wholesale Electricity Spot rate at the Peak at 3.8548 baht / kWh and wholesale electric rates during Off-Peak hours is equal to 2.0424 U.S. \$ / kWh) (The Peak period is from 09.00 - 22.00 Monday - Friday and the Day Off Peak is 22.00 - 09.00 Monday - Friday and 00.00 - 24.00 Saturday - Sunday and National Labor Day and normal weekend excluding holidays, compensation and plowing day). Or critical hazards fairly big amount of electricity generated from the project is less than expected. The intensity of solar projects are less than expected, the intensity of the sun (Solar Radiation) average rate of 5 units per kilowatt-hour per square meter per day (KWh / sq.m. / Day) or costs and expenses, including administrative expenses increased cost of care. In addition, because the insurance companies are just beginning to experience in the solar power plant capacity 8 MW, Lopburi is the first project without experience or expertise in the operation of nuclear power capacity of 90 MW solar power plant, which is the first large scale. So may result in the Company expects total capital cost of the project is lower than it actually was which will result in higher construction costs. And affect the returns are expected to be lower than that predicted.

4.6 Risks to the success in the implementation of power projects.

Technology for solar power generation in the country renewable energy is considered to be very much dependent on technology. In addition, during the development and implementation of commercial production is substantial. Therefore, companies need to provide people with knowledge, expert enough in the business to manage operational power projects effectively an understanding of the technology used. It is planned to prevent risks that may arise in future projects, successful implementation of the project, which is a plant that has not been experienced in the past. However, in case of a power plant in Lopburi, which is available from current commercial operations in October 2012, the company has been studied the feasibility of a business and hire an independent consultant who is an expert in the technique of producing electrical

energy alternative to study the feasibility of project. Including contractors project expert power business into a manager (Operation and Maintenance Service: O & M) projects for companies in the last 5 years, which will allow the company to field experience in the plant. The first applications of solar power projects with a number of other projects in the future to be more effective company also negotiated a construction project can supply electricity to be produced from the solar power plant is a 10-year period in order to ensure proper operation and reduce the risk of uncertainty and earning power of the company's business to some extent. The company also conducts insurance contractor's all risks. From the start of construction until the project is completed and the next one year for solar power projects, capacity 90 MW, Nakornsawan province has hired Mike to discuss technical aspects of the project and project insurance. As well as the contractors project with expert business powerhouse to be the manager (Operation and Maintenance Service: O & M) for the project also has the option to use a solar panel manufacturer that is well known in China. With performance guarantee in the power generation of solar panels (Power Output Guarantee) from the manufacturer with a lifetime of 25 years and Warranty (Product Warranty) for a period of 10 years and use Inverter technology available manufactured by Warranty (Product Warranty) for a period of five years, as well as the Energy Solutions, Calif., Ltd, a subsidiary of the other company, construction and maintenance of solar power plants. The company has an experienced staff expert in the field of civil and installation of solar power plants in the long run as well.

4.7 The risk that the project may be carried out later than expected.

The Company may be exposed to the solar power plant will be slower than anticipated by many factors such as the inability to land immediately as required. The inability to obtain financing for the project at any given time in construction period, the project could be delayed by problems such as climate and superb grip on ice or rain floods a technical problem. Which may result from the construction may be delayed more than expected. And may prevent the commercial catch by the PPA as specified in the power purchase agreement (Scheduled Commercial Operation Date: SCOD), which in most of the commercial operation of the delay may result in the company. Revenue from project delays as well. However, the company can apply for an extension of time for the sale of electricity to the Electricity Generating Authority of Thailand (EGAT), which will be approved by the Authority is not considered an extension of the PPA. The company will need to identify the reasons and reports on the progress of the construction of the power plant to continue.



Capital Structure

1. Assets of company

At 31 December, 2012 company has registered capital 373,000,000 baht (Three hundred seventy three million baht) divided into ordinary share 3,730,000,000 shares, registered share is paid-in 317,000,000 baht (Three hundred seventeen million baht only) divided into ordinary share 3,170,000,000 shares, par value 0.10 baht (Ten Satang). Thereafter, offering sale ordinary share to people on 24 January, 2013, company has increased paid-in capital 373,000,000 baht (Three hundred seventy three million baht only) divided into ordinary share 3,730,000,000 shares, par value 0.10 baht (Ten Satang).

2. Structure of shareholder

Shareholder list on 19 March, 2013 as follows.

Shareholders name/group	Number of shares	% of paid shares
1. Ahunai Group	1,655,268,083	44.38%
Mr. Sompote Ahunai	1,509,660,186	40.47%
Mr. Somboon Ahunai	64,959,188	1.74%
Mr. Julin Ahunai	29,448,053	0.79%
Ms. Blanca Susan Huang	25,983,607	0.70%
Ms. Supaporn Ahunai	23,697,049	0.64%
Ms. Wilai Ahunai	1,520,000	0.04%
2. FIRST ASIA INVESTMENT LIMITED	470,628,593	12.62%
3. Chiaranilkulchai Group	209,615,603	5.62%
Ms. Mukda Boonsieng	146,118,154	3.92%
Mr. Wutthilerd Chiannilkulchai	63,497,449	1.70%
4. Sabthaweeikul Group	146,928,309	3.94%
Mr. Amorn Sabthaweeikul	105,868,316	2.84%
Ms. Anat Sabthaweeikul	27,827,206	0.75%
Ms. Wassa Rimchala	13,232,787	0.35%
5. Mr. Luchai Phukhunanunt	126,809,508	3.40%
6. Ms. Srinra Fuekkanka	74,954,098	2.01%
7. Mr. Somkiat Tanatcharoenkul	30,933,000	0.83%
8. Mr. Pathomphob Chuenpanichakit	23,100,000	0.62%
9. Mr. Saman Techaittiporn	21,300,000	0.57%

Shareholders name/group	Number of shares	% of paid shares
10. Mr. Nattaphob Phuridech	20,000,000	0.54%
11. Mr. Suphasak Jiraseveenuprapan	18,757,200	0.50%
12. Others ^{2/}	931,705,606	24.98%
Total shares	3,730,000,000	100.00%

Remark: /1 : FIRST ASIA INVESTMENT LIMITED is ultimate shareholder is Mr. Lee Chee Seng, Christopher which holding Singapore nationality, holding the shares under Green Prosperity Holding Limited.

/2 : Others mean shareholder for 11,822 shares.

3. Dividend Policy

Dividend Policy of Company

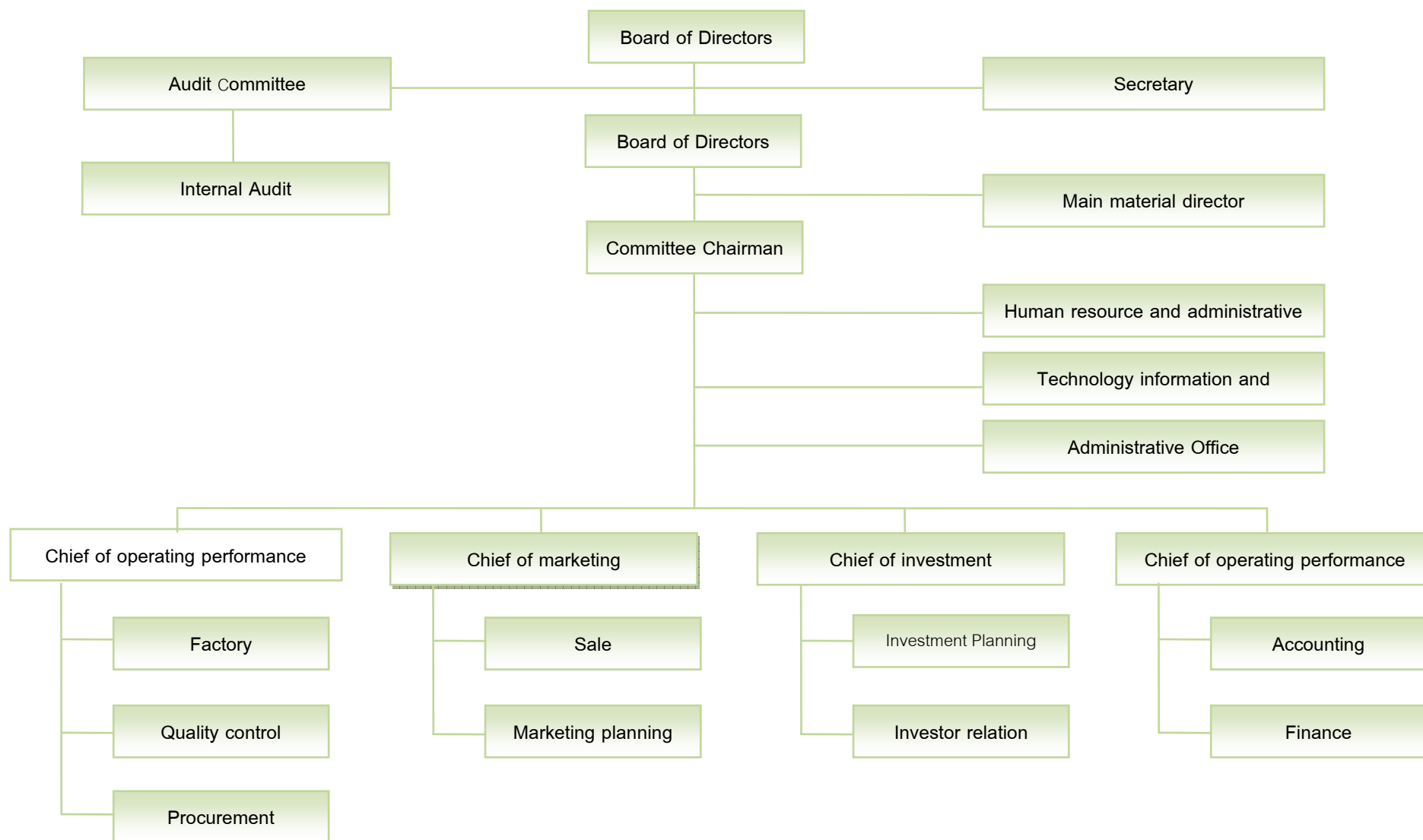
Company has policy of dividend payment to each shareholder in rate not less than 30% of net profit after deducted tax income and any reserved fund for all kind is defined in article of association and defined by law. Anyhow, dividend as mentioned may be altering depend on cash flow, investment plan, term and condition in any contract is bond company, including law limitation, necessary and any appropriate in the future. In addition, resolution of board of directors are approved payment dividend is proposed to approval from shareholder meeting, except interim dividend payment that board of director has authorized to payment and report to shareholder meeting in next time.

For policy of dividend policy of subsidiary board of director and shareholder of subsidiary will considering announce for dividend time from time. Anyhow, subsidiary was established operate solar power plant must consider constitute condition of retain capacity of debt service coverage ratio: DSCR according to creditor of finance institution is support credit for operate solar power plant. Now, EA Solar Co., Ltd in position of subsidiary is operate solar power plant, Lopburi has condition of retain portion of DSCR at 1.1.



Management Structure

1. Structure of organization at 31 December, 2012



2. Structure of board of director and executives

Structure of the Board of Directors consists of three directors, including the board of directors, Audit Committee and the Executive Committee. Moreover, main raw material procurement committee under the executive directors has list name of each director and scope of duty as following details.

2.1 Board of director

At 31 December, 2012 board of director have 9 persons consists of

Name - Surname	Position
1. Mr. Somjainuk Engtrakul	Chairman of the Board
2. Mr. Sutham Songsiri	Director
3. Mr. Wutthilerd Chiannikulchai	Director
4. Mr. Sompote Ahunai	Director
5. Mr. Amorn Saphaweekul	Director
6. Mr. Chaiwat Pongpisitsakul	Auditing President and Independent Director
7. M.R. Bowornchat Chatchai	Auditing Director and Independent Director
8. Mr. Bunnarat Pichayakorn	Auditing Director and Independent Director
9. ACM Chainan Thumasutjarit	Auditing Director and Independent Director

By Miss Sarinthorn Rojarayanont as Company Secretary and secretary of board of director.

Remark : - Board of Director meeting at 2/2012 on 30 March, 2012 has resolution appointed Mr.

Amorn Thrupthaweekul, board of director.

- Board of Director meeting at 5/2012 on 7 August, 2012 has resolution appointed ACM Chainant Thamsutcharit, director.

- Board of Director meeting at 2/2013 on 28 February, 2013 has resolution appointed Miss Sarinthorn Rojarayanont as Company Secretary and secretary of board of director.

Authorized director was signed.

Directors were signed have 2 persons from 3 persons, co-signed and seal of company, list of authorized director is Mr. Sompote Hahunai, Mr. Wutthilert Jiaranikulchai and Mr. Amorn Thruptheweekul.

Scope of duty and responsibility of board of director

1. The Board of Directors shall conduct the business in accordance with law, the Articles of Association. The resolution of the shareholders' meeting has honesty and carefully to protect the interests of the company.
2. The Board of Directors is responsible for setting policy and direction of the company's operations and provides information management operations in accordance with the policies set forth effectively and efficiently increase the maximum economic value for shareholders and sustainable growth.

3. The Board of Directors have determined that there are significant issues such as policies and business plans, large investment projects, transaction and management and any other legal requirements.
4. The Board of Directors is responsible for evaluating and setting executive compensation.
5. The Board of Directors is responsible for the establishment and operation of management willing and careful in their work.
6. The Board of Directors is responsible for providing accounting system, Financial reporting and auditing secure. And ensure that the process of assessing the internal control and the audit efficiency and effectiveness, risk Management, Financial reporting and monitoring.
7. The Board of Directors is responsible for the issue of conflict of interests between the stakeholders of the company.
8. The Board of Directors is responsible for the Corporate Governance Practice in an ethical manner.
9. The Board has the responsibility to report to the Board of Directors in the preparation of financial reports, presented together with the auditor's report in the Annual Report and coverage in most matters, policy of conduct for directors of listed companies, on the Stock Exchange of Thailand.

The Board of Directors may appoint one or more persons or any other person to perform any of the board of directors. But authority as above can be no manner of delivery, or the delivery and provide the Commission or the Board of Directors can approve their own transactions or persons who may have conflicts of interest, Stakeholders or have a conflict of interest in any other manner, or conflict with the interests of the Company and its subsidiaries (if any), unless such a resolution as to the policies and guidelines that are approved by the shareholders' meeting.

2.2 **Auditing director**

At 31 December, 2012, company has auditing director of 4 persons as follows.

Name – Surname	Position
1. Mr. Chaiwat Pongpisitsakul	Auditing President
2. M.R. Bowornchat Chatchai	Audit Committee
3. Mr. Bunnarat Pitchayakorn	Audit Committee
4. ACM Chainan Thammasutjarit	Audit Committee

Remark: - Board of director meeting 5/2012 on 7 August, 2012 has resolution appointed ACM. Chainunt Thammasutjarit, Auditing Director.

With Mr. Chaiwat Pongpisitsakul is expert for take in duty of review confident of balance sheet and Mr. Rungrote Pirotepeerapaisarn, as secretary of auditing commission.

Scope of duty and responsibility of Audit Committee

Audit committee has duty and responsibility according to charter of audit committee, accordance with requirement and criteria of Securities and Exchange Commission of Thailand. Audit committee has report toward board of director, and concluding duty and responsibility as follows.

- Financial statement
 - Verify the integrity of financial reporting and the audit committee understand and evaluate the appropriateness of accounting principles used in financial reporting.
 - Review of issues relating to accounting and financial reporting are significant including complex or unusual transactions and the need to use judgment in deciding.
 - Inquiries of management and the auditor regarding the audit risk significant financial reports and plans to minimize such risks.
 - Reviewing the effectiveness of internal controls related to the preparation of the financial statements.
- Internal control
 - Verify that management has determined that internal control, internal control system, including control of appropriate technology, Communication and the importance of internal control and risk management throughout the company.
 - Check up to ensure that the recommendations on internal controls, internal auditors and external auditors is proposed to improve the management field.
- Internal audit
 - Review and approve the annual internal audit plan as well as personnel and resources necessary to perform the job.
 - Reviewed the activities and performance of the internal audit department can operate independently.
 - Reviewing the effectiveness of the internal audit that the compliance audit.
- Supervise following law and any criteria
 - The laws and regulations that are constantly changing and affecting the operation of the company, presented by Internal Audit Department as a regular.
 - Reviewing the request of the organization that is responsible for the Corporate companies and revision tracking, frequency easy task for the Board of Directors.
 - Reviewing the effectiveness of the system for monitoring compliance with laws, regulations, and tracking changes in the absence of compliance.
- Risk management
 - Verify sufficient of supervise policy and involved duty of risk management of company and business group of company.
 - Verify efficiency of risk management of company and business group of company.
- Disclose of company in case of linked list or list is may be conflict with completely benefits.
- Selection, offer, appointment and consider auditor fee

- Responsible in consider selection, appointment and offering auditor fee
- Operation of morality, code of conduct of executives and staff
 - Verify for ensure that morality of business and code of conduct of executives and staff, and policy of protection conflict as written and acknowledged by executives and all of staffs.
 - Promotion is comply with code of conduct and policy of protection conflict of benefits.
- Provided activity report of audit committee is disclose in annual report of company, which such report was signed by audit committee chairman.
- Other responsibility
 - Other operation according to appointed by board of director.
 - Verify and evaluate charter of audit committee constantly and present to approved from board of director has resolved.
 - Self-evaluated at least 1 time and present evaluation to board of director.

2.3 **Executives director**

At 31 December, 2012, company has 5 executives director consist of

Name – Surname		Position
1. Mr. Sompote	Ahunai	Chief Executive Officer
2. Mr. Wutthilert	Jiaraninkulchai	Executive Director
3. Mr. Sutham	Songsiri	Executive Director
4. Mr. Amorn	Thrupthaweeikul	Executive Director
5. Mrs. Dujdow	Laksanawiwat	Executive Director

Miss Sarinthorn Rojarayanont as secretary of executive director

Remark : - Board of director meeting 1/2011 on 7 April, 2011 has resolution appointed Mr. Amorn Thrupthaweeikul as executive director.

- Board of director meeting 2/2012 on 30 March, 2012 has resolution appointed Mrs. Dujdow Laksanawiwat as executives director.

Scope of duty and responsibility of executive director

1. Consideration and screening operations, business plans and strategic direction of the operation to the Board of Directors for approval.
2. Controls overseeing the business operations of the Company shall be in accordance with the business strategy and plan, operating budget approved by the Board of Directors and requires management to report to the Board of Directors for consideration by the policy set.
3. Consider procedures. The performance of the different departments of the company to ensure compliance with the operations related to the agency provides information and requirements.
4. System of internal control and effective risk management system along with the information of the operations to ensure compliance with the law and regulations, including various corporate governance in business.

5. Consider the accounting policies presented investment, Write-off or amortization of assets. The Board of Directors to the Board of Directors for consideration and approval.
6. Consider the various operations as assigned by the Board of Directors.
7. Apply functions or duties as a representative of the Board of Directors. As a representative of the company to co-operate with government agencies such as the Corporate Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, ect.
8. Consider unlock moved to approve the hiring of executive remuneration. This includes setting a disciplinary action. Indemnification and approved the resignation of the executive. Unless the Board of Directors and the Nomination and Remuneration.
9. A meeting at least once a month by one of the participants must be at least one-half of the total number.

Anyhow, Executive Committee as well as authorized other parties to the Board of Directors deems appropriate does not include authorization or delivering the items to the person or persons concerned with the possibility of conflict of stakeholders or have a conflict of interest in any other manner, or conflict with the interests of company and subsidiaries (if any), or items that do not fall under the normal business operations of the company. The approval must be submitted to the Board of Directors and / or the shareholders of the Company. Consider and approve the articles of association or the laws of the relevant requirements.

2.4 **Company Secretary**

The Board of Directors Meeting No. 2/2013 on 28 February, 2013 Board of Directors has appointed Miss Sarinthorn Rojarayanont as Company Secretary under Section 89/15 of the Securities and Exchange Act of 1992 and the revised version. To apply the duty to keep and store important documents, including the company's register of directors, Board of Directors meeting, Minutes of the Board of Directors, Annual Report of the Company, Meeting of shareholders, Minutes of shareholders and filing reports with interest the report by the directors or the management company. And other actions by the Commission on Capital Market set forth in the Securities and Exchange Law.

2.5 **Executives**

At 31 December, 2012, company has 8 executives consist of

Name – Surname	Position
1. Mr.Sompote Ahunai	Chief Executive Officer Chief Marketing (Acting)
2 Mrs.Dutdow Laksanawiwat	Chief Operating Officer (Acting)
3. Mr.Amorn Sapthaweekul	Chief investment Chief Financial Officer
4. Mr.Weerasin Satayapakdeewong	Director of Accounting.
5. Miss Supaporn Ahunai	Director of Finance.

Name – Surname	Position
6 .Mrs.Balanga Sue Lanluang	Director of Information Technology.
7. Mr.Peeranat Waratpop	Director of Purchasing and deliver (Acting).
8. Mr.Patipat Sakdawongsiwimol	Director of Sales.

Remark: - Detail of all director and executives as attachment 1

Scope of duty and responsibility of Chief Executive Director

1. Executive of the Company in accordance with the laws, regulations and resolutions of the shareholders' meeting, as well as policies, rules, regulations and resolutions of the Board of Directors.
2. Perform their duties with honesty. And carefully protect the interests of the company.
3. Prepared business plan and the operating budget for the fiscal year. The revised operating plan during the year if necessary to comply with the changes and presented to the Board for approval.
4. Continue to be the policy. Business plan and budget approved by the Board of Directors to achieve the goals set forth.
5. Reported operating results and financial position of the Company for the quarter and fiscal year and other reports that are critical to the operations of the Company's Board of Directors for consideration and approval.
6. Prepared or revised organizational structure (Organization Chart), as well as the authority responsible for the administration under his command and presented to the Board for approval.
7. Oversee the general management of the Company to be effective and ensure that employees comply with the rules, regulations, orders and resolutions of the Board of Directors strictly.
8. Has the power to approve or carry on matters specified in the Schedule as the designated authority. The Board of Directors has approved them. However, the authority does not act in the event of a potential conflict of interest. (As defined in the Securities and Exchange Commission) has a conflict of interest or potential conflict of interest with the Company or its subsidiaries. Except for normal business transactions with trading conditions generally and the Board of Directors has already approved in principle by the Securities and Exchange Commission.
9. Perform other duties as assigned by the Board of Directors.

Anyhow, Chief Executive Committee as well as authorized other parties to the Board of Directors deems appropriate does not include authorization or delivering the items to the person or persons concerned with the possibility of conflict of stakeholders or have a conflict of interest in any other manner, or conflict with the interests of company and subsidiaries (if any), or items that do not fall under the normal business operations of the company. The approval must be submitted to the Board of Directors and / or the shareholders of the Company. Consider and approve the articles of association or the laws of the relevant requirements.

2.6 **Main raw material procurement director**

Board of Directors Meeting No. 2/2012 on the March 30, 2012 has appointed a committee to procure raw materials that purchase is significant portion of its business effectively and to safeguard the interests of the company.

As at 31 December, 2012 the Company purchased raw material consists of 4 persons.

Name – Surname		Position
1. Mr.Sompote	Ahunai	Director Purchase of Raw Materials
2 Mr.Amorn	Thrupthaweeikul	Director Purchase of Raw Materials
3. Mrs.Dutdow	Laksanawiwat	Director Purchase of Raw Materials
4. Mr.Peeranat	Waratpop	Director Purchase of Raw Materials

There is first meeting on 30 March, 2012.

Scope of duty and responsibilities of the Board of Directors to buy raw materials

- 1) Considered together, negotiate for the purchase of raw materials in terms of the volume and the price of major raw material are adequate and appropriate and support ongoing production. These are based on the Company has approval authority as follows.
 - 1) Approved purchasing domestic raw material not over 40,000, 000baht.
 - 2) Approved internal raw material purchasing not over40 ,000,000 baht.
 - 3) Approved quantity of domestic raw material purchasing not over quantity of sale in advance 2 weeks) if over authorization as mentioned must approved from executive director.(

Anyhow, authorized of purchasing director as well as authorized other parties to the Board of Directors deems appropriate does not include authorization or delivering the items to the person or persons concerned with the possibility of conflict of stakeholders or have a conflict of interest in any other manner, or conflict with the interests of company and subsidiaries (if any), or items that do not fall under the normal business operations of the company. The approval must be submitted to the Board of Directors and / or the shareholders of the company. Consider and approve the articles of association or the laws of the relevant requirements.

Remark : Authorization of any issues is authorized by board of director and approved already, table of authorization as particulars as follows.

1. **Formal operate business**

Type of transaction	Implement
1. Purchasing main material	Approved by committee of purchase main material. - Approved purchase domestic raw material not over 40.00 million baht.

Type of transaction	Implement
	<ul style="list-style-type: none"> - Approved purchase aboard raw material not over 40.00 million baht. - Approved quantity of purchase domestic raw material in advance 2 weeks if overdue must approved by executives director.
2. Purchasing factory equipment, other material and other purchasing order and employed contractor	<p>Approved by chief of executive director</p> <p>Approved by chief of executive director</p> <p>In case of employment not over 5.00 million baht must provide employment contract</p>
3. Payment debt by transfer <ul style="list-style-type: none"> - Via internet - Cheque payment 	<p>Limit financial amount not over 50.00 million baht approved by authorized 2 persons.</p> <p>Unlimited financial amount approved by 2 authorized persons</p>

2. Transaction is non-formal

Type of transaction	Implement
1. The signing of financial agreements.	Signed by two Director of the three people co-signed. And seal of the company.
2. Check payable.	No limit, approved by an authorized transaction with a total of 2 *.
3. Reimbursement for purchase of raw materials in the country. (In case of emergency. In addition to the usual order).	<p>Approved by the Commission for the purchase of raw materials.</p> <p>Requires no more than 2.00 million baht per episode.</p>

Remark: * Authorized person has co-signed approved such as Mr. Sompote Hahunai, Mr.

Wutthilert Jialaninkulchai, Mr. Amorn Thrupthaveekul and Miss Supaporn Hahunai.

3. Search for director and executives

Component and search for board of director

1. Company has not Nominating Committee and Executive Committee in particular the Board of Directors shall consist of at least five but not more than 15 members, which shall not be less than one-half of the total membership must be resident in the United Kingdom. The Board of Directors will consider the selection criteria under section 68 of the Public Limited Companies Act, 1992 and the Securities and Exchange Commission related. It is also considered to be business-related knowledge and experience then the list of shareholders present at the meeting

to consider the appointment.

2. In the annual general meeting of shareholders at all times director is retired from position as one out of three. If the number of directors to be divided into sections that are not then the number nearest to one-third of the directors must retire in the first year, and second years following the registration of the company. To draw that one needs to be removed from the Board of Directors for the next year after the one in which the longest out of position. Directors to retire from office and may be re-elected.
3. Shareholder meeting is appointed director on majority vote as criteria and method as follows.
 - 3.1 One shareholder has equal vote with holding share.
 - 3.2 Each of shareholder must have all of vote as 3.1 to select one person or many person is director, but unable to divide vote for anyone.
 - 3.3 Person who has highest vote for next range is person who selected as director. In case of person who elected in next range has equal vote over number of attending shareholder president must be arbitrator.
4. In case of vacant position of director because other cause is due board of director has resolution on the vote not less than 3 of 4, selection qualified person and not kind of illegal of public law entering director replaced vacant position for next board of director meeting, except agenda of director is remain less than 2 months person is director as paragraph one is take in position of director only remainder agenda of director.
5. Shareholder meeting may be resolution any person is retired from position prior agenda on vote not less than 3 of 4 of shareholder meeting and right of vote and have share at least half of holding share by shareholder and right of vote.

Component and recruitment of audit committee

The Audit Committee of company director shall be appointed by the Board of Directors and qualified by law, including the Securities and Exchange Commission regulations and / or rules of the Exchange Act. The Board of Directors shall appoint an Audit Committee which consists of at least three of whom must be independent directors the audit committee of at least 1 person must have knowledge of accounting and finance.

Properties of independent board of director

1. Shareholding not over 1% of share has right in all of vote of company, large company, subsidiary, main shareholder or authorized person. In addition, include shareholding of related person of that independent director.
2. Not being or having been a director of the management consulting employees receive a regular salary, or controlling person of the company, subsidiaries, affiliates or subsidiaries are the same. Major shareholders or controlling person of the Company, unless specifically exempted from such for not less than two years, the prohibition does not include the independent directors had an official or counselor. The government is the major shareholder or controlling person of the Company.

3. Not person who is related by blood or by legal registration as a parent, spouse, sibling, and child, including spouse of child, executive, major shareholder, authority control or persons to be nominated as directors or controlling person of company or subsidiaries.
4. Not have or have business relationship with the company, subsidiaries and associated companies, major shareholders or controlling person of the Company. In a manner that could interfere with their independent judgment nor is or has been a significant shareholder, or controlling person of a business relationship with the company, its subsidiaries and associated companies, major shareholders, or controlling person of the Company. Unless specifically exempted from such for not less than two years.
5. Not used to or used to as auditor of the company, subsidiaries and associated companies, major shareholders or controlling person of company, and is a significant shareholder, authority control or partners of the audit firm, auditors of the subsidiary company, associated company, major shareholder or under the control of the Company. Unless specifically exempted from such for not less than two years.
6. Not used to or used to as provider of any professional, including serving as legal counsel or financial advisor which costs more than 2 million baht per year from parent company, subsidiaries, joint largest shareholder or controlling person of company, and is a significant shareholder, authority control or partner of such professional service. Unless specifically exempted from such for not less than two years.
7. Not used as appointed director is agent of director of company, major shareholder or shareholder is related with major shareholder of company.
8. Not operate with the same nature and in competition to the business of company or subsidiaries, or significant partner in the firm, director or employee of the management consultant's salary or holding more than 1% of the total shares with voting rights of the company which operates with the same nature and in competition to the business of the Company or its subsidiaries.
9. No any kind of independent opinion about operation of company.

Properties of audit committee

1. Not being a director appointed by the Board of Directors making decision to conduct the affairs of the company, subsidiaries, affiliates, major shareholders or controlling person of the Company, and.
2. Not being director of the company or its subsidiaries only the registered companies.
3. A knowledgeable and experienced enough to be able to serve as the Audit Committee shall have the audit committee of at least one person who is knowledgeable and experienced enough to be able to act to ensure the reliability of financial statements.
4. Has operating duty in the same manner as set forth in the Stock Exchange of Thailand regarding the scope and operation of the Audit Committee.

Component and recruitment executive director

The Executive Committee shall be the Board of Directors and / or management of the company which was appointed by the Board of Directors amount by which the Board deems appropriate and by the Board of Directors shall appoint one member to the President.

4. Board of Directors Meeting

The company has scheduled a meeting of the Board of Directors at a regular (at least three months per time) and special meetings as necessary of each meeting. Company has set a clear agenda for the meeting and send a meeting invitation with details 7 days prior to the Board of Directors have sufficient time to study before the meeting, including meeting notes were written, storage reports approved by the Board of Directors and the Board of Directors and the relevant parties.

Unit: Time

Board of director lists	Year of 2010		Year of 2011		Year of 2012	
	Meeting	Attended meeting	Meeting	Attended meeting	Meeting	Attended meeting
1. Mr. Somjainuek Hengtrakul	4	4	4	4	8	8
2. Mr. Sutham Songsiri	4	3	4	4	8	7
3. Mr. Wuttler Jearaninkulchai	4	4	4	3	8	6
4. Mr. Sompote Ahunai	4	4	4	3	8	8
5. Mr. Amorn Thrupthaveekul ^{/1}	-	-	-	-	8	6
6. Mr. Chaiwat Pongpisitsakul	4	4	4	4	8	8
7. M.R. Bowornchat Chatchai ^{/2}	-	-	4	4	8	8
8. Mr. Bunnarat Pitchayakorn	4	4	4	4	8	8
9. ACM Chainan Thammasutjarit ^{/3}	-	-	-	-	8	3
10. Mr. Satit Rangphasiri ^{/4}	4	1	-	-	-	-
11. Mr. Suwicha Phanitphol ^{/5}	4	4	4	4	8	1
12. Mr. Somboon Ahunai ^{/6}	-	-	4	3	8	3
13. Miss Supaporn Ahunai ^{/7}	4	4	4	1	-	-

Source: Data of company

Remark - /1 : Board of director meeting of 2/2012 on 30 March, 2012 has resolution to appointed Mr. Amorn Thrupthaveekul is take in position of director by Mr. Amorn Thrupthaveekul has first attending in position of director for 3/2012 on 5 June, 2012.

/2 : Board of director meeting of 4/2010 on 26 November, 2010 has resolution appointed M.R. Bowornchat Chatchai, take in position of director and audit director by M.R. Bowornchai Chatchai has first attending for 1/2011 on 7 April, 2011.

/3 : Board of director meeting for 5/2012 on 7 August, 2012 has resolution appointed ACM. Chainunt Thamsutjarit, take in position of director and audit committee, he has first attending meeting of 6/2012 on 16 August, 2012.

/4 : Mr. Sathir Rungkasiri was retired from director and audit committee on 23 November, 2010.

/5 : Mr. Suwicha Panichpol was retired from director on 31 March, 2012.

/6 : Mr. Somboon Hahunai was retired from director on 1 August, 2012 and back to take in position replaced Miss Supaporn Hahunai, was retired from director of shareholder meeting of 2011 on 26 April, 2011 and on 31 July, 2012, Mr. Somboon Hahunai was retired from director of company.

/7 : Miss Supaporn Hahunai was retired from director of shareholder meeting of 2011 on 26 April, 2011.

5. Compensation of director and executives

5.1 Compensation is money

1. Director compensation

Unit: Baht

Board of director lists	Year of 2010		Year of 2011		Year of 2012	
	Director	Audit committee	Director	Audit committee	Director	Audit committee
1. Mr. Somjainuek Hengtrakul	100,000	-	100,000	-	175,000	-
2. Mr. Sutham Songsiri	60,000	-	80,000	-	120,000	-
3. Mr. Wuttler Jearaninkulchai	80,000	-	60,000	-	120,000	-
4. Mr. Sompote Ahunai	80,000	-	60,000	-	140,000	-
5. Mr. Amorn Thrupthaveekul ^{/1}	-	-	-	-	100,000	-
6. Mr. Chaiwat Pongpisitsakul	80,000	100,000	80,000	75,000	140,000	100,000
7. M.R. Bowornchat Chatchai ^{/2}	-	-	80,000	80,000	140,000	80,000
8. Mr. Bunnarat Pitchayakorn	80,000	80,000	80,000	80,000	140,000	80,000
9. ACM Chainan Thammasutjarit ^{/3}	-	-	-	-	40,000	40,000
10. Mr. Satit Rangkhasiri ^{/4}	20,000	20,000	-	-	-	-
11. Mr. Suwicha Phanitphol ^{/5}	80,000	-	80,000	-	20,000	-
12. Mr. Somboon Ahunai ^{/6}	-	-	60,000	-	60,000	-
14. Miss Supaporn Ahunai ^{/7}	80,000	-	20,000	-	-	-

Source: Data of company

Remark - /1 : Board of director meeting of 2/2012 on 30 March, 2012 has resolution to appointed Mr. Amorn Thrupthaveekul is take in position of director by Mr. Amorn Thrupthaveekul has first attending in position of director for 3/2012 on 5 June, 2012.

/2 : Board of director meeting of 4/2010 on 26 November, 2010 has resolution appointed M.R. Bowornchat Chatchai, take in position of director and audit director by M.R. Bowornchai Chatchai has first attending for 1/2011 on 7 April, 2011.

/3 : Board of director meeting for 5/2012 on 7 August, 2012 has resolution appointed ACM. Chainunt Thamsutjarit, take in position of director and audit committee, he has first attending meeting of 6/2012 on 16 August, 2012.

/4 : Mr. Sathir Rungkasiri was retired from director and audit committee on 23 November, 2010.

/5 : Mr. Suwicha Panichpol was retired from director on 31 March, 2012.

/6 : Mr. Somboon Hahunai was retired from director on 1 August, 2012 and back to take in position replaced Miss Supaporn Hahunai, was retired from director of shareholder meeting of 2011 on 26 April, 2011 and on 31 July, 2012, Mr. Somboon Hahunai was retired from director of company.

/7 : Miss Supaporn Hahunai was retired from director of shareholder meeting of 2011 on 26 April, 2011.

Anyhow, shareholder meeting of 1/2012 on 25 April, 2012 has resolution defined attendance fee of board of director and sub-director for 2012 as particulars as follows.

- 5) Attendance fee of director is 25,000 baht per time and director for 20,000 baht per time payment only attending director.
- 6) Attendance fee of sub-director such as
 - Audit committee is defined attendance fee is committee chairman 25,000 baht per time and audit committee 20,000 baht per time payment only attending director.
 - Executives director is defined attendance fee 10,000 baht per time payment only attending director and for director is not regular director and not gained salary.

Defined attendance fee, total not over 1,500,000 baht per year and consult fee of director and other compensation, total not over 2,500,000 baht per year.

2. Compensation of executives and executive director

Compensation of executives	Year of 2010		Year of 2011		Year of 2012	
	No. (person)	Amount (Baht)	No. (person)	Amount (Baht)	No. (person)	Amount (Baht)
Salary, bonus, benefits after retired, consult fee, attendance fee of executives directors, etc.	17	19,510,930	16	24,436,295	17	22,391,770

Source: Data of company

5.2 Non-money compensation

- None -

6. Corporate governance

Company was emphasized important of Good Corporate Governance of 2006 according to defined by Stock Exchange of Thailand, and leading as method of performance of company for transparency, checkable and confident to shareholder investor, stakeholder and all of involved parties as divided into 5 section as follows.

Section 1: Rights of Shareholders

Shareholders have the right to the ownership of the company passed to appoint a committee to act on their behalf. And has the right to decide on the change of the company, company is also encouraging shareholders to exercise their rights fully.

Basic rights of shareholders, including the sale or transfer of shares, sharing in profits of business, obtain adequate information of company, attendance for the right to vote at the shareholders' meeting to appoint or remove directors, appointment of auditors and issues that affect the company's dividend distribution, Memorandum and Articles of Association or the editor, reduce costs, or increase capital and approved items, etc.

Shareholders get to know the rules and how to participate in the meeting and sufficient information to determine a reasonable time prior to the meeting agenda, has chance to asked all the questions in advance of the meeting and delivered, proposed agenda and entitled to appoint a proxy to attend the meeting

Board of director was emphasized and focus on right of shareholder and not any action is violate or reduce right of shareholder.

Section 2: Equitable Treatment of Shareholders

All shareholders who are directors and shareholders who are not directors including foreign shareholders was treated equally and fairly.

To reassure shareholders that the board and management to ensure that the shareholders are properly is critical to investor confidence in the company, the Supervisory Board to the shareholders was treated, and protect the fundamental rights mentioned in the first principle equally.

The committee held the meeting in a manner that encourages all shareholders were treated equally and defined by the policy, such as the company delivered the notice of the meeting and informed the meeting that the agenda prior to the meeting not less than seven days to allow shareholders to study information thoroughly before the meeting of shareholder including opportunities for minority shareholders to nominate directors to be served in a reasonable time in advance, and then invited the shareholders who could not attend the meeting in person could exercise their voting rights by proxy to attend and vote instead of another.

The Board has taken steps to protect the directors and executives using inside information to Abusive self-dealing, which is an advantage of other stakeholders, such as securities trading using insider information, leading internal data has reveal to involved person with directors and executive officers, which caused damage to the shareholders as a whole.

The Board of Directors has determined that directors and management to disclose information about their interests and stakeholders. For the Board to consider the company's transactions may have a conflict of interest and make decisions for the benefit of the company as a whole, the directors and executive officers have interests in the transaction should not apply to companies involved in the transaction decision.

Section 3: Roles of Stakeholders

Stakeholders are taken care of company in accordance with applicable law. The Board has considered a mechanism to promote cooperation between companies and stakeholders in creating wealth, financial stability and sustainability of the business.

In system of supervise of many stakeholder such as customer, staff, contractor, shareholder or investor, creditor and community is located by company, social or public sector, interested group such as competitor and independent auditor, etc.

The Board of Directors has established a policy to treat each group of stakeholders respect the rights of stakeholders such as law or by agreement with the company, and any action that violates the rights of those stakeholders. Moreover, compensation measures and stakeholders have been damaged by their infringement.

The Board has developed a mechanism for the involvement of stakeholders in promoting the performance of the company for build a sustainable business and disclosure of relevant stakeholders are not aware enough to be able to act in such a performance.

The Board of Directors has an Audit Committee measures issues related to applying the law, accuracy of financial reporting, internal control deficiencies or unethical through various channels that can be sent directly to the Board, such as e-mail amazement by the Board of Directors will consider the reasonableness, way of information gets to the next and mechanisms to protect the rights of notifier as mentioned.

Board of director has policy of maintain environment and social as clearly.

Section 4: Disclosure and Transparent

The Board has ensured that company is disclosed information related to the company both financial and non-financial information is accurate, complete, timely, transparent channels to access information easily, equality and reliable.

Important data of company include financial and non-financial information in accordance with the requirements of the SEC and the SET and such other related data such as operate duty during the past year of The Board of Directors and Committees, Corporate governance policies, Environmental and Social Policy and the implementation of various policies.

Quality of financial statement is about shareholder and outsider, board of director is trust that exposed data is correct according to standard of certified accounting and audited from independent auditor.

Committee chairman and managing director is spokesman” of company which carefully operate duty, moreover, in the future board of director will provide unit or responsible person about “relation investor” on communication with investor and outsider such as investor, shareholder, analyst and related public sector as equilibrium and fairly.

Section 5: Board Responsibilities

Board of director has main role of supervise business for most benefit of company, board of director has responsible to shareholder and independent from management.

Board of director has leadership, vision and independent of decision for most benefits of company and shareholder. Board of director is clearly separate role of responsibility between board of director and management, and maintain company has reliable system of any activity of company is legally and morality. Board of director consists of various properties, e.g. skill, experience, ability is benefits to company including devote time and trying in operate duty is stability of company.

Recruiting process served on the Board of Directors to be proposed to the shareholders. The appointment is transparent without the influence of controlling shareholders or management. And ensure that the third party to perform the duties of the Board of Directors, effective and efficient. The Board is to provide guidance in the various sub-committees to study and scrutinize the work as necessary. Especially in the case of the neutral in the diagnosis and policy roles, processes such as the Conference Report to the Committee by clear

All directors fully understand the responsibilities of a director of the company and nature of its business. Express their opinions freely and keep their updated all the times. Director duties with integrity, carefully and cautious with regard to the best interests of the company and fair to all shareholders, right information and complete all of the directors have sufficient time to devote to the duties and responsibilities fully. All of director have duty to attending meeting all the time, except special reason and remuneration of committee is about to benefit directly committee does not approve their remuneration. Therefore, Board has a Remuneration and transparent process to seek approval from its shareholders, level and composition of remuneration is sufficient and appropriate to attract and retain qualified directors as needed and avoid excessive costs.

<h2>7. Maintain about internal data</h2>

Company has policy and method of maintain and protection internal data of company is self-implement including for trading securities as follows.

Prohibits directors, executives and employees including their spouses and minor children, as well as related persons under Section 258 of the said person has not yet disclosed the inside information to make the purchase, sale or transfer of the securities before the information is disclosed to the public for the sale or transfer of the securities. Anyhow, sale, purchase, transfer or endorse securities of company, director and executives of company, including spouse and minor children and related persons under Section 258 of the Securities and Exchange Act of 1992 of such person. Must be report of changes to the Office of Securities and Exchange Commission within 3 days from the date of purchase, sale, transferring and endorse of such securities. If violation or failure to comply with regulations or not to do as mentioned has penalties enacted section 275 of the Securities and Exchange Act, 1992 shall be liable to a fine not exceeding 500,000 baht and a further fine not exceeding 10,000 baht throughout the period of performance is not accurate. In addition, directors and executives must deliver for 1 copy of the report to company is evidence.

In addition, director, executives and staff of company was acknowledged internal data of company must not disclose data as mentioned to public and must not sale, purchase, transfer or endorse securities of company in 1 month prior quarterly balance sheet and annual balance sheet will broadcast to public and after disclose data as mentioned as least 1 working day, prohibit disclose data is matter to other person.

8. Personnel

8.1 Number of staff

At 31 December, 2012, company and subsidiary have number of staff (excluded executives of company) total 139 persons, divided into staff of division as follows.

(Unit for number of staff : person)

Division	31 Dec. 10			31 Dec.11			31 Dec.12		
	Daily	Regular	Total	Daily	Regular	Total	Daily	Regular	Total
Accounting	0	5	5	0	4	4	0	4	4
Finance	0	1	1	0	2	2	0	3	3
Procurement	0	3	3	0	5	5	0	4	4
Sale and marketing plan	0	2	2	0	3	3	0	3	3
Personnel and administration	1	18	19	3	17	20	2	23	25
Technology and information	0	1	1	0	0	0	0	1	1
Internal audit	0	0	0	0	0	0	0	0	0
Factory	8	73	81	10	74	84	4	85	89
Quality control	2	6	8	5	6	11	2	5	7
Management and solar power plant	0	2	2	0	6	6	0	3	3
Investor relation	0	1	1	0	1	1	0	0	0
Total	11	112	123	18	118	136	8	131	139

Source: Data of company

Anyhow, in the past company has not any change for personnel may be affect to operation of company.

8.2 Compensation of staff and type of compensation

(Unit:Baht)

Staff compensation	Year of 2010	Year of 2011	Year of 2012
Compensation of staff in kind of salary, bonus, OT, social security, provident fund and any welfares.	26,630,356	29,720,575	35,340,685

Source: Data of company

Anyhow, company was established provident fund and K Master Pool Fund under management of Fund Management Securities, Kasikorn Thai Co., Ltd. on 15 October, 2010.

8.3 Labor conflict is important for last 3 years

– None –

However, in the first quarter of 2010 company found that factory officer are dishonest with transporter caused damage to company be worth 4,116,200 baht, which thereafter company has negotiated with the transporter company as mentioned. Transport companies are willing to pay compensation to the contractor by withholding payment of the transportation costs are 10% of transport cost in each month until the full amount. Now company does not suffer from such corruption as mentioned and plan to prevent and detect fraud is more tighten such as install Mass Flow Meter on check mass balance of the raw materials for comparison with data of scale. Mass Flow meter from scale is comparing with data in report of yield of daily production is able to tracking errors that occur timely. At December 31, 2012 the remaining balance of such damages equal to 1,385,780.09 baht.

8.4 Policy of personnel development

The company has a policy of continuous personnel development achieve the performance of the management and staff at all levels will continue to change jobs. Besides, adjust position for more appropriate with the skills and expertise of the individual to perform the job effectively. Organization is progressive vision for the organization and administration of the plan. By the year 2012, plan of personnel development of company is focus on efficiency of the operations of each location. By focusing on the evaluation of at least 1 year at a time and evaluate learning and proficiency in all segments. To analyze the knowledge, skills, and professional progress of the company's position in the overall management plan.

Personnel in development and improve workforce of organization as follows.

1. Plan for proper adjust staff company has plan of increase personnel only finance, investment and business related with solar power plant.
2. Plan of adjust proper position of staff.
3. Plan of training for more efficiency in work defined staff has training at least 60% of all staffs, e.g. staff in supervisor should be training at least 1 course per year.
4. Plan of evaluate efficiency of work 1 time per year.



Internal Control

The Board of Directors has appointed the Audit Committee which consists of 4 independent directors and each person is not an employee of the company. They are responsibilities to verify accuracy and reliability of financial reporting, effectiveness of internal control systems, compliance with relevant laws and regulations. The item may be conflict of interest of the shareholders of the company, directors and executives. The Company has established an internal audit department to audit and evaluate the internal control systems of the company and subsidiaries. They are provide Work Book and KPI (Key Performance Indicator) is used to control and evaluate the work of the various departments, and leading risk management principles as guidelines of the COSO (The Committee of Sponsoring Organizations of Treadway Commission) was used to assess the risks and plan risk management and internal control of the company. The Internal Audit Department will present the results and comments on matters related to the audit committee and the Board of Directors on a quarterly basis.

Board of Directors Meeting No. 2/2013 on 28 February, 2013 by the Audit Committee which is independent of 4 Management and Internal Audit attended the meeting committee to evaluate the internal control system by evaluating the adequacy of internal control systems of the Company during the year 2012 in the following 5 aspects.

1. Organization and environmental
2. Risk management
3. Control operation of management
4. Information technology and communication
5. Tracking

Board of Directors and the Audit Committee have same opinion with internal control, namely overall of company and subsidiary has efficiency internal control and proper to type of business not found defective of internal control is affected to correctly matter and reliability of financial statement and effective of meeting target of organization, including executives or involved person as mentioned as sufficient and appropriate.

In addition, audit committee and executives are pay attention to good corporate governance, sufficient internal control, proper to operate business, risk management is accepted has accounting and correct financial statement is trust including comply with law, regulation is related with operate business of company.



Related Transaction

1. Interaction

Interaction of company and person may be conflict on benefits is incurred on 2011 and of 2012 as follows.

Company has interaction with juristic person and person is may be conflict on benefits has summary relation as follows.

Company/person is may be conflict	Relationship	Interaction (Yes=✓, No=✕)	
		2011 end up 31 December, 2011	2012 end up 31 December, 2012
Subsidiary has related person of shareholding not over 10% -None-			
Person who linked with company or subsidiary:			
1. C.C. oil Co., Ltd. Business: Trade fuel Have 5 board of directors 1) Mr. Wutthilert Jialaninkulchai 2) Miss Nartwipa Jialaninkulchai 3) Miss Chalathorn Jialaninkulchai 4) Mrs. Phannipa Chanoknamchai 5) Miss Ungkana Buranawatthanakul	- As company of Mr. Wutthilert Jialaninkulchai and relatives - Mr. Wutthilert Jialaninkulchai is shareholder of company in portion of 2.00% of paid-in (Data at 25 July, 2012) Authorized signature of company/Executives director	✓	✕
2. Malee Oil Co., Ltd. Business: Trade fuel Have 5 board of directors 1) Mr. Wutthilert Jialaninkulchai 2) Miss Nartwipa Jialaninkulchai 3) Miss Chalathorn Jialaninkulchai 4) Mrs. Phannipa Chanoknamchai 5) Miss Ungkana Buranawatthanakul	- As company of Mr. Wutthilert Jialaninkulchai and relatives - Mr. Wutthilert Jialaninkulchai is shareholder of company in portion of 2.00% of paid-in (Data at 25 July, 2012) - Authorized signature of company/Executives director	✓	✕
3. Two Plus One Oil Co., Ltd. Business: Trade fuel Have 5 board of directors	- As company of Mr. Wutthilert Jialaninkulchai and relatives - Mr. Wutthilert Jialaninkulchai is shareholder of company in portion of 2.00% of paid-in (Data at 25 July, 2012)	✓	✓

Company/person is may be conflict	Relationship	Interaction (Yes=✓, No=✗)	
		2011 end up 31 December, 2011	2012 end up 31 December, 2012
1) Mr. Wutthilert Jialaninkulchai 2) Miss Nartwipa Jialaninkulchai 3) Miss Chalathorn Jialaninkulchai 4) Mrs. Phannipa Chanoknamchai 5) Miss Ungkana Buranawatthanakul	Authorized signature of company/Executives director		
4. R.A. LOGISTICS CO., LTD. Business: Fuel transportation Have 5 board of directors 1) Mr. Wutthilert Jialaninkulchai 2) Mr. Natthapop Ratthanasuwanthavee 3) Miss Saichon Samritjamorn 4) Miss Chompoonuch Kaoropkittiwong 5) Mr. Tharathip Tharathammarat	- As company is shareholding by Mr. Wutthilert Jialaninkulchai 10.00% of paid in of R.A. LOGISTICS CO., LTD. and take in position of director - As holding share by Mr. Sompote Hahunai 10.00% of paid-in of R.A. LOGISTICS CO., LTD. - Mr. Wutthilert Jialaninkulchai is shareholder as 2.00% of paid-in on 25 July, 2012 and take in position of authorized signature and executive director - Mr. Sompote Hahunai is shareholder as 47.62 % of paid-in on 25 July, 2012 and take in position of authorized signature and chief executive director Remark: Board of director meeting of 2/2012 on 20 March, 2012 has resolution cancel business of sale product of liquefied petroleum gas within end of April, 2012, 3 rd quarter, 2012 from now on. Company has not list of interaction with company as mentioned	✓	✓
5. Star Gas Col., Ltd. Business: Fuel Wholesale Have 3 board of directors 1) Miss Nichamon Kaoropkittiwong 2) Mr. Thanathip Tharathammarat 3) Miss Saichon Samritjamorn	- As company that Miss Nichamon Kaoropkittiwong is taking in position of director - Miss Nichamon Kaoropkittiwong as wife of Mr. Suwicha Panichpol, shareholder of company as 4.65% of paid-in (Information at 25 July, 2012) and take in position of director, executives director and managing director during 2011 and 1 st quarter 2012 (In present Mr. Suwicha Panichpol is retired from position of director, executives director and managing director of company has valid from 31 March, 2012 thereafter) Remark: Board of director meeting of 2/2012 on 20 March, 2012 has resolution cancel business of sale product of liquefied petroleum gas within end of April, 2012, 3 rd quarter, 2012 from now on. Company has not list of interaction with company as mentioned	✓	✓
6. Online Assets Co., Ltd. Business: Provide internet data and distribution product about computer	- Director is Miss Supaporn Hahunai - Miss Supaporn Hahunai is shareholder of 0.75% of paid-in (Information at 25 July, 2012) and take in position of Director of Finance and as sister of Mr. Sompote Hahunai which as authorized director, chief of	✓	✓

Company/person is may be conflict	Relationship	Interaction (Yes=✓, No=✗)	
		2011 end up 31 December, 2011	2012 end up 31 December, 2012
Have 4 board of director 1) Mr. Pornlert Decharatnopas 2) Miss Sombatsiri Balee 3) Mr. Pattanasak Chaowakul 4) Miss Supaporn Hahunai	executive director and chief of executive officer		
7. Dhipaya Insurance Public Company Limited Business: Any insurance Have 15 directors 1) Mr. Somjainuek Hengtrakul 2) Mr. Worachai Piyasoonthornwong 3) Mrs. Phanchanittha Boonklong 4) General Somchai Thanarat 5) Miss Sopawadee Lertmanuschai 6) Mr. Prasit Damrongchai 7) Mr. Winai Lamlert 8) Mr. Sima Simanont 9) Mrs. Patcharasiri Kietkhamjai 10) Mrs. Jaree Wutsanti 11) Mrs. Phannee Sathawarodom 12) Mr. Somporn Suebthawankul 13) Mr. Marut Simasatian 14) Mrs. Prissana Praharnkhasuek 15) Miss Nongyao Phacherat	- Mr. Somjainuek Hengtrakul is committee chairman and chief of executive officer - Mr. Somjainuek Hengtrakul is take in position of committee chairman	✓	✓
8. Mr. Somjainuek Hengtrakul	- Chief of board director	✓	✓

Company/person is may be conflict	Relationship	Interaction (Yes=✓, No=✗)	
		2011 end up 31 December, 2011	2012 end up 31 December, 2012
9. Mr. Sompote Hahunai	- Board of director, chief of board director and chief of executive officer and shareholder of company at 47.62% of registered capital (Data at 25 July, 2012)	✓	✓
10. Mr. Sutham Songsiri	- Director, board of director of company and shareholder of company at 0.08% of registered capital (Data at 25 July, 2012)	✓	✓
11. Mr. Surachai Ngermsakulrungle	<p>- As shareholder at 23.33% of paid-in and Surachai (1997) Co., Ltd. is subsidiary of company and take in position of director of Surachai (1997) Co., Ltd.</p> <p>- Take in position of director of Surachai (1997) Solar Co., Ltd. is subsidiary of company</p> <p>- As shareholder of company at 14.70% of paid-in and EA Solar Co.,Ltd. is subsidiary of company and take in position of director of EA Solar Co., Ltd.</p> <p>Remark: Present Mr. Surachai Ngermsakulrungle is not shareholder and director of Surachai (1997) Co., Ltd., Surachai (1997) Solar Co., Ltd. and EA Solar Co., Ltd. from 3 September, 2012 thereafter. Due to Mr. Surachai Ngermsakulrungle was sold all of shares to company on 20 August, 2012</p>	✓	✓

Interaction of company and person is may be conflict in benefits of 2011 and 2012 as follows.

Person may be conflicted	Description	Value of interaction (Million baht)		Necessary and reasonable
		Year of 2011 and at 31 Dec. 11	Year of 2011 and at 31 Dec. 11	
1. C.C. OIL CO., LTD.	- Trading fuel diesel (B4) to 3 customers on average oil price for all week, structure of pricing as mentioned customer is related company of Mr. Wutthilert, accept structure of capital as mentioned, knowing fluctuation of price all week (As structure of capital was gained from diesel seller (BO). Structure of capital from diesel seller (BO) are different and other customer is charge capital of BO as Spot Rate and distribute to customer of company depend on level of acceptance, risk of different capital structure - Company has account payable from list as mentioned at end of year	135.26	---	For added value of income and profit to company, company is offer to sale fuel diesel (B4) as structure of diesel capital (BO) that purchase from one customer, structure as mentioned have only 3 companies were accepted condition of price as mentioned. Price is must accepted on fluctuation of average price for all week, audit committee was considered and give opinion as reasonable However, executives director meeting of 8/2012 on 16 August, 2012 has approved business of sale fuel diesel with related company of Mr. Wutthilert until finding measure of pricing as appropriate and comparing with market. Due to company is unable to compare sale price with related company and market price from structure of different of diesel capital (BO) The Financial Advisor has verified that sales to the Company in connection with the above qualification excellence. There is no difference in gross margin from sales to other customers in the future and we do not sell goods to related parties / companies. If unable to find a market for comparison.
2. Malee Oil Co., Ltd.		63.15	---	
3. Two Plus One Co., Ltd.		112.61	---	
		---	---	
		---	---	
		(7.59)*	---	

* Two Plus One Oil Co., Ltd. was sold product from company but incomplete transport product from warehouse appeared that on 26 August,2011 government has announced compensation to oil trader has inventory on 27 August, 2011 for kind of Basic Diesel (BD) and fuel diesel affected 2 plus 1 oil Co., Ltd. has inventory at date as mentioned was compensated of this part. Company is operate request for compensation replaced 2 Plus 1Co., Ltd.

Person may be conflicted	Description	Value of interaction (Million baht)		Necessary and reasonable
		Year of 2011 and at 31 Dec. 11	Year of 2011 and at 31 Dec. 11	
		and setting 2 Plus 1 Co., Ltd. as other list of creditor for 7.59 million baht from case as mentioned.		
4. R.A Logistics Co., Ltd.	<div>- Company was employed R.A Logistics Co., Ltd. has transport liquefied petroleum gas (LPG)</div> <div>- - Company has other account receivable as mentioned at end of year</div>	<div>33.59</div> <div>4.64</div>	<div>11.04</div> <div>---</div>	<div>เนื่องจากบริษัทไม่ต้องการรับความเสี่ยงในเรื่องขนส่งในธุรกิจ</div> <div>Because the company does not want to take risks in the transportation of liquefied petroleum gas (LPG) and the LPG business of the Company is at an early stage and to study the feasibility of the business plan. Do not want to spend money in transportation investments. The company has hired R.A. Logistics Co., Ltd. in lieu of transportation. The company has performed to compare the shipping cost with other contractors. The proposed costs less than any other company that is not a related company of the Audit Committee is of the opinion that the transaction is reasonable. The shipping price below the market price.</div> <div>However, the Board of Directors Meeting No. 2/2012 on 30 March 2012 approved the termination of the distribution of liquefied petroleum gas by the end of April 2012 in order to focus on its core products is critical.</div>
5. Star Gas Co., Ltd.	<div>- Company was paid for broker to Star Gas Co., Ltd. as agent of sale liquefied petroleum gas (LPG)</div> <div>- Company has other account receivable as mentioned at end of year</div>	<div>11.86</div> <div>1.15</div>	<div>3.39</div> <div>---</div>	<div>The company is specialized in the business of selling liquefied petroleum gas (LPG) and no personnel to operate. Moreover, to avoid the risks associated with accounts receivable. The company agreed to Star Gas Limited is a retail dealer, guarantee the payment of all debts and accounts receivable, the Audit Committee has opinion that the transaction is reasonable and rewards of each party is determined by the risk that each party is properly recipients.</div> <div>However, the Board of Directors Meeting No. 2/2012 on</div>

Person may be conflicted	Description	Value of interaction (Million baht)		Necessary and reasonable
		Year of 2011 and at 31 Dec. 11	Year of 2011 and at 31 Dec. 11	
				30 March 2012 approved the termination of the distribution of liquefied petroleum gas by the end of April 2012 in order to focus on its core products is critical.
6. Online Assets Co., Ltd.	- Company has employed Online Assets Co., Ltd. is consult, maintain, revise computer system and network	0.12	0.32	Since the company is not able to recruit information technology (IT) operations to ensure the company's organizational structure defined. The company is required to hire. Online Asset Limited to oversee the work of the IT companies have to compare the employment rate structure, personnel and payroll, the company set out to personnel in the information technology (IT) and appropriate for the site company is fair and beneficial to the company, the Audit Committee is of the opinion that such transactions are necessary, appropriate and beneficial to the business of the company.
	- Period of contract 1 year (from 1 September, 2011 to 30 August, 2012) Service charge 25,000 baht per month			
	- Period of contract 1 September, 2011 thereafter, service charge 30,000 baht per month consists of consult, maintenance, resolution computer network			
	- Company has employed Online Assets Co., Ltd. to design website of company	---	0.05	
	- Company has other account receivable as mentioned at end of year	0.03	0.03	
7. Dhipaya Insurance Public Company Limited	The company has the required insurance Risks of plant oil to biodiesel with Namsin Insurance Public Company Limited under the policy, the terms of the insurance joint venture between Namsin Insurance Public Company Limited at a rate of 50% and Dhipaya Insurance Public company Limited at the rate of 50% of amount insured. - Period of insure 1 year (from 19 August, 2012) face amount 740.00 million baht - Period of insure 1 year (from 19 August, 2012 to 19 August, 1013) face amount 700.00 million baht. - The company has the required insurance Liability of	0.16	0.38	Insurance with an insurance company that is not a related party to the Company, provided insurance with an insurance company that is a related company. At market prices, which are generally the Audit Committee is of the opinion that such items are reasonably necessary and beneficial to the company. The premium cost has valued (Add flood insurance).

Person may be conflicted	Description	Value of interaction (Million baht)		Necessary and reasonable
		Year of 2011 and at 31 Dec. 11	Year of 2011 and at 31 Dec. 11	
	<p>plant oil to biodiesel with the Namsin Insurance Public Company Limited under the policy, the terms of the insurance joint venture between Namsin Insurance Public Company Limited in the rate 50% of the amount insured and the Dhipaya Insurance public company Limited at the rate of 50% of the amount insured. Insurance period of 1 year (from August 19 2012 to August 19, 2012), with a total insured amount of 20.00 million Baht</p> <p>- The Company has paid insurance premiums in advance of the transaction at the balance sheet date. (Where the premium factories that were recorded to cost of sales - cost of production).</p> <p>- Company has arrear premium from list as mentioned at end of year (premium of factory as mentioned was record as sale cost-expenditure of production)</p>	0.27 ---	0.63 1.06	
	<p>- EA Solar Co., Ltd. (a subsidiary) has the required insurance Risks of assets of Solar Power Plant with Dhipaya Insurance Public Company Limited under the policy, the terms of the insurance joint venture between Dhipaya Insurance Public Company Limited in the rate 70% of the amount insured and the Namsin Insurance Public Company Limited at the rate of 30% of the amount insured. Insurance period of 1 year (from 17October, 2012 to 1 July, 2013), with a total insured amount of 780.00 million baht.</p> <p>- EA Solar Co., Ltd. (Subsidiary) has made catastrophes</p>	---	0.26	Insure with the insurance company with third parties not related with Company. Terms of the transaction is accordance with market prices in general. The Audit Committee is of the opinion that such items are reasonably necessary and beneficial to the company.

Person may be conflicted	Description	Value of interaction (Million baht)		Necessary and reasonable
		Year of 2011 and at 31 Dec. 11	Year of 2011 and at 31 Dec. 11	
	<p>of solar power with Dhipaya Insurance Public Company Limited under the policy, the terms of the insurance joint venture between Dhipaya Insurance Public Company Limited in percentage 70 percent% of the amount insured and the Namsin Insurance Public Company Limited at the rate of 30% of the amount insured. Insurance period of 1 year (from 17 October, 2012 to 17 October, 2013), with a total insured amount of 100.00 million baht.</p> <p>- The Solar Company Limited (a subsidiary) have insurance coverage and property from natural disasters are disasters. Surplus funds of solar power of Dhipaya Insurance Public Company Limited under the policy, the terms of the insurance joint venture between Dhipaya Insurance Public Company Limited at the rate of 70% of the amount insured and the Namsin Insurance Public Company Limited at a rate of 30% of the amount insured. Insurance period of 1 year (from 17 October, 2012 17 October, 2013), with a total insured amount of 100.00 million baht.</p> <p>- EA Solar Co., Ltd. (Subsidiary) has premium is pay advance from list as mentioned at end of year (which premium as mentioned was record as sale cost)</p>	---	2.05	
8. Mr. Somjainuek Hengtrakul	<p>- Company was employed Mr. Somjainuek Hengtrakul as consult of business development, payment for 100,000 baht per month as period as follows.</p> <p>- 1 March, 2010 to 28 February, 2011 for 1 year</p>	1.20	1.20	As consult of business development has approved from meeting of 2011 on 26 April, 2011 and shareholder meeting of 2012 on 25 April, 2012. Moreover, audit committee has opinion list as mentioned is necessary and benefits to company

Person may be conflicted	Description	Value of interaction (Million baht)		Necessary and reasonable
		Year of 2011 and at 31 Dec. 11	Year of 2011 and at 31 Dec. 11	
	<ul style="list-style-type: none"> - 1 March, 2011 to 28 February, 2012 for 1 year - 1 March, 2012 to 28 February, 2013 for 1 year - Company has outstanding expense from list as mentioned at the end of year 	---	---	
9. Mr. Sompote Hahunai	<ul style="list-style-type: none"> - The loan from Mr. Sompote Hahunai used as collateral to guarantee the offer and sale of electricity to the Electricity Generating Authority of Thailand for investment in wind power in the future. In a promissory note dated February 2, 2012 amounted to 40.00 million baht, interest rate of 7.25 per year, determined to continue to pay the loan amount when the company has a loan with the bank to complete September 30, 2012, company repaid the full loan amount. - Company has interest from list as mentioned. - The interest accrued from the list at the end of the accounting period. 	Early year --- More loan --- Repaid --- End of year ---	Early year --- More loan 40.00 Repaid (40.00) End of year ---	The loan arose from the need to issue a guarantee to secure an offer to sell electricity in the power of the wind. And can provide a source of funds in a short time to do so promptly. The interest rate is determined by the average rate of the three major banks, including MLR. Of 3 banks such as Bangkok Bank Public Company Limited, Kasikorn Thai Public Company Limited and Commercial Bank Public Company Limited. The Audit Committee has opinion that the transaction is reasonable and interest rate is the average interest rate for financial institutions.
	<ul style="list-style-type: none"> - EA Solar Co., Ltd. (Subsidiary) loan from Mr. Sompote Hahunai in promissory note dated 23 April, 2012 for 19 million baht, interest rate 6.50% per year, on due when request and refund to loan to Energy Absolute Public Company Limited for 12 million baht and loaned by construction company for solar power plant, capacity 8 megawatt, Lopburi for 6.30 million baht - Company has interest from list as mentioned. - The interest accrued from the list at the end of the accounting period. 	Early year --- More loan --- Repaid --- End of year ---	Early year --- More loan 19.00 Repaid (19.00) End of year ---	For EA Solar Co., Ltd. led loan for 19 million baht return to Energy Absolute Public Company Limited for 12 million and loaned by construction company for solar power plant, capacity 8 megawatt, Lopburi for 6.30 million baht according to loan contract dated 19 April, 2012. The Audit Committee has opinion that the transaction is reasonable has resolution approved to adjust interest rate from Mr. Sompote Hahunai from 7.13% per year as 6.50% per year lower than rate of finance institute, retrospect from date of loan, audit committee has opinion list as mentioned is necessary and benefits to

Person may be conflicted	Description	Value of interaction (Million baht)		Necessary and reasonable
		Year of 2011 and at 31 Dec. 11	Year of 2011 and at 31 Dec. 11	
			---	company
	- EA Solar Co., Ltd. (Subsidiary) loan from Mr. Sompote Hahunai in promissory note dated 7 June, 2012 for 2.80 million baht, interest rate 6.50% per year, loaned by construction company for solar power plant, capacity 8 megawatt, Lopburi, due of payment when request - Company has interest from list as mentioned. - The interest accrued from the list at the end of the accounting period.	Early year --- More loan --- Repaid --- End of year --- --- ---	Early year --- More loan 14.47 Repaid (14.47) End of year --- 0.26 ---	For EA Solar Co., Ltd. led loaned by construction company for solar power plant, capacity 8 megawatt, Lopburi for 2.80 million baht according to loan contract dated 7 June, 2012. The Audit Committee has opinion that the transaction is reasonable has resolution approved to adjust interest rate from Mr. Sompote Hahunai from 7.13% per year as 6.50% per year lower than rate of finance institute, retrospect from date of loan, audit committee has opinion list as mentioned is necessary and benefits to company
	- EA Solar Co., Ltd. (Subsidiary) loan from Mr. Sompote Hahunai in promissory note dated 7 June, 2012 for 2.80 million baht, interest rate 6.50% per year, loaned by construction company for solar power plant, capacity 8 megawatt, Lopburi, due of payment when request - Company has interest from list as mentioned. - The interest accrued from the list at the end of the accounting period.	Early year --- More loan --- Repaid --- End of year --- --- ---	Early year --- More loan 2.80 Repaid (2.80) End of year --- 0.04 ---	For EA Solar Co., Ltd. led loaned by construction company for solar power plant, capacity 8 megawatt, Lopburi for 2.80 million baht according to loan contract dated 7 June, 2012. The Audit Committee has opinion that the transaction is reasonable has resolution approved to adjust interest rate from Mr. Sompote Hahunai from 7.13% per year as 6.50% per year lower than rate of finance institute, retrospect from date of loan, audit committee has opinion list as mentioned is necessary and benefits to company
	- EA Solar Co., Ltd. (Subsidiary) loan from Mr. Sompote Hahunai in promissory note dated 21 June, 2012 for 6.60 million baht, interest rate 6.50% per year, loaned by construction company for solar power plant, capacity 8 megawatt, Lopburi, due of payment when request - Company has interest from list as mentioned.	Early year --- More loan --- Repaid --- End of year ---	Early year --- More loan 6.60 Repaid (6.60) End of year ---	For EA Solar Co., Ltd. led loaned by construction company for solar power plant, capacity 8 megawatt, Lopburi for 6.60 million baht according to loan contract dated 20 June, 2012. The Audit Committee has opinion that the transaction is reasonable by resolution of the Board of Directors of the 6/2555 on August 16, 2555 has approved in principle to be considered for a

Person may be conflicted	Description	Value of interaction (Million baht)		Necessary and reasonable
		Year of 2011 and at 31 Dec. 11	Year of 2011 and at 31 Dec. 11	
	- The interest accrued from the list at the end of the accounting period.	---	0.08 ---	reduced rate has resolution approved to adjust interest rate from Mr. Sompote Hahunai from 7.13% per year as 6.50% per year lower than rate of finance institute, retrospect from date of loan, audit committee has opinion list as mentioned is necessary and benefits to company.
	- EA Solar Co., Ltd. (Subsidiary) loan from Mr. Sompote Hahunai dated 9 July, 2012 for 2.30 million baht, interest rate 6.50% per year, loaned by construction company for solar power plant, capacity 8 megawatt, Lopburi, due of payment when request - Company has interest from list as mentioned. - The interest accrued from the list at the end of the accounting period.	Early year --- More loan --- Repaid --- End of year --- --- ---	Early year --- More loan 2.30 Repaid (2.30) End of year --- 0.02 ---	For EA Solar Co., Ltd. led loaned by construction company for solar power plant, capacity 8 megawatt, Lopburi for 2.30 million baht according to loan contract dated 4 July, 2012. The Audit Committee has opinion that the transaction is reasonable by resolution of the Board of Directors of the 6/2555 on August 16, 2555 has approved in principle to be considered for a reduced rate has resolution approved to adjust interest rate from Mr. Sompote Hahunai from 7.13% per year as 6.50% per year lower than rate of finance institute, retrospect from date of loan, audit committee has opinion list as mentioned is necessary and benefits to company.
10. Mr. Sutham Songsiri	- Company to hire Mr. Sutham Songsiri is an expert in personal development by paying as mentor 75,000 baht per month. Contract Period 1 February 2011 to 31 July 2011 and 1 August 2011 to 31 October 2011 and 9 months for the year 2011. For the year 2012 the company entered into to engage Mr. Sutham Songsiri is an expert in personal development by paying consulting fees worth 40,000 baht per month for 1 year contract (from March 1, 2012 to February 28, 2013), which since March 31, 2012, the company has	0.68	---	To develop the potential of people in organizations by a resolution of the General Meeting of Shareholders for the year 2011 on April 26, 2011 and the Annual General Meeting of Shareholders for the year 2012 on April 25, 2012 and the Audit Committee is of the opinion that the transactions it is necessary and beneficial to the company. The company was appointed Mr. Sutham is employees last month in March 2012.

Person may be conflicted	Description	Value of interaction (Million baht)		Necessary and reasonable
		Year of 2011 and at 31 Dec. 11	Year of 2011 and at 31 Dec. 11	
	<p>appointed Mr. Sutham is a company employee which are paid on a monthly basis as the staff made no transactions in the year 2012 already.</p> <p>- The accrued expenses of the transaction at the balance sheet date.</p>	---	---	
11. Mr. Surachai Ngermsakulringrote	<p>- Company was loaned by Mr. Surachai according to loan contract dated 1 September, 2011 for 60.00 million baht, interest rate 12.00 per year due on 31 August, 2022</p> <p>- Company has interest from list as mentioned.</p> <p>- The interest accrued from the list at the end of the accounting period.</p> <p>- Mr. Surachai Ngermsakulringrote has pledged shares of the EA Solar Co., Ltd. ownership of 294,000 shares to a financial institution on October 25, 2011 to guarantee a loan for the construction of solar power plant of the company EA Associates. and I pledge to double the number of loans until the debt has been paid in full. And the right to receive any dividends or interest. To have been limited to the Company's solar payment of principal and interest until the full amount. Subsequently, on August 20, 2012, the Company acquired the shares of Mr. Mr. Surachai Ngermsakulringrote, in amount.</p>	<p>Early year ---</p> <p>Give More loan 60.00</p> <p>Received the Repaid ---</p> <p>End of year 60.00</p> <p>2.41</p> <p>2.41</p> <p>---</p>	<p>Early year 60.00</p> <p>Give More loan ---</p> <p>Received Repaid (60.00)</p> <p>Received the Repaid ---</p> <p>4.59</p> <p>---</p> <p>---</p>	<p>The company's first acquisition in the Surachai (1997) Co., Ltd. Mr. Surachai is major shareholder of the Company Surachai (1997) and under the terms of the transaction. The company has the rights to all existing shareholders to invest in shares and 30 shares, there needs to be a joint venture with the company. However, due to financial constraints. Has requested financial assistance for investment in shares of the Company's solar.</p> <p>The Board of Directors has determined in the construction of a power plant in Lopburi. Need for a coordinated action on a number of very different and that Mr. Surachai has contributed to the company's operations with great success. has opinion that the construction of the power plant. If we have someone in the area to help care issues. It allows you to be much more pleasant and the need to accelerate the construction to be completed soon. If you need to wait for all the shares in the venture capital financing for the project might not be initialized as set forth. The Board of Directors Meeting No. 2/2011 on the July 6, 2011 have approved the loan and the Audit Committee is of the opinion that such transactions are necessary and beneficial to the Company as well as in the future. The Board</p>

Person may be conflicted	Description	Value of interaction (Million baht)		Necessary and reasonable
		Year of 2011 and at 31 Dec. 11	Year of 2011 and at 31 Dec. 11	
				of Directors shall take care of the loans from shareholders to invest in the Company and / or its subsidiaries in a manner such as this.
	<ul style="list-style-type: none"> - Surachai (1997) Co., Ltd. (Subsidiary) was loan for short term from Mr. Surachai is expense of general operation of Surachai (1997) Co., Ltd. no interaction interest - Surachai (1997) Co., Ltd. will operate return loan as mentioned within December, 2012 - Company has interest from list as mentioned. - The interest accrued from the list at the end of the accounting period. 	Early year --- More loan 0.24 Repaid --- End of year 0.24 --- ---	Early year 0.24 More loan 0.01 Repaid --- End of year 0.25 --- ---	As loan for general expense of company, audit committee has opinion list as mentioned is necessary and benefits to company
	<ul style="list-style-type: none"> - Surachai (1997) Solar Co.,Ltd. (Subsidiary) was loaned for short term from Mr. Surachai, interest rate 2.25% per year for increase capital of EA Solar Co., Ltd. which as subsidiary of company - Company has interest from list as mentioned. - The interest accrued from the list at the end of the accounting period. 	Early year --- More loan 30.60 Repaid --- End of year 30.60 0.23 0.23	Early year 30.60 More loan --- Repaid (30.60) End of year --- 0.44 ---	For the shares of the EA Solar Company Limited in accordance with the terms of loans from financial institutions for the construction of solar power plant, the Audit Committee is of the opinion that such a requirement is beneficial to the company. In order to meet the conditions of the loan agreement with a financial institution

2. Opinion of audit committee

In a report of Audit Committee for the year 2011 on April 2, 2012, the Audit Committee has focused on monitoring transactions. By the Audit Committee and taken on whether to accept the rules must be in the following 3 respects.

- 1) As necessary and beneficial to the Company and its subsidiaries, and major shareholders is equally.
- 2) Value of goods / services traded in the market rules / fair value.
- 3) Operate as specified by the Company and / or approved by the approval authority.

For commercial products company with subsidiaries and related companies is same prices with trading with third parties. For services to the Company, it is agreed by calculating a fixed monthly rate, which is acceptable under the rules and average interest rate on loans to commercial banks as a basis.

3. Measure or method of approval interaction

Company has recognizes the importance of transparency and the results were a significant benefit to the company. Therefore, it is important to prevent the entry of potential conflicts of interest transaction or transactions criteria that are important to consider and approve the transaction.

- Rules are necessary in the transaction will be beneficial to the company, ethical business practices, by law to comply with the Securities and Exchange Commission, Notification of Capital Market Supervisory Board, Regulations, orders or requirements, including the declaration of the Stock Exchange of Thailand.
- Fair rules by considering the appropriate rates approved by the management of various conditions according to the normal operation of the market compared to the others, give prior approval of the Board of Directors and / or shareholders (As applicable) for approval as appropriate. The Audit Committee has no expertise in the transaction occurred. The company will arrange for an independent expert or auditor of the company as a comment on the transaction to be decision of the Board of Directors and / or the Audit Committee and / or shareholders. (As applicable) which may have a conflict of interest or has an interest in the transaction, the transaction will have no voting rights in the transaction. If the transaction is not very high and the price could not be traced. The Audit Committee is determined by the value of the item.

4. Policy or trend of report interaction in the future

In the past company has transaction between the company and certain of the Company's prices could not be compared to the diesel offerings related to the spin faster. By the cost of diesel fuel (B0) purchased from a vendor cost structure is related only to accept this price it. The price is not the price

fluctuations of the week and different from the other customers of the company, company may not be comparable price. But it has a ways to consider the risks and rewards have been used as criteria for the year 2012, the company has taken the approach of applying transaction under Section 89/12 of the Securities and Exchange Commission on May 1992 to consider the transaction among themselves. The management should be applied to stop the diesel fuel transactions with related parties as such. The price could not be compared to the fiscal year of 2012, company did not purchase diesel rotational velocity related to such. In the future, company will not sell products to persons associated / related companies in case of unable to find a market for comparison.

When a company entering listed on the Stock Exchange of Thailand, Board of Directors will ensure that the implementation of the Securities and Exchange Act, Notification of the Capital Market Supervisory Board, Mandatory order or declaration, including the requirements of the Stock Exchange of Thailand. As well as to comply with the disclosure requirements for related-party transaction and the acquisition or disposal of assets of the Company or its subsidiaries, Including compliance with accounting standards prescribed by generally accepted accounting transaction between them.

If there are transactions of the company or subsidiaries is happens to a person who may have a conflict of interest, stakeholders or may have a conflict of interest in the future. The Audit Committee will make a comment about the necessity and appropriateness of the transaction, the price of the item. By considering the conditions according to the nature of operations common in the market and a comparison made to a third party. If the committee does not have proficiency in the transaction that may occur company will conduct an independent expert or auditor of the company or law office. A comment on the transaction of such fields to the decision of the Committee and / or Board of Directors and / or shareholders, as the case may be, the Company will disclose the transaction in the financial statements have been audited by the auditors of the company.



Financial Position and Performance

1. Financial statement

(A) Summary report of auditing

Consolidated and separate financial statements of the Company for the fiscal year 2009 ended up 31 December, 2009

Audited by " Pithisewee Office " has Mr. Sewee Wiwatpanachart, certified public account No. 2219 is auditor has operating audit according to generally certified auditing standards. Auditors of the company saw that financial statements present the financial position of the company, overall result and cash flow. The consolidated financial statements of company should be in accordance with generally certified accounting principles, without conditional my opinion as notes as follows.

In 2010 company has changed accounting policy for inventory valuation from weighted average method is first-come - first out. Since the executives of company saw that method of calculating cost of inventory with first come – first out is appropriate to the business of the company with the volatility in commodity prices higher than the weighted average method. The changes to reflect the true value of inventories in accordance with the changing economic situation change in the account, the value of inventories at the end of the period and reduced costs in the income statement with 2.31 million baht. As a result, net income in the consolidated financial statements and the statements for the year ended up 31 December, 2010 increased by 2.31 million baht as detailed in the table.

	Unit: Baht		
	Weighted average	Method of first-in-first-out	Value variance, increase (decrease)
Inventory			
Raw material	63,027,838.78	63,823,363.81	795,525.03
Goods in process	69,092,402.72	70,254,574.79	1,162,172.07
Finished goods	25,556,008.41	25,910,726.64	354,718.23
Waste material	1,449,562.87	1,450,026.40	463.53
Total	159,125,812.78	161,438,691.64	2,312,878.86

Moreover, company also has upgraded the corporate income tax for the year ended December 31, 2009, recorded higher taxes to pay for the amount of Baht 3.60 million baht. Due to benefits that have been authorized by the Board of Promotion Investment after issued financial statements. The update could affect the balance sheet of the consolidated financial statements and the consolidated statements as of December 31, 2009 by the liabilities income tax payable decreased by 3.60 million baht, retained earnings increased by 3.60 million baht (basic earnings per share increase up 0.001 baht per share), the auditors have audited the adjustments and the adjustments are appropriate and have the correct item.

Consolidated financial statement and balance sheet only business of company in of 2011 end up 31 December, 2011

Audited by "Pitisewee Office" which Miss Chawana Wiwatpamachart, certified public account No. 4712 was auditor is allowed from Securities and Exchange Commission of Thailand shall be performed in accordance with generally accepted auditing standards. Auditors of the company saw that financial statements present the financial position of the company, overall result and cash flow. The consolidated financial statements should be in accordance with generally certified accounting principles. The company and its subsidiaries have been revised and new accounting standards issued new accounting standards issued by the Federation of Accounting Professions that require compliance with Financial statements for fiscal years beginning on or after 1 January 2011 onwards, to prepare and present the financial statements of the consolidated financial statements and consolidated financial statements for the year ended 31 December, 2010 are presented. The new model has to be consistent with the financial statements for the year ended December 31, 2011.

Consolidated financial statement and balance sheet only business of company in of 2012 end up 31 December, 2012

Audited by " Pithisewee Office" has Miss Chawana Wiwatpanachart, certified public account No. 4712 is auditor has operating audit according to generally certified auditing standards. Auditors of the company saw that financial statements present the financial position of the company, overall result and cash flow. The consolidated financial statements of company for end of year 31 December, 2012 correctly as matter of standard of financial statement.

(b) Table of summary finance position and operating performance

Financial position (Consolidated financial statement): Energy Absolute Public Company Limited

Statement of financial position	Combined financial statement/Inspected					
	End of 31 Dec.10		End of 31 Dec.11		End of 31 Dec.12	
	MB	%	MB	%	MB	%
Cash and equivalent cash	63.34	5.91%	181.30	10.51%	67.34	2.64%
Debtor-net	302.73	28.26%	177.84	10.31%	158.23	6.22%
Other debtor	11.85	1.11%	43.31	2.51%	7.91	0.31%
Short-term loan to person and other company	-	-	10.63	0.62%	4.40	0.17%
Inventory-net	161.19	15.05%	178.54	10.35%	161.13	6.33%
Compensation from accrual of Fuel fund	10.20	0.95%	7.82	0.45%	0.22	0.01%
Advance payment for land	-	-	13.79	0.80%	17.05	0.67%
Others current assets	0.59	0.06%	11.38	0.66%	50.54	1.99%
Total current assets	549.90	51.34%	624.61	36.21%	466.82	18.34%
Bank deposit is guarantee	55.65	5.20%	56.10	3.25%	112.11	4.41%
Advance payment for investment in subsidiary	-	-	-	-	0.00	0.00%
Long term loan for person and related company	-	-	60.00	3.48%	-	-
Long term loan for other person	-	-	4.01	0.23%	-	-
Land, building and tools-net	464.80	43.39%	927.73	53.79%	1,896.29	74.51%
Right of utilize wiring current waiting write account off	-	-	-	-	14.73	0.58%

Intangible assets-net	-	-	42.46	2.46%	42.11	1.65%
Other non-current asset	0.75	0.07%	9.97	0.58%	13.00	0.51%
Total non-current assets	521.20	48.66%	1,100.27	63.79%	2,078.24	81.66%
Total assets	1,071.10	100.00%	1,724.88	100.00%	2,545.06	100.00%
Short term loan of financial institute	180.67	16.87%	178.36	10.34%	445.43	17.50%
Account payable	125.91	11.76%	102.21	5.93%	47.45	1.86%
Other creditor	3.50	0.33%	32.92	1.91%	18.76	0.74%
Term of long term loan from financial institute is due within 1year.	46.69	4.36%	52.53	3.05%	114.62	4.50%
Debt under lease contract is due within one year	-	-	0.23	0.01%	1.36	0.05%
Creditor of factoring contract	80.80	7.54%	-	-	-	-
Short term loan from involved person	-	-	30.60	1.77%	-	-
Assets payable	9.67	0.90%	65.80	3.81%	54.16	2.13%
Juristic person tax income payable	1.37	0.13%	-	-	-	-
Expenditure payable	-	-	-	-	-	-
Advance deposit	15.67	1.46%	29.15	1.69%	0.13	0.005%
Construction guarantee	-	-	-	-	73.11	2.87%
Other current debts	25.92	2.42%	33.00	1.91%	12.47	0.49%
Total current debt	490.20	45.77%	524.80	30.43%	767.49	30.16%
Long term loan from involved person	-	-	0.24	0.01%	-	-
Long term loan net from financial institute-net	42.87	4.00%	181.44	10.52%	631.71	24.82%
Debt under lease contract of net finance	-	-	0.66	0.04%	2.93	0.11%
Obligation of staff	-	-	0.82	0.05%	1.11	0.04%
Total non-current debt	42.87	4.00%	183.16	10.62%	635.75	24.98%
Total debts	533.07	49.77%	707.96	41.04%	1,403.24	55.14%

Statement of financial position (Combined financial statement): Energy Absolute Public Company Limited (continue)

Statement of financial position	Combined financial statement/Inspected					
	End of 31 Dec.10		End of 31 Dec.11		End of 31 Dec.12	
	MB	MB	MB	MB	MB	MB
Registered capital	360.00	33.61%	360.00	20.87%	373.00	14.66%
Issued and paid in capital	279.38	26.08%	305.00	17.68%	317.00	12.46%
Premium on share	219.42	20.49%	578.10	33.52%	746.10	29.32%
Accumulated income						
Appropriated retained-legally reserved	6.80	0.63%	12.40	0.72%	17.70	0.70%
Unappropriated retained	32.42	3.03%	89.37	5.18%	105.72	4.15%
Other component of shareholder	-	-	-	-	(46.94)	(1.84%)
Total part of large company	538.02	50.23%	984.87	57.10%	1,139.58	44.78%
Gain and loss non-controlled	0.01	0.00%	32.03	1.86%	2.24	0.09%
Total part of shareholder	538.03	50.23%	1,016.90	58.95%	1,141.82	44.86%
Total debt and part of shareholder	1,071.10	100.00%	1,724.88	100.00%	2,545.06	100.00%

Remark:

- /1 : - Advance payment for purchase land at 31 December, 2012 is advance payment for land fee according to sale contract of land in Nakornsawn, Lampang and Pitsanulok, land as mentioned has objective to construction Solar Power Plant.
- /2 : - On 11 September, 2012 company has purchased shares of Thepsathit Windfarm Co., Ltd. has registered and paid-up capital of 2,000,000 baht in portion of 99.99% for investment in wind power plant, capacity 90 Megawatts, Chaiphoom. By buying shares in the companies mentioned in 1 baht according to Shares Sale and Purchase Agreement to former shareholders dated 20 July, 2012 for investment in Wind Power Plant, Thepsathit Wind farm, capacity 90 Megawatts which is located at the Chaiphoom. There are condition that company may purchase shares in the Company at a price of Baht 1 (Purchase Price) and the terms of payment as Revised Purchase Price as contract.
- /3 : Right of current wiring waiting for cutting account is incurred from project of Solar Power Plant, capacity 8 Megawatt, Lopburi, of EA Solar Co., Ltd. is subsidiary of company
- /4 : - Marginal deposit of construction performance at 31 December, 2012 is guarantee for construction performance of Power Plant, capacity 8 Megawatt, Lopburi from one constructor, has due return with last work time within 1st quarter of 2013.
- /5 : - In March 2010 the company has paid the amount of 293,800,000 shares (par value of 0.10 baht per share) consists of the shares with a private placement of 243,800,000 shares, par value 1.00 baht (surplus of capital stock 0.90 baht), and the management company offering of 50,000,000 shares at 0.10 baht per share, totaling 248,800,000 baht. Company was paid the full amount in March 2010.
- /5 - General Meeting of Shareholders for the year 2010 on April 26, 2010 has approved allotment of shares to the rest of the subscription before the amount of 256,200,000 shares, divided by the offer to existing shareholders at a price per share 1.00 baht and offered to new shareholders at a price per share of 1.20 baht is scheduled to be completed in one year (26 April 2011) is determined not to existing shareholders who purchased shares from the allotment this capital at a price per share of shares purchased at 1.00 baht for 6 months.
- /5 - General Meeting of Shareholders for the fiscal year 2011 on April 26, 2011 has approved the extension of time shares that have not been allocated a number of 256,200,000 shares further for a period of one year pricing offering no less than it had been approved. However, in June 2011, the company sold shares to the existing shareholders and the new shareholders at a price per share of 1.50 baht (with a share premium of 1.40 baht) as payment totaling 384.3 million baht been paid the full amount in the month of June 2011.
- /5 - General Meeting of Shareholders for the fiscal year 2012 on April 25, 2012 passed a resolution to reduce the share capital by way of shares in issue not yet. Resulted in a capital reduction of 360 million baht to 305 million baht, and has resolved to increase the registered capital of 305 million baht to 373 million baht by issuing new ordinary shares of 680,000,000 shares at par 0.10 ordinary shares for offered to existing shareholders in proportion (Rights Offering: RO) 120,000,000 shares at a price per share of 1.50 baht has been paid the full amount and send

the result as at 31 December, 2012 Company has paid capital 317 million baht, the remaining number of ordinary shares to 560 million shares, allocate for Initial Public Offering (IPO).

(b) Table of summary of finance base and result of performance (continue)

Multiple-step income statement (Consolidated financial statement): Energy Absolute Public Company Limited

Multiple-steps income statement	Combined financial statement/Inspected					
	2010		2011		2012	
	MB	%	MB	%	MB	%
Income from sale product-net						
Income from sale biodiesel	1,851.55	70.54%	3,113.90	57.41%	3,133.03	70.19%
Income from sale fuel diesel	583.45	22.23%	1,149.62	21.20%	808.08	18.10%
Income from refined Glycerin	67.70	2.58%	78.60	1.45%	17.54	0.39%
Income from sale liquefied petroleum gas ^{/1}	117.14	4.46%	1,055.85	19.47%	366.28	8.21%
Income from distribute solar cell ^{/2}	-	-	-	-	10.61	0.24%
Income from subsidy of purchase electric ^{/2}	-	-	-	-	23.92	0.54%
Income from sale material and by-product ^{/3}	4.98	0.19%	26.01	0.48%	98.27	2.20%
Total income from sale product	2,624.82	100.00%	5,423.98	100.00%	4,457.73	99.86%
Income from service ^{/4}	-	-	-	-	6.18	0.14%
Total income	2,624.82	100.00%	5,423.98	100.00%	4,463.91	100.00%
Sale capital	2,504.05	95.40%	5,192.51	95.73%	4,199.71	94.08%
Service capital ^{/4}	-	-	-	-	5.83	0.13%
Total sale capital and service	2,504.05	95.40%	5,192.51	95.73%	4,205.54	94.21%
Primary profit	120.77	4.60%	231.47	4.27%	258.37	5.79%
Other income ^{/5}	2.91	0.11%	7.34	0.14%	15.07	0.34%
Pre-expenditure profit	123.68	4.71%	238.81	4.40%	273.44	6.13%
Expenditure in sale	38.68	1.47%	104.02	1.92%	60.05	1.35%
Expenditure in management	41.64	1.59%	56.09	1.03%	76.81	1.72%
Pre-capital profit and tax income	43.36	1.65%	78.70	1.45%	136.58	3.06%
Capital	15.03	0.57%	17.58	0.32%	29.43	0.66%
Pre-profit tax income	28.33	1.08%	61.12	1.13%	107.15	2.40%
Juristic person tax income	1.42	0.05%	-	-	0.05	0.00%
Net profit for year	26.91	1.03%	61.12	1.13%	107.10	2.40%
Other multiple-profit (loss)	-	-	-	-	-	-
Multiple profit for year	26.91	1.03%	61.12	1.13%	107.10	2.40%
Total multiple allocated						
Part of large company	26.91	1.03%	63.01	1.16%	107.05	2.40%
Part of gain and loss is uncontrolled	-	-	(1.89)	-	(0.05)	-
Ordinary share paid	0.01		0.02		0.03	
Ordinary share paid	0.10		0.10		0.10	
Number of ordinary share (million shares)	2,793.80		3,050.00		3,170.00	
Adjusted net profit as annualize and calculation adjusted base of ordinary share after offer sale IPO(Fully dilute)						
Profit per share-Fully dilute (baht/share) ^{/7}					0.02	
Face value (baht/share)					0.03	
Number of ordinary share IPO (million shares)					3,730.00	

Remark:

/1 : Company has income from sale liquefied petroleum gas in 3rd quarter of 2010 and stop operate business on April, 2012, company was emphasized distribution biodiesel is main product of company.

/2: The company's revenue from the sale of electricity from solar energy in the fourth quarter of 2012 from solar power projects capacity of 8 MW, Lopburi of EA Solar Co., Ltd. is subsidiary of the

Company and marginal revenue funding of the purchase price (Adder) from project as mentioned at rate 8 baht per kilowatt for a period of 10 years from the date of commercial operation and trading.

/3 : Income from sale raw material and by-product consists of income from sale palm oil, Crude Glycerin and Free Fatty Acid.

/4 : Revenue from services and costs incurred in the first quarter of 2012 for 6.18 million baht as revenue and cost of service, the last installment of a construction company of Surachai (1997) Co., Ltd. is subsidiary of the Company. Income arising to the contract is according to employment contract of improved some school in 2010 that occurred before the date of the Company to purchase ordinary shares in Surachai (1997) Co., Ltd. and there is no income from services and this service costs from recurring in the future.

/5 : Other income such as profit from exchange rate, distribution assets, income from interest and sale waste material, etc.

/6 : Profit per share is basic calculation on divided by net profit of large company, weighted average of ordinary share of ordinary share is issued and paid during year.

/7 : Profit per share-Fully Dilute has calculated from divided by net profit of large company of 2012, end up 31 December, 2012 and all of ordinary shares is proposed for increased ordinary share to people.

(b) Table of summary of finance base and result of performance (continue)

Flow cash (Consolidated financial statement): Energy Absolute Public Company Limited

Cash flow	Combined financial statement/Inspected		
	2010	2011	2012
Cash flow from performance			
Pre-profit tax income	28.33	61.13	107.15
<u>Modify transaction profit (loss) net as receive (pay) cash from performance</u>			
Depreciation and expense	48.71	50.90	61.35
Amortization of wiring	-	-	0.12
Amortization of sale power contract	-	-	0.35
Reverse doubtful accounts	-	-	(1.42)
Benefits expense of staff after retired	-	0.36	0.29
Allowance (reverse) loss from discount and low movement	(1.15)	(0.25)	-
Loss from distribution product	-	0.01	0.02
Profit from distribution product	-	-	(0.16)
Reserve allowance doubtful accounts	-	-	(1.00)
Capital	15.03	17.58	23.86
	90.92	129.74	190.56
Profit (loss) net from performance pre-change in assets			
And performance debt			
Performance assets (increase) decreased			
Account receivable and other receivable	(178.66)	96.04	56.44
Balance	(58.46)	(17.10)	17.42

Cash flow	Combined financial statement/Inspected		
	2010	2011	2012
Compensation from accrual fuel fund	(10.11)	2.39	7.59
Other current assets	(1.61)	(9.32)	(38.88)
Other non-current assets	0.00	(9.23)	(2.03)
Performance debt (increased) decreased			
Account payable and other payable	100.07	5.49	(68.93)
Assets payable	(29.04)	(9.67)	(18.71)
Advance deposit	14.76	13.48	(29.02)
Construction guarantee	-	-	73.11
Other current debts	25.34	6.78	(20.75)
Acquired cash (consume) in performance	(46.76)	208.61	166.79
Interest payment	(15.62)	(17.35)	(23.52)
Payment for juristic person tax income	(0.21)	(2.82)	(0.33)
Net cash acquired from (consume) performance	(62.59)	188.43	142.94
Cash flow from investment			
Fixed deposit is guarantee	(0.37)	(0.44)	(56.01)
Advance payment for investment in subsidiary	-	-	0.00
Other long term investment	-	0.38	-
Short term loan to other person	-	(10.63)	(123.06)
Payment service for short term loan to other person	-	-	133.30
Long term loan service to related other person	-	(60.00)	-
Payment service for long term loan from other related company	-	-	60.00
Long term loan to other person	-	(4.01)	-
Purchase investment in subsidiary	-	(50.25)	(75.35)
Acquired cash from stakeholder but uncontrolled subsidiary			
From increase investment in subsidiary	-	33.91	-
Disbursement for purchase land	-	(13.79)	(3.26)
Purchase real estate for investment	-	-	(107.57)
Fixed assets purchase	(48.39)	(439.51)	(913.92)
Right of wiring	-	-	(14.86)
Acquired cash from distribute assets	0.12	-	0.64
Net cash acquired (consume) from investment	(48.64)	(544.34)	(1,100.09)
Cash flow from provide			
Short term loan from financial institution increased (decreased)	4.54	(2.31)	267.07
Receivable as factoring contract increased (decreased)	80.80	(80.80)	-
Received short term loan from related person	-	30.60	85.17
Payback short term loan from related person	(54.00)	-	(115.77)
Received long term loan from financial institution	-	183.18	564.89
Received long term loan from related person	-	0.24	0.01
Pay back long term loan from related person	-	(2.57)	(0.25)
Pay back long term loan from financial institution	(34.18)	(38.77)	(52.53)
Dividend	(75.00)	-	(85.40)
Cash from release ordinary share	29.38	25.62	12.00

Cash flow	Combined financial statement/Inspected		
	2010	2011	2012
Cash from surplus	219.42	358.68	168.00
Net cash from (consume) provide	170.97	473.87	843.19
Cash and equivalent cash increased (decreased)-net	59.73	117.96	(113.96)
Cash and equivalent cash at early time	3.61	63.34	181.30
Cash and equivalent cash at early time	63.34	181.30	67.34

(C) Table of Summary Financial Ratio

Ratio of finance		year of 2010	Year of 2011	Year of 2012
Liquidity ratio	Time	1.12	1.19	0.61
Quick liquidity ratio	Time	0.75	0.68	0.29
Cash flow liquidity ratio	Time	(0.15)	0.37	0.22
Account payable current ratio	Time	12.21	22.57	26.57
Period of collect average debt	Day	29.48	15.95	13.55
Inventory current ratio	Time	19.06	30.57	24.73
Period of sale product	Day	18.89	11.78	14.56
Receivable current ratio	Time	33.65	45.52	56.12
Payment period	Day	10.70	7.91	6.41
Cash cycle	Day	37.67	19.82	21.69
Profitability ratio				
Pre-profit rate	%	4.60%	4.27%	5.79%
Profit rate from performance	%	1.65%	1.45%	3.06%
Other profit rate	%	0.00%	0.00%	0.00%
Ratio of cash-profit	%	-144.36%	239.40%	104.66%
Net profit rate	%	1.03%	1.16%	2.40%
Rate of shareholder allowance	%	6.15%	8.28%	10.08%
Efficiency ratio				
Rate of allowance from assets	%	2.95%	4.51%	5.01%
Rate of allowance from fixed assets	%	14.63%	14.05%	10.63%
Current assets	เท่า	2.88	3.88	2.09
Financial policy ratio				
Ratio of debt-shareholder	เท่า	0.99	0.72	1.23
Payable interest ratio	เท่า	(3.07)	11.72	5.86

Ratio of finance		year of 2010	Year of 2011	Year of 2012
Payable obligation ratio-cash basis	บาท	0.40	0.38	0.12
Dividend rate ^{/1}	%	100.50%	92.60%	34.84%

Remark :

//1 : - At shareholder meeting of 2010 on 26 April, 2010 has resolution to payment dividend from collective profit at 31 December, 2009, in rate of 0.03 baht, total 75,000,000 baht (As dividend from collective profit was acquired BOI for 5,400,000 baht and non-acquired BOI for 69,600,000 baht).

- General Meeting of Shareholders for the fiscal year 2012 on April 25, 2012 resolved to pay a dividend to shareholders at 0.028 baht dividend total of 85,400,000 baht is paid from the 2010 for 27,048,913.27 baht and the results for the year 2011 for 58,351,086.73baht (the dividend from retained earnings by BOI for 74,250,437.95 baht and not retained earnings of BOI for 11,149,562.05 baht).

- Board of Directors Meeting No. 1/2013 on the February 28, 2013, the shareholders approved a dividend at the rate of 0.01baht per share, totaling 37.3 million baht of dividends paid to such dividends. Anyhow, dividend as mentioned must approved by the General Meeting of Shareholders for the year 2013 will be held on April 19, 2013.

2. Explanation and analysis financial base and result of performance

2.1 Result of performance

Overview of last result of performance

The company is a manufacturer and distributor of biodiesel (B100), diesel fuel (B2, B3, B4, B5), refined glycerin, raw materials and by-products and liquefied petroleum gas (LPG). For business of liquefied petroleum gas company began business in the third quarter of 2010 and ceased operations in April 2012 to focus on sales of biodiesel which main product of company. In addition, company has licensed oil trader according to section 7 of Fuel Trading Act, 2000 (Oil trader according to section 7 means oil trader of all kinds per year from 100,000 metric tons, or about 120 million liters or more) major customers of the company include major oil trader such as fuel trader according to section 7 and fuel trader according to section 10 (fuel trader according to section 7 mean fuel trader that trade volume of fuel types or a combination of all kinds per year from 30,000 metric tons or more but less than 100,000 metric tons or not reach 50,000 metric tons for the trade of liquefied petroleum gas).

For an overview of the industry in the last three years, competition in the biodiesel industry and competitive trends. And consumption of biodiesel, according to the government's policy in 2010 by the biodiesel industry continues to fluctuate. And a major manufacturer in the market. As a result, the supply in the market is higher. And price competition in the market higher. Also during the fourth quarter of 2010 due to lower oil yield severe flood events in the South. Output is less than the market expected. The stock of oil reserves fell sharply in late 2010.

In the year 22011 a change of government policy in favor of palm oil-based biodiesel in consumption poverty. Insufficient domestic sales and higher prices, the government has the clear support of the use of biodiesel to produce diesel fuel, B5 * and B3 * Balance the use of diesel fuel, B2 * in the month of January. April 2011, which makes biodiesel demand in the market decline is dramatic. Later, in early May. That same year, the government has announced an increase in the use of diesel fuel as B4 *.

Note: * B2 diesel fuel is diesel fuel (B0) with a mixture of biodiesel (B100) in the 2 percent to 98 percent oil.

* B3 diesel fuel is diesel fuel (B0) with a mixture of biodiesel (B100) in the ratio of 3 percent to 97 percent oil.

* B4 diesel fuel is diesel fuel (B0) with a mixture of biodiesel (B100) in 4 percent to 96 percent oil.

* B5 diesel fuel is diesel fuel (B0) with a mixture of biodiesel (B100) in 5 percent to 95 percent oil.

For the year 2012 was a positive year for biodiesel. Due to the production of biodiesel in the market for some operations. With the development of renewable and alternative energy, 25 per cent in 10 years (2012 BC - 2564 BC), the government aims to encourage the use of biodiesel is much easier to replace. diesel.

Moreover, company has established a subsidiary to produce and sell electricity from solar and 2 companies for business projects Solar 2 project of all four projects, namely EA Solar Co., Ltd. and EA Solar Nakornsawan Co., Ltd. Company has establish for 1 subsidiary per 1 project. In addition, four Solar power plants of company have a capacity totaling 278 MW to supply electricity to all the power of the public sector. Now EA Solar Co., Ltd. is subsidiary of company has income from business of solar power plant, capacity 8 MW, Lopburi from 17 October, 2012 the operating results in the third year, the Company and its subsidiaries had total revenue from continuing operations of six product categories.

1)Income from sale biodiesel

2)Income from sale fuel diesel

3)Income from sale refined Glycerin

4)Income from sale liquefied petroleum gas (LPG) (Start income of 3rd quarter of 2010 to 2nd quarter of 2012) and.

5)Income from sale raw material and by-product

6)Income from sale current from solar power (start income from 4th quarter of 2012)

Overview of the industry in the last 3 years, the biodiesel industry is likely to fierce competition and consumption of biodiesel, according to the government policy. By 2010, biodiesel industry continues to fluctuate and a major manufacturer is more entering market result to high demand of market, and price competition in the market is higher. Moreover, during the fourth quarter of 2010 due to lower oil yield severe flood events in the South output is less than the market expected that result to reserve of oil fell sharply in late 2010. In the year 2011 has change of government policy in favor of palm oil-based biodiesel in consumption poverty, insufficient domestic sales and higher prices. Besides, the government has the clear support of the use of biodiesel to produce as diesel fuel, B5 * and B3 * remain the use of diesel fuel B2 * in the month of January to April 2011, which makes biodiesel demand in the market decline is dramatic. Later, in early May in the same year, the government has announced an increase in the use of diesel fuel as B4 *
*Remark: * Fuel diesel B2 is fuel diesel (B0) is mixed biodiesel (B100) in portion of 2% with diesel 98%.

- Fuel diesel B2 is fuel diesel (B0) is mixed with biodiesel (B100) in portion of 2% with diesel 98%.
- Fuel diesel B3 is fuel diesel (B0) is mixed with biodiesel (B100) in portion of 3% with diesel 97%.
- Fuel diesel B4 is fuel diesel (B0) is mixed with biodiesel (B100) in portion of 4% with diesel 96%.
- Fuel diesel B5 is fuel diesel (B0) is mixed with biodiesel (B100) in portion of 5% with diesel 95%.

For the year 2012 was a positive factor year for biodiesel. Due to some producer of biodiesel in the market is stop operate business, moreover, the development of renewable and alternative energy, 25% in 10 years (2012 – 2021 of public sector is aims to encourage the use of biodiesel is much easier to replaced diesel.

Analysis result of performance

Income from sale product and total income

Revenue from the sale products of the company and its subsidiaries from 2010- 2012 was 2,624.82 million baht, 5,423.98 million baht and 4,457.73 million baht (including income support, the increase of the purchase price (Adder) from the Electricity Authority of Thailand has distribution electricity from solar energy at the rate of 8 baht per kilowatt for a period of 10 years from the start date of power purchase as commercial), respectively, or an increase percentage of 106.64 in the year 2011. Due to income has rising from sales of biodiesel and revenue from the sale of liquefied petroleum gas is a major. And for performance of 2012, the company and subsidiaries had revenues from sales were 4,457.73 million baht or decreased 17.81% from the same period of last year. Mainly due to the distribution of liquefied petroleum gas that company has ceased operations since April of 2012 of years ago, the value of sales is fall when compared with previous year was 689.57 million baht, or representing a decrease of 65.31%, followed by the value of sales of diesel fuel is decreased when compared to the previous year was 341.54 million baht, or representing a decrease of 29.71%.

Income from sale product

Income	Year of 2010		Year of 2011		Year of 2012	
	MB	%	MB	%	ล้านบาท	%
Income from sale product						
1. Biodiesel	1,851.55	70.46	3,113.90	57.33	3,133.03	69.95
2. Fuel diesel	583.45	22.20	1,149.61	21.17	808.08	18.04
3. Refined Glycerin	67.70	2.58	78.60	1.45	17.54	0.39
4. Liquefied petroleum gas	117.14	4.46	1,055.85	19.44	366.28	8.18
5. Raw material and by-product	4.98	0.19	26.01	0.48	98.27	2.19
6. Business power plant from						

Income	Year of 2010		Year of 2011		Year of 2012	
	MB	%	MB	%	ล้านบาท	%
solar cell						
6.1 Distribute current from solar cell	-	-	-	-	10.61	0.24
6.2 Income from increased energy price	-	-	-	-	23.92	0.53
Total income of sale product	2,624.81	99.89	5,423.98	99.86	4,457.73	99.53
Income from service	-	-	-	-	6.18	0.14
Other income	2.92	0.11	7.34	0.14	15.08	0.34
Total income	2,627.73	100.00	5,431.32	100.00	4,478.99	100.00

When consider portion of income from sale product company has revenue from the sale of biodiesel, representing more than 50% as highest percentage of revenue, compared with other income from the sale of biodiesel fuel in the year 2010. During 2010 to 2012 has portion of income from sale of biodiesel accounted for 70.46%, 57.33% and 69.95%, respectively. In 2010 company recognized revenue from product sales were 2,624.81 million baht, company has revenues from 5 products. Due to company began sales of liquefied petroleum gas in the 3rd quarter of 2010 with revenue income of biodiesel as a percentage 70.46%, income from diesel fuel as percentage 22.20%, income from refined glycerin as 2.58%, income of liquefied petroleum gas (LPG) as a 4.46% and revenue from raw materials and by-products is representing 0.19 percent of total revenue. In 2011 the company and subsidiary has revenue from product sales were 5,423.98 million baht or increase from 2010, representing an increase of 106.64% which company and subsidiary has income from all kinds of goods increased. The revenue from the sale of biodiesel, liquefied petroleum gas and diesel fuel, revenues include revenues from biodiesel representing 57.33%, income from diesel fuel accounted for were 21.17%, income from refined glycerin purification as 1.45%, income of liquefied petroleum gas. (LPG) as 19.44%, and revenue from raw materials and by-products representing 0.48% of total revenue. The revenue from the sale of biodiesel is growing as 68.18% due to the sale price per unit volume has increases and higher sales. Income from sale liquefied petroleum gas is growing as 801.35% due to the recognition of a full year and revenue from the sale of diesel fuel grew 97.04%.

In the year 2012, company and subsidiaries had revenues from sales were 4,457.73 million baht or decreased from 2011 as 17.81%, has portion of income such as revenues from biodiesel as 69.95%, revenue of diesel oil accounted for 18.4%, revenue from refined glycerin, representing 0.39%, revenue from liquefied petroleum gas (LPG), representing 18.8%, revenue from raw materials and by-products accounted for 2.19%, and revenue from the solar power plant consists of revenue from the sale of electricity from solar energy as 0.24% and revenue funding of the purchase price representing 0.53% of total revenue. The main cause of the decrease in revenue in 2012 has due to revenues from the sale of liquefied petroleum gas reduction is equivalent to 689.57 million baht or decreased by 65.31%, compared with the year 2011. Due to Board of Directors meeting 2/2012 on 30 March, 2012 approved the termination of the Company's products, liquefied petroleum gas sold within a month in April 2012 focus on the sale of biodiesel, which is the main

product of the company. Because of sale liquefied petroleum gas in the range from conducting business which has profit in a very low rate. Operating personnel must use quite a lot and requires a high investment in the long term. Moreover, there is a risk that the policy of government that make 2012 income of company and subsidiaries has decreased significantly due to lack of income from the sale of liquefied petroleum gas from April 2012 onwards.

The next cause is revenue from the sale of diesel fuel has decreased from a value equal to 341.54 million baht or decreased 29.71%, compared with the year 2011. Due to Board of Directors meeting 8/2012 on the 16 August, 2012 has consideration for approval to suspend doing business with companies that sell diesel fuel related (Company of Mr. Wutlert Jiaraninkulchai (included company of families) which Mr. Wutlert is shareholder as authorized director of company and executives director of company). Moreover, during the past Diesel fuel business has severe price competition in the past few months the company has no sales of diesel fuel

However, on 2012 company has revenues from the sale of biodiesel, an increase from 2011 as 0.61% by portion of revenue from the sale of biodiesel, equivalent to 69.95% of total revenue. In addition, company has revenue from sale raw materials and by- has increased from 2011 as 277.79%. Main cause of such increased was derived from company has sale crude Glycerin, up from the original. Due to during 2012 company found at the analysis of financial figures during that improve the efficiency of production lines for the production of refined glycerol (Pure Glycerin) better than the original. Company is sale crude glycerin during that period. Making a profit than selling pure glycerin is expected to improve the production process and pure glycerin. It can make a profit from the sale of pure glycerol has increased from the original. Moreover, it is necessary to drain the glycerin raw in the past due to tank has a capacity to store in limited quantities.

Income from sale raw material and by-product

Income from sale raw material and by-product of company and subsidiary on 2010-2012 is 4.98 million baht and 98.27 million baht, respectively. For income of sale raw material and by-product has particular as follows.

Particulars of income from sale raw material and by-product

Income from sale material raw and by-product	Year of 2010		Year of 2011		Year of 2012	
	MB	%	MB	%	MB	%
Income from sale raw material and by-product						
1. Income from sale palm acid	2.99	60.13	-	-	-	-
2. Income from crude Glycerin	1.99	39.87	26.01	100.00	98.14	99.87
3. Others	-	-	-	-	0.13	0.13
Total income from sale raw material and by-product	4.98	100.00	26.01	100.00	98.27	100.00

Revenue from the sale of palm acid occurred in the year of 2010, most of the revenue from the sale of FFA (Free Fatty Acid: FFA) by the first expansion in the production of crude palm oil, semi-refined (RBD). In the production process company will have fatty acids Palm PFAD (Palm Fatty Acid Distillate: PFAD) less because PFAD be in the production of crude palm oil (CPO) as crude palm oil, semi-refined (RBD) in the company to develop the process production in FFA and PFAD recycled to produce biodiesel. Since early 2011 the company had no revenue from the sale of palm acid anymore.

Moreover, the reason is that in the year 2011 and the year 2012 is likely to sell crude glycerin is higher. Because the company was sold in the crude glycerin has establish the rate of profit to the company than in a pure glycerin. Due to process pure glycerin is also point to improve the efficiency in the production process is better. This will help reduce costs and improve the profitability of the original the trend is expected to sell crude glycerin, may be less than the company can produce glycerol production line of pure and full while this process is under construction and testing (Commissioning) to wait for the manufacturer to get the full performance. With the sale of crude glycerol increased in recent year part of the full tank volume stored. Therefore it is necessary to drain the Stock to reduce storage costs and the working capital channel.

Income from service

The Company and subsidiary has revenue from services, which occurred in the first quarter of 2012 as 18.6 million baht, which is the final installment of a construction company of Surachai (1997) Co., Ltd. in position of subsidiary. Revenue is derived from employment contract of improved one school that gets the job since 2010 is occurred before the date of company to purchase shares in the Surachai (1997) Co., Ltd. and is not income from this service is takes place in the future.

Other income Other revenue of company for 2010-2012 equally 2.91 million baht, 7.34 million baht and 15.07 million baht, respectively, or represent as portion of 0.11%, 0.14% and 0.34% of total revenues, respectively. Anyhow, other revenue consists of profit from exchange rate, distribution assets, interest and sale waste material, etc.

Sale capital and initial profit

Cost of sales of the company and subsidiaries for the year 2010- 2012 were 2504.05 million baht and 5192.51 million baht and 4199.72 million baht, respectively, representing 95.40%, 95.73% and 94.08% of total revenues, respectively. Proportion of sales revenue increased in 2011 due to higher raw material prices in early 2011 and for the year 2012 the proportion of sales revenue has decreased. The ability to manage inventory, process management products and procurement process is more efficient. In addition, in 2012 the company's cost of service contract has improve some school of Surachai (1997) Co., Ltd. as 5.82 million baht, total as cost of sale and services, 4,205.54 million baht, representing 94.21% of total revenue or cost of sales is representing a decrease compared to the year 2011 with a value of sale cost is equal to the cost of goods sold 5,192.51 million baht or representing a decrease of 19.1%.

Initial profit of the company and subsidiaries of 2010 -2012 was 120.77 million baht, 231.47 million baht and 258.37 million baht, respectively, representing percent 4.60%, 4.27% and 5.79% of total revenues, respectively, for the year 2012. The Company's gross profit margin was higher than in past year due to revenues from

sales of crude glycerin during that period as part of the proceeds from the sale of raw materials and products has increased significantly. The sale of raw glycerol can be a net profit to the company rather than being distributed in the form of glycerin purification process in the production of machinery in pure glycerol could not be produced efficiency. Additional revenue funding of the purchase price (Adder) which margins is company has overall growth.

In addition, if the revenue and cost of sales of the company and subsidiaries categorized as type of business into 3 categories: production and distribution of biodiesel, liquefied petroleum gas business and production and sale of electricity from solar energy as follows.

Type of income	Year of 2010		Year of 2011		Year of 2012	
	MB	%	MB	%	MB	%
Produce and distribute biodiesel (Included raw material and by-product)						
- Income from sale						
- Sale capital	2,507.68	95.54	4,368.13	80.53	4,056.91	90.88
- Initial profit	2,398.85	91.39	4,201.89	77.47	3,847.12	86.18
	108.82	4.15	166.24	3.07	209.79	4.70
Distribute liquefied petroleum gas - Income						
from sale	117.14	4.46	1,055.85	19.47	366.28	8.21
- Sale capital	105.20	4.01	990.62	18.26	344.58	7.72
- Initial profit	11.94	0.45	65.23	1.20	21.70	0.49
Produce and Distribute current from solar cell (Included income from increased purchase price)						
- Income from sale					34.53	0.77
- Sale capital					8.01	0.18
Income from service (Subsidiary)- - Income						
from service					6.18	0.14
- Service capital					5.83	0.13
- Initial profit					0.35	0.01
Total income from sale	2,624.82	100.00	5,423.98	100.00	4,463.91	100.00

Expenditure in sale and management

The cost of sales of the Company and subsidiaries from 2010- 2012 was 80.32 million baht, 160.10 million baht and 136.86 million baht, respectively, representing 3.06%, 2.95% and 3.07% of gross income, respectively. The administrative expenses increased in 2011 due to charges in the solar power system capacity 90 MW in Nakhon Sawan province and Lampang province (2 projects for the total 3.00 million baht) and higher salaries and the cost of sales in the year 2012, the company had significant changes in the selection of the commercial liquefied petroleum gas in the first quarter of the second year, in 2012 the costs

associated with such income including transportation costs and commissions paid to the cost of liquefied petroleum gas business down.

Cost of sales for the company to pay the LPG distribution business to a company that is responsible for shipping and commission agent in the liquefied petroleum gas, down from 45.46 million baht in 2011 to just 14.43 million baht in 2012.

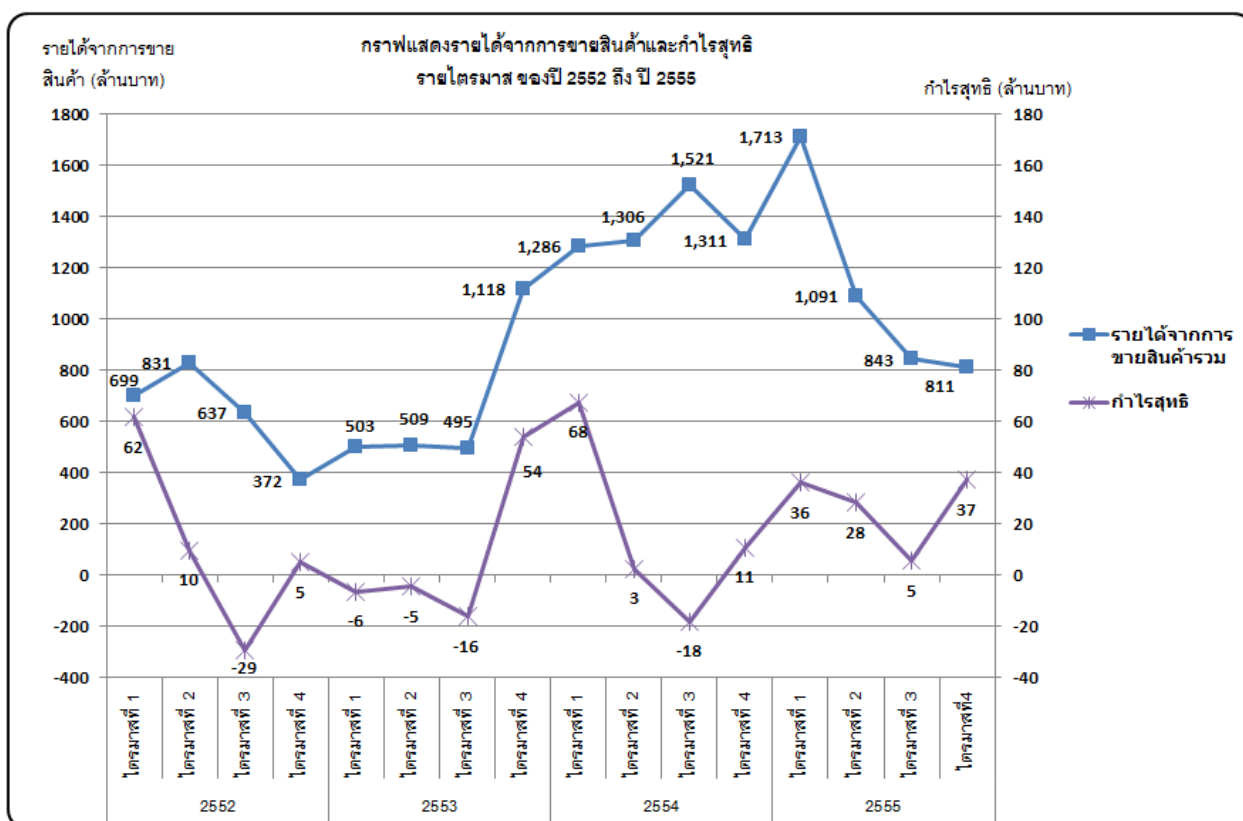
Financial capital

Financial costs of the Company and subsidiaries from 2010 - the year 2012 was 15.3 million baht, 17.58 million baht and 29.43 million baht, respectively, representing 0.57%, 0.32% and 0.66% of total revenues, respectively. Higher costs in 2011 due to financial and subsidiary companies to use more short-term credit for working capital to support sales growth including long-term loans from financial institutions for the expansion of the plant to buy crude palm oil production, manufacturing glycerin and machinery in the production process of biodiesel (PFAD Esterification). Finance costs increased in 2012 due to the withdrawal of short-term loans from financial institutions. The outstanding balance as at 31 December, 2012 were 445.43 million baht compared to as at 31 December 2011 the balance outstanding was 178.36 million baht said the company has already drawn term loans to farm. Capital in a business-related field solar power plant, including the guarantee of money to put in an offer for the sale of power to the Electricity Generating Authority of Thailand (EGAT) and the deposit. The land contracts for solar power plant construction projects, investments in subsidiaries, etc. The company also has long-term loans outstanding increased from the original. The outstanding balance as at 31 December 2012 were 746.33 million baht compared to as at 31 December, 2011 the balance outstanding was 233.97 million baht that the company has drawn down loans to continue the construction of solar power plants, Lopburi.

Net profit and net profit rate

Company and subsidiary have net profit (only with respect to the large company) in 2010 - 2012 was 26.91 million baht, 63.01 million baht and 107.05 million baht, respectively, representing a net profit margin 1.03%, 1.16% and 2.40% of the total revenues. By the year 2011, the company and subsidiaries had a net profit rate increased slightly compared with the year 2010, the company accounted for by the higher cost of the business of bio-diesel and liquefied petroleum gas it also has sales and administrative expenses increased. However, the proportion of low-cost financing and no income tax in 2011 due to a tax deduction for the business which has been promoted by the Board of Investment and the parties have not been promoted. The operating loss does not have to pay income tax for the year 2012, the company and subsidiaries had net profit margin increased from 2011 due to the birth of the revenue from the sale of raw materials and products has increased significantly. Moreover, ability to manage costs more effectively and administrative expenses to sales down from the original. Cancellation of the liquefied petroleum gas business in the fourth quarter of 2012, the company began the year with revenue from power plant 8 MW of solar capacity in Lopburi. The Company's net income was soared.

In addition, exhibit revenue graph from sale product and net profit (only part of large company) from 1st quarter of 2009 to 4th quarter of 2012 as follows.



Remark: Income from total sale product, excluded income from service and other income.

From graph income from sales and net income (only with respect to the large company) from quarter 1st of 2009 to quarter 4th of year 2012 as above can be seen that the income from sales and net profits as whole. The decrease from the third quarter of Low Season each year, usually in the first year due to the sale of biodiesel to the Low Season in the rainy season, since most consumers are in the construction, transportation, and the rainy season will affect the business operations of these industries. As a result, fuel consumption is reduced.

Allowance to shareholder

The company and subsidiaries had shareholders' return on equity in the years 2010 - 2012 year, 15.06%, 08.28% and 10.08%, respectively. Company has part of shareholder (only with respect to the large company) was 538.02 million baht, 984.87 million baht and 1,139.58 million baht, respectively. Part of shareholder of company and subsidiaries increased steadily by the year 2011, the company and shareholders was paid-up from 279.38 million baht in 2010 to 305.00 million baht and share premium increased from 219.42 million baht in 2010 to 578.10 million baht. For 2011 and 2012, company and subsidiaries as of shareholders of the Company increased its paid-up capital amounting to 317.00 million baht and has a share capital increase was 746.10 million baht.

2.2 Financial position of company

Assets

At 31 December of 2010 – 2012 company and subsidiary have total assets for 1,071.10 million baht, 1,724.88 million baht and 2,545.06 million baht, respectively as particulars as follows.

- Cash and equivalent cash

As at 31 December 2010, company had cash and cash equivalents were 63.34 million baht, representing 5.91% of total assets and increased to 181.30 million baht at December 31, 2011, respectively, representing 10.51% of total assets as at 31 December 2012, company had cash and cash equivalents decreased to 67.34 million baht, representing 2.64% of total assets.

- Account payable and allowance for doubtful account

As at 31 December, 2010 company had accounts receivable - net 302.73 million baht, representing 28.26% of total assets and decreased to 177.84 million baht and 158.23 million baht as at 31 December 2011 and at on December 31, 2012, respectively, representing 10.31% and 6.22% of total assets, respectively. Calculation from the average collection in 2010-2012 was equivalent to 29.48 days, 15.95 days and 13.55 days, respectively.

The Company and its subsidiaries other receivables was 11.85 million, 43.31 million and 7.91 million, respectively, which include accounts receivable and deposits paid for the goods.

Premiums paid in advance. Prepaid expenses etc.

- Inventory

The value of inventories as at 31 December 2012, down from the part of the company's policy for managing inventory in a more efficient biodiesel. By trying to reduce the amount of time in storage stock in the form of raw materials, goods in process and finished products in accordance with the sale plan during third quarter of year 2012.

- Land, building and tools– net

As at 31 December, 2010, company and subsidiaries have land, building and equipment - net 464.80 million baht or 43.39% of total assets. And increased steadily to 927.73 million baht and 1,896.29 million baht as at 31 December, 2011 and at 2012, respectively or representing 53.79% and 74.51% of total assets, respectively. For a list of the main assets include the assets, machinery, land and buildings and improvements can be summarized by the balance of property, plant and equipment by asset class as at 31 December 2011 and 31 December 2012 were as follows.

Unit: MB

Land building and instrument	At 31 December, 2011	At 31 December, 2012
Land	244.35	78.10
Building and improved	56.93	90.31
Rental building improved	6.19	5.41

Land building and instrument	At 31 December, 2011	At 31 December, 2012
Machinery	293.48	314.19
Tools and instrument of factory	14.49	10.05
Tools and accessories	3.71	6.00
Vehicle	1.67	5.35
Rent assets	-	272.01
Install assets	306.91	382.85
Power plant and Equipment of generating power	-	732.02
Total	927.73	1,896.29

During 2010-2012 company has detail of investment for extending and improved production, including investment for construction power plant of solar cell as particulars as follows.

Unit: MB

Description of investment	Year of 2010	Year of 2011	Year of 2012
Biodiesel and central	51.07	102.58	141.18
Palm tower COP	-	87.86	31.15
Refined Glycerin	5.99	53.98	53.29
Solar power plant	-	275.56	824.68
Total (Sum of cash flow from investment)	57.06	519.98	1,050.30-

- Intangible assets – net

As at 31 December, 2010, company has no items of intangible assets, but as of December 31, 2011 and as at 31 December, 2012, company had intangible assets was 42.46 million baht or equivalent to 2.46% and 1.65% of total assets, respectively. The intangible assets arising from May 2011, company purchased shares of Surachai (1997) Co., Ltd, the shares of shareholders who are not parties to the 9,000 shares or equivalent to 75.00 of the share capital in the company, 5583.33 per share in amount of 50.25 million baht (including costs directly attributable to the acquisition amounted 250,000baht) of the cost of acquisition over the net (Intangible assets) amounted to 42,461,197.39 baht, which was paid in exchange for the future economic benefits expected to be received from the sale of electricity from small power producers. For solar power projects, capacity of 8 MW in Lopburi will be added to the purchase price of electricity (Adder), Very Small Power Producer (VSPP) of renewable energy at a rate of 8 per unit of time for a price increase of 10 years from the date of the PPA.

Other fixed assetsAs of December 31, 2010 and the year 2011and 2012 company and subsidiary have other current assets - net 0.75 million baht, 9.97 million baht and 13.00 million baht, respectively or representing 0.07%, 0.58% and 0.51% of total assets. By other fixed assets consists of rental deposits for office, tax paid in advance and deposits for purchase of fixed assets.

Liquidity

As of December 31, 253 company and subsidiaries had assets equal to 549.90 million baht or 51.34% of total assets and increased to 624.61 million baht or representing 36.21% of total asset at 31 December, 2011. Because of increase in assets resulting from an increase in cash and cash equivalents, trade and inventory is important. On December 31, 2012, the Company and subsidiaries had assets equal to 466.82 or representing 18.34% of total assets. This was due to a decrease in current assets due to the reduction of the list. Cash and cash equivalents, other receivables and inventories are important.

As at 31 December, 2010, company and subsidiaries had assets equal to 490.20 million baht or representing 45.77% and increased to 524.80 million baht and 767.49 million baht at 31 December, 2011 and at 31 December 2012, respectively accounted for 30.43% and 30.16% of total assets, respectively. This was due to an increase in current liabilities in 2011 resulted from an increase in accounts payable is an important asset. Resulting from the manufacturing process to improve the capacity of biodiesel and the business is in the process of building a solar power plant at Lopburi province for the year 2012 and the company's current liabilities increased significantly from short-term loans from financial institutions. From the use of working capital in the business-related aspects, including the solar energy power plant in guaranteed money to put in an offer for the Operation of the Electricity Generating Authority of Thailand (EGAT), the deposit agreement and the sale of land for the construction of solar power plants, etc.

From changes in current assets and current liabilities such. As a result, the Company's ratio equal to 1.12 times in 2010 and increased to 1.19 times in 2011 and decreased to 0.61 times in 2012, as company has accounted for the increase in current assets is less than the percentage increase in liabilities, in particular, the current short-term loans from financial institutions. And the long-term loans from financial institutions due within one year increased significantly. The company is supported by long-term loans from financial institutions for the construction of solar power plants at Lopburi.

Considering Cash Cycle of company and subsidiaries can be found in 2010 company has Cash Cycle was 37.67 days and 19.82 days in 2011, a decrease of the average collection period. Time Average Sales declined and in 2012. Company has Cash Cycle increased to 21.69 days due to the length of the average decreased from 16 days to 14 days and inventory average increase from 12 days to 15 days.

Source of fund

Debt

At 31 December of 2010 and 2011, company and subsidiary have total debt 533.07 million baht, 707.97 million baht and 1,403.24 million baht, respectively or portion as 49.77%, 41.04% and 55.14% of total assets, respectively as particulars of debt as follows.

- Short loan from financial institute

As at 31 December 2010, company had short-term loans from financial institutions was 180.67 million baht or 16.87% of total assets. And decreased slightly to 178.36 million, representing a ratio 10:34 of total assets as at 31 December 2011 and as at 31 December 2012. Company had short-term loans from financial institutions was 445.43 million or 17.50% of the total assets. The increase in short-term borrowings from the issuance of promissory notes to be used as working capital to conduct its business, revolving credit facility. The increase will be applied in respect of the renewable energy power business of the company is important.

- Account receivable

As at 31 December 2010, company had accounts payable is equal to 125.91 million baht or 11.76% of total assets and decreased continuously 102.21 million baht and 47.45 million baht, respectively, or representing 5.93% and 1.86% of total assets. Which can be calculated from the average debt in 2010 - the year 2012 was 11 days, 8 days and 6 days, respectively, by the accounts payable decreased significantly due. The Company's policy is to manage inventory more efficiently, by trying to reduce the amount of time in storage stock. By focusing on the delivery order and deliver the products to customers in the shortest period of time.

- Other creditor

Company and subsidiaries have long-term loans from financial institutions (Including current portion due within one year) as at 31 December 2010 was 89.56 million baht or representing 8.36% of total assets and increased to 233.97 million bat and 746.33 million baht as at 31 December, 2011 and at 31 December, 2012, respectively, or representing 13.56% and 29.32% of total assets, respectively. Mainly due to borrowing loan increase has used to expand the capacity of biodiesel business to buy crude palm oil production, manufacturing glycerin, Ester machine. In 2012 and long-term loans from financial institutions has increased significantly that why the company has drawn down loans for the construction of solar power plants. 8 MW capacity in Lopburi.

- Shareholder part

As at 31 December of 2010 - 2012, company and subsidiaries had shareholders' equity increased continuously at 538.03 million baht 1,016.90 million baht and 1,141.82 million baht, respectively, or representing of 50.23%, 58.95% and 44.86% of total assets, respectively. By the shareholders to continue the company has a paid-up capital of 279.38 million as at 31 December, 2010 was 305.00 million baht and 317.00 million baht as at 31 December, 2011 and the Forum, 2012, respectively. Increase the offering of such shares at a price higher than the par value, as a result company's share capital as at 31 December, 2010, 2011 and 2012 were 219.42 million baht, 578.10 million baht and 746.10 million baht, respectively.

However, in 2010 the General Meeting of Shareholders approved the dividend from retained earnings as of December 31, 2009 at 0.03 baht per totaling 75 million baht and in 2012 the General Meeting of Shareholders approved. Payment of dividends to shareholders of 0.028 baht per share, totaling 85.4

million share of the cost of operations in 2010 amounted to 27,048,913.27 baht from 2011 and the amount of 58,351,086.73 baht.

Shareholders' equity as of 31 December, 2012 to show the other elements of the shareholders' equity was negative 46.94 million baht transactions arising from surplus on investment in subsidiary (Surachai (1997) Co., Ltd.) was added at a lower price than the book value of the subsidiary at the acquisition date fair value of 0.99 million and a lower cost of investment in subsidiary (EA Solar Co., Ltd.) was added at a high price than the carrying value of the subsidiary at the acquisition date was negative 47.94 million. The difference between the book value with accounting value of subsidiary is approximately 0.99 million baht. For debt to equity shareholders of the Company and its subsidiaries as at 31 December, 2010 was 0.99 years in 2011 and 2012 is 0.72 times and 1.23 times, respectively. Changing in the ratio of debt to equity caused by changes in the short-term and long-term loans from financial institutions and changes in the authorized share capital and paid-up share capital of the Recapitalization is critical.

Cash flow

Company and subsidiaries had net cash provided by (used in) from operating activities in fiscal year 2010, 2011 and 2012 were -62.59 million baht, 188.43 million baht and 142.94 million baht, respectively. Cash flow was acquired during 2011 due to changes in trade accounts receivable, inventories and payable to the increase of the former is more important, and for 2012, cash flow from operating activities has changed significantly from the profit before tax increased from the original list and the cash from the retention structure resulting from the construction of solar power plants at Lopburi.

For Net cash provided by (used in) investing in fiscal year 2010, 2011 and 2012 have used continuously at 48.64 million baht, 544.34 million baht and 1,100.09 million baht, respectively. Due to expansion in the business of building a biodiesel plant and the purchase of fixed assets for use in solar power projects is important.

3. Audit fee

1. Audit Fee

Company and subsidiary has payment fee for audit of 2010-2012 to Pitisevi Office, auditor of company and subsidiary as follows.

Unit: MB

Auditing fee	Year of 2010	Year of 2011	Year of 2012
1. Energy Absolute Public Company Limited	640,000	670,000	750,000
2. EA Sola Co., Ltd.	-	80,000 ¹	330,000
3. Surachai (1997) Co., Ltd.	-	190,000 ¹	35,000
4. Surachai (1997) Solar Co., Ltd.	-	28,000 ¹	35,000

Auditing fee	Year of 2010	Year of 2011	Year of 2012
5. Petroplanet Co., Ltd.	27,000	27,000	27,000
6. Continental Oils Co., Ltd.	27,000	27,000	27,000
7. Sahapanich Petroleum Co., Ltd.	27,000	27,000	27,000
8. Energy Solution Management Co., Ltd.	-	-	100,000 ^{/2}
9. EA Solar Nakornsawan Co., Ltd.	-	-	47,000 ^{/2}
Total	721,000	1,049,000	1,378,000

Remark: ^{/1} : Audit fee for quarter 2-3 of 2011 and 2011

^{/2} : Audit fee for quarter 3 of 2011 and 2012

2. Non Audit Fee

Company has examine service and provided document about examine implement according to condition of promotion investment card from Promotion Investment Commission for 2010-2012 to Pitisewe Office, auditor of company as follows.

Unit: MB

Non audit fee	Year of 2010	Year of 2011	Year of 2012
Energy Absolute Public Company Limited	30,000	60,000	60,000



Financial Statement and Notes to Financial Statement

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF
ENERGY ABSOLUTE PUBLIC COMPANY LIMITED

I have audited the accompanying consolidated financial statements of ENERGY ABSOLUTE PUBLIC COMPANY LIMITED and its subsidiaries and the separate financial statements of ENERGY ABSOLUTE PUBLIC COMPANY LIMITED, which comprise the consolidated and separate statements of financial position as at December 31, 2012, and the related consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

INDEPENDENT AUDITOR'S REPORT (Con't) -2-

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of ENERGY ABSOLUTE PUBLIC COMPANY LIMITED and its subsidiaries and of ENERGY ABSOLUTE PUBLIC COMPANY LIMITED as at December 31, 2012, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

(Chaovana Viwatpanachati)

Certified Public Accountant (Thailand) No. 4712

PITISEVI & COMPANY

8/4 Floor 1st, 3rd Soi Viphavadee 44

Chatuchak, Bangkok

February 28, 2013

ENERGY ABSOLUTE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2012

		Unit : Baht			
		Consolidated		Separate	
Note		2012	2011	2012	2011
<u>ASSETS</u>					
CURRENT ASSETS					
Cash and cash equivalents	7	67,343,892.55	181,300,917.58	56,179,030.85	96,140,843.53
Trade accounts and other receivable - net	6, 8	166,135,060.11	221,147,417.64	141,605,615.24	222,741,288.60
Short-term loans to subsidiaries	6	-	-	38,800,000.00	50,000.00
Short-term loans to other person and company	9	4,400,925.00	10,630,255.00	392,550.00	630,255.00
Inventories	10	161,125,058.85	178,542,667.28	161,125,058.85	178,542,667.28
Refund receivable from Oil Stabilization Fund		223,685.41	7,816,437.01	223,685.41	7,816,437.01
Advance payment for land		17,047,915.11	13,790,466.75	17,047,915.11	13,790,466.75
Other current assets	11	50,543,206.23	11,384,122.63	722,229.67	5,599,501.41
Total current assets		466,819,743.26	624,612,283.89	416,096,085.13	525,311,459.58
NON-CURRENT ASSETS					
Deposits at financial institution held as collaterals	12, 36.6	112,107,266.86	56,097,168.18	92,735,226.46	56,097,168.18
Advance payment for investment in subsidiary	13	1.00	-	1.00	-
Investments in subsidiaries	14	-	-	224,678,770.00	119,147,900.00
Long-term loans to subsidiaries and related person	6	-	60,000,000.00	71,400,000.00	131,400,000.00
Long-term loan to other person	9	-	4,008,375.00	-	-
Investment property	15	-	-	272,008,214.24	-
Property, plant and equipment - net	16	1,896,285,557.06	927,724,601.56	828,243,577.52	823,920,405.95
Deferred right to use transmission line	17	14,736,572.69	-	-	-
Intangible assets	14	42,108,514.23	42,461,197.39	-	-
Other non-current assets		13,003,821.54	9,973,850.44	12,040,124.78	9,645,285.00
Total non-current assets		2,078,241,733.38	1,100,265,192.57	1,501,105,914.00	1,140,210,759.13
TOTAL ASSETS		2,545,061,476.64	1,724,877,476.46	1,917,201,999.13	1,665,522,218.71

ENERGY ABSOLUTE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (Cont.)

AS AT DECEMBER 31, 2012

		Unit : Baht			
		Consolidated		Separate	
	Note	2012	2011	2012	2011
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>					
CURRENT LIABILITIES					
Short-term loans from financial institutions	18	445,425,940.22	178,356,627.32	445,425,940.22	178,356,627.32
Trade accounts and other payable	6, 19	66,206,216.34	135,135,238.81	62,041,390.71	134,557,772.83
Current portion					
Long-term loans from financial institutions	21	114,624,045.00	52,530,000.00	65,040,000.00	52,530,000.00
Liabilities under finance lease contracts	22	1,360,308.00	232,250.04	1,360,308.00	232,250.04
Short-term loan from related person	6	-	30,600,000.00	-	-
Assets payable		54,162,564.91	65,798,184.62	7,078,047.70	65,798,184.62
Deposits for goods		125,992.28	29,148,177.03	125,992.28	29,148,177.03
Retention for construction work		73,110,642.05	-	-	-
Other current liabilities		12,475,878.37	33,006,690.38	10,025,473.22	32,931,030.38
Total current liabilities		767,491,587.17	524,807,168.20	591,097,152.13	493,554,042.22
NON-CURRENT LIABILITIES					
Long-term loan from related person	6	-	240,000.00	-	-
Long-term loans from financial institutions - net	21	631,707,131.84	181,441,176.84	133,401,176.84	181,441,176.84
Liabilities under finance lease contracts - net	22	2,925,573.82	658,041.62	2,925,573.82	658,041.62
Employee benefit obligations	23	1,114,860.00	827,263.00	1,109,257.00	827,263.00
Total non-current liabilities		635,747,565.66	183,166,481.46	137,436,007.66	182,926,481.46
TOTAL LIABILITIES		1,403,239,152.83	707,973,649.66	728,533,159.79	676,480,523.68

Notes to the financial statements are an integral part of these financial statements.

ENERGY ABSOLUTE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (Cont.)

AS AT DECEMBER 31, 2012

		Unit : Baht			
		Consolidated		Separate	
	Note	2012	2011	2012	2011
<u>LIABILITIES AND SHAREHOLDERS' EQUITY (Cont.)</u>					
SHAREHOLDERS' EQUITY					
Share capital	24				
Authorized share capital					
3,730,000,000 common shares of Baht 0.10 each in 2012					
3,600,000,000 common shares of Baht 0.10 each in 2011		373,000,000.00	360,000,000.00	373,000,000.00	360,000,000.00
Issued and fully paid-up share capital					
3,170,000,000 common shares of Baht 0.10 each in 2012					
3,050,000,000 common shares of Baht 0.10 each in 2011		317,000,000.00	305,000,000.00	317,000,000.00	305,000,000.00
Share premium	24	746,100,000.00	578,100,000.00	746,100,000.00	578,100,000.00
Retained earnings					
Appropriated - legal reserve	25	17,700,000.00	12,400,000.00	17,700,000.00	12,400,000.00
Unappropriated		105,721,033.87	89,374,442.28	107,868,839.34	93,541,695.03
Other components of shareholders' equity	14	(46,944,910.35)	-	-	-
Equity attributable to owners of the parent company		1,139,576,123.52	984,874,442.28	1,188,668,839.34	989,041,695.03
Non-controlling interests		2,246,200.29	32,029,384.52	-	-
Total shareholder's equity		1,141,822,323.81	1,016,903,826.80	1,188,668,839.34	989,041,695.03
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,545,061,476.64	1,724,877,476.46	1,917,201,999.13	1,665,522,218.71

Notes to the financial statements are an integral part of these financial statements.

ENERGY ABSOLUTE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2012**

		Unit : Baht			
		Consolidated		Separate	
	Note	2012	2011	2012	2011
REVENUES					
Sales income - net		4,335,535,642.98	5,397,970,517.34	4,324,923,097.12	5,397,970,517.34
Government grant	27	23,920,320.00	-	-	-
Income from sales of by products - net		98,269,989.20	26,011,992.20	98,269,989.20	26,011,992.20
Proceeds from services		6,183,000.00	-	-	-
Other incomes	6	15,076,664.54	7,338,898.77	21,069,932.71	10,224,157.30
Total revenues		4,478,985,616.72	5,431,321,408.31	4,444,263,019.03	5,434,206,666.84
COST AND EXPENSES					
Cost of sales	6	4,199,715,777.06	5,192,509,310.52	4,191,705,494.61	5,192,509,310.52
Cost of services		5,826,000.00	-	-	-
Selling expenses	6	60,052,096.94	104,015,780.49	60,052,096.94	104,015,780.49
Administrative expenses	6	76,807,326.75	56,087,955.40	64,912,620.93	51,902,851.73
Total expenses		4,342,401,200.75	5,352,613,046.41	4,316,670,212.48	5,348,427,942.74
PROFIT BEFORE FINANCE COST AND INCOME TAX					
		136,584,415.97	78,708,361.90	127,592,806.55	85,778,724.10
Finance cost	6	(29,434,425.77)	(17,584,313.11)	(22,565,662.24)	(17,352,298.04)
PROFIT BEFORE INCOME TAX		107,149,990.20	61,124,048.79	105,027,144.31	68,426,426.06
Corporate income tax	30	(52,305.06)	-	-	-
NET PROFIT FOR THE YEAR		107,097,685.14	61,124,048.79	105,027,144.31	68,426,426.06
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		107,097,685.14	61,124,048.79	105,027,144.31	68,426,426.06
ATTRIBUTABLE PROFIT					
Owners of the parent		107,046,591.59	63,015,568.13		
Non - controlling interests		51,093.55	(1,891,519.34)		
NET PROFIT FOR THE YEAR		107,097,685.14	61,124,048.79		
ATTRIBUTABLE TOTAL COMPREHENSIVE INCOME (LOSS)					
BASIC EARNINGS (LOSS) PER SHARE (BAHT : SHARE)					
OWNERS OF THE PARENT	28	<u>0.034</u>	<u>0.022</u>	<u>0.034</u>	<u>0.023</u>

Notes to the financial statements are an integral part of these financial statements.

ENERGY ABSOLUTE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2012

Unit : Baht

	Note	Consolidated						Total equity attribute to the parent	Non-controlling interest	Total
		Equity attributable to owners of the parent								
		Issued and fully paid-up share capital	Share premium	Retained earnings		Other Component of shareholders' equity				
				Appropriated- legal reserve	Unappropriated	Deficit on investments in subsidiary arising as a result of acquisitions of additional shares	Surplus on investments in subsidiary arising as a result of acquisitions of additional shares			
Beginning balance as at January 1, 2011 (Before adjusted)		279,380,000.00	219,420,000.00	6,800,000.00	32,421,194.15	-	-	538,021,194.15	10,866.60	538,032,060.75
Effect from change in accounting policy of employee benefits		-	-	-	(462,320.00)	-	-	(462,320.00)	-	(462,320.00)
Ending balance as at January 1, 2011 (After adjusted)		279,380,000.00	219,420,000.00	6,800,000.00	31,958,874.15	-	-	537,558,874.15	10,866.60	537,569,740.75
Increase in non-controlling interests		-	-	-	-	-	-	-	33,910,037.26	33,910,037.26
Increase in share capital		25,620,000.00	358,680,000.00	-	-	-	-	384,300,000.00	-	384,300,000.00
Legal reserve		-	-	5,600,000.00	(5,600,000.00)	-	-	-	-	-
Total comprehensive income for the year		-	-	-	63,015,568.13	-	-	63,015,568.13	(1,891,519.34)	61,124,048.79
Ending balance as at December 31, 2011		305,000,000.00	578,100,000.00	12,400,000.00	89,374,442.28	-	-	984,874,442.28	32,029,384.52	1,016,903,826.80
Decrease in non-controlling interests		-	-	-	-	-	-	-	(29,834,277.78)	(29,834,277.78)
Increase in share capital	24	12,000,000.00	168,000,000.00	-	-	-	-	180,000,000.00	-	180,000,000.00
Legal reserve	25	-	-	5,300,000.00	(5,300,000.00)	-	-	-	-	-
Total comprehensive income for the year		-	-	-	107,046,591.59	-	-	107,046,591.59	51,093.55	107,097,685.14
Deficit on investments in subsidiary arising as a result of acquisitions of additional shares	14	-	-	-	-	(47,937,710.91)	-	(47,937,710.91)	-	(47,937,710.91)
Surplus on investments in subsidiary arising as a result of acquisitions of additional shares	14	-	-	-	-	-	992,800.56	992,800.56	-	992,800.56
Dividend paid	26	-	-	-	(85,400,000.00)	-	-	(85,400,000.00)	-	(85,400,000.00)
Ending balance as at December 31, 2012		317,000,000.00	746,100,000.00	17,700,000.00	105,721,033.87	(47,937,710.91)	992,800.56	1,139,576,123.52	2,246,200.29	1,141,822,323.81

Notes to the financial statements are an integral part of these financial statements.

ENERGY ABSOLUTE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2012

Unit : Baht					
Note	Separate				
	Issued and fully paid-up share capital	Share premium	Retained earnings		Total
			Appropriated legal reserve	Unappropriated	
Beginning balance as at January 1, 2011 (Before adjusted)	279,380,000.00	219,420,000.00	6,800,000.00	31,177,588.97	536,777,588.97
Effect from change in accounting policy of employee benefits	-	-	-	(462,320.00)	(462,320.00)
Ending balance as at January 1, 2011 (After adjusted)	279,380,000.00	219,420,000.00	6,800,000.00	30,715,268.97	536,315,268.97
Increase in share capital	25,620,000.00	358,680,000.00	-	-	384,300,000.00
Legal reserve	-	-	5,600,000.00	(5,600,000.00)	-
Total comprehensive income for the year	-	-	-	68,426,426.06	68,426,426.06
Ending balance as at December 31, 2011	305,000,000.00	578,100,000.00	12,400,000.00	93,541,695.03	989,041,695.03
Increase in share capital	24 12,000,000.00	168,000,000.00	-	-	180,000,000.00
Legal reserve	25 -	-	5,300,000.00	(5,300,000.00)	-
Total comprehensive income for the year	-	-	-	105,027,144.31	105,027,144.31
Dividend paid	26 -	-	-	(85,400,000.00)	(85,400,000.00)
Ending balance as at December 31, 2012	317,000,000.00	746,100,000.00	17,700,000.00	107,868,839.34	1,188,668,839.34

Notes to the financial statements are an integral part of these financial statements.

ENERGY ABSOLUTE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2012

		Unit : Baht			
		Consolidated		Separate	
	Note	2012	2011	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES					
Net profit before income tax		107,149,990.20	61,124,048.79	105,027,144.31	68,426,426.06
Reconciliation of net profit (loss) to net cash provided by (used in) operating activities:					
Depreciation expenses	16	61,348,925.74	50,903,601.85	54,298,093.26	50,902,146.09
Amortization of right to use transmission line	17	123,427.31	-	-	-
Amortization of right in power purchase agreement	14	352,683.16	-	-	-
Impairment of investments		-	-	198,600.00	-
Recovery from doubtful accounts	8	(1,424,954.38)	-	(1,424,954.38)	-
Post-employee benefit expenses	23	287,597.00	364,943.00	281,994.00	364,943.00
Reversal for diminution in value and slow moving inventories		-	(246,869.17)	-	(246,869.17)
Loss from written-off fixed assets		23,343.94	14,362.35	-	14,362.35
Gain on disposal of fixed assets		(163,823.22)	-	(163,823.22)	-
Reversal of provision for allowance for doubtful accounts		(1,000,254.09)	-	(1,000,254.09)	-
Interest expenses		23,858,648.60	17,584,313.11	22,565,662.24	17,352,298.04
Profit (loss) provided by operating activities before changes in operating assets and liabilities		190,555,584.26	129,744,399.93	179,782,462.12	136,813,306.37
Decrease (Increase) in operating assets:-					
Trade accounts and other receivable		56,437,311.91	96,040,133.38	82,560,627.74	91,840,474.84
Inventories		17,417,608.43	(17,103,975.64)	17,417,608.43	(17,103,975.64)
Refund receivable from Oil Stabilization Fund		7,592,751.60	2,387,591.99	7,592,751.60	2,387,591.99
Other current assets		(38,876,130.29)	(9,319,998.35)	5,101,757.26	(3,825,066.32)
Other non-current asset		(2,029,717.01)	(9,226,248.77)	(1,394,585.69)	(8,897,710.00)
Increase (Decrease) in operating liabilities:-					
Trade accounts and other payable		(68,929,022.47)	5,493,102.15	(72,516,382.12)	5,193,876.24
Assets payable		(18,713,667.41)	(9,674,057.06)	(65,798,184.62)	(9,674,057.06)
Deposits for goods		(29,022,184.75)	13,481,989.12	(29,022,184.75)	13,481,989.12
Retention for construction work		73,110,642.05	-	-	-
Other current liabilities		(20,754,148.29)	6,783,882.30	(22,905,557.16)	7,013,347.12
Cash provided by (used in) operating activities		166,789,028.03	208,606,819.05	100,818,312.81	217,229,776.66
Interest paid		(23,515,656.14)	(17,352,298.04)	(22,565,662.24)	(17,352,298.04)
Income tax paid		(329,335.96)	(2,824,608.59)	(224,485.52)	(2,564,074.41)
Net cash provided by (used in) operating activities		142,944,035.93	188,429,912.42	78,028,165.05	197,313,404.21

Notes to the financial statements are an integral part of these financial statements.

ENERGY ABSOLUTE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Cont.)

FOR THE YEAR ENDED DECEMBER 31, 2012

		Unit : Baht			
		Consolidated		Separate	
	Note	2012	2011	2012	2011
CASH FLOWS FROM INVESTING ACTIVITIES					
(Increased) decreased in deposits at financial institution					
held as collateral		(56,010,098.68)	(440,353.56)	(36,638,058.28)	(440,353.56)
Advance payment for acquisition of					
investments in subsidiary	13	(1.00)	-	(1.00)	-
Decreased in other long-term investment		-	382,500.00	-	-
Short-term loans to other person	9	(123,062,550.00)	(10,630,255.00)	(392,550.00)	(630,255.00)
Receipt of short-term loans to other person	9	133,300,255.00	-	630,255.00	-
Short-term loans to subsidiaries	6	-	-	(51,700,000.00)	-
Receipt of short-term loans to subsidiaries	6	-	-	12,950,000.00	-
Long-term loans to subsidiaries and related person	6	-	(60,000,000.00)	-	(131,400,000.00)
Receipt of long-term loans to related company	6	60,000,000.00	-	60,000,000.00	-
Long-term loan to other person	9	-	(4,008,375.00)	-	-
Acquisitions of investment in subsidiaries	14	(75,356,448.59)	(50,250,000.00)	(105,729,470.00)	(118,850,000.00)
Cash received from non-controlling interest of					
subsidiary for additional investment in subsidiary		-	33,910,037.26	-	-
Acquisitions of investment property	15	(107,566,693.00)	-	(107,566,693.00)	-
Acquisitions of fixed assets	16	(913,918,146.24)	(439,508,512.88)	(213,066,082.00)	(343,348,755.26)
Acquisition of right to use transmission line	17	(14,860,000.00)	-	-	-
Receipt from disposal of fixed assets		640,757.01	-	640,757.01	-
Advance payment for land		(3,257,448.36)	(13,790,466.75)	(3,257,448.36)	(13,790,466.75)
Net cash provided by (used in) investing activities		(1,100,090,373.86)	(544,335,425.93)	(444,129,290.63)	(608,459,830.57)
CASH FLOWS FROM FINANCING ACTIVITIES					
Increased in short-term loans from financial institutions		267,069,312.90	(2,310,474.55)	267,069,312.90	(2,310,474.55)
Decreased in liabilities under factoring contracts		-	(80,803,429.47)	-	(80,803,429.47)
Receipt of short-term loans from related person	6	85,170,000.00	30,600,000.00	40,000,000.00	-
Repayments of short-term loans from					
related person	6	(115,770,000.00)	-	(40,000,000.00)	-
Receipt of long-term loan from related person	6	10,000.00	240,000.00	-	-
Repayments of long-term loan from related person		(250,000.00)	(2,567,996.89)	-	-
Receipt of long-term loans from					
financial institutions	21	564,890,000.00	183,176,176.84	17,000,000.00	183,176,176.84

Notes to the financial statements are an integral part of these financial statements.

ENERGY ABSOLUTE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Cont.)

FOR THE YEAR ENDED DECEMBER 31, 2012

		Unit : Baht			
		Consolidated		Separate	
	Note	2012	2011	2012	2011
CASH FLOWS FROM FINANCING ACTIVITIES (Cont.)					
Repayments of long-term loans from					
financial institutions	20	(52,530,000.00)	(38,769,000.00)	(52,530,000.00)	(38,769,000.00)
Dividend paid	26	(85,400,000.00)	-	(85,400,000.00)	-
Receipt of increased capital - Parent company	24	12,000,000.00	25,620,000.00	12,000,000.00	25,620,000.00
Receipt of share premium - Parent company	24	168,000,000.00	358,680,000.00	168,000,000.00	358,680,000.00
Net cash provided by (used in) financing activities		843,189,312.90	473,865,275.93	326,139,312.90	445,593,272.82
Net increase (decrease) in cash and cash equivalents		(113,957,025.03)	117,959,762.42	(39,961,812.68)	34,446,846.46
Cash and cash equivalents at beginning of the year		181,300,917.58	63,341,155.16	96,140,843.53	61,693,997.07
Cash and cash equivalents at end of the year		67,343,892.55	181,300,917.58	56,179,030.85	96,140,843.53

SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION

1. Non-cash items

1.1 Acquired assets on credit	16	7,078,047.70	65,798,184.62	7,078,047.70	65,798,184.62
1.2 Acquired assets under					
finance lease contracts	16, 22	3,619,753.36	890,291.66	3,619,753.36	890,291.60
1.3 Reclassify long-term loan to other					
person from to short-term loan	9	4,008,375.00	-	-	-

2. Unutilized credit facilities for future working capital 1,260,317,882.94 1,551,335,195.84 1,178,207,882.94 921,335,195.84

3. During the nine-month periods ended December 31, 2012 and 2011, the Company had acquired additional shares in subsidiaries as described in condensed note 14 to financial information.

Notes to the financial statements are an integral part of these financial statements.

ENERGY ABSOLUTE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

CONDENSED NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2012

1. GENERAL INFORMATION

Energy Absolute Public Company Limited was register to be a juristic person as a limited company under Thai Commercial Code on March 6, 2006 and registered to be a public company limited under the Public Company Act B.E. 2535 with the Ministry of Commerce on March 27, 2008. The Company's principal business activities are manufacturing and distributing Methyl Ester Biodiesel products and Glycerol and Liquefied Petroleum Gas (LPG) and investment in power plant.

The Company head office is located at No.888 , I Tower Building , 15 Fl. , Viphavadee-Rangsit Road , Chatuchak , Bangkok and has a factory in Prachinburi Province.

2. BASIS OF PREPARATION

2.1 Basis of preparation

The statutory financial statements are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards under the Accounting Act B.E. 2543 (2000) being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547 (2004) including related interpretations and guidelines promulgated by the Federation of Accounting Professions under The Royal Patronage of His Majesty the King ("FAP") and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535 (1992).

The consolidated and separate financial statements have been presented in accordance with Thai Accounting Standards No. 1 (Revised 2009) subject : "Presentation of Financial Statements" and the requirements of The Department of Business Development announcement subject : "The mandatory items, have to be presented in the financial statements, B.E. 2554" date September 28, 2011 under the Accounting Act B.E. 2543 which is effective for the preparation of financial statements of the Public Company Limited for the accounting period commencing on or after January 1, 2011.

The consolidated and separate financial statements are prepared in Thai Baht.

2.2 Basis of preparation of consolidated financial statements

Subsidiaries undertaking are defined as those companies which the parent company in the Group directly or indirectly, has an interest of more than one half of the voting rights or otherwise has power to exercise control over the financial and operating policies including potential voting rights that are presently exercisable or presently convertible.

NOTES TO FINANCIAL STATEMENTS (Cont.)

The consolidated financial statements include the financial statements of the Energy Absolute Public Company Limited and its subsidiaries as follows:

	Percentage directly and indirectly owned by the Company as at December 31,		Assets as a percentage to the Consolidated total assets as at December 31,		Revenues as a percentage to the Consolidated total revenues for the year ended December 31,	
	2012	2011	2012	2011	2012	2011
Direct subsidiaries						
1. Continental Oil Co.,Ltd.	99.30	99.30	0.01	-	-	-
2. Saha Panich Petroleum Co.,Ltd.	99.30	99.30	0.01	0.01	-	-
3. Petro Planet Co.,Ltd.	99.30	99.30	0.04	0.08	-	-
4. Surachai (1997) Co.,Ltd.	98.33	75.00	0.07	0.95	0.19	-
5. EA Solar Co.,Ltd.	99.05	72.47	35.60	11.39	0.11	-
6. EA Solar Nakhonsawan Co.,Ltd.	99.99	-	0.77	-	-	-
7. Energy Solution Management Co.,Ltd.	99.99	-	0.11	-	-	-
Indirect subsidiary						
8. Surachai (1997) Solar Co.,Ltd.	98.13	74.85	4.03	-	-	-

The financial statements of these subsidiaries have been consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date of such control ceases.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Company takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent significant accounting policies.

Significant intercompany transactions between the Company and its subsidiaries have been eliminated in the consolidated financial statements.

Non-controlling interest represent the portion of income or loss and net assets that is not held by the Company and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated financial position, separately from parent shareholders' equity.

2.3 Principles of separate financial statements

The separate financial statements, which present investment in subsidiaries under the cost method, have been prepared solely for the benefit of the public.

NOTES TO FINANCIAL STATEMENTS (Cont.)

3. NEW THAI ACCOUNTING STANDARDS ANNOUNCE DURING THE YEAR NOT YET ADOPTED

The Federation of Accounting Professions has issued Notifications regarding the revised and newly Thai Accounting Standards (TAS), Thai Financial Reporting Standard (TFRS), Interpretations (SIC and TFRIC) and Accounting Treatment Guidance which were announced and these have been published in the Royal Gazette and which will become effective for the financial statements for the fiscal years beginning on or after January 1, 2013 and 2014. The Company and its subsidiary have not applied such standards before the effective period as follows:

3.1 Effective for the financial statements for fiscal years beginning on or after January 1, 2013

Thai Accounting Standards

TAS 12 Income Taxes

TAS 21 (revised 2009) The Effects of Changes in Foreign Exchange Rates

Thai Financial Reporting Standard

TFRS 8 Operating Segments

Interpretations

SIC 10 Government Assistance - No Specific Relation to Operating Activities

SIC 21 Income Taxes - Recovery of Revalued Non-Depreciable Assets

SIC 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

Accounting Treatment Guidance for Transfers of Financial Assets

3.2 Effective for the financial statements for fiscal years beginning on or after January 1, 2014

Interpretations

SIC 29 Service Concession Arrangements: Disclosures

TFRIC 4 Determining whether an Arrangement contains a Lease

TFRIC 12 Service Concession Arrangements

TFRIC 13 Customer Loyalty Programmes

The management of the Company and its subsidiary have assessed the effect of and reached the conclusion that these 11 Thai Accounting Standards (TAS), Thai Financial Reporting Standard (TFRS), Interpretations (SIC and TFRIC) and Accounting Treatment Guidance will not have any significant impact on the financial statements for the year in which they are applied except the following accounting standards:

TAS 12

This standard requires an entity to identify temporary differences, which are differences between the carrying amount of an asset or liability in the accounting records and its tax base, and to recognise deferred tax assets and liabilities under the stipulated guidelines. This accounting standard will become effective on January 1, 2013. At present, the management of the Company and its subsidiary is still evaluating the possible impact on the financial statements in the year in which TAS 12 will be applied.

NOTES TO FINANCIAL STATEMENTS (Cont.)

TFRS 8

This standard requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. This accounting standard will become effective on January 1, 2013. At present, the management of the Company is still evaluating the possible impact on the financial statements in the year in which TFRS 8 will be applied, but it appears likely that the number of reportable segments, as well as the manner in which the segments are reported, will change in a manner that is consistent with the internal reporting provided to the chief operating decision-maker.

SIC 29 and TFRIC 4 and 12

These interpretations will become effective on January 1, 2014. At present, the management of the Company and its subsidiaries are still evaluating the possible impact on the financial statements in the year in which these interpretations will be applied.

4. EARLY ADOPTION OF NEW ACCOUNTING STANDARDS

Subsidiary chooses to early adopt TAS 20 (revised in 2009) "Accounting for Government Grants and Disclosure of Government Assistance" in the year 2012 in which this standard is applied in accounting for and in disclosure of government grants and in the disclosure of other form of government assistance which is effective on January 1, 2013.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated and separate financial statements are prepared on the historical cost basis in measuring the value of the component of financial statements except as described in each of the following accounting policies.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

5.1 Recognition of revenues

The Company and its subsidiaries recognize revenues when it is probable that the economic associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

Sales income are recognized when goods are delivered and risks and rewards of ownership are transferred to customers.

Proceeds from services are recognized when services are rendered.

Revenue from distribute electricity is recognized when electricity is delivered to and accepted by the customer.

Other income is recognized on an accrual basis.

5.2 Cash and cash equivalents

Cash and cash equivalent consist of cash on hand, bank deposits, and all highly liquid investments with financial institution with an original maturities of 3 month or less, which are not restricted to any use.

Cash at banks that have restricted in use are presented separately as "Deposits at bank held as collateral" under non-current assets in the statement of financial position.

NOTES TO FINANCIAL STATEMENTS (Cont.)

5.3 Trade and other receivables and allowance for doubtful accounts

Trade and other receivables are stated at the net realizable value net from the allowance for doubtful accounts.

The Company and its subsidiaries allowance for doubtful accounts is provided for the estimated losses that may be incurred in correction of receivables. The allowance is generally based on collection experiences, the and its current financial position.

5.4 Inventories

Inventories are valued at the lower cost or net realizable value, cost is calculated by first-in first - out method and is charged to vessel costs of good sold whenever consumed.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

5.5 Investment

Investments in the subsidiaries in the separate financial statement are measured at cost net of impairment losses (if any).

5.6 Investment property

Investment property is property which is held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at its cost including related transaction costs. After initial recognition, investment property is carried at cost net of impairment losses (if any).

No depreciation is provided on investment properties - land

Property owned by the company leased to, and occupied by, its subsidiaries does not qualified as investment property in the consolidated financial statements, because the property is owner - occupied from the perspective of the group.

5.7 Property, plant and equipment and depreciation

Land is stated at cost less provision for impairment of assets (if any).

Plant and equipment are stated at cost less from accumulated depreciation and provision for impairment of assets (if any).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the costs of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs.

When parts of an item of land, premises and equipment have different useful lives, they are accounted for as separate items (major components) of lands, premises and equipment.

Expenditure for additions, renewals and betterment are capitalized. Repair and maintenance costs are recognized as expenses when incurred.

NOTES TO FINANCIAL STATEMENTS (Cont.)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or losses when the asset is derecognised.

The Company and its subsidiary depreciate their cost, after deducting residual value by the straight - line method over the assets useful life at the following rates:-

	<u>Years</u>
Building and complement	20
Building improvement and building improvement on leased	10
Power plants, substation & transmission system and operating & maintenance equipment	5 - 25
Machinery	5 - 10
Tools and equipment	5
Furniture and office equipment	5
Vehicles	5

No depreciation is provided for land and assets in progress.

5.8 Right to use transmission line and amortization

Deferred right to use transmission line is amortized on a straight-line basis over the period of power purchase agreements.

5.9 Intangible assets and amortization

Intangible assets with definite useful lives are presented at historical cost net of accumulated amortization and net allowance for impairment (if any)

Intangible assets with finite lives are amortised on a systematic basis by the straight - line method, over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible assets are incurred from the excess of the cost of business acquisition held by the subsidiaries over the fair value of the net assets of the acquired business. The management considered that the excess amount of the cost of acquisition over the fair value of the net assets reflects the expected future economic benefit to be derived from the electricity from solar power purchase agreement which expected future economic useful lives of 25 years

5.10 Borrowing cost

Borrowing cost directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are treated as expenses in the period these are incurred. Borrowing costs consist of interest and other costs that an entities incurs in connection with the borrowing of the Company and its subsidiaries.

NOTES TO FINANCIAL STATEMENTS (Cont.)

5.11 Impairment of assets

The Company and its subsidiaries assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company and its subsidiaries estimate the asset's recoverable amount.

The recoverable amount of assets is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss.

For assets other than goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company and its subsidiaries estimate the asset's recoverable amount in which case an impairment loss recognized in prior periods for an asset other than goodwill shall be reversed.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

5.12 Employee benefits

5.12.1 Short-term employee benefits

Short-term employee benefit obligations, which include salary, wages, bonuses, contributions to the social security fund and provident fund, are measured on an undiscounted basis and are recognized as expenses when incurred.

5.12.2 Defined contribution plan

Obligations for contribution to provident fund are recognized as an expense in profit statement of income as incurred.

5.12.3 Defined benefit plan

The retirement benefit is a defined benefits plan that an employee will receive on retirement according to Thai Labor Law depending on age and years of service.

The liability of retirement benefits is recognized in the statement of financial position using the present value of the obligation at the reporting date and past service costs. The retirement benefit is calculated annually by an independent actuary using the projected unit credit method. The present value of the benefit obligations is determined by discounting the estimated future cash outflows using interest rates of referred government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related retirement liability. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statements of income.

NOTES TO FINANCIAL STATEMENTS (Cont.)

5.13 Provision

A provision is recognized in the statement of financial position when the Company and its subsidiaries have a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

5.14 Government grants

Government grants are recognized as income on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate.

5.15 Foreign currencies translation

Transactions in foreign currencies are converted into Baht at the rates of exchange on the transactions date. Monetary assets and liabilities denominated in foreign currencies at the reporting date are converted into Baht at the exchange rate on that date. Gain or loss on exchange rates are recognized as income or expense for the reporting period.

5.16 Accounting for lease

Finance lease - Where the Company and its subsidiaries are the lessee

Leases for property, plant and equipment where the Company and its subsidiaries have substantially all the risks and rewards of ownership are classified as finance leases. The Company and its subsidiaries recognize finance leases as assets and liabilities in the balance sheet at amounts equal at the inception of the lease to the fair value of the leased property or, if lower, at the present value of the minimum lease payments. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

A finance lease gives rise to depreciation expense for the asset as well as a finance expense for each accounting period. The depreciation policy for leased assets is consistent with that for depreciable assets that are owned by the Company and the subsidiaries.

Operating lease - Where the Company and its subsidiaries are the lessee

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognized as an expense over the lease term.

Operating lease - Where the Company and its subsidiaries are the lessor

The Company and its subsidiaries present assets for lease under operating lease contract in the balance sheets according to the nature of the assets. Income from operating lease is recognized as income over the lease term.

NOTES TO FINANCIAL STATEMENTS (Cont.)

5.17 Income tax

Income tax is provided in the accounts of the amount expected to be paid to the taxation authorities which is calculated from net profit after adjust non taxable expenses and reserves.

5.18 Basic earnings per share

Basic earnings per share is determined by dividing the net income for the year by the number of weighted-average common shares issued and paid-up during the year.

5.19 Related party transactions

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

They also include individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

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

5.20 Financial instruments

Financial assets carried on the statement of financial position include cash and cash equivalents, trade and other receivables, short - term loans and financial liabilities carried on the statement of financial position include trade and other payable, loan and liabilities under finance lease contracts. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

5.21 Significant accounting judgments and estimates

The preparation of financial statements in conformity with TAS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

5.21.1 Recognition and derecognition of assets and liabilities

In considering whether to recognize or to derecognized assets or liabilities, the management is required to make judgment on whether significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events and arrangements.

NOTES TO FINANCIAL STATEMENTS (Cont.)

5.21.2 Allowance for doubtful accounts

Allowance for doubtful accounts are intended to adjust the value of receivables for probable credit losses. The management uses judgment to establish reserves for estimated losses for each outstanding debtor. The allowances for doubtful accounts are determined through a combination of specific reviews, collection experience, and analysis of debtor aging, taking into account changes in the current economic conditions. However, the use of different estimates and assumptions could affect the amounts of allowances for receivable losses and adjustments to the allowances may therefore be required in the future.

5.21.3 Impairment of investments

The Company and its subsidiaries treat investments as impaired when the management judges that there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgment.

5.21.4 Property plant and equipment and depreciation

In calculating depreciation on building and equipment, the management estimates useful lives and salvage values of the Company's and its subsidiaries building and equipment and reviews estimated useful lives and salvage values if there are any changes.

5.21.5 Impairment of assets

The management is required to review assets for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

5.21.6 Provision for employee benefit

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate and mortality rate.

5.21.7 Lease

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

NOTES TO FINANCIAL STATEMENTS (Cont.)

6. TRANSACTIONS WITH RELATED COMPANIES AND PERSONS

The Company has certain transactions with its subsidiaries, certain related companies and certain related persons. Part of assets, liabilities, income and expenses are incurred from such related transactions. These companies are related through common shareholdings and/or directorships are as follows :

	Relationship	Operation			Percentage of Holding	
		Type of Business	Location	2012	2011	
Direct subsidiaries						
Continental Oil Co.,Ltd.	*	1	Wholesale of fuel oil	Thailand	99.30	99.30
Saha Panich Petroleum Co.,Ltd.	*	1	Wholesale of fuel oil	Thailand	99.30	99.30
Petro Planet Co.,Ltd.	*	1	Wholesale of fuel oil	Thailand	99.30	99.30
Surachai (1997) Co.,Ltd.		1	Construction project	Thailand	98.33	75.00
EA Solar Co.,Ltd.		1	Solar power plant	Thailand	99.05	72.47
EA Solar Nakhonsawan Co.,Ltd.		1	Solar power plant	Thailand	99.99	-
Energy Solution Management Co.,Ltd.		1	Consulting service solar power plant project and buiding solar power plant	Thailand	99.99	-
Indirect subsidiaries						
Surachai (1997) Solar Co.,Ltd.		2	Solar power plant	Thailand	98.13	74.85
Related companies						
C.C.Oil Co.,Ltd.		3	Wholesale of fuel oil	Thailand	-	-
Two Plus One Oil Co.,Ltd.		3	Wholesale of fuel oil	Thailand	-	-
Power 10 Co.,Ltd.		3	Wholesale of fuel oil	Thailand	-	-
Double 10 Co.,Ltd.		3	Wholesale of fuel oil	Thailand	-	-
Malee Oil Co.,Ltd.		3	Wholesale of fuel oil	Thailand	-	-
Sueb Nueng Karn Kha Co.,Ltd.		3	Wholesale of fuel oil	Thailand	-	-
Perfect Oil Co.,Ltd.		3	Wholesale of fuel oil	Thailand	-	-
Famous 10 Co.,Ltd.		3	Wholesale of fuel oil	Thailand	-	-
Ma Jarearn Co.,Ltd.		3	Wholesale of fuel oil	Thailand	-	-
Chalee Trading Co.,Ltd.		3	Wholesale of fuel oil	Thailand	-	-
S.P. Panichpol Limited Partnership	**	3	Wholesale of fuel oil	Thailand	-	-
Dhipaya insurance		3			-	-
Public Company Limited		3	Non-life insurance business	Thailand	-	-
R.A. Logistic Co.,Ltd.		3	Logistic service for gas	Thailand	-	-
Online Asset Co.,Ltd.		3	On-line provider information and Computer trading	Thailand	-	-
Star Gas Co.,Ltd.	**	5	Trading LPG	Thailand	-	-
Related persons						
Related persons		4	-	-	-	-

* The above companies have registered the dissolution of their businesses in September 2012 and were in the process of liquidation.

** Having common director until March 31, 2012.

NOTES TO FINANCIAL STATEMENTS (Cont.)

The nature of relationship among the Company with its subsidiaries and other related companies or persons.

1. Subsidiary of the Company with common directors.
2. Indirect subsidiary which Surachai (1997) Co., Ltd. hold its authorized can issued shares resulting the Company to indirectly hold 99.8% of such company.
3. The Company's directors being the entities directors and managing partner.
4. The Company's directors and shareholders and the subsidiaries' shareholders.
5. A director of this company is a closed member of the Company's director.

The significant transactions with related companies are as follows:

		Unit : Thousand baht			
		Consolidated		Separate	
	Pricing policies	2012	2011	2012	2011
Subsidiaries					
Other income					
Management fees	1	-	-	4,104	2,100
Vehicle rental fees	2	-	-	597	1,707
Interest income	3	-	-	5,905	-
Related companies and persons					
Other income					
Interest income	4	4,592	2,407	4,592	2,407
Cost of sales	5	643	156	384	156
Selling expenses	6	14,434	33,593	14,434	33,593
Administrative expenses	6	2,271	1,943	2,260	1,943
Finance cost	7	856	232	-	-

Management's benefit expenses

The Company and its subsidiaries had salaries, bonuses, personal income tax, house rental, contributions to provident fund, other welfare, and meeting allowances to their directors and management and retirement benefit recognized as expenses as follows:

		Unit : Thousand baht			
		Consolidated		Separate	
		2012	2011	2012	2011
Short - term benefits		20,087	21,502	19,638	21,502
Postemployment benefits		113	231	107	231
Total management's benefit expenses		20,200	21,733	19,745	21,733

NOTES TO FINANCIAL STATEMENTS (Cont.)

Policies on determining price

1. Baht 23,364.49 and Baht 300,000 per month.
2. Baht 23,364.49 per month.
3. 2% to 7% per annum.
4. 12% per annum.
5. Market price.
6. Mutually agreed rate.
7. 2.25% to 7.25% per annum.

The outstanding balance of account with related companies are as follows :-

		Unit : Thousand baht			
		Consolidated		Separate	
		2012	2011	2012	2011
Other receivable					
Subsidiaries		-	-	8,300	1,720
Related companies and persons		2,673	2,677	627	2,677
Total Other receivable		2,673	2,677	8,927	4,397

		Unit : Thousand baht			
		Separate			
		December 31,	Movement during the year		December 31,
		2011	Increase	Receipt	2012
Interest rate (% p.a.)					
Short - term loans to subsidiaries					
Subsidiaries					
EA Solar Co.,Ltd.	7.13, 7.50	-	20,400	(12,900)	7,500
Continental Oil Co.,Ltd.	2.00	50	-	(50)	-
Indirect subsidiary		-	-	-	-
Surachai (1997) Solar Co.,Ltd.	7.00	-	31,300	-	31,300
Total Short-term loans to subsidiaries		50	51,700	(12,950)	38,800

The Company had granted loans to subsidiaries in respect of issuance of on demand promissory notes

		Unit : Thousand baht			
		Consolidated			
		December 31,	Movement during the year		December 31,
		2011	Increase	Receipt	2012
Interest rate (% p.a.)					
Long - term loans to subsidiary and related person					
<u>Loan facility No.1</u>					
Surachai (1997) Solar Co.,Ltd.	7.00	-	-	-	-
<u>Loan facility No.2</u>					
Related person	12.00	60,000	-	(60,000)	-
Total Long-term loans to subsidiary and related person		60,000	-	(60,000)	-

NOTES TO FINANCIAL STATEMENTS (Cont.)

		Unit : Thousand baht			
		Separate			
	Interest rate	December 31,	Movement during the year		December 31,
	(% p.a.)	2011	Increase	Receipt	2012
<u>Loan facility No.1</u>					
Surachai (1997) Solar Co.,Ltd.	7.00	71,400	-	-	71,400
<u>Loan facility No.2</u>					
Related person	12.00	60,000	-	(60,000)	-
Total Long-term loans to subsidiary					
and related person		131,400	-	(60,000)	71,400

Loan facility No.1 The loan was secured by pledge of 1,020,000 preference shares of EA Solar Co., Ltd. and transference of the right to receive dividend or any benefit from such company for repayment of loan principal and interest until it reach the amounts. The Company was in secondary offer a financial institution. The total loan amount was due within August 31, 2021.

Loan facility No.2 The loan was secured by pledge of 294,000 common shares of EA Solar Co., Ltd. and transference the right to receive dividend and any benefit from such company for the repayment of loan principal and interest until it reach the amounts. The Company was in secondary offer a financial institution. The total loan amount was due within August 31, 2021. However, during the nine-month period ended September 30, 2012, the Company had been fully repaid of such loan.

		Unit : Thousand baht			
		Consolidated		Separate	
		2012	2011	2012	2011
Other payable					
Related companies		1,093	13,412	1,093	13,412
Related persons		226	642	207	411
Total Other payable		1,319	14,054	1,300	13,823

		Unit : Thousand baht			
		Consolidated			
	Interest rate	December 31,	Movement during the year		December 31,
	(% p.a.)	2011	Increase	Repayment	2012
Short-term loans from related person					
Director					
Loan facility No.1	2.25	30,600	-	(30,600)	-
Loan facility No.2	7.25	-	40,000	(40,000)	-
Loan facility No.3	6.50	-	45,170	(45,170)	-
Total Short-term loans					
from related person		30,600	85,170	(115,770)	-

NOTES TO FINANCIAL STATEMENTS (Cont.)

		Unit : Thousand baht			
		Separate			
	Interest rate	December 31,	Movement during the year		December 31,
	(% p.a.)	2011	Increase	Repayment	2012
Short-term loans from related person (Cont.)					
Director					
Loan facility No.1	-	-	-	-	-
Loan facility No.2	7.25	-	40,000	(40,000)	-
Loan facility No.3	-	-	-	-	-
Total Short-term loans					
from related person		-	40,000	(40,000)	-

Loan facility No.1 A subsidiary had been granted a loan from its director by issuing an on demand promissory note.

Loan facility No.2 The Company had been granted a loan from its director by issuing an on demand promissory note.

Loan facility No.3 A subsidiary had been granted a loan from the Company's director by issuing an on demand promissory note.

		Unit : Thousand baht			
		Consolidated		Separate	
		2012	2011	2012	2011
Long-term loans from related person					
Director					
		-	240	-	-

The above-mentioned loan was granted on an interest-free basis.

Other

The Company has into a loan guaranteed agreement for a subsidiary with commercial bank amounting to Baht 18 million.

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalent consist of :-

		Unit : Thousand baht			
		Consolidated		Separate	
		2012	2011	2012	2011
Cash on hand		538	206	50	30
Cash at banks					
- Saving and current accounts		28,524	181,093	17,887	96,109
- Fixed account with original maturity					
of 3 months		38,282	2	38,242	2
Total		67,344	181,301	56,179	96,141

NOTES TO FINANCIAL STATEMENTS (Cont.)**8. TRADE ACCOUNTS AND OTHER RECEIVABLE - NET**

Trade accounts and other receivable-net consist of :-

		Unit : Thousand baht			
		Consolidated		Separate	
		2012	2011	2012	2011
<u>Trade accounts receivable</u>					
Trade accounts receivable		158,229	179,264	128,723	179,264
<u>Less</u> Allowance for doubtful accounts		-	(1,425)	-	(1,425)
Total Trade accounts receivable - net		158,229	177,839	128,723	177,839
<u>Other receivable</u>					
Subsidiaries		-	-	8,300	1,720
Related persons and companies		2,673	2,677	627	2,677
Other companies					
Deposits for goods		13	37,472	13	37,472
Prepaid insurance expenses		1,538	323	662	323
Prepaid expenses		950	253	940	253
Other		2,732	2,583	2,341	2,457
Total Other receivable		7,906	43,308	12,883	44,902
Total Trade accounts and other receivable - net		166,135	221,147	141,606	222,741

The Company and its subsidiaries had trade accounts receivable - net aged by number of months consist of :-

		Unit : Thousand baht			
		Consolidated		Separate	
		2012	2011	2012	2011
Accounts receivables not yet due		143,187	175,966	113,681	175,966
Accounts receivables over due					
Under or equal to 3 months		15,042	1,873	15,042	1,873
Over 12 months		-	1,425	-	1,425
Total		158,229	179,264	128,723	179,264
<u>Less</u> Allowance for doubtful accounts		-	(1,425)	-	(1,425)
Net		158,229	177,839	128,723	177,839

During the year 2012, the Company's management had written-off trade account receivable previously provided for allowance for doubtful as bad debt amounting to Baht 1.42 million.

NOTES TO FINANCIAL STATEMENTS (Cont.)**9. SHORT-TERM LOANS TO OTHER PERSONS AND COMPANY**

Short-term loans to other persons and company consist of:-

		Unit : Thousand baht			
	Interest rate (% p.a.)	Consolidated		Separate	
		2012	2011	2012	2011
Other persons					
Loan facility No.1	15.00	630	393	(630)	393
Loan facility No.2	7.25	4,008	-	-	4,008
Other company	6.00 - 7.13	10,000	122,670	(132,670)	-
Total Short-term loans to other persons and company		14,638	123,063	(133,300)	4,401

Loan facility No.1 was secured by pledge a plot of land a title deed.

Loan facility No.2 was long - term loan to other person due within one year.

Loan to other company was loan to its subsidiary's solar power plant construction contractor which was fully received.

		Unit : Thousand baht			
		Separate			
Interest rate (% p.a.)	December 31, 2011	Movement during the year		December 31, 2012	
		Increase	Receipt		
Other persons	15.00	630	393	(630)	393
Total Short-term loans to					
other persons and company		630	393	(630)	393

The above-mentioned loans to other persons were due within two months from received date.

NOTES TO FINANCIAL STATEMENTS (Cont.)**10. INVENTORIES**

Inventories consist of :-

	Unit : Thousand baht			
	Consolidated		Separate	
	2012	2011	2012	2011
Raw Materials	41,413	66,671	41,413	66,671
Work in process	80,229	74,753	80,229	74,753
Finished goods	34,703	32,558	34,703	32,558
Supplies	4,780	4,561	4,780	4,561
Total	161,125	178,543	161,125	178,543

11. OTHER CURRENT ASSETS

Other current assets consist of :-

	Unit : Thousand baht			
	Consolidated		Separate	
	2012	2011	2012	2011
The Revenue Department receivable	46,250	6,976	-	1,198
Undue in put VAT	3,986	1,372	719	1,367
Other	307	3,036	3	3,034
Total	50,543	11,384	722	5,599

12. DEPOSITS AT FINANCIAL INSTITUTION HELD AS COLLATERALS

The Company and its subsidiaries had pledged its withdrawal rights of deposits in saving and fixed accounts as collaterals for the issuance of letter of guarantees by banks to certain government agents and private organization (See Notes 36.6 to financial statements).

NOTES TO FINANCIAL STATEMENTS (Cont.)

13. ADVANCE PAYMENT FOR INVESTMENT IN SUBSIDIARY

On September 11, 2012, the Company had acquired common 19,998 shares of Thepsathit Wind Farm Co., Ltd. at Baht 0.00005 per share, amounting to Baht 1 (Purchase Price) from the existing shareholders of such company accounting for 99.99% of its authorized capital. Such company's major business activity is operating in wind farm power plant. Under the shares sale and purchase agreement between the Company and existing shareholders dated July 20, 2012, it the purchaser agreed to pay additional amount at Revised Purchase Price under the following conditions.

1. Thepsathit Wind Farm Co., Ltd. must be able to utilize the land leased from the Agricultural Land Reform Office of Chaiyaphum for wind farm power plant project.

2. Thepsathit Wind Farm Co., Ltd. was successful in fund raising for the construction of wind farm power plant.

The Revised Purchase Price means the payment to the sellers, Pro Ventum International GmbH (PVI) and Pro Ventum International (Thailand) Co., Ltd. equal to Baht 90 million less Thepsathit Wind Farm Co., Ltd.'s obligations to the sellers as at the agreement date.

If the project was not successful, Thepsathit Wind Farm Co., Ltd. and the purchaser shall not pay the Revised Purchase Price and not be obliged to pay for its liabilities to PVI and Pro Ventum International (Thailand) Co., Ltd..

In accordance with the referred above condition, the repayment of Thepsathit Wind Farm Co., Ltd.'s debt to its existing shareholders (seller) was subject to the success of the project, the Company, therefore, recorded such transaction as "advance payment for investment in subsidiary" in the statement of financial position and did not include such company's financial statements in the Company's consolidated financial statements until the conditions were achieved.

14. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries in the separate financial statements are as follows.-

Company	Issued and fully paid-up share capital (Baht)	Percentage of Holding (%)		Unit : Thousand baht			
				Separate			
				Investment at cost as at		Dividend during for the year	
		2012	2011	2012	2011	2012	2011
* Continental Oil Co., Ltd.	100,000.00	99.30	99.30	99	99	-	-
* Saha Panich Petroleum Co., Ltd.	100,000.00	99.30	99.30	99	99	-	-
* Petro Planet Co., Ltd.	100,000.00	99.30	99.30	99	99	-	-
Surachai (1997) Co., Ltd.	12,000,000.00	98.33	75.00	53,050	50,250	-	-
EA Solar Co., Ltd.	200,000,000.00	49.00	34.30	141,530	68,600	-	-
EA Solar Nakhonsawan Co., Ltd.	20,000,000.00	99.99	-	20,000	-	-	-
Energy Solution Management Co., Ltd.	10,000,000.00	99.99	-	10,000	-	-	-
Total				224,877	119,147	-	-
Less Allowance for impairment of investments				(199)	-	-	-
Net				224,678	119,147	-	-

* These subsidiaries have registered the dissolution of their businesses in September 2012 and were in the process of liquidation. The Company's management expected not to receive capital repayment from 2 subsidiaries, Continental Oil Co., Ltd. and Saha Panich Petroleum Co., Ltd. due to shortage of liquidity and cash flow from operation, therefore, the Company had fully provided allowance for impairment loss from investments in such subsidiaries.

NOTES TO FINANCIAL STATEMENTS (Cont.)

Investment in Surachai (1997) Co., Ltd.

In May 2011, the Company has invested in common shares of Surachai (1997) Co., Ltd. by acquiring 9,000 shares from the existing shareholder of such company accounting for 75% of its registered capital at the price of Baht 5,583.33 per share amounting to Baht 50.25 million (including related acquisition expenses of Baht 0.25 million) which was in excess of the net book value as of the acquired date ("Intangible asset"). The excess value of cost over the net book value was Baht 42.46 million which was paid for the expected future economic benefit to be derived from the electricity from solar power purchase agreement. The value of this intangible asset was calculated in reference of the share valuation report dated August 5, 2011 by an independent financial advisor approved by SEC using Discounted Cash Flow Method.

The Value of assets and liabilities of the acquired as at the purchased date are as follows :

	Unit : Thousand baht	
	Consolidated	
	Book Value	Fair Value
Cash and cash equivalents	4	4
Trade accounts receivable - net	3,475	3,475
Other current assets	36	36
Other long-term investment	510	510
Land	16,840	10,195
Other non-current assets	-	42,461
Other current liabilities	(411)	(411)
Long-term loan from related companies and person	(3,424)	(3,424)
Net assets	17,030	52,846
<u>Less</u> Non-controlling interests		(2,596)
Payment for acquisition of subsidiary		50,250
<u>Less</u>		(4)
Net cash paid from acquisition of subsidiary		50,246

The Company had intangible assets incurred from the acquisition of investment in such company as follows ;

	Unit : Thousand baht	
	Consolidated	
	2012	2011
Intangible assets		
Beginning of the year	42,461	-
<u>Add</u> Acquisitions during the year	-	42,461
<u>Less</u> Amortization for the year	(353)	-
End of the year	42,108	42,461

NOTES TO FINANCIAL STATEMENTS (Cont.)

On August 20, 2012, the Company has acquired additional common shares of Surachai (1997) Company Limited by acquiring 2,800 share from the existing shareholder at the price of Baht 1,000 per share amounting to Baht 2.80 million. After the acquisition, the Company's percentage of shareholding in Surachai (1997) had increased from 75% to 98.33% of its authorized and the acquired price over the subsidiary's net book value was approximately Baht 0.99 million. The Company, therefore, recorded the excess amount as "Surplus on investment in subsidiary arising as a result of acquisitions of additional shares at a price less than the net book value at the acquisition date" which was presented under the shareholder's equity in the consolidated statements of financial position.

Book value of assets and liabilities of Surachai (1997) Company Limited as at the acquired date are as follows :

	Unit : Thousand baht
	Consolidated
	Fair Value
Cash and cash equivalents	164
Other receivable	119
Short-term loan to related company	2,333
Other current assets	15
Investment in subsidiary	233
Long-term loan to other person	935
Other non-current assets	75
Other payable	(22)
Other current liabilities	(1)
Long-term loan from related person	(58)
Net assets	3,793
<u>Less</u> Surplus on investments in subsidiary arising as a result of acquisitions of additional shares at a price less than the net book value at the acquisition date	(993)
Payment for acquisition of subsidiary	2,800
<u>Less</u> Cash and cash equivalents in subsidiary	(164)
Net cash paid from acquisition of subsidiary	2,636

Investment in EA Solar Co., Ltd.

In June 2011, the Company has invested in common shares of EA Solar Co., Ltd. Totalling 487 shares at the price of Baht 100 per share, amounting to Baht 0.05 million accounting for 48.7% of its registered share capital. The Company has fully paid for the shares. EA Solar Co., Ltd. main business activity is operating solar power plant.

The Company recorded the investment in such company as "Investment in subsidiary" in the statement of financial position, since the Company has power to exercise control over the financial and operating policies of such company.

NOTES TO FINANCIAL STATEMENTS (Cont.)

On July 7, 2011, at the Extraordinary Shareholders' Meeting of EA Solar Co., Ltd. No. 1/2011, it was approved to increase its authorized share capital amounting to Baht 199,900,000 million by issue 979,510 common shares and 1,019,490 preference shares Baht 100 per share equally to offer to the existing shareholders at the proportion of 1 existing share to 1 new share. The Company has acquired 685,511 common shares of the subsidiary at Baht 100 per share totalling Baht 68.55 million which resulted its proportion of the shareholding of such company to decreased from 48.70% to 34.30%. The subsidiary has registered the increase in its share capital with the Ministry of Commerce on September 1, 2011.

On August 17, 2012, the Company has acquired 293,999 common shares of EA Solar Co., Ltd. by acquiring from the existing shareholder at the price of Baht 248.06 per share, amounting to Baht 72.93 million. After the acquisition, the Company's shareholding in EA Solar Co., Ltd. has increased from 34.3% to 49.00% of its authorized share capital and the difference amount between the acquired price and the net book value of the subsidiary's net book value was approximately Baht 47.38 million. The Company, therefore, recorded the difference amount as "Deficit on investments in subsidiary arising as a result of acquisitions of additional shares at a price less than the net book value at the acquisition date" which was presented under the shareholder's equity in the consolidated statement of financial position.

Book value of assets and liabilities of EA Solar Co., Ltd. as at the acquired date are as follows :

	Unit : Thousand baht
	Consolidated
	Fair Value
Cash and cash equivalents	205
Short-term loan to other company and accrued interest income	16,962
Other current assets	2,704
Property, plant and equipment - net	41,666
Other non - current assets	1
Other payable	(195)
Short - term loans from related persons and company	(6,741)
Assets payable	(26,534)
Retention	(3,075)
Other current liabilities	(1)
Net assets	24,992
<u>Add</u> Deficit on investments in subsidiary arising as a result of acquisitions of additional shares at a price less than the net book value at the acquisition date	47,938
Payment for acquisition of subsidiary	72,930
<u>Less</u> Cash and cash equivalents in subsidiary	(210)
Net cash paid from acquisition of subsidiary	72,720

The Company had pledged shares of EA Solar Co., Ltd. as a collateral for long-term loans from a commercial bank of the subsidiary.

NOTES TO FINANCIAL STATEMENTS (Cont.)

Investment in EA Solar Nakhonsawan Co., Ltd.

On August 20, 2012, the Company has invested in 99,997 common shares of EA Solar Nakhonsawan Co., Ltd. at the price of Baht 10 per share, amounting to Baht 999,970.- accounting for 99.99% of its authorized share capital. EA Solar Nakhonsawan Co., Ltd.'s main business activity is operating in solar power plant. The Company has paid fully for the shares.

Later on September 27, 2012, at the Extraordinary Shareholders' Meeting of EA Solar Nakhonsawan Co., Ltd. No. 1/2012, it was approved to increase its authorized share capital Baht 19 million by issuing 1,900,000 common shares at Baht 10 per share to offer to the existing shareholders. The Company has exercised its right as the existing shareholder acquiring the total increased shares. The Company, therefore, maintained its proportion of shareholding 99% of the authorized shares after the increase in share capital of the subsidiary. The subsidiary has authorized the increase in share capital with the Ministry of Commerce on September 27, 2012.

Investment in Energy Solution Management Co.,Ltd.

On September 7, 2012, the Company has invested in 99,995 common shares of Energy Solution Management Co.,Ltd. at the price of Baht 100 per share, amounting to Baht 9,999,500.- accounting for 99.99% of its authorized share capital. Energy Solution Management Co.,Ltd.'s main business activity is consulting service solar power plant project and building solar power plant. The Company has paid fully for the shares.

	Unit : Thousand baht	
	Consolidated	
	2012	2011
Other components of shareholders' equity		
Surplus on investments in Surachai (1997) Co., Ltd.	(993)	-
Deficit on investments in EA Solar Co., Ltd.	47,938	-
Total other components of shareholders' equity	46,945	-

15. INVESTMENT PROPERTY - NET

As at December 31, 2012, the Company's investment property was land acquired in 2012 in order to lease to its subsidiaries for the projects of solar power plant and wind farm.

NOTES TO FINANCIAL STATEMENTS (Cont.)

16. PROPERTY, PLANT AND EQUIPMENT - NET

Property, plant and equipment consist of:-

	Unit : Thousand baht								
	Consolidated								
	Land	Buildings improvement	Leasehold improvements	Machinery	Tools and equipment	Furniture and office equipment	Vehicles	Assets in progress	Total
At Cost									
As at January 1, 2011	55,789	77,591	4,274	339,790	65,182	5,941	1,057	36,626	586,250
Add Acquired during the year	188,562	-	-	-	3,348	468	1,109	320,355	513,842
Transferred in (out)	-	6,721	3,523	38,262	-	1,565	-	(50,071)	-
Less Disposal during the year	-	-	-	-	-	(27)	-	-	(27)
As at December 31, 2011	244,351	84,312	7,797	378,052	68,530	7,947	2,166	306,910	1,100,065
Accumulated Depreciation									
As at January 1, 2011	-	21,386	1,063	52,771	42,801	3,172	256	-	121,449
Add Depreciation for the year	-	5,996	545	31,802	11,240	1,077	244	-	50,904
Less Disposal / written - off	-	-	-	-	-	(13)	-	-	(13)
As at December 31, 2011	-	27,382	1,608	84,573	54,041	4,236	500	-	172,340
Net Book Value									
As at January 1, 2011	55,789	56,205	3,211	287,019	22,381	2,769	801	36,626	464,801
As at December 31, 2011	244,351	56,930	6,189	293,479	14,489	3,711	1,666	306,910	927,725

NOTES TO FINANCIAL STATEMENTS (Cont.)

16. PROPERTY, PLANT AND EQUIPMENT - NET (Cont.)

Property, plant and equipment consist of:-

	Unit : Thousand baht										
	Consolidated										
	Land	Buildings improvement	Leasehold improvements	Machinery	Tools and equipment	Furniture and office equipment	Vehicles	Assets for lease	Assets in progress	Power plants substation&transmission system and operating&maintenance equipment	Total
At Cost											
As at January 1, 2012	244,351	84,312	7,797	378,052	68,530	7,947	2,166	-	306,910	-	1,100,065
Add Acquired during the year	-	262	-	978	2,595	3,711	4,652	107,567	917,189	9,865	1,046,819
Transferred in (out)	(164,441)	39,603	-	57,997	-	-	-	164,441	(841,251)	728,791	(14,860)
Less Adjust fair value	(1,548)	-	-	-	-	-	-	-	-	-	(1,548)
Disposal during the year	(265)	-	-	-	(18)	(72)	(418)	-	-	-	(773)
As at December 31, 2012	78,097	124,177	7,797	437,027	71,107	11,586	6,400	272,008	382,848	738,656	2,129,703
Accumulated Depreciation											
As at January 1, 2012	-	27,382	1,608	84,573	54,041	4,236	500	-	-	-	172,340
Add Depreciation for the year	-	6,486	780	38,269	7,023	1,352	804	-	-	6,635	61,349
Less Depreciation - disposals	-	-	-	-	(7)	(4)	(260)	-	-	-	(271)
As at December 31, 2012	-	33,868	2,388	122,842	61,057	5,584	1,044	-	-	6,635	233,418
Net Book Value											
As at January 1, 2012	244,351	56,930	6,189	293,479	14,489	3,711	1,666	-	306,910	-	927,725
As at December 31, 2012	78,097	90,309	5,409	314,185	10,050	6,002	5,356	272,008	382,848	732,021	1,896,285

Depreciation for the year end December 31, consist of :

	2011	2012
Cost of sales	49,973	59,122
Administrative expenses	931	2,227
Total	50,904	61,349

The above - mentioned assets in progress consist of bio - disel plant, solar power plant and wind farm of the Company.

NOTES TO FINANCIAL STATEMENTS (Cont.)

16. PROPERTY, PLANT AND EQUIPMENT - NET (Cont.)

Property, plant and equipment consist of:-

Unit : Thousand baht									
	Separate								Total
	Land	Buildings improvement	Leasehold improvements	Machinery	Tools and equipment	Furniture and office equipment	Vehicles	Assets in progress	
At Cost									
As at January 1, 2011	55,789	77,591	4,274	339,790	65,182	5,940	1,057	36,626	586,249
Add Acquired during the year	164,706	-	-	-	3,348	448	1,109	240,426	410,037
Transferred in (out)	-	6,721	3,523	38,262	-	1,566	-	(50,072)	-
Less Disposal during the year	-	-	-	-	-	(27)	-	-	(27)
As at December 31, 2011	220,495	84,312	7,797	378,052	68,530	7,927	2,166	226,980	996,259
Accumulated Depreciation									
As at January 1, 2011	-	21,386	1,063	52,771	42,801	3,172	256	-	121,449
Add Depreciation for the year	-	5,996	545	31,802	11,240	1,075	244	-	50,902
Less Disposal / written - off	-	-	-	-	-	(12)	-	-	(12)
As at December 31, 2011	-	27,382	1,608	84,573	54,041	4,235	500	-	172,339
Net Book Value									
As at January 1, 2011	55,789	56,205	3,211	287,019	22,381	2,768	801	36,626	464,800
As at December 31, 2011	220,495	56,930	6,189	293,479	14,489	3,692	1,666	226,980	823,920

NOTES TO FINANCIAL STATEMENTS (Cont.)

16. PROPERTY, PLANT AND EQUIPMENT - NET (Cont.)

Property, plant and equipment consist of:-

Unit : Thousand baht

	Separate								
	Land	Buildings improvement	Leasehold improvements	Machinery	Tools and equipment	Furniture and office equipment	Vehicles	Assets in progress	Total
At Cost									
As at January 1, 2012	220,495	84,312	7,797	378,052	68,530	7,927	2,166	226,980	996,259
<u>Add</u> Acquired during the year	-	262	-	977	2,595	1,592	4,652	213,462	223,540
Transferred in (out)	-	241	-	57,997	-	-	-	(58,238)	-
<u>Less</u> Transferred to investment properties	(164,441)	-	-	-	-	-	-	-	(164,441)
Disposal during the year	(265)	-	-	-	(18)	(70)	(418)	-	(771)
As at December 31, 2012	55,789	84,815	7,797	437,026	71,107	9,449	6,400	382,204	1,054,587
Accumulated Depreciation									
As at January 1, 2012	-	27,382	1,608	84,573	54,041	4,235	500	-	172,339
<u>Add</u> Depreciation for the year	-	6,194	779	38,270	7,022	1,206	804	-	54,275
<u>Less</u> Disposal / written - off	-	-	-	-	(7)	(4)	(260)	-	(271)
As at December 31, 2012	-	33,576	2,387	122,843	61,056	5,437	1,044	-	226,343
Net Book Value									
As at January 1, 2012	220,495	56,930	6,189	293,479	14,489	3,692	1,666	226,980	823,920
As at December 31, 2012	55,789	51,239	5,410	314,183	10,051	4,012	5,356	382,204	828,244

Depreciation for the year end December 31, consist of :

	2011	2012
Cost of sales	49,973	52,238
Administrative expenses	929	2,037
Total	50,902	54,275

NOTES TO FINANCIAL STATEMENTS (Cont.)

16. PROPERTY, PLANT AND EQUIPMENT - NET (Cont.)

Parent company

As at December 31, 2012 and 2011, land and existing buildings on the land and/or buildings to be constructed in the future and certain machinery of the Company have been mortgaged to a commercial banks as collaterals for its long - term loans (See Notes 34 and 36.6 to the financial statements).

As at December 31, 2012 and 2011, the Company had assets at cost value of Baht 5.01 million and Baht 0.93 million respectively (Net book value of Baht 4.39 million and Baht 0.91 million respectively) under finance lease contracts. (See Note 20 to the financial statements).

As at December 31, 2012 and 2011, the Company had fully depreciated fixed assets but still in active use at cost value totalling Baht 48.93 million and Baht 28.71 million respectively.

As at December 31, 2012 and 2011, the Company has capitalized interest which was incurred from borrowing cost of loan for the acquisition of assets totalling Baht 9.81 million and Baht 2.02 million respectively using the capitalization rate of 5.375% per annum.

Subsidiary

In the year 2012, EA Solar Co.,Ltd. was handed over a solar power plant from the contractor valuing Baht 780 million.

As at December 31, 2012, land, building and power plant together with the operating equipment of EA Solar Co.,Ltd. value of Baht 799.98 million have been mortgaged to a commercial banks as collaterals for its long - term loans (See Notes 34 to the financial statements).

17. DEFERRED RIGHT TO USE TRANSMISSION LINE

Deferred right to use transmission line consist of:-

	Unit : Thousand baht
	Consolidated
	2012
At as January 1, 2012	-
<u>Add</u> Acquisitions during the year	14,860
<u>Less</u> Amortization for the year	(123)
At as December 31, 2012	14,737

18. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Short-term loans from financial institutions consist of :-

		Unit : Thousand baht	
	Interest rate	Consolidated and Separate	
	(% p.a.)	2012	2011
Short-term loans	MLR - 0.50	75,000	38,000
Trust receipts	MLR - 0.50	343,312	140,357
Packing credit	4.30	27,114	-
Total		445,426	178,357

NOTES TO FINANCIAL STATEMENTS (Cont.)

19. TRADE ACCOUNTS AND OTHER PAYABLE

Trade accounts and other payable consist of :-

	Unit : Thousand baht			
	Consolidated		Separate	
	2012	2011	2012	2011
<u>Trade accounts payable</u>				
Other companies	47,451	102,214	47,451	102,214
<u>Other payable</u>				
Related companies	1,093	13,412	1,093	13,412
Directors/related persons	226	642	207	411
Other companies				
Other accrued expenses	13,546	11,138	9,789	10,947
Other payable	3,890	7,729	3,501	7,574
Total Other payable	18,755	32,921	14,590	32,344
Total	66,206	135,135	62,041	134,558

20. PAYABLE UNDER FACTORING CONTRACTS

The Company had entered into factoring contracts with three financial institutions. The significant conditions are as follows:

Loan facility Baht 50 Million

- The initial factoring payment shall not exceed 85% of the invoice value.
- Reserve appropriated for repayment at the rate not less than 15% of the contract amount.
- The charges of initial payment will be at MOR-0.50 per annum daily calculated from the outstanding payable.
- The charges of transference of the claim will be amounting to Baht 500 each time which shall be paid at the transaction date.

Loan facility Baht 150 Million

- The initial factoring payment shall not exceed 90% of the net value of transferred debt.
- Reserve appropriated for repayment at the rate not less than 10% of the total debt amount.
- The charges of initial payment will be MOR per annum.
- The charges of transference of the claim will be amounting to Baht 1000 each time which shall be paid at the transaction date.

Loan facility Baht 200 Million

- The initial factoring payment shall not exceed 90% of the invoice value.
- Reserve appropriated for repayment at the rate not less than 10% of the contract amount.
- The charges of initial payment will be at MOR-2.375 per annum.
- The charges of transference of the claim will be amounting to Baht 500 each time.

The details of collaterals for payable under factoring contracts are described Note 34 to the financial statements.

NOTES TO FINANCIAL STATEMENTS (Cont.)

21. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS - NET

Long-term loans from financial institutions-net consist of :-

		Unit : Thousand baht			
		Consolidated		Separate	
		2012	2011	2012	2011
Long-term loans		233,971	89,564	233,971	89,564
<u>Add</u> Increased during the year		564,890	183,176	17,000	183,176
<u>Less</u> Repayments during the year		(52,530)	(38,769)	(52,530)	(38,769)
Long-term loans		746,331	233,971	198,441	233,971
<u>Less</u> Current portion		(114,624)	(52,530)	(65,040)	(52,530)
Net		631,707	181,441	133,401	181,441

The above-mentioned long - term loans' terms fo payment and balance are as follows :-

			Unit : Thousand baht			
			Consolidated		Separate	
Loan facilities	Interest rate	Repayment	2012	2011	2012	2011
(Million baht)	(% p.a.)	condition				
60	MLR - 2.00	Objective: As working capital Repayment : monthly installment of Baht 1.25 million and interest is paid seperately at end of month commencing from October 2011 within October 2015	35,971	50,971	35,971	50,971
65	MLR - 2.00	Objective: Purchase of palm oil machinery Repayment : monthly installment of Baht 1.355 million and interest is paid seperately at end of month commencing from April 2012 within December 2016	52,805	65,000	52,805	65,000

NOTES TO FINANCIAL STATEMENTS (Cont.)

21. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS - NET (Cont.)

Loan facilities (Million baht)	Interest rate (% p.a.)	Repayment condition	Unit : Thousand baht			
			Consolidated		Separate	
			2012	2011	2012	2011
70	MLR - 2.00	Objective: Purchase of glycerin machinery Repayment : monthly installment of Baht 1.46 million and interest is paid separately at end of month commencing from April 2012 within December 2016	56,860	70,000	56,860	70,000
65	MLR - 2.00	Objective: monthly installment of Baht 1.355 million and interest is paid separately at end of month commencing from April 2012 within December 2016	52,805	48,000	52,805	48,000
630	3 months THBFIX+2% และตั้งแต่ 26 พ.ย.2555 อัตราร้อยละ 5.60	Objective: For construction Solar power plant Repayment : the first installment is paid from the first day of electricity commercial distribution and the following installments are paid every month at 2.24% to 3.07% of the loan draw down interest is paid separately every 3 month with the first payment to be paid within 3 months from the date of the first principal draw down and the following payment are made every 3 month the date of the first principal draw down and the following	547,890	-	-	-
890		Long-term loan balance	746,331	233,971	198,441	233,971

The above - mentioned long-term loans were secured by collaterals at described in Note 34 to the financial statement.

NOTES TO FINANCIAL STATEMENTS (Cont.)**22. LIABILITIES UNDER FINANCE LEASE CONTRACTS-NET**

Liabilities under the finance lease contracts-net consist of :-

		Unit : Thousand baht	
		Consolidated and Separate	
		2012	2011
Liabilities under finance lease contracts		4,848	919
<u>Less</u> Deferred interest		(562)	(29)
Present value of minimum amount payment		4,286	890
<u>Less</u> Current portion		(1,360)	(232)
Net		2,926	658
Present value of minimum amount payment by lease agreement			
Less than 1 year		1,360	232
More than 1 year but less than 5 years		2,926	658
Total		4,286	890

23. EMPLOYEE BENEFIT OBLIGATIONS

The Company and its subsidiaries adopted TAS 19 Employee Benefits which effect from January 1, 2011. The Company and its subsidiaries choose to recognized past service cost with retained earnings balance as at January 1, 2011.

The Company and its subsidiaries operates post-employment benefit and pension based on the requirement of the Thai Labour Protection Act B.E. 2541 to provide retirement benefits and other long term benefits to employees based on pensionable remuneration and length of service.

Post employment benefit obligation recognised as liability consist of :

		Unit : Thousand baht			
		Consolidated		Separate	
		2012	2011	2012	2011
Employee benefit obligations					
as at January 1		827	462	827	462
Recognised through profit or loss					
for the year		288	365	282	365
Employee benefit obligations					
as at December 31		1,115	827	1,109	827

The expense is recognised in the following line items in the profit or loss:

		Unit : Thousand baht			
		Consolidated		Separate	
		2012	2011	2012	2011
Profit or loss					
Cost of goods sold		11	14	11	14
Selling expenses		3	3	3	3
Administrative expense		274	348	268	348
Total		288	365	282	365

NOTES TO FINANCIAL STATEMENTS (Cont.)

Principal actuarial assumptions at the reporting date.-

	Percentage (% p.a)	
	2012	2011
Discount rate (%)	4.35	4.41
* Employee turnover rate	0, 22, 24 , 30	0, 17, 26, 33
** Mortality rate (%)	50	50
Normal retirement age (Year)	60	60

* Upon the length of service.

** Year 2012, reference from Thai Mortality Ordinary Table of 2008 and Year 2011, reference from Thai Mortality Ordinary Table of 1997.

24. SHARE CAPITAL AND SHARE PREMIUM

At the Company shareholders' Annual General Meeting No. 1/2012 held on April 25, 2012, its was approved to increase of the Company's authorized capital amounting to Baht 68 million (680,000,000 common shares at Baht 0.10 each) to offer to the public amounting to Baht 56 million (560,000,000 common shares at par value of Baht 0.10 each) and to offer to the existing shareholders of the Company amounting to Baht 12 million (120,000,000 common shares at par value of Baht 0.10 each). The Company has registered the increase in share capital with the Ministry of Commerce on May 10, 2012.

In May 2012, the Company called for payment for shares offered to the existing shareholders of 120,000,000 common shares at Baht 1.50 each (share premium at Baht 1.40 each) totalling Baht 180 million which the Company had received in full.

25. LEGAL RESERVE

Pursuant to the Public Limited Companies Act B.E.2535 (1992), the company must appropriate a portion of the annual net income as a reserve fund, which must not be less than five percent of the annual net income deducted by the total deficit brought forward (if any) until reserve reaches an amount of not less than ten percent of the registered capital.

In year 2012, the Company is required to set aside to a statutory reserve of Baht 5.30 million.

26. DIVIDEND PAYMENT

At the Company shareholders' Annual General Meeting No. 1/2012 held on April 25, 2012, it was resolved to pay dividend from net profit for the year 2010 amounting to Baht 27 million and from net profit for the year 2011 amounting to Baht 58.4 million totalling Baht 85.4 million which appropriate to shareholders of 3,050,000,000 common shares at Baht 0.028 which was paid in May 2012.

27. GOVERNMENT GRANT

Government grant in respect of adder is subsidy in respect of Adder received from the Provincial Electricity Authority at Baht 8.00 per kilowatt for a period of 10 years commencing from the first date of commercial sale of electricity.

The subsidiaries recognize this government grant as income when the electricity is delivered to and accepted by the customer.

NOTES TO FINANCIAL STATEMENTS (Cont.)**28. EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing profit for the year of attributable shareholders of the Company (excluded other comprehensive income) by the weighted-average number of common shares issued during the year.

	Unit : Thousand baht			
	Consolidated		Separate	
	2012	2011	2012	2011
Earnings per share (Baht:share)				
Net profit for the year	107,047	63,016	105,027	68,426
Weighted-average number of common shares (Shares)	3,127,377	2,922,953	3,127,377	2,992,953
Earnings per share (Baht:share)	0.034	0.022	0.034	0.023

29. EXPENSES BY NATURE

Significant expenses classified by nature consist of.-

	Unit : Thousand baht			
	Consolidated		Separate	
	2012	2011	2012	2011
Changes in inventories of finished goods and work in process	7,621	(15,594)	7,621	(11,145)
Raw material and supplies used	3,726,375	4,079,861	3,726,375	4,079,861
Purchase finished goods	322,980	244,357	322,980	244,357
Employee expensess	51,303	40,693	46,197	39,992
Management's benefit expenses	20,200	21,733	19,745	21,733
Depreciation expenses	61,349	50,904	54,275	50,900
(Reversal for) allowance for diminution in value of inventories and obsolete inventories	-	(1,643)	-	(1,643)
Finance cost	29,434	17,584	22,566	17,352

30. CORPORATE INCOME TAX

On October 11, 2011, the cabinet has approved the change in corporate income tax rate to be 23% of net profit for the accounting period commencing on or after January 1, 2012 and 20% of net profit for two following period commencing on or after January 1, 2013.

In the year of 2012, the Company did not have corporate income tax payable because the Company had tax losses from its operation under BOI brought forward from previous years more than net profit of Non-BOI operation.

NOTES TO FINANCIAL STATEMENTS (Cont.)

31. RIGHTS AND PRIVILEGES FROM THE INVESTMENT PROMOTION

By virtue of the provision of Investment Promotion Acts B.E. 2520, the Company has been granted certain rights and privileges for the manufacture as follows:

<u>Certificate No.</u>	<u>Production business</u>	<u>Approved date</u>
1. 1657(2)/2551	Producing pure glycerin	May 12, 2008
2. 2037(2)/2554	Producing pure glycerin	July 11, 2011
3. 2182(9)/2551	Producing biodiesel	October 27, 2008
4. 1889(2)/2554	Producing fat and oil	May 23, 2011

By virtue of the provision of Investment Promotion Acts B.E. 2520, EA Solar Co., Ltd. has been granted certain rights and privileges for the manufacture as follows:

<u>Certificate No.</u>	<u>Production business</u>	<u>Approved date</u>
1. 2467(1)/2554	Power of solar farm	November 17, 2011

Important rights and privileges granted include the following :

Producing pure glycerin

1. Exemption of import duty for machineries that are approved by the Board of Investment.
2. Allowance from import-duty in the rate of 75% of normal rate on imported raw material and necessary supplies used in production process for domestic sales for 1 year from the first import date.
3. Exemption of corporate income tax derived from the profit of the promoted activities in total not more than 100% of the investment excluding land and working capital for a period of 8 years effective from the first sale generated.
4. Exemption from income tax on dividend of promotional investments through out the promoted period.
5. Allowance from company income tax for the net profit of B.O.I. income in the rate of 50% of normal rate, the allowance period is 5 years subsequent to the exemption period for company income tax has been matured.
6. Allowance from deducting freight, electricity and water expenses at 2 times of total expenses for 10 years from the first sale generated.
7. Permission of deduction of investment in installation or construction of facilities at 25% in excess of its usual depreciation.
8. Exemption from import-duty on imported raw material and necessary supplies used in production process of exported goods for 5 years from the first import date.
9. Exemption of import duty for re-exported items for 5 years from the first import date.

Producing biodiesel

1. Exemption of import duty for machineries that are approved by the Board of Investment.
2. Exemption of corporate income tax derived from the profit of the promoted activities for a period of 8 years effective from the first sale generated.
3. Exemption from income tax on dividend of promotional investments through out the promoted period.
4. Allowance from company income tax for the net profit of B.O.I. income in the rate of 50% of normal rate, the allowance period is 5 years subsequent to the exemption period for company income tax has been matured.

NOTES TO FINANCIAL STATEMENTS (Cont.)

5. Allowance from deducting freight, electricity and water expenses at 2 times of total expenses for 10 years from the first sale generated.

6. Permission of deduction of investment in installation or construction of facilities at 25% in excess of its usual depreciation.

Producing fat and oil

1. Exemption of import duty for machineries that are approved by the Board of Investment.

2. Exemption of corporate income tax derived from the profit of the promoted activities for a period of 8 years effective from the first sale generated.

3. Exemption from income tax on dividend of promotional investments through out the promoted period.

4. Allowance from company income tax for the net profit of B.O.I. income in the rate of 50% of normal rate, the allowance period is 5 years subsequent to the exemption period for company income tax has been matured.

5. Allowance from deducting freight, electricity and water expenses at 2 times of total expenses for 10 years from the first sale generated.

6. Permission of deduction of investment in installation or construction of facilities at 25% in excess of its usual depreciation.

Power of solar farm

1. Exemption of import duty for machineries that are approved by the Board of Investment.

2. Exemption of corporate income tax derived from the profit of the promoted activities for a period of 8 years effective from the first sale generated.

3. Exemption from income tax on dividend of promotional investments through out the promoted period.

4. Allowance from company income tax for the net profit of B.O.I. income in the rate of 50% of normal rate, the allowance period is 5 years subsequent to the exemption period for company income tax has been matured.

5. Allowance from deducting freight, electricity and water expenses at 2 times of total expenses for 10 years from the first sale generated.

6. Permission of deduction of investment in installation or construction of facilities at 25% in excess of its usual depreciation.

Results operation for the year ended December 31, 2012 are classified under promoted and non-promoted business as follows:

	Unit : Thousand baht		
	Consolidated		
	Promoted business	Non-promoted business	Total
Revenues			
Sales income - net	2,983,620	1,351,916	4,335,536
Sales of by products - net	92,732	5,538	98,270
Government grant	23,920	-	23,920
Proceeds from services	-	6,183	6,183
Other incomes	5,051	10,026	15,077
Total revenue	3,105,323	1,373,663	4,478,986

NOTES TO FINANCIAL STATEMENTS (Cont.)

Unit : Thousand baht			
Consolidated			
	Promoted	Non-promoted	Total
	business	business	
Expenses			
Cost of sales	(2,863,292)	(1,336,424)	(4,199,716)
Cost of services	-	(5,826)	(5,826)
Selling expenses	(31,615)	(28,437)	(60,052)
Administrative expenses	(50,905)	(25,903)	(76,808)
Total expenses	(2,945,812)	(1,396,590)	(4,342,402)
Net profit before finance cost and income tax	159,511	(22,927)	136,584
Finance cost	(22,072)	(7,362)	(29,434)
Net profit before income tax	137,439	(30,289)	107,150
Corporate income tax	-	(52)	(52)
Net profit (loss) for the year	137,439	(30,341)	107,098

Unit : Thousand baht			
Separate			
	Promoted	Non-promoted	Total
	business	business	
Revenues			
Sales income - net	2,973,007	1,351,915	4,324,922
Sales of by products - net	92,732	5,538	98,270
Other incomes	790	20,280	21,070
Total revenue	3,066,529	1,377,733	4,444,262
Expenses			
Cost of sales	(2,855,282)	(1,336,424)	(4,191,706)
Selling expenses	(31,615)	(28,437)	(60,052)
Administrative expenses	(44,991)	(19,921)	(64,912)
Total expenses	(2,931,888)	(1,384,782)	(4,316,670)
Net profit before finance cost and income tax	134,641	(7,049)	127,592
Finance cost	(15,640)	(6,925)	(22,565)
Net profit before income tax	119,001	(13,974)	105,027
Corporate income tax	-	-	-
Net profit (loss) for the year	119,001	(13,974)	105,027

NOTES TO FINANCIAL STATEMENTS (Cont.)

Results operation for the year ended December 31, 2011 are classified under promoted and non-promoted

business as follows:

Unit : Thousand baht			
Consolidated			
	Promoted business	Non-promoted business	Total
Revenues			
Sales income - net	2,886,022	2,511,949	5,397,971
Sales of by products - net	23,515	2,497	26,012
Other incomes	724	6,614	7,338
Total revenue	2,910,261	2,521,060	5,431,321
Expenses			
Cost of sales	(2,756,045)	(2,436,464)	(5,192,509)
Selling expenses	(35,179)	(73,022)	(108,201)
Administrative expenses	(27,842)	(24,061)	(51,903)
Total expenses	(2,819,066)	(2,533,547)	(5,352,613)
Net profit before finance cost and income tax	91,195	(12,487)	78,708
Finance cost	(9,308)	(8,276)	(17,584)
Net profit before income tax	81,887	(20,763)	61,124
Corporate income tax	-	-	-
Net profit (loss) for the year	81,887	(20,763)	61,124
Unit : Thousand baht			
Separate			
	Promoted business	Non-promoted business	Total
Revenues			
Sales income - net	2,886,022	2,511,948	5,397,970
Sales of by products - net	23,515	2,497	26,012
Other incomes	724	9,499	10,223
Total revenue	2,910,261	2,523,944	5,434,205
Expenses			
Cost of sales	(2,756,045)	(2,436,464)	(5,192,509)
Selling expenses	(35,179)	(68,836)	(104,015)
Administrative expenses	(27,842)	(24,061)	(51,903)
Total expenses	(2,819,066)	(2,529,361)	(5,348,427)
Net profit before finance cost and income tax	91,195	(5,417)	85,778
Finance cost	(9,308)	(8,044)	(17,352)
Net profit before income tax	81,887	(13,461)	68,426
Corporate income tax	-	-	-
Net profit (loss) for the year	81,887	(13,461)	68,426

NOTES TO FINANCIAL STATEMENTS (Cont.)**33. SEGMENT FINANCIAL INFORMATION (Cont.)**

For the year ended December 31, 2011 (Unit : Thousand baht)								
	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5	Other	Elimination	Total
Revenues	3,113,904	1,149,615	78,598	-	1,055,854	26,012	-	5,423,983
Operating profit								71,370
Un allocated income-net								7,338
Finance cost								(17,584)
Corporate income tax								-
Net loss attributable to non-controlling interests								1,892
Net profit attributable to equity holders of the parent								63,016
Property, plant and equipment - net								
As at December 31, 2011								
Allocated								-
Un allocated								927,725
Total property, plant and equipment								927,725
Total assets as at December 31, 2011								1,724,877

34. CREDIT FACILITIES

The Company's credit facilities as follows :-

	Unit : Thousand baht			
	Consolidated		Separate	
	2012	2011	2012	2011
1. Bank overdrafts	15,000	-	15,000	-
2. Short-term loans	365,000	280,000	365,000	280,000
3. Letters of credit/Trust receipts				
/Packing credit	455,500	250,000	455,500	250,000
4. Factoring	389,500	420,000	389,500	420,000
5. Long-term loans	890,000	890,000	260,000	260,000
6. Letters of guarantee	237,075	125,906	237,075	125,906
7. Hedging	100,000	100,000	100,000	100,000
Total	2,452,075	2,065,906	1,822,075	1,435,906

NOTES TO FINANCIAL STATEMENTS (Cont.)

Loan facility No. 1

Secured by

- Mortgage the Company's land and building and certain machinery.
- It shall maintain its Debt to Equity Ratio not less than 2:1.

Loan facility No. 2 and No. 3

Secured by

- 3 major shareholders guarantee proportionally as stipulated in the guarantee agreements.
- Mortgage the Company's land and building and part of machinery.
- It shall maintain its Debt to Equity Ratio not less than 2:1 and Debt Service Coverage Ratio not less than 1.5.

Loan facility No. 4

Secured by

- Mortgage the Company's certain machinery.

Loan facility No. 5

The Company

Secured by

- 3 major shareholders guarantee proportionally as stipulated in the guarantee agreements.
- Mortgage the Company's certain part of machinery and equipment.

The Company shall be complied with certain conditions under the loan agreements.

- It shall maintain its Debt to Equity Ratio not less than 2:1 and Debt Service Coverage Ratio not less than 1.2.

Subsidiary

Secured by

- Mortgage its subsidiary's land and solar power plant.

Loan facility No. 6

Secured by

- Mortgage the Company's land and building.
- Pledge the Company's deposits in saving account and fixed deposit.
- It shall maintain its Debt to Equity Ratio not less than 2:1.

Loan facility No. 7

Secured by

- Mortgage the Company's certain machinery.

35. FINANCIAL INSTRUMENT

The Company and its subsidiaries complied with the Thai Accounting Standard No.107 "Presentations and Disclosure of Financial Instruments" as a guidance to disclose about the financial instruments as follows:-

35.1 The related accounting

The related accounting policies are disclosed in the notes 5.20 to the financial statements

NOTES TO FINANCIAL STATEMENTS (Cont.)

35.2 Credit risk

The Company and subsidiaries are exposed to credit risk from non performance of contractual obligations by counter parties resulting in a financial loss to the Company and its subsidiaries. To prevent the risk, the Company and its subsidiaries have credits control and regularly review debtors' financial status. The Company and its subsidiaries do not expect significant losses from non performance contractual obligation as their customers are diverse.

35.3 Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relates primarily to its deposits with financial institutions, bank overdrafts and short-terms and long-term loans charged with interest and financial lease. However, since interest rates of the majority of these financial assets and liabilities vary according to market rates or are fixed and closed to market rates, the Company and its subsidiaries management deemed their interest risk at low level. The Company and its subsidiaries thus do not use derivative financial instruments to hedge such risk.

The Company and its subsidiary had interest rate risk as follows:

	Unit : Thousand baht						
	Consolidated						
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)
	within 1 year	1 - 5 years	Over 5 years				
As at December 31, 2012							
Financial assets							
Cash and cash equivalents	-	-	-	38,282	29,062	67,344	0.125-0.50
Trade and other accounts receivable	-	-	-	-	166,135	166,135	-
Short-term loans to other person	4,401	-	-	-	-	4,401	7.25, 15.00
Deposits at financial institution							
held as collaterals	-	-	-	112,107	-	112,107	0.50-2.60
Financial liabilities							
Short-term loans from financial institutions	-	-	-	445,426	-	445,426	MLR - 0.50
Trade accounts and other payable	-	-	-	-	66,206	66,206	-
Long-term loans from financial institutions	-	-	-	746,331	-	746,331	MLR - 2.00
Liabilities under finance lease contracts	1,360	2,926	-	-	-	4,286	6.00
	Unit : Thousand baht						
	Separate						
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)
	within 1 year	1 - 5 years	Over 5 years				
As at December 31, 2012							
Financial assets							
Cash and cash equivalents	-	-	-	38,242	17,937	56,179	0.125-0.50
Trade and other accounts receivable	-	-	-	-	141,606	141,606	-
Deposits at financial institution							
held as collaterals	-	-	-	92,735	-	92,735	0.50-2.60
Financial liabilities							
Short-term loans from financial institutions	-	-	-	445,426	-	445,426	MLR - 0.50
Trade accounts and other payable	-	-	-	-	62,041	62,041	-
Long-term loans from financial institutions	-	-	-	198,441	-	198,441	MLR - 2.00
Liabilities under finance lease contracts	1,360	2,926	-	-	-	4,286	6.00

NOTES TO FINANCIAL STATEMENTS (Cont.)

	Unit : Thousand baht						
	Consolidated						
	Fixed interest rates			Floating	Non-		Interest
	within	1 - 5	Over	interest	interest	Total	rate
<u>As at December 31, 2011</u>	1 year	years	5 years	rate	bearing		(% p.a.)
Financial assets							
Cash and cash equivalents	-	-	-	181,095	206	181,301	0.125-0.50
Trade and other accounts receivable	-	-	-	-	221,147	221,147	-
Short-term loans to other person	10,630	-	-	-	-	10,630	2.50-15.00
Deposits at financial institution							
held as collaterals	-	-	-	56,097	-	56,097	0.50-2.60
Long-term loans from related person	-	-	60,000	-	-	60,000	12.00
Long-term loans to other person	4,008	-	-	-	-	4,008	7.25
Financial liabilities							
Short-term loans from financial institutions	-	-	-	178,357	-	178,357	MLR - 0.50
Trade accounts and other payable	-	-	-	-	135,135	135,135	-
Long-term loans from financial institutions	-	-	-	233,971	-	233,971	MLR - 2.00
Liabilities under finance lease contracts	232	658	-	-	-	890	6.00

	Unit : Thousand baht						
	Separate						
	Fixed interest rates			Floating	Non-		Interest
	within	1 - 5	Over	interest	interest	Total	rate
<u>As at December 31, 2011</u>	1 year	years	5 years	rate	bearing		(% p.a.)
Financial assets							
Cash and cash equivalents	-	-	-	96,111	30	96,141	0.125-0.50
Trade and other accounts receivable	-	-	-	-	222,741	222,741	-
Short-term loans to related company	50	-	-	-	-	50	2.00
Short-term loans to other person	630	-	-	-	-	630	2.50,15.00
Deposits at financial institution							
held as collaterals	-	-	-	56,097	-	56,097	0.50-2.60
Long-term loans from related person	-	-	131,400	-	-	131,400	7.00,12.00
Financial liabilities							
Short-term loans from financial institutions	-	-	-	178,357	-	178,357	MLR - 0.50
Trade accounts and other payable	-	-	-	-	134,558	134,558	-
Long-term loans from financial institutions	-	-	-	233,971	-	233,971	MLR - 2.00
Liabilities under finance lease contracts	232	658	-	-	-	890	6.00

NOTES TO FINANCIAL STATEMENTS (Cont.)

35.4 Currency risk

Liquidity risk is the risk that the Company and its subsidiaries will be unable to liquidate its financial assets and/or procure sufficient funds to discharge its obligations in a timely manner, resulting in the incurrence of a financial loss. The Company has a policy to maintain liquidity risk which may occur. The Company and its subsidiaries has sufficient credit lines to fund its operations that are provided by many commercial banks. This mitigates the risk.

35.5 Fair value of financial instruments

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction.

Methodology of fair value measurement depends upon characteristics of the financial instruments. For the financial instruments which are regarded as trade in an active market, fair value has been determined by the latest quoted market price. If however the appropriate quoted market price cannot be determined, the fair value is determined using an appropriate valuation technique.

Since the majority of the Company and subsidiary' financial assets and liabilities are long-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position.

36. COMMITMENTS AND CONTINGENT LIABILITIES

The Company and its subsidiaries were in possession of commitments and contingent liabilities as follows :-

Commitments

36.1 The Company has entered into office space rental and service agreements for a period of 3 years. The future payment of rental and service fees are as follows :-

	Unit : Thousand baht	
	Consolidated and Separate	
	2012	2011
Less than 1 year	2,986	2,986
Over 1 year but less than 5 year	1,244	5,971

36.2 The Company has entered into land lease agreements for solar power farm project for a period of 30 years. The future payment of lease fees are as follows :-

	Unit : Thousand baht	
	Consolidated and Separate	
	2012	2011
Less than 1 year	19	18
Over 1 year but less than 5 year	76	89
Over 5 year	434	422

36.3 The Company has entered into store rental agreement for Liquefied Petroleum Gas (LPG) with PTT Public Company Limited for a period of 3 years (December 28, 2011 - September 4, 2014). The future payment of rental and service fees at as December 31, 2011 totalling Baht 68.11 million. Later, May 1, 2012 the Company had terminated the agreement due to the discontinuation of selling of LPG in accordance with the minute of meeting of the Annual General Shareholders' Meeting No. 1/2012.

NOTES TO FINANCIAL STATEMENTS (Cont.)

36.4 The Company has entered into a financial advisory service agreement for providing advices to the Company in listing its securities in the Stock Exchange of Thailand and public offering process which the future payment was in accordance with the agreement.

36.5 The Company and its subsidiaries were in possession of contractual commitments as follows:-

	Unit : Thousand baht			
	Consolidated		Separate	
	2012	2011	2012	2011
Construction work of buildings and machinery agreement	5,684	72,106	5,684	72,106
Software purchase agreement	-	1,076	-	1,076
Clean Development Mechanisms advisory service agreement	132	2,292	132	2,292
Construction work of solar power plant agreement	366,244	702,580	365,992	-

Contingent liabilities

36.6 The Company and its subsidiaries were contingently liable for letters of guarantee issued by banks to certain government agents and a companies totalling Baht 140.21 million and Baht 102.24 million for the consolidated financial statements and totalling Baht 138.84 million and Baht 102.24 million for the separate financial statements.

37. CAPITAL MANAGEMENT

The primary objectives of the Company and subsidiaries' capital management are to maintain their ability to continue as a going concern and to maintain appropriate capital structures.

As at December 31, 2012 and 2011, debt-to-equity ratio in the consolidated financial statements was 1.23 : 1 and 0.70 : 1 respectively and the separate financial statement was 0.61 : 1 and 0.68 : 1 respectively.

38. EVENTS AFTER REPORTING PERIOD

From January 21, to January 23, 2013, the Company had opened to the public to place orders for its common shares offered to the public of 560,000,000 shares at the price of Baht 5.5 per share amounting to Baht 3,080 million (per value of Baht 0.10) which had share premium at Baht 5.4 per share totalling Baht 3,024 million which the share amount and share premium were fully received and the Company has registered the increase in capital with the Ministry of Commerce on January 24, 2013.

The Company has distributed its share in Market for Alternative Investment (MAI) on January 31, 2013.

At the Company's Board of Directors meeting held on February 28, 2013, it was approved to propose at the General Shareholders' meeting to pay dividend from profit from operation for the year 2012 amounting to Baht 37.30 million at the rate of Baht 0.01 per share.

39. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's Board of Directors on February 28, 2013.



Energy Absolute Public Company Limited





บริษัท พลังงานบริสุทธิ์ จำกัด (มหาชน)
Energy Absolute
Public Company Limited

