

Thai Agro Energy Public Company Limited  
Review report and interim financial information  
For the three-month and nine-month periods ended  
30 September 2020

## **Independent Auditor's Report on Review of Interim Financial Information**

To the Shareholders of Thai Agro Energy Public Company Limited

I have reviewed the accompanying statement of financial position of Thai Agro Energy Public Company Limited as at 30 September 2020, the related statements of comprehensive income for the three-month and nine-month periods then ended, and the related statements of changes in shareholders' equity and cash flows for the nine-month period then ended, as well as the condensed notes to the interim financial statements (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of review**

I conducted my review in accordance with Thai Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

### **Conclusion**

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 Interim Financial Reporting.

Patcharawan Koonarangsri  
Certified Public Accountant (Thailand) No. 6650

EY Office Limited  
Bangkok: 9 November 2020

**Thai Agro Energy Public Company Limited****Statement of financial position****As at 30 September 2020**

		(Unit: Thousand Baht)	
	<u>Note</u>	<u>30 September 2020</u>	<u>31 December 2019</u>
		(Unaudited but reviewed)	(Audited)
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		14,401	25,441
Current investment - open fund		-	1,056
Trade and other receivables	5	226,483	200,305
Inventories		289,218	424,487
Advance payments for purchase of goods		80,064	602,561
Other current financial asset		1,063	-
Other current assets		2,483	49,052
<b>Total current assets</b>		<u>613,712</u>	<u>1,302,902</u>
<b>Non-current assets</b>			
Biological assets		5,154	1,957
Property, plant and equipment	6	2,801,454	2,826,018
Right-of-use-assets	7	26,046	-
Intangible assets		1,457	2,006
Deferred tax assets		2,965	2,978
Other non-current financial asset		769	769
<b>Total non-current assets</b>		<u>2,837,845</u>	<u>2,833,728</u>
<b>Total assets</b>		<u>3,451,557</u>	<u>4,136,630</u>

The accompanying notes are an integral part of the financial statements.

**Thai Agro Energy Public Company Limited****Statement of financial position (continued)****As at 30 September 2020**

(Unit: Thousand Baht)

	<u>Note</u>	<u>30 September 2020</u>	<u>31 December 2019</u>
		(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Short-term loans from financial institutions	8	962,675	1,391,294
Trade and other payables	4, 9	63,165	161,020
Current portion of long-term loans	10	143,834	143,834
Current portion of lease liabilities		7,294	-
Current portion of finance lease agreements		-	3,008
Income tax payable		-	1,770
Provision for short-term employee benefits		777	57
Other current liabilities		<u>28,470</u>	<u>25,056</u>
<b>Total current liabilities</b>		<u>1,206,215</u>	<u>1,726,039</u>
<b>Non-current liabilities</b>			
Long-term loans - net of current portion	10	388,406	460,282
Lease liabilities - net of current portion		18,839	-
Liabilities from finance lease agreements - net of current portion		-	8,980
Provision for long-term employee benefits		<u>6,096</u>	<u>5,502</u>
<b>Total non-current liabilities</b>		<u>413,341</u>	<u>474,764</u>
<b>Total liabilities</b>		<u>1,619,556</u>	<u>2,200,803</u>

The accompanying notes are an integral part of the financial statements.

**Thai Agro Energy Public Company Limited**

**Statement of financial position (continued)**

**As at 30 September 2020**

(Unit: Thousand Baht)

	<u>30 September 2020</u>	<u>31 December 2019</u>
	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity (continued)</b>		
<b>Shareholders' equity</b>		
Share capital		
Registered		
1,000,000,000 ordinary shares of Baht 1 each	<u>1,000,000</u>	<u>1,000,000</u>
Issued and fully paid up		
1,000,000,000 ordinary shares of Baht 1 each	1,000,000	1,000,000
Share premium	188,796	188,796
Capital reserve for share-based payment transactions	556	556
Retained earnings		
Appropriated - statutory reserve	100,000	100,000
Appropriated - general reserve	192,000	192,000
Unappropriated	<u>350,649</u>	<u>454,475</u>
<b>Total shareholders' equity</b>	<u>1,832,001</u>	<u>1,935,827</u>
<b>Total liabilities and shareholders' equity</b>	<u>3,451,557</u>	<u>4,136,630</u>
	-	-

The accompanying notes are an integral part of the financial statements.

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Directors  
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(Unaudited but reviewed)

**Thai Agro Energy Public Company Limited****Statement of comprehensive income****For the three-month and nine-month periods ended 30 September 2020**

		(Unit: Thousand Baht except earnings per share expressed in Baht)			
		For the three-month periods		For the nine-month periods	
		ended 30 September		ended 30 September	
<u>Note</u>		<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Profit or loss:</b>					
<b>Revenues</b>					
	Sales	657,396	621,237	1,904,493	1,995,164
	Other income	569	40,571	1,610	43,211
	<b>Total revenues</b>	<u>657,965</u>	<u>661,808</u>	<u>1,906,103</u>	<u>2,038,375</u>
<b>Expenses</b>					
	Cost of sales	620,197	474,381	1,694,994	1,453,577
	Selling and distribution expenses	4,749	5,626	12,747	17,651
	Administrative expenses	14,154	18,474	53,188	48,417
	<b>Total expenses</b>	<u>639,100</u>	<u>498,481</u>	<u>1,760,929</u>	<u>1,519,645</u>
	<b>Profit from operating activities</b>	18,865	163,327	145,174	518,730
	Finance cost	(9,388)	(7,953)	(32,210)	(26,476)
	<b>Profit before income tax</b>	9,477	155,374	112,964	492,254
	Income tax	728	(1,451)	(11,790)	(15,801)
	<b>Profit for the period</b>	<u>10,205</u>	<u>153,923</u>	<u>101,174</u>	<u>476,453</u>
<b>Other comprehensive income</b>					
	<b>Other comprehensive income for the period</b>	-	-	-	-
	<b>Total comprehensive income for the period</b>	<u>10,205</u>	<u>153,923</u>	<u>101,174</u>	<u>476,453</u>
<b>Earnings per share</b>					
	Basic earnings per share				
	Profit (Baht)	<u>0.01</u>	<u>0.15</u>	<u>0.10</u>	<u>0.48</u>
	Weighted average number of ordinary shares				
	(Thousand shares)	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

**Thai Agro Energy Public Company Limited**  
**Statement of changes in shareholders' equity**  
**For the nine-month period ended 30 September 2020**

(Unit: Thousand Baht)

	Issued and fully paid up share capital	Share premium	Capital reserve for share-based payment transactions	Retained earnings			Total
				Statutory reserve	General reserve	Unappropriated	
<b>Opening balance as at</b>							
<b>1 January 2019</b>	1,000,000	188,796	556	100,000	192,000	290,850	1,772,202
Profit for the period	-	-	-	-	-	476,453	476,453
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	476,453	476,453
Dividend paid (Note 13)	-	-	-	-	-	(349,999)	(349,999)
<b>Closing balance as at</b>							
<b>30 September 2019</b>	<u>1,000,000</u>	<u>188,796</u>	<u>556</u>	<u>100,000</u>	<u>192,000</u>	<u>417,304</u>	<u>1,898,656</u>
<b>Opening balance as at</b>							
<b>1 January 2020</b>	1,000,000	188,796	556	100,000	192,000	454,475	1,935,827
Profit for the period	-	-	-	-	-	101,174	101,174
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	101,174	101,174
Dividend paid (Note 13)	-	-	-	-	-	(205,000)	(205,000)
<b>Closing balance as at</b>							
<b>30 September 2020</b>	<u>1,000,000</u>	<u>188,796</u>	<u>556</u>	<u>100,000</u>	<u>192,000</u>	<u>350,649</u>	<u>1,832,001</u>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

**Thai Agro Energy Public Company Limited**

**Statement of cash flows**

**For the nine-month period ended 30 September 2020**

(Unit: Thousand Baht)

	<u>2020</u>	<u>2019</u>
<b>Cash flows from operating activities</b>		
Profit before tax	112,964	492,254
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	132,173	123,972
Reversal of allowance for impairment in advance payment for purchase of goods	-	(205)
Write-off of current tax assets	-	2,493
Gain on disposals of equipment	(363)	(1,333)
Unrealised gain on change in value of other current financial assets	(7)	(15)
Provision for long-term employee benefits	1,314	1,134
Interest income	(41)	(96)
Interest expenses	<u>32,214</u>	<u>26,477</u>
Profit from operating activities before changes in operating assets and liabilities	278,254	644,681
Operating assets (increase) decrease		
Trade and other receivables	(26,172)	27,502
Inventories	135,269	(206,089)
Advance payments for purchase of goods	522,497	502,322
Other current assets	46,569	1,908
Operating liabilities increase (decrease)		
Trade and other payables	(81,071)	5,564
Other current liabilities	4,850	4,589
Provision for long-term employee benefits	<u>-</u>	<u>(1,311)</u>
Cash from operating activities	880,196	979,166
Cash received from interest income	35	74
Cash paid for interest expenses	(33,093)	(27,005)
Cash paid for income tax	<u>(13,547)</u>	<u>(36,574)</u>
<b>Net cash from operating activities</b>	<u>833,591</u>	<u>915,661</u>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

**Thai Agro Energy Public Company Limited**

**Statement of cash flows (continued)**

**For the nine-month period ended 30 September 2020**

	(Unit: Thousand Baht)	
	<u>2020</u>	<u>2019</u>
<b>Cash flows from investing activities</b>		
Acquisitions of Mangium sprout and planting cost	(3,197)	(1,287)
Acquisitions of property, plant and equipment	(131,827)	(218,077)
Acquisitions of intangible assets	(68)	(353)
Proceeds from disposals of equipment	935	1,786
<b>Net cash used in investing activities</b>	<u>(134,157)</u>	<u>(217,931)</u>
<b>Cash flows from financing activities</b>		
Net decrease in short-term loans from financial institutions	(428,619)	(382,722)
Net increase in long-term loans	-	67,982
Cash paid for long-term loans	(72,000)	(30,000)
Cash paid for lease liabilities	(5,924)	-
Cash paid for liabilities from finance lease agreements	-	(1,940)
Cash paid for dividend	(203,931)	(349,974)
<b>Net cash used in financing activities</b>	<u>(710,474)</u>	<u>(696,654)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(11,040)	1,076
Cash and cash equivalents at beginning of period	25,441	32,191
<b>Cash and cash equivalents at end of period</b>	<u>14,401</u>	<u>33,267</u>

**Supplementary cash flows information**

Non-cash related transactions from investing activities

Payables from purchases of plant and equipment and intangible assets	1,267	16,091
Acquisitions of equipment under finance lease agreements	-	6,910
Acquisitions of right-of-use assets under lease agreements	6,350	-
Transfer right-of-use asset to equipment	572	-

The accompanying notes are an integral part of the financial statements.

## **Thai Agro Energy Public Company Limited**

### **Notes to interim financial statements**

#### **For the three-month and nine-month periods ended 30 September 2020**

## **1. General information**

### **1.1 Corporate information**

Thai Agro Energy Public Company Limited (“the Company”) was incorporated as a limited company and domiciled in Thailand and was transformed to be a public limited company under Thai laws on 18 October 2007. Its parent company is Lanna Resources Public Co., Ltd., which is a public limited company incorporated in Thailand. The Company operates in Thailand and is principally engaged in production and distribution of ethanol for fuel. The registered office of the Company is at 888/114, Ploenchit Road, Lumpini, Pathumwan, Bangkok.

### **1.2 Coronavirus disease 2019 Pandemic**

The Coronavirus disease 2019 pandemic is resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Company’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

### **1.3 Basis of preparation of interim financial statements**

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders’ equity, and cash flows in the same format as that used for the annual financial statements.

These interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

These interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language interim financial statements.

## 1.4 New financial reporting standards

### a) Financial reporting standards that become effective in the current period

During the period, the Company has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, the new standard involves changes to key principles, which are summarised below:

#### Financial reporting standards related to financial instruments

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

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

These standards do not have any significant impact on the Company's financial statements.

## **TFRS 16 Leases**

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

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

The Company adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 3.

### **b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2021**

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

## **2. Significant accounting policies**

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2019 except the change in the accounting policy related to financial instruments and leases.

## **2.1 Financial instruments**

### ***Classification and measurement***

Financial assets that are debt instruments are measured at fair value through profit or loss, fair value through other comprehensive income, or amortised cost. Classification is driven by the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial liabilities are classified and measured at amortised cost.

### ***Impairment of financial assets***

The Company recognises an allowance for expected credit losses on its financial assets measured at amortised cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Company accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables that do not contain a significant financing component, the Company applies a simplified approach to determine the lifetime expected credit losses.

## **2.2 Leases**

### ***Right-of-use assets***

The Company recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Unless the Company is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

**Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Company's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

**Short-term leases and Leases of low-value assets**

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

### 3. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 2 to the financial statements, during the current period, the Company has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts on the beginning balance of statement of financial position of 2020 from changes in accounting policies due to the adoption of these standards are presented as follows:

	(Unit: Thousand Baht)			
	The impacts of			
	31 December	Financial reporting standards related to financial instruments	TFRS 16	1 January
	2019	to financial instruments	TFRS 16	2020
<b>Statement of financial position</b>				
<b>Assets</b>				
<b>Current assets</b>				
Current investment - open fund	1,056	(1,056)	-	-
Other current financial assets	-	1,056	-	1,056
<b>Non-current assets</b>				
Property, plant and equipment	2,826,018	-	(12,941)	2,813,077
Right-of-use-assets	-	-	26,227	26,227

(Unaudited but reviewed)

(Unit: Thousand Baht)

	31 December 2019	The impacts of		1 January 2020
		Financial reporting standards related to financial instruments	TFRS 16	
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Current portion of lease liabilities	-	-	6,361	6,361
Current portion of liabilities under finance lease contracts	3,008	-	(3,008)	-
<b>Non-current liabilities</b>				
Lease liabilities, net of current portion	-	-	18,913	18,913
Liabilities under finance lease contracts - net of current portion	8,980	-	(8,980)	-

### 3.1 Financial instruments

- The classifications, measurement basis and carrying values of financial assets in accordance with TFRS 9 as at 1 January 2020, and with the carrying amounts under the former basis, are as follows:

(Unit: Thousand Baht)

	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9			
		Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
<b>Financial assets as at 1 January 2020</b>					
Cash and cash equivalents	25,441	-	-	25,441	25,441
Trade and other receivables	200,305	-	-	200,305	200,305
Other current financial assets	1,056	1,056	-	-	1,056
<b>Total financial assets</b>	<b>226,802</b>	<b>1,056</b>	<b>-</b>	<b>225,746</b>	<b>226,802</b>

- As at 1 January 2020, the Company has not designated any financial liabilities at fair value through profit or loss.

### 3.2 Leases

Upon initial application of TFRS 16 the Company recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Company recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

	(Unit: Thousand Baht)
Operating lease commitments as at 31 December 2019	8,910
Add: Option to extend lease term	8,974
Less: Short-term leases and leases of low-value assets	(388)
Contracts reassessed as service agreements	(3,739)
Deferred interest expenses	(471)
Increase in lease liabilities due to TFRS 16 adoption	<u>13,286</u>
Liabilities under finance lease agreements as at 31 December 2019	<u>11,988</u>
Lease liabilities as at 1 January 2020	<u><u>25,274</u></u>
Comprise of:	
Current lease liabilities	6,361
Non-current lease liabilities	18,913
	<u><u>25,274</u></u>

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 are summarised below:

	(Unit: Thousand Baht)
Buildings and building improvement	11,527
Machinery and equipment	792
Furniture, fixtures and office equipment	145
Motor vehicles	13,763
<b>Total right-of-use assets</b>	<u><u>26,227</u></u>

(Unaudited but reviewed)

#### 4. Related party transactions

During the periods, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	For the three-month periods ended 30 September		For the nine-month periods ended 30 September		Pricing policy
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
	<u>Transactions with related companies</u>				
Dividend paid	28	102	105	179	Declared rate
Purchase of goods	7	-	12	-	Market price

The outstanding balances of the accounts as at 30 September 2020 and 31 December 2019 between the Company and related party are as follows:

(Unit: Thousand Baht)

	30 September	31 December
	<u>2020</u>	<u>2019</u>
<u>Trade payables - related party (Note 9)</u>		
Related company (Related by common share holder)	4,018	-
Total trade payables - related party	<u>4,018</u>	<u>-</u>

#### Directors and management's benefits

During the three-month and nine-month periods ended 30 September 2020 and 2019, the Company had employee benefit expenses payable to its directors and management as below.

(Unit: Thousand Baht)

	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	Short-term employee benefits	5,274	5,858	21,090
Post-employment benefits	342	83	1,026	249
Total	<u>5,616</u>	<u>5,941</u>	<u>22,116</u>	<u>21,819</u>

(Unaudited but reviewed)

## 5. Trade and other receivables

	(Unit: Thousand Baht)	
	30 September 2020	31 December 2019
Trade receivables	215,722	191,253
Other receivables	10,747	8,544
Loan to employee	-	500
Interest receivable	14	8
Total trade and other receivables	<u>226,483</u>	<u>200,305</u>

The outstanding balances of trade receivables as at 30 September 2020 amounting to Baht 215.7 million (31 December 2019: Baht 191.3 million) are undue trade receivables.

## 6. Property, plant and equipment

Movements in the property, plant and equipment account during the nine-month period ended 30 September 2020 are summarised below.

	(Unit: Thousand Baht)
Net book value as at 1 January 2020	2,813,077
Acquisitions during the period - at cost	113,940
Transfers in during the period	572
Disposal - net book value	(572)
Depreciation for the period	<u>(125,563)</u>
Net book value as at 30 September 2020	<u>2,801,454</u>

As at 30 September 2020, the Company had an outstanding balance of the construction of Wastewater Evaporation Plant amounting to Baht 380.2 million (2019: Baht 374.4 million). The construction has been financed with a loan from a financial institution. Borrowing costs amounting to Baht 5.8 million were capitalised during the nine-month period ended 30 September 2020 (31 December 2019: Baht 11.4 million). The weighted average rate of 2.3 - 3.1 percent per annum eligible for capitalisation (31 December 2019: 3.1 - 3.8 percent per annum).

The Company has mortgaged part of its land and construction thereon and machinery with net book value as at 30 September 2020 amounting to approximately Baht 1,439.1 million (31 December 2019: Baht 1,513.7 million) as collateral for short-term and long-term loans and credit facilities granted by a commercial bank as discussed in Note 8 and 10.

(Unaudited but reviewed)

## 7. Right-of-use assets

Movements of right-of-use assets for the nine-month period ended 30 September 2020 are summarised below.

	(Unit: Thousand Baht)
Net book value as at 1 January 2020	26,227
Increase during the period	6,350
Transfers out during the period	(572)
Depreciation for the period	<u>(5,959)</u>
Net book value as at 30 September 2020	<u>26,046</u>

## 8. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate		30 September 2020	31 December 2019
	(percent per annum)			
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Promissory notes	2.59 - 2.75	2.75 - 2.95	484,404	943,222
Trust receipts	2.63 - 2.68	2.53 - 2.73	478,271	448,072
Total			<u>962,675</u>	<u>1,391,294</u>

Movements in short-term loans from financial institutions during the nine-month period ended 30 September 2020 are summarised below.

	(Unit: Thousand Baht)
Balance as at 1 January 2020	1,391,294
Add: Increase during the period	2,006,989
Less: Repayment during the period	<u>(2,435,608)</u>
Balance as at 30 September 2020	<u>962,675</u>

Credit facilities from a financial institution are secured by the mortgage of part of the Company's land and construction thereon and machinery as discussed in Note 6.

As at 30 September 2020, the short-term credit facilities of the Company which have not yet been drawn down amounted to Baht 1,097.3 million (31 December 2019: Baht 668.7 million).

(Unaudited but reviewed)

## 9. Trade and other payables

	(Unit: Thousand Baht)	
	30 September 2020	31 December 2019
Trade payables - related party	4,018	-
Trade payables - unrelated parties	42,106	124,477
Other payables - unrelated parties	14,709	35,280
Dividend payables - unrelated parties	2,332	1,263
Total trade and other payables	<u>63,165</u>	<u>161,020</u>

## 10. Long-term loans

				(Unit: Thousand Baht)	
No.	Credit facilities (Million Baht)	Interest rate (percent per annum)	Repayment schedule	30 September 2020	31 December 2019
1	418.0	3M THBFIX reference rate + 1.95	The loan is repayable within 6 years and is repayable the first installment in the last day of the eighteenth month since the Company withdrew the loan (8 June 2018). The principal is payable in 10 semi-annually installments of Baht 42 million during the first to ninth installment, remaining balance is repayable in the tenth installment and interest is repayable every 3 months.	322,478	364,414
2	300.0	3M THBFIX reference rate + 1.95	The loan is repayable within 5 years and is repayable the first installment in the last day of the sixth month since the Company withdrew the loan (15 November 2018). The principal is repayable in 10 semi-annually installments of Baht 30 million each and interest is repayable every 3 months.	209,762	239,702
Total				<u>532,240</u>	<u>604,116</u>
Less: Current portion				<u>(143,834)</u>	<u>(143,834)</u>
Long-term loans, net of current portion				<u>388,406</u>	<u>460,282</u>

Movements in the long-term loans account during the nine-month period ended 30 September 2020 are summarised below.

		(Unit: Thousand Baht)
Balance as at 1 January 2020		604,116
Add: Amortisation of transaction costs during the period		124
Less: Repayment during the period		<u>(72,000)</u>
Balance as at 30 September 2020		<u>532,240</u>

(Unaudited but reviewed)

The loans are secured by the mortgage of a part of the Company's land and construction thereon and machinery as discussed in Note 6.

The loan agreements contain covenants that, among other things, require the Company to maintain certain financial ratios according to the agreement such as debt to equity and debt service coverage ratios at the rate prescribed in the agreements. As at 30 September 2020, the Company could maintain certain financial ratios as specified in the long-term loan agreements.

As at 30 September 2020, the long-term credit facilities of the Company which have not yet been drawn down amounted to Baht 11.2 million (31 December 2019: Baht 11.2 million).

## 11. Income tax

Interim corporate income tax is calculated on profit before income tax for the periods, using the estimated effective tax rate for the year.

Income tax expenses for the three-month and nine-month periods ended 30 September 2020 and 2019 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Current income tax:</b>				
Interim corporate income tax charge	(484)	1,684	4,529	15,972
Adjustment in respect of income tax of previous year	-	-	7,248	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(244)	(233)	13	(171)
<b>Income tax reported in the profit or loss</b>	<u>(728)</u>	<u>1,451</u>	<u>11,790</u>	<u>15,801</u>

## 12. Earnings per share

Basic earnings per share is calculated by dividing profit for the period (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

**13. Dividend**

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)	Paid on
<b><u>2020</u></b>				
Interim dividends in respect of operation income from BOI promoted operation for the period from 1 July 2019 to 31 December 2019	Board of Directors Meeting on 9 April 2020	150,000	0.150	8 May 2020
Interim dividends in respect of operation income from BOI promoted operation for the period from 1 January 2020 to 30 June 2020	Board of Directors Meeting on 20 August 2020	55,000	0.055	18 September 2020
Total		205,000	0.205	
<b><u>2019</u></b>				
Final dividends in respect of operation income from BOI promoted operation for the period from 1 July 2018 to 31 December 2018	Annual General Meeting of the shareholders on 25 April 2019	150,000	0.150	24 May 2019
Interim dividends in respect of operation income from BOI promoted operation for the period from 1 January 2019 to 30 June 2019	Board of Directors' meeting on 15 August 2019	199,999	0.200	13 September 2019
Total		349,999	0.350	

**14. Segment information**

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Company is organised into business units based on its products. The Company recognised revenue at the point in time. In 2019, the Company has added a reportable

(Unaudited but reviewed)

segment, which is soil conditioner. However, at present the operation of such segment is insignificant.

## **15. Commitments and contingent liabilities**

### **15.1 Capital commitments**

As at 30 September 2020, the Company had capital commitments of approximately Baht 13.7 million relating to the construction of Vinasse Evaporation Plant and other projects (31 December 2019: Baht 16.4 million).

### **15.2 Long-term service and purchase commitments**

- a) The Company entered into a power supply agreement with the Provincial Electricity Authority for a period of one year and being automatically renewed for every one-year period. The Company shall pay power supply at the rate as stipulated in the agreement.
- b) As at 30 September 2020, the Company had service commitments in respect of security service and other services payable in the future of approximately Baht 3.6 million (31 December 2019: Baht 3.7 million).

### **15.3 Guarantees**

As at 30 September 2020, there were outstanding bank guarantees of approximately Baht 5.0 million issued by the bank on behalf of the Company to guarantee contracted performance under the agreement for using of electric to the Provincial Electricity Authority (31 December 2019: Baht 5.0 million).

## **16. Litigation**

On September 2011, a company sued the Company for its alleged non-compliance with the cassava chip purchase agreement, claiming a compensation for damage of Baht 186.9 million. The Company submitted the testimony and countersued that company, claiming a compensation for damage of Baht 82.4 million. Both parties defended in three courts. The case has been finished on 17 April 2019 by the Supreme Court affirmed the judgment of the Civil Court and the Appeal Court to order that company to make payments for purchases of cassava chip that the Company paid in advance of Baht 6.9 million which together with interest expense of 7.5 percent per annum, calculated from 8 November 2011 (the countersue date) until completion of payment. Now the execution of judgment is in process.

In addition, on 18 May 2018, the Company sued that company for bankruptcy case. The Bankruptcy court passed the judgment on 29 May 2019 that the case was thrown out as that company has the right to claim with a debtor which is a government agency then that company has not become insolvent yet. The Company has already made attachment of the claim.

(Unaudited but reviewed)

The Company recorded allowance for impairment in advance paid to that company for a whole amount. Subsequently, on 13 August 2019, the Company received partial payment of Baht 0.2 million from that company.

## 17. Fair value hierarchy

As at 30 September 2020 and 31 December 2019, the Company had the financial assets that were measured at fair value based on levels of inputs as follows:

(Unit: Thousand Baht)

	As at 30 September 2020		As at 31 December 2019	
	Level 2	Total	Level 2	Total
<b>Financial assets measured at fair value</b>				
Other current financial assets/current				
investment - open fund	1,063	1,063	1,056	1,056

## 18. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 9 November 2020.