

Thai Agro Energy Public Company Limited
Report and financial statements
31 December 2024

Independent Auditor's Report

To the Shareholders of Thai Agro Energy Public Company Limited

Opinion

I have audited the accompanying financial statements of Thai Agro Energy Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2024, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information (collectively "the financial statements").

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thai Agro Energy Public Company Limited as at 31 December 2024, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Emphasis of Matter

I draw attention to Note 21 to the financial statements, which describes the damage resulting from the fire incident affecting the stored cassava chips in the Company's warehouse on 8 January 2024. The Company recognised the impact of this fire incident in the statement of comprehensive income for year ended 31 December 2024. My opinion is not modified in respect of this matter.

Key Audit Matters

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

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond is described below.

Revenue recognition

Major revenue of the Company is derived from production and distribution of ethanol and soil conditioner. The Company recognised revenue, based on the contractual price, when control of goods is transferred to the customer, generally on delivery goods. The price is based on the market price with adjusted by other factors. Revenue from sales is a significant account because the amount of revenue from sales is material and directly affects the Company's profit or loss. In addition, selling prices are based on the fluctuated market price and current demands. I therefore gave significant attention to the revenue recognition of the Company.

I have examined the revenue recognition of the Company by assessing and testing the Company's IT system and its internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls, applying a sampling method to select sales agreements to assess whether revenue recognition was consistent with the conditions of the relevant agreement, and whether it was in compliance with the Company's policy, on a sampling basis, examining supporting documents for actual sales transactions occurring during the year and near the end of the accounting period, reviewing credit notes that the Company issued after the period-end and performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Other Information

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

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

I am responsible for the audit resulting in this independent auditor's report.

Samran Taengcham
Certified Public Accountant (Thailand) No. 8021

EY Office Limited
Bangkok: 13 February 2025

Thai Agro Energy Public Company Limited**Statement of financial position****As at 31 December 2024**

(Unit: Baht)

	<u>Note</u>	<u>31 December 2024</u>	<u>31 December 2023</u>
Assets			
Current assets			
Cash and cash equivalents	7	38,353,249	47,132,086
Trade and other receivables	8	122,677,462	178,871,285
Inventories	9	166,699,654	217,488,639
Advance payments for purchase of goods	10	101,100,000	35,013,261
Other current financial asset	30	1,113,665	1,088,347
Other current assets		<u>9,146,348</u>	<u>8,259,490</u>
Total current assets		<u>439,090,378</u>	<u>487,853,108</u>
Non-current assets			
Investment properties	11	3,088,822	-
Biological assets	12	22,927,831	18,965,621
Property, plant and equipment	13	2,394,830,783	2,538,251,456
Right-of-use assets	18	19,559,415	20,488,857
Intangible assets	14	3,070,509	1,741,640
Deferred tax assets	23	17,296,229	23,822,070
Other non-current financial assets		<u>817,320</u>	<u>817,320</u>
Total non-current assets		<u>2,461,590,909</u>	<u>2,604,086,964</u>
Total assets		<u>2,900,681,287</u>	<u>3,091,940,072</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 31 December 2024

(Unit: Baht)

	<u>Note</u>	<u>31 December 2024</u>	<u>31 December 2023</u>
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans from financial institutions	15	938,490,567	984,585,957
Trade and other payables	16	40,390,196	69,157,653
Current portion of lease liabilities	18	4,331,344	6,102,500
Current portion of long-term loans	17	99,873,000	128,641,762
Provision for short-term employee benefits	19	680,920	118,869
Other current financial liabilities		21,000	-
Other current liabilities		<u>12,317,792</u>	<u>22,159,195</u>
Total current liabilities		<u>1,096,104,819</u>	<u>1,210,765,936</u>
Non-current liabilities			
Lease liabilities - net of current portion	18	16,707,134	16,489,643
Long-term loans - net of current portion	17	99,921,015	199,794,015
Provision for long-term employee benefits	19	<u>11,795,424</u>	<u>11,195,818</u>
Total non-current liabilities		<u>128,423,573</u>	<u>227,479,476</u>
Total liabilities		<u>1,224,528,392</u>	<u>1,438,245,412</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 31 December 2024

(Unit: Baht)

	<u>Note</u>	<u>31 December 2024</u>	<u>31 December 2023</u>
Liabilities and shareholders' equity (continued)			
Shareholders' equity			
Share capital			
Registered			
1,000,000,000 ordinary shares of Baht 1 each		<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued and fully paid up			
1,000,000,000 ordinary shares of Baht 1 each		1,000,000,000	1,000,000,000
Share premium		188,795,985	188,795,985
Capital reserve for share-based payment transactions		556,451	556,451
Retained earnings			
Appropriated - statutory reserve	20	100,000,000	100,000,000
Appropriated - general reserve		192,000,000	192,000,000
Unappropriated		<u>194,800,459</u>	<u>172,342,224</u>
Total shareholders' equity		<u>1,676,152,895</u>	<u>1,653,694,660</u>
Total liabilities and shareholders' equity		<u>2,900,681,287</u>	<u>3,091,940,072</u>
		-	-

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

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Directors
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Thai Agro Energy Public Company Limited

Statement of comprehensive income

For the year ended 31 December 2024

(Unit: Baht)

	<u>Note</u>	<u>2024</u>	<u>2023</u>
Profit or loss:			
Revenues			
Revenue	24	2,262,041,243	2,644,780,555
Insurance claims from the fire incident	21	70,909,140	-
Other income		<u>27,964,323</u>	<u>34,392,083</u>
Total revenues		<u>2,360,914,706</u>	<u>2,679,172,638</u>
Expenses			
Cost of sales	22	2,048,865,629	2,414,484,697
Selling and distribution expenses		15,844,077	29,526,178
Administrative expenses		129,731,557	129,025,003
Loss from the fire incident	21	<u>74,328,680</u>	<u>-</u>
Total expenses		<u>2,268,769,943</u>	<u>2,573,035,878</u>
Operating profit		92,144,763	106,136,760
Finance income		212,600	1,287,417
Finance cost		<u>(63,371,472)</u>	<u>(69,417,681)</u>
Profit before income tax		28,985,891	38,006,496
Tax expenses	23	<u>(6,527,656)</u>	<u>(7,727,300)</u>
Profit for the year		<u>22,458,235</u>	<u>30,279,196</u>
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>22,458,235</u>	<u>30,279,196</u>
Profit per share			
Basic earnings per share	25		
Profit for the year		<u>0.022</u>	<u>0.030</u>
Weighted average number of ordinary shares (shares)		<u>1,000,000,000</u>	<u>1,000,000,000</u>

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

Thai Agro Energy Public Company Limited
Statement of changes in shareholders' equity
For the year ended 31 December 2024

(Unit: Baht)

	Issued and		Capital reserve	Retained earnings			Total
	fully paid up		for share-based	Appropriated			
	share capital	Share premium	transactions	Statutory reserve	General reserve	Unappropriated	
Balance as at 1 January 2023	1,000,000,000	188,795,985	556,451	100,000,000	192,000,000	142,063,028	1,623,415,464
Profit for the year	-	-	-	-	-	30,279,196	30,279,196
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	30,279,196	30,279,196
Balance as at 31 December 2023	<u>1,000,000,000</u>	<u>188,795,985</u>	<u>556,451</u>	<u>100,000,000</u>	<u>192,000,000</u>	<u>172,342,224</u>	<u>1,653,694,660</u>
Balance as at 1 January 2024	1,000,000,000	188,795,985	556,451	100,000,000	192,000,000	172,342,224	1,653,694,660
Profit for the year	-	-	-	-	-	22,458,235	22,458,235
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	22,458,235	22,458,235
Balance as at 31 December 2024	<u>1,000,000,000</u>	<u>188,795,985</u>	<u>556,451</u>	<u>100,000,000</u>	<u>192,000,000</u>	<u>194,800,459</u>	<u>1,676,152,895</u>

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

Thai Agro Energy Public Company Limited
Statement of cash flows
For the year ended 31 December 2024

	<u>2024</u>	(Unit: Baht) <u>2023</u>
Cash flows from operating activities		
Profit before tax	28,985,891	38,006,496
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	186,612,720	184,038,415
Reduction of inventories to net realisable value	17,859,120	-
Loss from write-off of biological assets	520,837	-
Gain from write-off of right-of-use assets	(562,277)	-
Unrealised gain on change in value of other current financial assets	(25,318)	(14,595)
Provision for long-term employee benefits	1,301,457	1,295,682
Finance income	(212,600)	(1,287,417)
Finance cost	<u>63,441,298</u>	<u>69,530,871</u>
Profit from operating activities before changes in operating assets and liabilities	297,921,128	291,569,452
Operating assets (increase) decrease		
Trade and other receivables	56,200,791	6,761,282
Inventories	32,929,865	(65,628,328)
Advance payment for purchase of goods	(66,086,739)	505,327,768
Other current assets	(856,619)	14,308,734
Other non-current financial assets	-	(28,181)
Operating liabilities increase (decrease)		
Trade and other payables	(28,529,881)	(9,951,241)
Other current financial liabilities	21,000	-
Other current liabilities	(9,007,086)	15,512,903
Provision for long-term employee benefits	<u>(139,800)</u>	<u>(1,329,826)</u>
Cash used in operating activities	282,452,659	756,542,563
Cash received from interest income	205,632	1,286,669
Cash paid for interest expenses	(62,915,460)	(66,964,854)
Cash received from income tax	-	390
Cash paid for income tax	<u>(32,054)</u>	<u>(1,449)</u>
Net cash from operating activities	<u>219,710,777</u>	<u>690,863,319</u>

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

Thai Agro Energy Public Company Limited**Statement of cash flows (continued)**

For the year ended 31 December 2024

	(Unit: Baht)	
	<u>2024</u>	<u>2023</u>
Cash flows from investing activities		
Acquisitions of Mangium sprout and planting cost	(4,483,047)	(3,796,697)
Acquisitions of property, plant and equipment	(40,894,946)	(90,272,278)
Acquisitions of intangible assets	<u>(521,950)</u>	<u>(385,600)</u>
Net cash used in investing activities	<u>(45,899,943)</u>	<u>(94,454,575)</u>
Cash flows from financing activities		
Net decrease in short-term loans from financial institutions	(46,245,390)	(319,962,091)
Cash paid for long-term loans	(128,807,180)	(244,000,000)
Cash paid for principal portion of lease liabilities	(6,492,364)	(6,882,653)
Cash paid for interest expense of lease liabilities	<u>(1,044,737)</u>	<u>(373,663)</u>
Net cash used in financing activities	<u>(182,589,671)</u>	<u>(571,218,407)</u>
Net increase (decrease) in cash and cash equivalents	(8,778,837)	25,190,337
Cash and cash equivalents at beginning of year	<u>47,132,086</u>	<u>21,941,749</u>
Cash and cash equivalents at end of year (Note 7)	<u><u>38,353,249</u></u>	<u><u>47,132,086</u></u>

Supplemental cash flows information

Non-cash related transaction from investing activities

Accounts payables from purchases of plant and equipment and intangible assets	3,029,468	3,267,044
Additions to right-of-use assets and lease liabilities	8,951,741	10,176,569
Transferred land and building to investment properties	3,106,553	-

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

Thai Agro Energy Public Company Limited

Notes to financial statements

For the year ended 31 December 2024

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 parent company of the Group is Sunrise Equity Company Limited. The Company operates in Thailand and is principally engaged in production and distribution of ethanol for fuel and soil conditioner. The registered office of the Company is at 888/114, Ploenchit Road, Lumpini, Pathumwan, Bangkok.

Siam City Cement Public Company Limited and Sunrise Equity Company Limited (the “Tender Offerors”) jointly submitted a tender offer of Lanna Resources Public Company Limited (the “Parent Company”) and the Company. As a result of the tender offer, Siam City Cement Public Company Limited’s shareholding in Lanna Resources Public Company Limited (the “Parent Company”) increasing from 44.99% to 61.44% of the total issued and paid-up shares of Lanna Resources Public Company Limited (the “Parent Company”). As a result, Lanna Resources Public Company Limited (the “Parent Company”) became a subsidiary of Siam City Cement Public Company Limited. In addition, the Company became an indirect subsidiary of Siam City Cement Public Company Limited.

2. Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Company has adopted the revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2024. 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 except for the following standard, which involves changes to key principles, as summarised below.

TAS 12, Income Taxes - International Tax Reform - Pillar Two Model Rules

The amendment requires that entities shall neither recognise nor disclose information about deferred taxes related to Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD). This mandatory temporary exemption applies immediately.

The Group is within the scope of the Pillar Two model rules. Accordingly, it has applied the mandatory exception requiring that entities shall neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. In addition, Pillar Two legislation has been effective from 1 January 2025 in Thailand. However, the management of the Group has assessed the potential exposure to Pillar Two income taxes and has determined that the companies operate in Thailand, including the Company, are not subject to Pillar Two 'top-up' taxes, since the effective tax rate of the companies in Thailand is well above 15%.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2025

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2025. 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 believes that adoption of these amendments will not have any significant impact on the Company's financial statements.

4. Accounting policies

4.1 Revenue and expense recognition

Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting discounts to customers.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Inventories

Finished goods and work in process are valued at the lower of cost (under the weighted average method) and net realisable value. Such cost includes all production cost and attributable factory overheads.

Raw materials and supplies are valued at the lower of cost (under the weighted average method) and net realisable value and are charged to production costs whenever consumed.

Net realisable value is selling price in the ordinary course of business less the estimated costs of completion and the estimated cost necessary to make sale.

4.4 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 50 years. Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.5 Agriculture

The Company's biological assets consist of Mangium and Black Wattle which was measured at its fair value less costs to sell. The fair value of Mangium and Black Wattle is determined based on discounted cash flows reference to price of Mangium and Black Wattle at the point of harvest. Gains or losses on changes in fair value of biological asset is recognised in profit or loss.

In case the fair value cannot be measured reliably, this biological asset shall be measured at its cost less any accumulated depreciation and any accumulated impairment losses. Once the fair value of such a biological asset becomes reliably measurable, the Company shall measure it at its fair value less costs to sell. The agricultural produce is included in inventories.

4.6 Property, plant and equipment and depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of buildings and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings and amenities	5 - 30, 50	years
Machinery and equipment	5 - 30, 50	years
Office equipment	3, 5, 15	years
Motor vehicles	5	years

No depreciation is provided for land, land improvement, and assets under construction and installation.

Depreciation is included in determining income.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.8 Government grants related to assets

Government grants are recognised when there is reasonable assurance that the grants will be received and all attached conditions will be complied with. Government grants related to assets are presented as a deduction to the value of the related assets and are recognised in profit or loss over the useful life of the assets as a reduced depreciation expense.

4.9 Leases

At inception of contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a lessee

The Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Company recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

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

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Building	7 years
Machinery and equipment	5 years
Office equipment	5 years
Motor vehicles	5 years

If ownership of the leased asset is transferred to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Company discounted the present value of the lease payments 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 change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

The Company as a lessor

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

4.10 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies, and individuals or enterprises 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.

4.11 Foreign currencies

The financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.12 Impairment of non-financial assets

At the end of each reporting period, the Company performs impairment reviews in respect of property, plant and equipment, right-of-use assets and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

4.13 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as defined benefit plans.

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

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

4.14 Provisions

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

4.15 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

The Company provides income tax in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation. Corporate income tax rate is 20 percent for non-promoted operations and exemption from corporate income tax for promoted operations.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.16 Financial instruments

The Company initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI), or fair value through profit or loss (FVTPL). The classification of financial assets at initial recognition is driven by the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Company measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in the profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in the profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Company has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in profit or loss.

Classification and measurement of financial liabilities

At initial recognition the Company's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Company takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the profit or loss.

Regular way purchases and sales of financial assets

Regular way purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace are recognised on the trade date, i.e., the date on which the Company commits to purchase or sell the asset.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Company considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.17 Fair value measurement

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

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

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

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

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

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

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Leases

Determining the lease term with extension and termination options - The Company as lessee

In determining the lease term, the management is required to exercise judgement in assessing whether the Company is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Company to exercise either the extension or termination option.

Estimating the incremental borrowing rate - The Company as lessee

The Company cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate (IBR) to discount lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease classification - The Company as lessor

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

Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Company's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Allowance for diminution in inventory value

In determining an allowance for diminution in inventory value, the management needs to make judgement in estimating loss from slow moving and deteriorated inventories including the effect from declining in net realisable value of inventories.

Property, plant and equipment and depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimated useful lives and residual values when there are any changes.

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

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

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, mortality rate and staff turnover rate.

6. Related party transactions

As at 31 December 2024 and 2023, there are no outstanding balance between the Company and related companies.

Directors and management's benefits

During the years ended 31 December 2024 and 2023, the Company had employee benefit expenses payable to its directors and management as below.

	(Unit: Baht)	
	<u>2024</u>	<u>2023</u>
Short-term employee benefits	24,484,129	21,656,215
Post-employment benefits	471,541	447,850
Total	<u>24,955,670</u>	<u>22,104,065</u>

7. Cash and cash equivalents

	(Unit: Baht)	
	<u>2024</u>	<u>2023</u>
Cash	47,581	45,967
Bank deposits	38,305,668	47,086,119
Total	<u>38,353,249</u>	<u>47,132,086</u>

As at 31 December 2024, bank deposits in savings accounts carried interests at the rates 0.40 percent per annum (2023: between 0.50 and 0.60 percent per annum).

8. Trade and other receivables

	(Unit: Baht)	
	<u>2024</u>	<u>2023</u>
Trade receivables	122,387,731	178,695,058
Other receivables	281,811	175,275
Interest receivable	7,920	952
Total trade and other receivables	<u>122,677,462</u>	<u>178,871,285</u>

The outstanding balances of trade receivables as at 31 December 2024 amounting to Baht 122.4 million (2023: Baht 178.7 million) are undue trade receivables.

9. Inventories

(Unit: Baht)

	Cost		Reduce cost to net realisable value		Inventories - net	
	2024	2023	2024	2023	2024	2023
Finished goods	111,036,356	51,686,027	(11,106,526)	-	99,929,830	51,686,027
Work in process	11,636,366	18,409,906	(1,504,868)	-	10,131,498	18,409,906
Raw materials	41,365,324	125,773,442	(5,247,726)	-	36,117,598	125,773,442
Supplies	20,520,728	21,619,264	-	-	20,520,728	21,619,264
Total	<u>184,558,774</u>	<u>217,488,639</u>	<u>(17,859,120)</u>	<u>-</u>	<u>166,699,654</u>	<u>217,488,639</u>

During the current year, the Company reduced cost of inventories by Baht 17.9 million (2023: Nil), to reflect the net realizable value. This was included in cost of sales.

10. Advance payments for purchase of goods

During the year, the Company had significant business transactions with local companies in respect of purchases of molasses under the purchase of molasses, as at 31 December 2024, the Company had advance payments for purchase of molasses amounting to Baht 101.1 million (2023: Baht 35.0 million).

11. Investment properties

The net book value of investment properties as at 31 December 2024 is presented below.

	(Unit: Baht)
Cost	3,160,675
Less: Accumulated depreciation	<u>(71,853)</u>
Net book value	<u>3,088,822</u>

A reconciliation of the net book value of investment properties for the years 2024 is presented below.

	(Unit: Baht)
Net book value at beginning of year	-
Transfers from property, plant and equipment	3,106,553
Depreciation charged	<u>(17,731)</u>
Net book value at end of year	<u>3,088,822</u>

As at 31 December 2024, the Company had investment properties, which mainly are land and building aggregate fair value of approximately Baht 3.7 million. The fair value of the above investment properties has been determined based on valuation performed by an accredited independent valuer. The fair value of the land held for rent has been determined based on market prices, while that of the building held for rent has been determined using the cost approach.

12. Biological assets

	(Unit: Baht)
Balance as at 1 January 2024	18,965,621
Increase due to cost of planting	4,483,047
Decrease from write-off	(520,837)
Balance as at 31 December 2024	<u>22,927,831</u>

13. Property, plant and equipment

						(Unit: Baht)	
	Land and land improvement	Building and amenities	Machineries and equipment	Office equipment	Motor vehicles	Assets under construction and installation	Total
Cost							
1 January 2023	315,696,621	572,379,714	2,679,290,998	23,297,279	16,364,373	600,611,419	4,207,640,404
Purchase	2,259,506	18,210,894	11,592,434	1,418,593	71,980	57,081,850	90,635,257
Transfers in (out)	-	-	653,162,709	-	-	(653,162,709)	-
31 December 2023	317,956,127	590,590,608	3,344,046,141	24,715,872	16,436,353	4,530,560	4,298,275,661
Purchase	-	4,400,380	26,187,498	1,456,981	883,483	6,305,928	39,234,270
Transfers in (out)	(1,045,644)	(2,115,031)	10,836,488	-	-	(10,836,488)	(3,160,675)
31 December 2024	316,910,483	592,875,957	3,381,070,127	26,172,853	17,319,836	-	4,334,349,256
Accumulated depreciation							
1 January 2023	-	206,346,915	1,341,780,217	20,659,187	15,233,325	-	1,584,019,644
Depreciation for the year	-	27,234,860	146,584,617	1,526,338	658,746	-	176,004,561
31 December 2023	-	233,581,775	1,488,364,834	22,185,525	15,892,071	-	1,760,024,205
Depreciation for the year	-	27,469,200	150,182,607	1,323,717	572,866	-	179,548,390
Transfer out	-	(54,122)	-	-	-	-	(54,122)
31 December 2024	-	260,996,853	1,638,547,441	23,509,242	16,464,937	-	1,939,518,473
Net book value							
31 December 2023	317,956,127	357,008,833	1,855,681,307	2,530,347	544,282	4,530,560	2,538,251,456
31 December 2024	316,910,483	331,879,104	1,742,522,686	2,663,611	854,899	-	2,394,830,783
Depreciation for the year							
2023 (Baht 145 million included in manufacturing cost, and the balance in selling and distribution expenses and administrative expenses)							<u>176,004,561</u>
2024 (Baht 139 million included in manufacturing cost, and the balance in selling and distribution expenses and administrative expenses)							<u>179,548,390</u>

Borrowing costs amounting to Baht 0.1 million were capitalised during the year 2023. The weighted average rate of 3.3 percent per annum has been used to determine the amount of borrowing costs eligible for capitalisation.

The Company has mortgaged part of its land and construction thereon and machinery with net book value as at 31 December 2024 amounting to approximately Baht 1,020.9 million (2023: Baht 1,118.6 million) as collateral for short-term and long-term loans and credit facilities granted by a commercial bank as discussed in Note 15 and 17.

As at 31 December 2024, certain machineries and equipment, office equipment and motor vehicles have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 237.4 million (2023: Baht 212.7 million).

14. Intangible assets

The net book value of intangible assets which are computer software as at 31 December 2024 and 2023 is presented below.

	(Unit: Baht)	
	<u>2024</u>	<u>2023</u>
Cost	13,373,768	11,428,718
Less: Accumulated amortisation	<u>(10,303,259)</u>	<u>(9,687,078)</u>
Net book value	<u>3,070,509</u>	<u>1,741,640</u>

A reconciliation of the net book value of intangible assets for the years 2024 and 2023 is presented below.

	(Unit: Baht)	
	<u>2024</u>	<u>2023</u>
Net book value at beginning of year	1,741,640	1,990,244
Additions	1,945,050	385,600
Amortisation for the year	<u>(616,181)</u>	<u>(634,204)</u>
Net book value at end of year	<u>3,070,509</u>	<u>1,741,640</u>

15. Short-term loans from financial institutions

(Unit: Baht)

	Interest rate (percent per annum)		<u>2024</u>	<u>2023</u>
	<u>2024</u>	<u>2023</u>		
Promissory notes	5.00 - 5.50	4.50 - 5.45	<u>938,490,567</u>	<u>984,585,957</u>
Total			<u>938,490,567</u>	<u>984,585,957</u>

Movements in the short-term loans during the year ended 31 December 2024 are summarised below.

(Unit: Baht)

Balance as at 1 January 2024	984,585,957
Add: Additional borrowings	2,361,401,687
Amortisation of transaction costs during the year	150,000
Less: Repayment during the year	<u>(2,407,647,077)</u>
Balance as at 31 December 2024	<u>938,490,567</u>

Credit facilities of short-term loans from financial institutions is secured by the mortgage of part of the Company's land and construction thereon and machinery as discussed in Note 13.

As at 31 December 2024, the short-term credit facilities of the Company which have not yet been drawn down amounted to Baht 756.5 million (2023: Baht 660.3 million).

16. Trade and other payables

(Unit: Baht)

	<u>2024</u>	<u>2023</u>
Trade payables - unrelated parties	21,664,924	47,222,219
Other payables - unrelated parties	15,139,665	18,349,827
Dividend payables - unrelated parties	<u>3,585,607</u>	<u>3,585,607</u>
Total trade and other payables	<u>40,390,196</u>	<u>69,157,653</u>

17. Long-term loans

(Unit: Baht)

No.	Credit facilities (Million Baht)	Interest rate (percent per annum)	Repayment schedule	As at 31 December	
				2024	2023
1	418.0	3M BAYBIBOR + 1.97 (2023: 3M BAYBIBOR + 2.22)	The loan is repayable within 6 years and is repayable the first installment in the last day of the eighteenth month since the subsidiary 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.	-	28,768,762
2	500.0	3M BAYBIBOR + 2.22 (2023: 3M BAYBIBOR + 2.47)	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 (16 August 2021). The principal is repayable in 10 semi-annually installments of Baht 50 million each and interest is repayable every 3 months.	199,794,015	299,667,015
Total				199,794,015	328,435,777
Less: Current portion				(99,873,000)	(128,641,762)
Long-term loans, net of current portion				99,921,015	199,794,015

Movements in the long-term loans account during the year ended 31 December 2024 are summarised below.

(Unit: Baht)

Balance as at 1 January 2024	328,435,777
Add: Amortisation of transaction costs during the year	165,418
Less: Repayment during the year	(128,807,180)
Balance as at 31 December 2024	199,794,015

The loan is secured by the mortgage of a part of the Company's land and construction thereon and machinery as discussed in Note 13.

Such 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 agreement.

As at 31 December 2024, the Company could maintain certain financial ratio as specified in the loan agreement. As at 31 December 2023, the Company could not maintain certain financial ratio as specified in the loan agreement. However, the Company had negotiated with the bank, and had obtained a waiver letter for the condition to maintain certain financial ratios from that bank on 28 September 2023.

As at 31 December 2024 and 2023, the Company had no long-term credit facilities which has not yet been drawn down.

18. Leases

18.1 The Company as a lessee

The Company has lease contracts for various items of assets used in its operations. Leases generally have lease terms between 5 - 7 years.

a) Right-of-use assets

Movements of right-of-use assets for the year ended 31 December 2024 and 2023 are summarised below.

	(Unit: Baht)				
	Building	Machinery and equipment	Office equipment	Motor vehicles	Total
At 1 January 2023	10,814,135	273,229	93,151	6,531,423	17,711,938
Additions	7,176,475	-	-	3,000,094	10,176,569
Depreciation for the year	(3,514,368)	(172,836)	(40,000)	(3,672,446)	(7,399,650)
At 31 December 2023	14,476,242	100,393	53,151	5,859,071	20,488,857
Additions	-	-	-	8,951,741	8,951,741
Write-off	(3,450,750)	(6)	-	(9)	(3,450,765)
Depreciation for the year	(2,413,189)	(100,387)	(40,000)	(3,876,842)	(6,430,418)
At 31 December 2024	8,612,303	-	13,151	10,933,961	19,559,415

b) Lease liabilities

	(Unit: Baht)	
	<u>2024</u>	<u>2023</u>
Lease payments	23,357,131	25,590,232
Less: Deferred interest expenses	<u>(2,318,653)</u>	<u>(2,998,089)</u>
Total	21,038,478	22,592,143
Less: Portion due with one year	<u>(4,331,344)</u>	<u>(6,102,500)</u>
Lease liabilities, net of current portion	<u>16,707,134</u>	<u>16,489,643</u>

Movements of lease liabilities for the year ended 31 December 2024 and 2023 are summarised below.

	(Unit: Baht)	
	<u>2024</u>	<u>2023</u>
Balance at beginning of year	22,592,143	19,298,227
Addition during the year	8,951,741	10,176,569
Accretion of interest	1,044,737	373,663
Decrease from lease modification	(4,013,042)	-
Payments during the year	<u>(7,537,101)</u>	<u>(7,256,316)</u>
Balance at end of year	<u>21,038,478</u>	<u>22,592,143</u>

A maturity analysis of lease payments is disclosed in Note 31 to the financial statements under the liquidity risk.

c) Expenses relating to leases that are recognised in profit or loss

	(Unit: Baht)	
	<u>2024</u>	<u>2023</u>
Depreciation expenses of right-of-use assets	6,430,418	7,399,650
Interest expenses on lease liabilities	1,044,737	373,663
Expenses relating to short-term leases	2,206,300	1,254,940
Expenses relating to leases of low-value assets	66,000	24,000
Variable lease payments that do not depend on an index or a rate	232,010	32,670

d) Others

The Company had total cash outflows for leases for the year ended 31 December 2024 of Baht 10.0 million (2023: Baht 8.6 million), including the cash outflow related to short-term lease, leases of low-value assets and variable lease payments that do not depend on an index or a rate.

18.2 The Company as lessor

The Company has entered into operating leases for its investment property portfolio consisting of land and building (see Note 11) of the lease terms are between 1 and 15 years.

The Company has future minimum rentals receivable under non-cancellable operating leases as at 31 December 2024 as follows:

	(Unit: Baht)
Within 1 year	691,450
Over 1 and up to 5 years	2,314,867
Over 5 years	4,894,839
Total	<u>7,901,156</u>

19. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensations payable to employees after they retire, was as follows:

	<u>2024</u>	<u>2023</u>
Provision for long-term employee benefits at beginning of year	11,314,687	11,348,831
Included in profit or loss:		
Current service cost	931,685	942,591
Interest cost	369,772	353,091
Benefits paid during the year	<u>(139,800)</u>	<u>(1,329,826)</u>
Provision for long-term employee benefits at end of year	<u>12,476,344</u>	<u>11,314,687</u>
Provision for long-term employee benefits		
Current	680,920	118,869
Non-current	<u>11,795,424</u>	<u>11,195,818</u>
	<u>12,476,344</u>	<u>11,314,687</u>

In 2024, the Company expects to pay Baht 0.7 million of long-term employee benefits during the next year (2023: Baht 0.1 million).

As at 31 December 2024, the weighted average duration of the liabilities for long-term employee benefit is 10 years and 13 years (2023: 10 years and 13 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)	
	<u>2024</u>	<u>2023</u>
Discount rate	2.82, 3.21	2.82, 3.21
Salary increase rate	5.0, 6.0	5.0, 6.0
Turnover rate	2.9 - 34.4	2.9 - 34.4

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2024 and 2023 are summarised below:

	(Unit: Baht)	
	As at 31 December 2024	
	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>
Discount rate	(477,043)	513,994
	<u>Increase 1.0%</u>	<u>Decrease 1.0%</u>
Salary increase rate	1,254,640	(1,099,054)
	<u>Increase 20.0%</u>	<u>Decrease 20.0%</u>
Turnover rate	(2,096,206)	2,831,068

	(Unit: Baht)	
	As at 31 December 2023	
	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>
Discount rate	(478,036)	515,371
	<u>Increase 1.0%</u>	<u>Decrease 1.0%</u>
Salary increase rate	1,118,561	(981,393)
	<u>Increase 20.0%</u>	<u>Decrease 20.0%</u>
Turnover rate	(1,869,906)	2,514,968

20. Statutory reserve

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

21. Damage from fire incident

On 8 January 2024, a fire broke out in the Company's warehouse, affecting the stored cassava chips. The Company was able to manage the situation, mitigating damage to other areas. However, the Company is covered by all-risk insurance against such damage. During the year 2024, the Company already received the compensation from the insurance company.

During the year ended 31 December 2024, the Company recognised the revenues and expenses relating to the fire incident in the statement of comprehensive income as follows:

	(Unit: Baht)
Insurance claimed from the insurance company	46,210,212
Sales of raw materials from the fire incident	<u>24,698,928</u>
Total insurance claimed from the fire incident	<u>70,909,140</u>
Cost of sales and the write-off of raw materials from the fire incident	<u>(74,328,680)</u>
Net loss on damage arising from the fire incident	<u><u>(3,419,540)</u></u>

22. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Baht)	
	<u>2024</u>	<u>2023</u>
Raw materials and consumables used	1,680,270,130	2,075,498,200
Changes in inventories of finished goods and work in process	(52,576,789)	(8,033,924)
Depreciation and amortisation	186,284,910	183,878,997
Salaries, wages and other employee benefits	100,887,287	95,352,134
Electricity and fuel expenses	159,021,437	117,108,694
Repair and maintenance expenses	35,976,573	36,360,902
Distribution expenses	15,557,886	29,297,081

23. Income tax

Income tax for the years ended 31 December 2024 and 2023 are made up as follows:

	(Unit: Baht)	
	<u>2024</u>	<u>2023</u>
Current income tax:		
Current income tax charge	-	-
Withholding tax deducted at source recognised as expenses during the year	1,815	-
Deferred tax:		
Relating to origination and reversal of temporary differences	<u>6,525,841</u>	<u>7,727,300</u>
Income tax reported in the profit or loss	<u><u>6,527,656</u></u>	<u><u>7,727,300</u></u>

The reconciliation between accounting loss and income tax is shown below.

	(Unit: Baht)	
	<u>2024</u>	<u>2023</u>
Accounting profit before tax	<u>28,985,891</u>	<u>38,006,496</u>
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by income tax rate	5,797,178	7,601,299
Effects of:		
Non-deductible expenses	785,222	975,173
Additional expense deductions allowed	(56,144)	(849,849)
Others	1,400	677
Total	<u>730,478</u>	<u>126,001</u>
Income tax reported in the profit or loss	<u><u>6,527,656</u></u>	<u><u>7,727,300</u></u>

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Baht)	
	Statements of financial position as at 31 December	
	<u>2024</u>	<u>2023</u>
Deferred tax assets		
Government grants	2,047,450	2,715,191
Allowance for diminution in value of inventories	3,571,824	-
Leases	295,813	420,657
Provision for short-term employee benefits	136,184	23,774
Provision for long-term employee benefits	2,359,085	2,239,163
Unused tax loss	11,568,973	21,261,687
Total	<u>19,979,329</u>	<u>26,660,472</u>
Deferred tax liabilities		
Accumulated depreciation - Machineries	<u>2,683,100</u>	<u>2,838,402</u>
Total	<u>2,683,100</u>	<u>2,838,402</u>
Deferred tax assets, net	<u><u>17,296,229</u></u>	<u><u>23,822,070</u></u>

24. Promotional privileges

The Company has received the promotional privileges under the Investment Promotion Act B.E. 2520 as approved by the Board of Investment as follows:

Certificate No.	2078(9)/2551	62-0394-1-04-1-0
Date	19 November 2008	22 April 2019
1. Promotional privileges for	Manufacture of ethanol (99.5%)	Manufacture of alcohol
2. Significant privileges		
2.1 Exemption from corporate income tax on income derived from the promoted operations (commencing from the date of earning operating income) and exemption from income tax on dividend paid from the income of the promoted operations throughout the period in which the corporate income tax is exempted.	8 years (expired on 1 April 2020)	3 years or not exceed 50 percent of the investment (expired on 22 April 2022)
2.2 Allowance to carry-forward the annual loss from promoted operations incurred during the corporate income tax exemption period to offset with net income incurred thereafter (after exemption period in 2.1).	5 years	5 years
2.3 Exemption from import duty on raw and essential materials or products used for manufacture for export commencing from the first import date.	1 year	-
3. Date of first earning operating income	2 April 2012	23 April 2019

As a promoted company, the Company has to comply with certain conditions and restrictions provided for in the promotional certificates.

The Company's operating revenues for the years ended 31 December 2024 and 2023 were domestic sales, divided between promoted and non-promoted operations, are summarised below:

	(Unit: Baht)	
	<u>2024</u>	<u>2023</u>
Revenues from sales		
Promoted operations	-	-
Non-promoted operations	<u>2,262,041,243</u>	<u>2,644,780,555</u>
Total	<u>2,262,041,243</u>	<u>2,644,780,555</u>

25. Earnings per share

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

26. 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 and recognised revenue at the point in time. The Company has two reportable segments, which consist of ethanol segment and soil conditioner segment.

The following tables present revenue and profit information regarding the Company's operating segments for the year ended 31 December 2024 and 2023.

	(Unit: Thousand Baht)					
	Ethanol segment		Soil conditioner segment		Total	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenue						
Revenue from external customers	2,213,099,339	2,603,899,205	48,941,904	40,881,350	2,262,041,243	2,644,780,555
Total revenue	<u>2,213,099,339</u>	<u>2,603,899,205</u>	<u>48,941,904</u>	<u>40,881,350</u>	<u>2,262,041,243</u>	<u>2,644,780,555</u>
Operating						
Segment operating profit (loss)	218,370,991	218,646,465	(5,195,377)	11,649,393	213,175,614	230,295,858
Insurance claims from						
the fire incident					70,909,140	-
Other income					27,964,323	34,392,083
Selling and distribution expenses					(15,844,077)	(29,526,178)
Administrative expenses					(129,731,557)	(129,025,003)
Loss from the fire incident					(74,328,680)	-
Finance income					212,600	1,287,417
Finance cost					(63,371,472)	(69,417,681)
Profit before income tax					<u>28,985,891</u>	<u>38,006,496</u>
Tax expense					(6,527,656)	(7,727,300)
Profit for the year					<u>22,458,235</u>	<u>30,279,196</u>

For the year 2024, the Company has revenue from 3 major customers in amount of Baht 822 million, Baht 574 million and Baht 382 million (2023: revenue from 3 major customers in amount of Baht 838 million, Baht 815 million and Baht 569 million).

27. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 2 to 15 percent of basic salary. The fund, which is managed by Bank of Ayudhya Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2024 amounting to approximately Baht 3.5 million (2023: Baht 2.9 million) were recognised as expenses.

28. Commitment and contingent liabilities

28.1 Capital commitments

As at 31 December 2023, the Company had capital commitments Baht 0.3 million (2024: Nil), relating to the construction of other projects.

28.2 Lease and service commitments

- a) The Company has entered into several leases of low-value assets, short-term lease agreements and other services. As at 31 December 2024 and 2023, the Company had future lease and other service payments as below.

	(Unit: Million Baht)	
	<u>2024</u>	<u>2023</u>
Payable:		
In up to 1 year	2.1	1.3

- b) 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.
- c) The Company entered into a power supply agreement with Lanna Power Generation Co., Ltd (Related party). Authority for a period of fifteen years and being renewed for every five years period. The Company shall pay power supply at the rate as stipulated in the agreement.

28.3 Guarantees

As at 31 December 2024, there were outstanding bank guarantees of approximately Baht 6.1 million issued by the bank on behalf of the Company to guarantee contracted performance under using of electric to the Provincial Electricity Authority (2023: Baht 5 million).

29. 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 had 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.

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.

On 13 August 2019, the Company received partial payment of Baht 0.2 million. In addition, on 21 January 2022, the court ordered the debtor, a government agency, to submit the funds as they had been withheld to the Company. The debtor failed to submit the funds. As a result, in October 2022, the Company attached of the debtor's bank deposits in full in accordance with the writ of execution. Subsequently, in December 2022, the debtor filed a petition for the revocation of the attachment of claims. However, upon an investigation of the said petition, the Civil Court issued an order dismissing the petition due to the lack of reasonable grounds for revocation. Subsequently, the debtor filed an appeal against the court's order. On 11 October 2024, the Appeal Court upheld the Civil Court's judgment to dismiss the petition. Currently, the case is within the appeal period. However, the Company has recorded a full allowance for impairment of the advance paid to that company.

30. Fair value hierarchy

As at 31 December 2024 and 2023, the Company had the assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Baht)			
	As at 31 December 2024		As at 31 December 2023	
	Level 2	Total	Level 2	Total
Assets measured at fair value				
Investments in open-end fund	1,113,665	1,113,665	1,088,347	1,088,347

31. Financial instruments

31.1 Financial risk management objectives and policies

The Company's financial instruments principally comprise cash and cash equivalents, other current financial assets, trade and other receivables, trade and other payables, lease liabilities and short-term and long-term loans from financial institutions. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to trade and other receivables, deposits with banks and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statements of financial position.

Trade receivables

The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Credit term provided to customers normally is between 15 days and 45 days.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if subject to enforcement activity, such trade receivables will be reviewed by the management or the Company's Board of Directors or the Company's Executive Committee.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the management or the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the management or the Company's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There are significant two types of market risk comprises interest rate risk and currency risk.

Foreign currency risk

The Company assumes no foreign currency risk from purchase and sale transactions since most of the transactions are denominated in Thai Baht.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its interest-bearing bank deposits, short-term loans and bank overdrafts, lease liabilities, and long-term loans. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

The Company manages its interest rate risk by providing loans with both fixed and variable interest rates, which must be approved by the management or the Board of Directors. The Company has an interest rate risk management policy by closely monitoring and controlling interest rate risk. Also, monitoring the economic situation, money market and capital market conditions and direction of interest rates that may cause interest rate risk factors. If there is a fluctuation in market interest rates or future direction that will affect the operating results and cash flows, the Company will consider using an interest rate swap contract in order to exchange difference interest amounts between fixed interest rates and variable rates by referencing principal value of the contract at specified intervals.

As at 31 December 2024 and 2023, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

As at 31 December 2024

	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	Over 1 - 5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	36.7	1.7	38.4	0.40
Trade and other receivables	-	-	-	-	122.7	122.7	-
Other current financial assets	-	-	-	-	1.1	1.1	-
	-	-	-	36.7	125.5	162.2	
Financial liabilities							
Short-term loans from financial institutions	938.5	-	-	-	-	938.5	5.00 - 5.50
Trade and other payables	-	-	-	-	40.4	40.4	-
Lease liabilities	4.3	16.7	-	-	-	21.0	3.84 - 5.71
Long-term loans from financial institution	-	-	-	199.8	-	199.8	3M BAYBIBOR + 2.22
	942.8	16.7	-	199.8	40.4	1,199.7	

(Unit: Million Baht)

As at 31 December 2023

	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	Over 1 - 5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	45.2	1.9	47.1	0.50 - 0.60
Trade and other receivables	-	-	-	-	178.9	178.9	-
Other current financial assets	-	-	-	-	1.1	1.1	-
	-	-	-	45.2	181.9	227.1	
Financial liabilities							
Short-term loans from financial institutions	984.6	-	-	-	-	984.6	4.50 - 5.45
Trade and other payables	-	-	-	-	69.2	69.2	-
Lease liabilities	6.1	16.5	-	-	-	22.6	0.58 - 5.71
Long-term loans from financial institution	-	-	-	328.4	-	328.4	3M BAYBIBOR + 2.22, 3M BAYBIBOR + 2.47
	990.7	16.5	-	328.4	69.2	1,404.8	

Interest rate sensitivity

The following table demonstrates the sensitivity of the Company's profit before tax and equity to a reasonably possible change in interest rates on that portion of floating rate borrowings from affected as at 31 December 2024 and 2023.

	2024		2023	
	Increase/ decrease (% p.a.)	Effect on profit before tax (Thousand Baht)	Increase/ decrease (% p.a.)	Effect on profit before tax (Thousand Baht)
Loans from in Baht	+0.5	(999)	+0.5	(1,642)
	-0.5	999	-0.5	1,642

Liquidity risk

The Company monitors the risk of a shortage of liquidity through the use of bank overdrafts, loans from financial institutions and lease contracts. The Company has liquidity risk management policy, which must be approved by the management or the Board of Directors, to ensure that the Company maintains sufficient future cash flows for its business activities. By using cash flow projections, these reports will be used to monitor and control liquidity risks. The Company also determined the liquidity ratio at appropriate level. In addition, there is supervision and monitoring of the net cash flow in each interval to ensure that the Company can manage liquidity risk effectively.

The table below summarises the maturity profile of the Company's non-derivative financial liabilities and derivative financial instruments as at 31 December 2024 and 2023 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	As at 31 December 2024		
	Less than 1 year	1 to 5 years	Total
Non-derivatives			
Short-term loans from financial institutions	949,875	-	949,875
Trade and other payables	40,390	-	40,390
Lease liabilities	5,157	18,200	23,357
Long-term loans from financial institutions	108,949	101,291	210,240
Other current financial liabilities	21	-	21
Total non-derivatives	<u>1,104,392</u>	<u>119,491</u>	<u>1,223,883</u>

(Unit: Thousand Baht)

As at 31 December 2023

	Less than		
	1 year	1 to 5 years	Total
Non-derivatives			
Short-term loans from financial institutions	994,505	-	994,505
Trade and other payables	69,158	-	69,158
Lease liabilities	7,021	18,569	25,590
Long-term loans from financial institutions	142,311	210,240	352,551
Total non-derivatives	<u>1,212,995</u>	<u>228,809</u>	<u>1,441,804</u>

31.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

32. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2024, the Company's debt-to-equity ratio was 0.73:1 (2023: 0.87:1).

33. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors of the Company on 13 February 2025.