

13. Important financial information**Financial Status and Performance****13.1 Financial Statement****13.1.1 Summary of Auditor Report****1) Auditor**

IN 2017 Ms. Praphasri Leelasupa CPA No. 4664
 SAM NAK-NGAN A.M.C. Co.,Ltd.

IN 2018 Ms. Praphasri Leelasupa CPA No. 4664
 SAM NAK-NGAN A.M.C. Co.,Ltd.

IN 2019 Ms. Praphasri Leelasupa CPA No. 4664
 SAM NAK-NGAN A.M.C. Co.,Ltd.

2) The audit report of the auditor within 3 years ago

IN 2017 The auditors have audited the financial statements of the opinion expressed an unqualified opinion.

IN 2018 The auditors have audited the financial statements of the opinion expressed an unqualified opinion.

IN 2019 The auditors have audited the financial statements of the opinion expressed an unqualified opinion.

13.1.2 Summary of financial statement

THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2017 to December 31, 2019

Unit : Thousand Baht

STATEMENTS OF FINANCIAL POSITION	Audited					
	2017	%	2018	%	2019	%
Assets						
Cash and cash equivalent items	131,875	2.63	114,907	2.10	117,289	2.30
Trade and other receivables	217,712	4.34	261,945	4.80	299,277	5.86
Inventories	815,280	16.26	872,180	15.97	545,879	10.69
Real estate development cost	97,768	1.95	84,344	1.54	62,374	1.22
Non-current assets held for sale	-	-	7,142	0.13	-	-
Other current assets	15,526	0.31	16,039	0.29	15,148	0.30
Total current assets	1,278,161	25.49	1,356,557	24.84	1,039,967	20.36
Other long-term investments	846	0.02	839	0.02	831	0.02
Investment properties	476,429	9.50	7,861	0.14	7,937	0.16
Property, plant and equipment	3,237,731	64.57	4,072,563	74.59	4,031,627	78.92
Deferred tax assets	2,735	0.05	4,569	0.08	4,788	0.09
Other non-current assets	18,150	0.36	17,837	0.33	23,534	0.46
Total non-current assets	3,735,891	74.51	4,103,669	75.16	4,068,717	79.64
Total assets	5,014,052	100.00	5,460,226	100.00	5,108,684	100.00
Liabilities						
Short-term loans from financial institutions	631,654	12.60	819,272	15.00	581,858	11.39
Trade and other payables	335,815	6.70	230,620	4.22	114,072	2.23
Current portion of long-term loans						
Long-term loans from financial institutions	161,712	3.23	121,712	2.23	102,400	2.00
Liabilities under long-term lease contract	4,438	0.09	515	0.01	1,467	0.03
Accrued income tax payable	12,233	0.24	18,752	0.34	19,751	0.39
Other current liabilities	21,180	0.42	16,231	0.30	18,947	0.37
Total current liabilities	1,167,032	23.28	1,207,102	22.11	838,495	16.41
Long-term loans from financial institutions	409,398	8.17	267,686	4.90	169,892	3.33
Liabilities under long-term lease contract	16,127	0.32	2,699	0.05	5,665	0.11
Deposit received	32,398	0.65	1,991	0.04	1,504	0.03
Employee benefit obligations	10,576	0.21	8,452	0.15	12,888	0.25
Deferred tax liabilities	298,439	5.95	390,400	7.15	388,817	7.61
Other non-current liabilities	2,503	0.05	117	0.00	827	0.02
Total non-current liabilities	769,441	15.35	671,345	12.30	579,593	11.35
Total liabilities	1,936,473	38.62	1,878,447	34.40	1,418,088	27.76
Shareholders' equity						
Authorized share capital	191,664	3.82	191,664	3.51	191,664	3.75
Issued and paid-up share capital	191,664	3.82	191,664	3.51	191,664	3.75
Premiums on ordinary shares	17,424	-	17,424	-	17,424	0.34
Retained earnings						
Appropriated : Legal reserve	19,200	0.38	19,200	0.35	19,200	0.38
Unappropriated	1,156,926	23.07	1,271,021	23.28	1,373,946	26.89
Other components of shareholders' equity	1,285,816	25.64	1,628,864	29.83	1,628,834	31.88
Total shareholders' equity of the company	2,671,030	53.27	3,128,173	57.29	3,231,068	63.25
Non-controlling interests of subsidiaries	406,549	8.11	453,606	8.31	459,528	9.00
Total shareholders' equity	3,077,579	61.38	3,581,779	65.60	3,690,596	72.24
Total liabilities and shareholders' equity	5,014,052	100.00	5,460,226	100.00	5,108,684	100.00

THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED
SEPARATE STATEMENT OF FINANCIAL POSITION
As at December 31, 2017 to December 31, 2019

Unit : Thousand Baht

STATEMENTS OF FINANCIAL POSITION	Audited					
	2017	%	2018	%	2019	%
Assets						
Cash and cash equivalent items	17,108	0.52	19,047	0.59	3,848	0.12
Trade and other receivables	8,843	0.27	18,180	0.56	42,718	1.31
Short-term loans to related parties	-	-	22,000	0.68	27,000	0.83
Inventories	293	0.01	532	0.02	1,462	0.04
Real estate development cost	97,768	2.96	84,344	2.61	62,373	1.92
Other current assets	2,208	0.07	575	0.02	1,280	0.04
Total current assets	126,220	3.82	144,678	4.48	138,681	4.26
Investments in subsidiary companies	1,199,192	36.28	1,080,514	33.44	1,080,514	33.19
Other long-term investments	370	0.01	367	0.01	363	0.01
Investment properties	304,893	9.22	303,268	9.39	296,615	9.11
Property, plant and equipment	1,655,202	50.08	1,677,374	51.92	1,710,891	52.55
Other non-current assets	19,283	0.58	24,790	0.77	28,378	0.87
Total non-current assets	3,178,940	96.18	3,086,313	95.52	3,116,761	95.74
Total assets	3,305,160	100.00	3,230,991	100.00	3,255,442	100.00
Liabilities						
Short-term loans from financial institutions	18,000	0.54	179,000	5.54	253,000	7.77
Trade and other payables	32,549	0.98	33,698	1.04	42,810	1.32
Current portion of long-term loans						
Long-term loans from related parties	10,000	0.30	10,000	0.31	-	-
Long-term loans from financial institutions	161,712	4.89	121,712	3.77	102,400	3.15
Liabilities under long-term lease contract	3,941	0.12	515	0.02	916	0.03
Accrued income tax payable	1,034	0.03	4,601	0.14	6,347	0.19
Other current liabilities	3,024	0.09	3,147	0.10	5,041	0.15
Total current liabilities	230,260	6.97	352,673	10.92	410,514	12.61
Long-term loans from related parties	214,000	6.47	165,000	5.11	137,000	4.21
Long-term loans from financial institutions	409,398	12.39	267,686	8.28	169,892	5.22
Liabilities under long-term lease contract	16,127	0.49	2,699	0.08	3,614	0.11
Deposit received	13,840	0.42	17,463	0.54	19,647	0.60
Employee benefit obligations	5,693	0.17	3,340	0.10	5,354	0.16
Deferred tax liabilities	249,702	7.55	252,502	7.82	253,036	7.77
Other non-current liabilities	960	0.03	-	-	464	0.01
Total non-current liabilities	909,720	27.52	708,690	21.93	589,007	18.09
Total liabilities	1,139,980	34.49	1,061,363	32.85	999,521	30.70
Shareholders' equity						
Authorized share capital	191,664	5.80	191,664	5.93	191,664	5.89
Issued and paid-up share capital	191,664	5.80	191,664	5.93	191,664	5.89
Premiums on ordinary shares	17,424	0.53	17,424	0.54	17,424	0.54
Retained earnings						
Appropriated : Legal reserve	19,200	0.58	19,200	0.59	19,200	0.59
Unappropriated	957,799	28.98	954,357	29.54	1,040,650	31.97
Other components of shareholders' equity	979,093	29.62	986,983	30.55	986,983	30.32
Total shareholders' equity	2,165,180	65.51	2,169,628	67.15	2,255,921	69.30
Total liabilities and shareholders' equity	3,305,160	100.00	3,230,991	100.00	3,255,442	100.00

THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF INCOME
For the year ended December 31, 2017 to December 31, 2019
Unit : Thousand Baht

STATEMENTS OF INCOME	Audited					
	2017	%	2018	%	2019	%
Revenues from operation						
Revenue from rental and services	303,661	17.22	459,970	22.75	553,155	21.35
Revenue from sales of real estate	114,027	6.47	36,513	1.81	30,550	1.18
Revenue from sales	1,345,567	76.31	1,525,263	75.44	2,007,480	77.47
Total revenues from operation	1,763,255	100.00	2,021,746	100.00	2,591,185	100.00
Cost from operation						
Cost of rental and services	170,528	9.67	240,184	11.88	319,536	12.33
Cost of sales of real estate	72,531	4.11	23,027	1.14	21,970	0.85
Cost of sales	1,058,219	60.02	1,257,619	62.20	1,744,477	67.32
Total cost from operation	1,301,278	73.80	1,520,830	75.22	2,085,983	80.50
Gross profit	461,977	26.20	500,916	24.78	505,202	19.50
Dividend incomes	1	0.00	-	-	-	-
Other income	24,017	1.36	29,232	1.45	25,033	0.97
Selling and service expenses	(43,649)	(2.48)	(38,305)	(1.89)	(44,054)	(1.70)
Administrative expenses	(215,321)	(12.21)	(202,143)	(10.00)	(206,631)	(7.97)
Finance cost	(43,581)	(2.47)	(36,915)	(1.83)	(32,882)	(1.27)
Profit before income tax	183,444	10.40	252,785	12.50	246,668	9.52
Income tax expenses	(40,383)	(2.29)	(51,029)	(2.52)	(45,894)	(1.77)
Profit for the year	143,061	8.11	201,756	9.98	200,774	7.75
Profit attributable to :						
Shareholders of the Company	116,612	6.61	164,643	8.14	165,426	6.38
Non-controlling interests	26,449	1.50	37,113	1.84	35,348	1.36
Profit for the year	143,061	8.11	201,756	9.98	200,774	7.75
Basic earnings per share						
Profits per partner at the company's shareholders (Baht/Share)	0.30		0.43		0.43	
Number of shares (thousand shares)	357,334		357,334		383,327	

THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED
SEPARATE STATEMENTS OF INCOME
For the year ended December 31, 2017 to December 31, 2019
Unit : Thousand Baht

STATEMENTS OF INCOME	Audited					
	2017	%	2018	%	2019	%
Revenues from operation						
Revenue from rental and services	176,744	60.78	264,788	87.88	286,698	90.37
Revenue from sales of real estate	114,027	39.22	36,513	12.12	30,550	9.63
Total revenues from operation	290,771	100.00	301,301	100.00	317,248	100.00
Cost from operation						
Cost of rental and services	80,663	27.74	98,429	32.67	102,985	32.46
Cost of sales of real estate	72,531	24.94	23,027	7.64	21,970	6.93
Total cost from operation	153,194	52.69	121,456	40.31	124,955	39.39
Gross profit	137,577	47.31	179,845	59.69	192,293	60.61
Dividend incomes	59,291	20.39	41,176	13.67	64,740	20.41
Other income	18,536	6.37	19,515	6.48	22,453	7.08
Selling and service expenses	(11,432)	(3.93)	(4,720)	(1.57)	(2,782)	(0.88)
Loss from capital reduction in subsidiary company	-	-	(70,058)	-	-	0.00
Administrative expenses	(65,852)	(22.65)	(72,291)	(23.99)	(83,198)	(26.22)
Finance cost	(31,421)	(10.81)	(26,432)	(8.77)	(23,226)	(7.32)
Profit before income tax	106,699	36.70	67,035	22.25	170,280	53.67
Income tax expenses	(9,844)	(3.39)	(19,508)	(6.47)	(21,880)	(6.90)
Profit for the year	96,855	33.31	47,527	15.77	148,400	46.78
Basic earnings per share (Baht/Share)	0.25		0.12		0.39	
Number of shares (thousand shares)	357,334		357,334		383,327	

THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENT OF CASH FLOW

For the year ended December 31, 2017 to December 31, 2019

Unit : Thousand Baht

Descriptions	Audited		
	2017	2018	2019
Cash flow from operating activities			
Profit before income tax	183,444	252,785	246,669
Adjustments to reconcile profit before income tax to net cash received (paid)			
from operations activities :-			
Dividend incomes	(1)	-	-
Loss from declining value of inventories (revesal)	(1,820)	78	1,581
Reversal loss from declining value of real estate development cost	-	(1,294)	(2,882)
Reversal loss from declining value of real estate development cost	-	-	3,061
Loss from impairment of assets	25,709	8,353	2,496
Amortization of premium on bonds	7	7	7
Gain from disposed available-for-sale investments	(478)	-	-
Gain from disposed warrant	(7,030)	-	-
Doubtful debt (reversal)	(1,830)	(1,074)	3,460
Depreciation	131,187	132,042	141,114
(Gain) loss from disposal and write-off of assets	(530)	4,530	(1,510)
Unrealized (gain) loss on exchange rate	485	-	(11)
Employee benefits expenses	1,864	2,526	3,882
Interest income	(1,067)	(791)	(283)
Interest expenses	43,090	36,915	32,882
Profit from operation before changes in operating assets and liabilities	373,030	434,077	430,466
Operating assets (increase) decrease			
Trade and other receivables	2,169	(43,149)	(38,548)
Inventories	(265,864)	(56,977)	324,719
Real estate development cost	32,109	12,923	24,852
Non-current assets held for sale	-	-	972.00
Other current assets	(25)	(6,920)	1,895
Other non-current assets	3,267	312	1,593
Operating liabilities increase (decrease)			
Trade and other payables	(40,480)	(114,491)	(107,829)
Other current liabilities	6,456	(4,949)	2,716
Deposit received from warehouse and land rental	3,204	(30,407)	(487)
Employee benefit obligations	(9,812)	(5,518)	(911)
Other non-current liabilities	2,427	(2,385)	709
Cash received (used) from operating activities	106,481	182,516	640,147
Cash received from interest	1,039	782	281
Cash received from income tax	-	6,407	4,508
Cash paid for income tax	(34,175)	(40,007)	(51,916)
Net cash received from (used in) operating activities	73,345	149,698	593,020

THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENT OF CASH FLOW
For the year ended December 31, 2017 to December 31, 2019
Unit : Thousand Baht

Descriptions	Audited		
	2017	2018	2019
<u>Cash flow from Investment activities</u>			
Cash received from dividend incomes	1	-	-
Cash received from redemption of other long-term investments	2,547	-	-
Cash received from redemption of warrants	7,030	-	-
Cash paid for purchase investment properties	(9,135)	(993)	(289)
Cash paid for purchase property, plant and equipment	(36,396)	(79,886)	(102,942)
Cash received from sale of assets	1,956	5,083	3,625
Net cash used in from investing activities	(33,997)	(75,796)	(99,606)
<u>Cash flow from financing activities</u>			
Increase (decrease) in short-term loan from financial institutions	182,861	187,617	(237,414)
Cash paid to for payable for asset purchased	(14,010)	(1,765)	(11,823)
Cash received form long-term loan from financial institutions	-	50,000	82,292
Cash paid for long-term loan from financial institutions	(132,212)	(231,712)	(199,398)
Cash paid for liabilities under long-term lease contracts	(4,014)	(17,351)	(791)
Cash paid for interest	(42,328)	(37,608)	(33,114)
Dividend paid	(23,000)	(49,832)	(61,332)
Dividend paid for non-controlling interests of subsidiary company	(26,274)	(18,623)	(29,452)
Cash received from non-controlling interests of subsidiary company	4,921	34,151	-
Cash paid to non-controlling interests of subsidiary company	-	(5,747)	-
Net cash received from (used in) from financing activities	(54,056)	(90,870)	(491,032)
Cash and cash equivalent items increase(decrease)-net	(14,708)	(16,968)	2,382
Cash and cash equivalent items at the beginning of the year	146,583	131,875	114,907
Cash and cash equivalent items at the end of the year	131,875	114,907	117,289

THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED
SEPARATE STATEMENT OF CASH FLOW
For the year ended December 31, 2017 to December 31, 2019
Unit : Thousand Baht

Descriptions	Audited		
	2017	2018	2019
<u>Cash flow from operating activities</u>			
Profit before income tax	106,699	67,035	170,280
Adjustments to reconcile profit before income tax to net cash received (paid) from operations activities :-			
Dividend incomes	(59,291)	(41,176)	(64,740)
Reversal loss from declining value of real estate development cost	-	(1,294)	(2,882)
Amortization of premium on bonds	3	3	3
Gain on disposal of other investments	(479)	-	-
Gain from disposed warrant	(7,030)	-	-
Loss from capital reduction in subsidiary company	-	70,058	-
Depreciation	28,440	29,996	34,811
(Gain) loss from disposal and write-off of assets	(751)	68	(415)
Employee benefits expenses	1,108	510	1,936
Interest income	(160)	(672)	(2,269)
Interest expenses	31,418	26,429	23,226
Profit from operation before changes in operating assets and liabilities	99,957	150,957	159,950
<u>Operating assets (increase) decrease</u>			
Trade and other receivables	277	(9,079)	(24,717)
Inventories	1,415	(238)	(931)
Real estate development cost	32,109	12,923	24,852
Other current assets	(268)	247	(705)
Other non-current assets	(3,711)	(5,508)	(3,589)
<u>Operating liabilities increase (decrease)</u>			
Trade and other payables	10,736	(549)	7,384
Other current liabilities	(2,391)	123	1,893
Deposit received	(478)	3,624	2,184
Employee benefits obligations	(5,594)	(4,284)	(891)
Other non-current liabilities	960	(960)	464
Cash received (used) from operating activities	133,012	147,256	165,894
Cash received from interest	159	414	2,449
Cash received from income tax	-	1,386	-
Cash paid for income tax	(7,223)	(14,829)	(19,405)
Net cash received from (used in) operating activities	125,948	134,227	148,938

THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED
SEPARATE STATEMENT OF CASH FLOW
For the year ended December 31, 2017 to December 31, 2019
Unit : Thousand Baht

Descriptions	Audited		
	2017	2018	2019
Cash flow from investment activities			
Cash received from dividend incomes	59,291	41,176	64,740
Cash received from redemption of other long-term investments	2,547	-	-
Cash received from redemption of warrants	7,030	-	-
Cash received from short-term loan to subsidiary companies	-	50,000	77,000
Cash paid for short-term loan to subsidiary companies	-	(72,000)	(82,000)
Cash paid for investment in subsidiary company	-	(173,764)	-
Cash received from decrease capital in subsidiary company	-	222,384	-
Cash paid for purchase investment properties	(8,674)	(1,060)	(336)
Cash paid for purchase property, plant and equipment	(5,938)	(48,356)	(56,252)
Cash received from sale of property, plant and equipment	752	12,218	637
Cash flow from financing activities	55,008	30,598	3,789
Cash flow from financing activities			
Increase (decrease) in short-term loan from financial institutions	(45,000)	161,000	74,000
Cash paid to for payable for asset purchased	(2,276)	(123)	(1,757)
Cash received from long-term loan from related parties	92,000	66,000	10,000
Cash paid for long-term loan from related parties	(30,000)	(115,000)	(48,000)
Cash received form long-term loan from financial institutions	-	50,000.00	82,292
Cash paid for long-term loan from financial institutions	(132,212)	(231,712)	(199,398)
Cash paid for liabilities under long-term lease contracts	(3,405)	(16,854)	(608)
Cash paid for interest	(31,427)	(26,364)	(23,123)
Dividend paid	(23,000)	(49,833)	(61,332)
Net cash received from (used in) from financing activities	(175,320)	(162,886)	(167,926)
Cash and cash equivalent items increase(decrease)-net	5,636	1,939	(15,199)
Cash and cash equivalent items at the beginning of the year	11,472	17,108	19,047
Cash and cash equivalent items at the end of the year	17,108	19,047	3,848

13.1.3 Keys Financial Ratio

Consolidated Financial Ratio	Unit	Audited		
		2017	2018	2019
<u>Liquidity Ratio</u>				
Liquidity Ratio	Times	1.10	1.12	1.24
Quick Liquidity Ratio	Times	0.30	0.31	0.50
Cash Flow Liquidity Ratio	Times	0.07	0.13	0.58
Account Receivable Ratio	Times	8.09	8.43	9.23
Average Collection Period	Days	45.12	43.30	39.55
Inventory Turnover	Times	1.91	1.80	2.94
Average sale time	Days	191.10	202.78	124.15
Account Payable Ratio	Times	3.60	5.37	12.10
Account Payble period	Days	101.39	67.98	30.17
Cash Conversion Cycle	Days	134.83	178.10	133.53
<u>Profitability Ratio</u>				
Gross Profit Margin	%	26.20	24.28	19.50
Operating Profit Margin	%	11.51	22.88	17.80
Other Profit Margin	%	1.36	1.45	0.97
Cash on Profit Ratio	%	36.13	32.36	128.60
Net Profit Margin	%	8.00	9.84	7.67
Return On Equity	%	4.69	6.06	5.52
<u>Effeciency Ratio</u>				
Return On Asset	%	2.87	3.85	3.80
Return On Fixed Assets	%	7.19	8.52	8.37
Assets Turnover	Times	0.36	0.39	0.50
<u>Financial Ratio</u>				
Debt/Equity Ratio	Times	0.63	0.52	0.38
Debt Service Coverage Ratio	Times	0.43	0.60	0.83
Interest Coverage Ratio	Times	2.54	5.04	19.48
The dividend payout ratio	%	16.08	24.70	30.55
Dividend per share	Baht	0.06	0.12	0.16
Net profit per partner is a shareholder of the Company	Baht	0.30	0.43	0.43
Book value per share	Baht	8.03	9.34	9.63

Separate Financial Ratio	Unit	Audited		
		2017	2018	2019
<u>Liquidity Ratio</u>				
Liquidity Ratio	Times	0.55	0.41	0.34
Quick Liquidity Ratio	Times	0.11	0.11	0.11
Cash Flow Liquidity Ratio	Times	0.52	0.46	0.39
Account Receivable Ratio	Times	32.38	22.30	10.42
Average Collection Period	Days	11.28	16.37	35.03
Account Payable Ratio	Times	5.42	3.67	3.27
Account Payble period	Days	67.35	99.46	111.63
Cash Conversion Cycle	Days	(53.68)	(81.85)	(73.68)
<u>Profitability Ratio</u>				
Gross Profit Margin	%	47.31	59.69	60.61
Operating Profit Margin	%	20.74	34.87	59.74
Other Profit Margin	%	26.77	20.14	27.48
Cash on Profit Ratio	%	208.90	127.75	78.59
Net Profit Margin	%	26.28	13.13	36.69
Return On Equity	%	4.50	2.19	6.71
<u>Effeciency Ratio</u>				
Return On Asset	%	2.90	1.45	4.58
Return On Fixed Assets	%	3.91	2.47	5.91
Assets Turnover	Times	0.11	0.11	0.12
<u>Financial Ratio</u>				
Debt/Equity Ratio	Times	0.53	0.49	0.44
Debt Service Coverage Ratio	Times	0.79	0.45	0.71
Interest Coverage Ratio	Times	4.24	5.65	7.28
The dividend payout ratio	%	23.75	104.85	41.33
Dividend per share	Baht	0.06	0.12	0.20
Net profit per partner is a shareholder of the Company	Baht	0.25	0.12	0.39
Book value per share	Baht	5.65	5.66	5.89

14. Analysis and description of the management

14.1 Explanation and Analysis of Financial Status and Business Performance

14.1.1 Overview of Recent Performance

In 2019, we have the grand total revenue amount 2,616.22 million baht compare with 2018, we have the grand total revenue amount 2,050.98 million baht, increased 565.24 million baht or 27.56 percent.

In 2019, we have the grand total revenue amount 2,616.22 million baht, therefore, the revenue structure also change from the latest year which divided by revenue from sell wheat flour 1,476.45 million baht or 56.43 percent, revenue from sell palm oil 492.95 million baht or 18.84 percent, revenue from container port 208.76 million baht or 7.98 percent, transfer good and service fee 182.79 million baht or 6.99 percent, storage fee 114.79 million baht or 4.39 percent, revenue from sell plastic bag 34.02 million baht or 1.30 percent, revenue from real estate 30.55 million baht or 1.17 percent, factory rental revenue 7.04 million baht or 0.27 percent, rental revenue from apartment 1.49 million baht or 0.06 percent and other revenue 25.03 million baht or 0.96 percent. In 2019, we have net profit 165.43 million baht compare with 2018, we have net profit 164.64 million baht, increased 0.78 million baht or 0.48 percent due to TSTE has net profit from transfer good and service fee more than latest year.

The overall operation results for 2019, the Company generated net profit for the amount of 148.40 million baht comparing with 47.53 million baht in 2018 increased by 100.87 million baht or 212.24 percent, because in 2018, we recognize loss from cost reducing of subsidiary for the amount of 70.058 million baht and the company has received dividend in cash from subsidiary for the amount of 41.17 million baht but in 2019, we received dividend in cash from subsidiary for the amount of 64.74 million baht, increased 23.56 million baht or 57.23 percent, so when we not consider the effect, in year 2019, we have net profit 83.66 million baht compare with 2018, we have net profit 76.41 million baht, increased 7.25 million baht or 9.49 percent due to TSTE has net profit from transfer good and service fee more than latest year, we repayment, therefore, the loan and saving interest expense.

14.1.2 Analysis of Business Performance

Unit: Thousand Baht

Revenue Structure Classified by Business Type	2017		2018		2019	
	Amount	%	Amount	%	Amount	%
Service Business						
Transfer and Service Business	111,686	6.25	155,087	7.56	182,791	6.99
Storage Business	19,795	1.11	71,361	3.48	114,795	4.39
Warehouse / Factory Rental Business	87,980	4.92	56,850	2.77	7,040	0.27
Container Port Service	83,184	4.65	175,240	8.54	208,764	7.98
Apartment Rental Business	1,017	0.06	1,217	0.06	1,492	0.06
OEM palm oil	-	-	-	-	38,274	1.46
Total of Service Business	303,662	16.99	459,755	22.42	553,156	21.14

Revenue Structure Classified by Business Type (Cont.)	2017		2018		2019	
	Amount	%	Amount	%	Amount	%
Sale of Goods Business						
Wheat Flour Business	1,303,296	72.92	1,399,787	68.25	1,476,449	56.43
Palm Oil Business	-	-	99,842	4.87	492,953	18.84
Plastic Bag Business	42,272	2.37	25,845	1.26	34,016	1.30
Packaging Business	-	-	-	-	4,061	0.16
Total of Sale of Goods Business	1,345,568	75.29	1,525,474	74.38	2,007,479	76.73
Sale of Real Estate Business	114,027	6.38	36,513	1.78	30,550	1.17
Other Revenue						
Profit from Foreign Exchange	485	0.03	4,351	0.21	11	0.00
Other Revenue	23,532	1.32	24,885	1.21	25,023	0.96
Total Other Revenue	24,017	1.34	29,236	1.43	25,034	0.96
Total Revenue	1,787,274	100.00	2,050,978	100.00	2,616,219	100.00

Note: Already deducted inter-company items.

The Company and its subsidiaries have revenue from 3 groups of businesses, namely service business, trade business, and real estate business:

1. Service business includes transfer of goods and services, depository service, warehouse rental, and room rental.
2. Trade business includes wheat flour factory, palm oil refinery factory, and plastic sack factory.
3. Real estate business

Transfer of Goods and Services

Table below shows the export volume of main goods

Unit: Metric ton

Export Volume	2017	2018	2019
Raw sugar (BULK)	185,287.48	275,195.77	358,770.90
White sugar	215,992.00	431,955.10	474,547.55
Total sugar Export	401,279.48	707,150.87	833,318.45

From the table, it can be seen that the amount of sugar exported in 2017 amounted to 4.01 hundred thousand tons, in 2018 the amount of 7.07 hundred thousand tons and in 2019 the amount of 8.33 hundred thousand tons. When comparing 3 years, it was found that in 2019, the amount of sugar exported increased from 4.32 hundred thousand tons in 2017 or increased 107.67% and increased from the year 2018 in the amount of 126.17 tons or 17.84%

Therefore, in 2019, the Company had the unloading and service income of 182.79 million baht in 2018, to be 155.09 million baht and in 2017 the amount of 111.69 million baht. When comparing 3 years in 2019, the revenue increased from the year 2017 in the amount of 71.10 million baht or increased by 63.67% and increased from the year 2018 in the amount of 27.70 million baht or an increase of 17.86%.

Storage Business

Import Volume	2017	2018	2019
Raw sugar (BULK)	227,621.40	234,169.67	385,429.01
White sugar	217,264.25	445,912.65	463,153.25
Total sugar Import	444,885.65	680,082.32	848,582.26

From the table, it can be seen that the amount of sugar imported in 2017 amounted to 4.44 hundred thousand tons, in 2018 the amount of 6.80 hundred thousand tons and in 2019 the amount of 8.49 hundred thousand tons. When comparing 3 years, it was found that in 2019, the amount of sugar exported increased from 4.04 hundred thousand tons in 2017 or increased 90.74% and increased from the year 2018 in the amount of 1.68 tons or 24.78%

Therefore, in 2019, the Company had the unloading and service income of 114.79 million baht in 2018, to be 71.36 million baht and in 2017 the amount of 19.79 million baht. When comparing 3 years in 2019, the revenue increased from the year 2017 in the amount of 95 million baht or increased by 479.92% and increased from the year 2018 in the amount of 43.43 million baht or an increase of 60.87%.

Warehouse / Factory rental business

The company has revenue from renting warehouse, factory and land in the amount of 87.98 million baht in 2017, 56.85 million in 2018 and 7.04 million baht in 2019 due to decrease because TS Oil Industry Company Limited (subsidiary company) has terminated the factory lease agreement with the company. Others during the month of August 2018.

Container Port Service Business

In the year 2019, the Company had revenue from container berth services in the amount of 208.76 million baht, accounting for 7.98% of total revenue. Compared to 2018, the company had revenue from container berth services amounting to 175.24 million baht. Increased by 33.52 million baht or increased by 19.13% due to more customers coming to use container berth services in 2019.

Apartment Rental Business

The company has 45 residential buildings located in Soi Siam Silo. Pu Chao Saming Phrai Road, Samrong Tai Subdistrict, Phra Pradaeng District Samut Prakarn Province. The company has chartered all other companies in 2019. The company has income from Rental of residential units in the amount of 1.49 million baht, increased from the year 2018 in the amount of 280 thousand baht or 23%.

Wheat Flour Factory Business

The Company sells wheat flour to industrial entrepreneurs producing bread, fresh noodles, instant noodles, and retail entrepreneurs producing bakery, cookies, snacks, and pastries. The Company also sells some of byproducts such as wheat bran to the animal feed industry.

In 2019, the company had revenue from sales of wheat flour in the amount of 1,476.45 million baht, accounting for 56.43% of total revenue, which compared to 2018, the company had revenue from selling wheat flour in the amount of 1,399.79 million baht, an increase of 76.66 million baht or to 5.48% and when comparing the operating results in 2019, the company had a net profit of 101.28 million baht, in 2018, the company had a net profit of 106.59 million baht and in 2017 the company had a net profit of 105.65 million baht.

Plastic Bag Factory Business

The company is a manufacturer and distributor of plastic woven bag for the industry, including flour, sugar plants, entrepreneurs and small, including rice, ice, sand.

In 2019, the company had revenue from selling plastic bag of 34.01 million baht, in 2018 is 25.84 million baht and in 2017 is 42.27 million baht.

Gross Profit

In the year 2019, the gross profit of the company was 505.20 million baht, in 2018 was 500.92 million baht and in 2017 was 461.98 million baht, increased from 2018 was 4.29 million baht or 0.01% and increased from 2017 was 43.22 million baht or 9.36%.

Net profit

In the year 2019, the net profit of the company was 165.43 million baht, in 2018 was 164.64 million baht and in 2017 was 116.61 million baht, increased from 2018 was 0.78 million baht or 0.48% and increased from 2017 was 48.81 million baht or 41.86%.

Liquidity and Source of Funds

During the year 2017 to 2019, the Company has the current ratio is 1.10 times, 1.12 times and 1.24 times respectively. In 2019, the Company has increased the current ratio from 2018 and 2017 caused by the company having current assets of 1,039.97 million baht. consisting of cash. And cash equivalents of 117.29 million baht, trade accounts receivable of 299.28 million baht, inventories of 545.88 million baht, real estate development costs 62.37 million baht and other current asset 15.15 million baht and current liabilities of 838.49 million baht, consisting of short-term loans from financial institutions amounting to 581.86 million baht. Trade accounts payable of 114.07 million baht and current portion of long-term loans of 102.40 million baht, Other current liabilities of 1.47 million baht.

During the years 2017 to 2019, the average collection period was 45.12 days, 43.30 days and 39.55 days respectively. The average debt repayment period was 101.39 days, 67.98 days and 30.17 days, respectively, and the cash cycle in 2017 was 134.83 days. The year 2018= 178.10 days and the year 2019= 133.53 days. However, the management has control. Credit to customers and accelerated collection of debtors faster.

Cash Flows

Table: Summary of Cash Flows

	Unit: Thousand baht		
	2016	2017	2018
Net cash received (used in) from operational activities	73,345	149,699	593,020
Net cash received (used in) from investment activities	(33,997)	(75,796)	(99,606)
Net cash received (used in) from financing activities	(54,056)	(90,871)	(491,032)
Cash and cash equivalents – net increase (decrease)	(14,708)	(16,968)	2,382
Ending cash and cash equivalents	131,875	114,907	117,289

In 2019, the Company had cash from operating activities 593.02 million baht, cash used in investment activities 99.61 million baht and cash in financing activities was 491.03 million baht, The company in cash and cash equivalents increased by 2.38 million baht The company had Cash and cash equivalents at the end of 2019 amounted to 117.29 million baht The acquisition of fixed assets and development of improvements to the warehouse space rental and development of investment property Cash used in financing activities The company paid back principal and interest paid to financial institutions.

Source of Funds

In 2019, the Company and its subsidiaries had overdraft facilities in the amount of 122 million baht, not used, The Company and its subsidiaries had short-term loans from financial institutions totaling 1,113 million baht, disbursed 240 million baht, remaining 873 million baht. The Company and its subsidiaries have short-term loan (together) in the amount of 100 million baht, used for 90.4 million baht. The remaining amount is 8.6 million baht. Short-term trust receipts to buy debtors And factoring in the amount of 400 million baht, not used, and the letter of credit amount of 2,810 million baht, used in the amount of 200.35 million baht, the remaining amount of 2,589.65 million baht and forward foreign exchange contract 2,015 MB, used in the amount of 86.09 MB, the remaining amount of 1,928.91 MB. and the common limit in the letter of credit, trust receipt, short-term loan and foreign exchange contract In advance Letter of credit in the amount of 10,000,000 USD, not used. The Company and its subsidiaries have long-term loans from financial institutions in the amount of 807.30 million baht. Repayment of loans is 617.30 million baht. Remaining long-term loan from the institute 272.29 million baht.

14.1.3 Financial Status

Assets

Total assets of the Company and its subsidiaries as of 31 December 2019 amounted to 5,108.68 million baht, an increase of 351.54 million baht, or increase of 6.44%, as compared with the total assets of 5,460.23 million baht as of the end of 2018. The total assets are divided as follows:

Net Land, Buildings, and Equipment and Real estate investment

As of 31 December 2019, the Company owned the net amount of land, buildings, and equipment amounting to 4,031.63 million baht, or equivalent to 78.92 percent of the total assets decreased compared to year end 2018 of 40.94 million baht or decreased 1.01%, and real estate investment company has 7.94 million baht, representing 0.16% of total assets,.

Inventory

As of 31 December 2019, the Company's inventory amounted to 545.88 million baht, or equivalent to 10.69% percent of the total assets such assets consisted of raw materials of 320.32 million baht, work-in-progress of 36.29 million baht, finished goods of 32.70 million baht, supplies of 4.95 million baht, spare parts of 5.43 million baht, Factory material and goods in transit of 148.43 million baht. The Company has made a provision of the cost of a higher net worth to be 2.24 million baht.

Account Receivables

Account Receivables and Notes Receivable - Net

Unit: Thousand baht			
Item	2017	2018	2019
Account Receivables and Notes Receivable due	135,806	177,617	205,713
Classified by Debt Maturity			
Less than 3 months	70,335	76,122	78,555
More than 3 months – 6 months	734	308	807
More than 6 months – 9 months	-	41	2,468
More than 9 months	15,888	14,784	17,670
Total	222,919	268,872	305,213
Deduct Allowance for Doubtful Debts	(15,827)	(14,753)	(18,212)
Net	207,092	254,119	287,001

As of December 31, 2019, the Company had trade accounts receivable of 287.00 million baht and other receivables of 12.28 million baht, representing a ratio of 5.86% of total assets increased 37.33 million baht or increased 14.25% compared to the yearend 2018.

Liabilities

Total liabilities of the Company and its subsidiaries as at 31 December 2019 amounted to 1,418.09 million baht, an decrease of 460.36 million baht, or decrease of 24.51 % compared to total liabilities of 1,878.45 million baht at the end of 2018 by dividing total liabilities.

Short-term Loans from Financial Institutions

As of 31 December 2019, the Company's short-term loans from financial institutions amounted to 581.86 million baht, or equivalent to 11.39 percent of the total liabilities. It was an increase of 237.41 million baht, or an increase of 28.98% as compared to the amount at the end of 2018. Divided by a promissory note loan in the amount of 314 million baht and a subsidiary loan. From financial institutions in the form of trust receipts of 395.65 million baht to import wheat raw materials from abroad used in the wheat flour business.

Long-term Loans from Financial Institutions

As of 31 December 2019, the Company's long-term loans from a financial institution amounted to 272.29 million baht, or equivalent to 5.33% of the total liabilities increase amount of 102.40 million baht and long-term loans of 169.89 million baht. When compared with the end of 2018, the amount of 389.40 million baht decreased by 117.11 million baht or decreased by 30.07% because in the year 2019 the company had paid the principal during the year in the amount of 199.40 million baht and the loan amount was increased to 82.29 million baht.

Shareholders' Equity

Shareholders' equity of the Company As at December 31, 2019, the Company and its subsidiaries had amount 3,690.60 million baht, increase of 108.82 million baht or an increase of 3.04% as compared to shareholders equity amount of 3,581.78 MB at the end of 2018. The changes are as follows:

- Increase from net profit for the period As of December 31, 2019 amount of 200.77 million baht,
- Decrease from other comprehensive income of amount 1.17 million baht.

- Decreased from dividends amount of 61.33 million baht.
- Decrease in shareholding in subsidiaries under the same control amount of 29.45 million baht.
- Decrease in non-controlling interests of the subsidiaries amount of 61.33 million baht.

Factors Affecting Future Performance

Warehouse Business

(1) Transportation

The Company is located on the Chao Phraya River bank, in Samut Prakam Province, which is the river outlet to Gulf of Thailand. At present, the construction of roads and bridge connection helps the transportation from one region to another become more convenient and faster. For example, Kanchanaphisek Road, Rama II Road, Industrial Ring Road Bridge, Burabhavithi Express Way, and others connecting routes from northern provinces including Nakhon Sawan, Phitsanulok, Sukhothai, Chiang Mai, Lamphun, Lampang, Chiang Rai; northeastern provinces including Nakhon Ratchasima, Ubon Ratchathani, Udon Thani; central provinces including Ayutthaya, Ang Thong, and Suphanburi; going to the South via Rama II Road as the main route, or going to the East via Burabhavithi Express Way, or through Samut Prakam Province using Industrial Ring Road. As mentioned above, the transportation from one region to another has become more convenient, faster, and saved more energy than in the past. Therefore, the transportation of goods to warehouse awaiting for sea-freight delivery has become more convenient accordingly. Moreover, with a good location of the Company as a connecting point between land transportation and sea ports makes the Company a better advantage for the service provided to a wider customer.

(2) Government Policy

Since the Port Authority of Thailand (PAT) has a project to close Klong Toey Port, which is a large housing community in Bangkok, so as to send freighters to dock in order to transfer goods at the Deepwater Port of Sriracha or Laem Chabang instead. While the freight business is expanding, but PAT does not yet announce a well-defined policy and clear duration that will affect those habitants in the neighborhood areas. The possible impacts include sound pollution, dust, traffic, and exhaust emitted from trucks and large ocean liners. Moreover, other businesses related to businesses concentrated in the Klong Toey Port area, must be well prepared for changing situations in the future. The Company itself will inevitably be affected by docked ocean liners using connected services. Such impacts will be both positive and negative.

On the positive side, the number of ships using services will be reduced as large ocean lines that used to pick up goods from Bangkok (Klong Toey) will no longer come in.

On the positive side, goods transported from various regions by road will come to use the Company's warehouse service, which is located on the Chao Phraya Riverbank and in a perimeter province of Bangkok. Potential clients will not have to come into Bangkok, or transport a long distant to deep water ports. Moreover, medium-sized freighters are able to dock at the Company's port in order to transfer goods, which will help to save land transportation expenses to goods owners, making the docking service, goods depository and transfer services more attractive to new potential customers.

Wheat Flour Business

(1) Changes of International Trade Conditions

Changes of the main exporter's trade conditions such as FTA arrangements with USA, Australia, and Canada that will allow the Company to import raw materials without having to pay import duty, or a 5 percent increase of China's export duty to 25 percent will limit mixed flour export making Thai wheat flour importers will

no

longer enjoy cheap wheat flour from China. Nonetheless, if such a Chinese measure is cancelled, wheat flour factories in Thailand may have to compete with the Chinese flour again.

(2) Consumption Behavior

Nowadays, consumers prefer and become more concerned with healthy food consumption. For example, whole wheat bread, which is full of fiber, vitamins, and minerals more than normal bread, or whole wheat instant noodles., which provides the Company a chance to earn profit from higher consumption of whole wheat flour.

(3) Application of New Technology into Business

At present, the Company is in the middle of selecting ERP Software, which is a software used in a modern organization that desires to seize advantage over its competitors. Since such a software enables users to manage data in the organization in a centralized way, by linking data from each back office, and compiling into information that can help the decision making of the executives to be more accurate and faster to respond to customers' needs.

Palm Oil Refinery Business

(1) Customer Behavior

In current situation for oil palm, the customer in developed country has reduced consumption of oil palm continuously and turned to consume nutritious healthy foods. Therefore, foods factory has changed product image in increasing nutrition i.e. rice bran oil has been produced to replace of oil palm and caused oversupply of palm fruit as well as the low price of crude palm olein.

(2) Government Policy

The price of oil palm was high unstable due to oil palm is a control product and sensitive price related to government policy. Determination of the low price's solving problem measures, the operation has to be considered government policy together i.e. sealing price, transport information, remain stock information, storage location, renewable energy policy and increased of palm oil plant.

(3) Weather

Palm oil tree grows well in warm and humid, wettest area similar with the weather in Southern of Thailand including other nearest countries as Malaysia and Indonesia which promoting to grow palm oil tree easily for exporting crude palm oil around the world.