



Global Green Chemicals Public Company Limited

Management Discussion and Analysis
For the operating results of FY2019



Executive Summary

In 2019, overall palm oil production and crude palm oil (CPO) inventory remained high in both domestic and international market, although the inventory plunged to a minimum record of year 2019 to the level of 300,000 tons, which was due to the lower palm oil output at the end of 2019 and the higher crude palm oil (CPO) demand. It was the result of the government's measures pushing biodiesel B10 to be the mandatory diesel in 2020 that lead to sharply rise in crude palm oil (CPO) and crude palm kernel oil (CPKO) prices at the end of 2019. Since early 2019, the stock of crude palm oil was surged to 500,000 tons in 3Q2019, resulting in an average of crude palm oil (CPO) and crude palm kernel oil (CPKO) prices decreased from FY2018. Even though, the government has agreed to set the guaranteed price of palm fresh fruit bunch at 4 Baht/kg. and encouraged biodiesel B10 and B20 consumption as fuel options throughout the year by using the State Oil Fund to subsidize the price of B10 and B20 to be lower than diesel price of standard grade by 1 Baht/litre and 5 Baht/litre respectively. This measure was terminated on September 2019, then adjusting to 2 Baht/litre and 3 Baht/litre respectively from October 2019 onwards. In addition, the Electricity Generating Authority of Thailand (EGAT) has been assigned to purchase crude palm oil to produce electricity continuously. Natural fatty alcohols market in 2019 has slowed down from previous year due to the decline in purchasing power of Chinese consumers who are an important driving force for market, which was affected from US-China trade war and the depreciation of Yuan (CNY) against US dollar. Besides, the extreme fluctuation of crude palm oil price in end of 2019 affected buying sentiment to be drop as buyers waited for the stabilized fatty alcohols price.

As aforementioned, the Global Green Chemicals Public Limited ("GGC" or "the company") recorded methyl ester sales volume in FY2019 at 415,882 tons, an increase of 40,960 tons or 11% compared to FY2018 due to the incremental capacity of methyl ester from methyl ester plant 2 which has commenced the commercial operation in 2Q2019. In addition, at the same time, the company had the opportunity to export methyl ester amounted to 6,800 tons. Meanwhile, natural fatty alcohols sales volume was sold at 96,946 tons, a decrease of 17,838 tons or 16% from FY2018.

The total revenue in FY2019 was reported at THB 13,055 million, a decrease of THB 3,170 million or 20% compared to FY2018, corresponding to EBITDA which was at THB 499 million, decreased by THB 424 million or 46% from previous year. The profitability of methyl ester was pressured by stiffen competition with increasing supply in Thailand. Additionally, the declining of palm oil price and the falling global glycerine price driven by glycerine supply glut from increasing biodiesel blending rate of leading biodiesel producers in global market significantly affected to the company's methyl ester business. However, fatty alcohols business had contributed EBITDA of THB 494 million.

In 2019, the company was impacted by extraordinary expenses amounting to THB 91 million, which are consist of accrued payable for labor regulation amendment of the employee's latest wage rate for an employee who has worked for 20 consecutive years or more, the advisory fee from the inventory shortfall and the maintenance expenses from a major shutdown of methyl ester plant 1, investigating and repairing plant's equipment of methyl ester plant 2 and three times shut down for maintenance and catalyst changing of fatty alcohols plant. As mentioned above, the company posted net loss excluding extraordinary items of THB 16 million in FY2019, decreased by THB 503 million or 103% from the net profit before extraordinary items of FY2018.

In 2019, the company entered into negotiations with certain suppliers and was able to reach agreements. The suppliers agreed to deliver outstanding raw materials to the company over a period and the company has been returning raw materials from suppliers of THB 16 million, consequence to declining of the amount of damages from inventory shortfall. Moreover, after the review of the reserve for damages from the inventory shortfall, the company has reversed the reserve of approximately THB 217 million pursuant to an appraised value of the collateral under the aforesaid settlement agreements, providing that such reverse value is lower than the appraised price of the collateral because it was made on a conservative basis, based on the assumption of sale by auction. When offsetting by deferred tax items, the company realized extraordinary items of THB 110 million. Hence, the net profit was recorded at THB 94 million, an increase of THB 1,255 million or 108% compared to the net loss including extraordinary items from the inventory shortfall in 2018 amount of THB 1,161 million.

As of 31 December 2019, the company has total assets in the amount of THB 12,931 million which comprised of cash and short-term investment amounting to THB 3,311 million, with total liabilities of THB 3,283 million and total equities of THB 9,648 million. In this regard, the company's financial position remains strong with low debt-to-equity ratio and high current ratio.

Operating Performance

Exhibit 1: Consolidated Company's Performance comparison of 4Q2019 vs. 4Q2018 vs. 3Q2019 vs. FY2019 vs. FY2018

UNIT: M THB	4Q2019	4Q2018	% YoY	3Q2019	% QoQ	FY2019	FY2018	% YoY
Sales Revenue	3,842	3,654	5%	3,108	24%	13,055	16,225	-20%
EBITDA	226	286	-21%	44	414%	499	923	-46%
EBITDA Margin (%)	5.9%	7.8%	-1.9%	1.4%	4.5%	3.8%	5.7%	-1.9%
Stock Gain/(Loss) & NRV	-13	-24	-46%	13	-200%	-132	-463	-71%
Adjusted EBITDA ⁽¹⁾	239	310	-23%	31	671%	631	1,386	-54%
Adjusted EBITDA Margin (%)	6.2%	8.5%	-2.3%	1.0%	5.2%	4.8%	8.5%	-3.7%
Net Profit	97	171	-43%	-97	-200%	-16	487	-103%
Extra item net of tax ⁽²⁾	94	272	-65%	-	n.a.	110	-1,648	-107%
Net Profit after extra items	191	443	-57%	-97	-297%	94	-1,161	-108%
EPS (Baht/share)	0.19	0.43	-56%	-0.09	-311%	0.09	-1.13	-108%

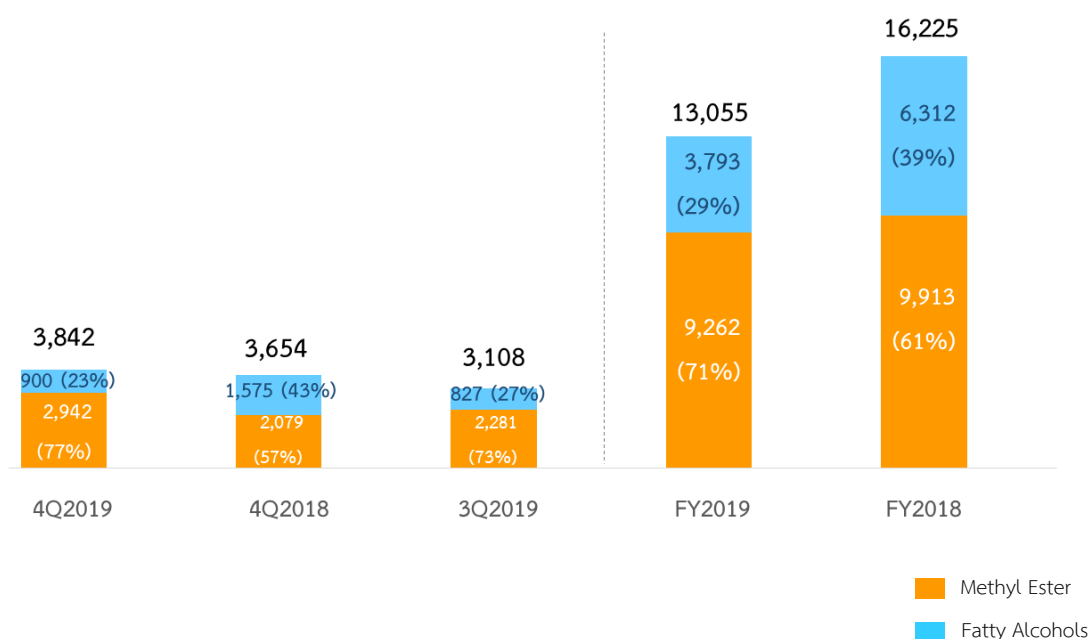
Note:

(1) Adjusted EBITDA refers to EBITDA excluding impact of Stock Gain/(Loss) and NRV

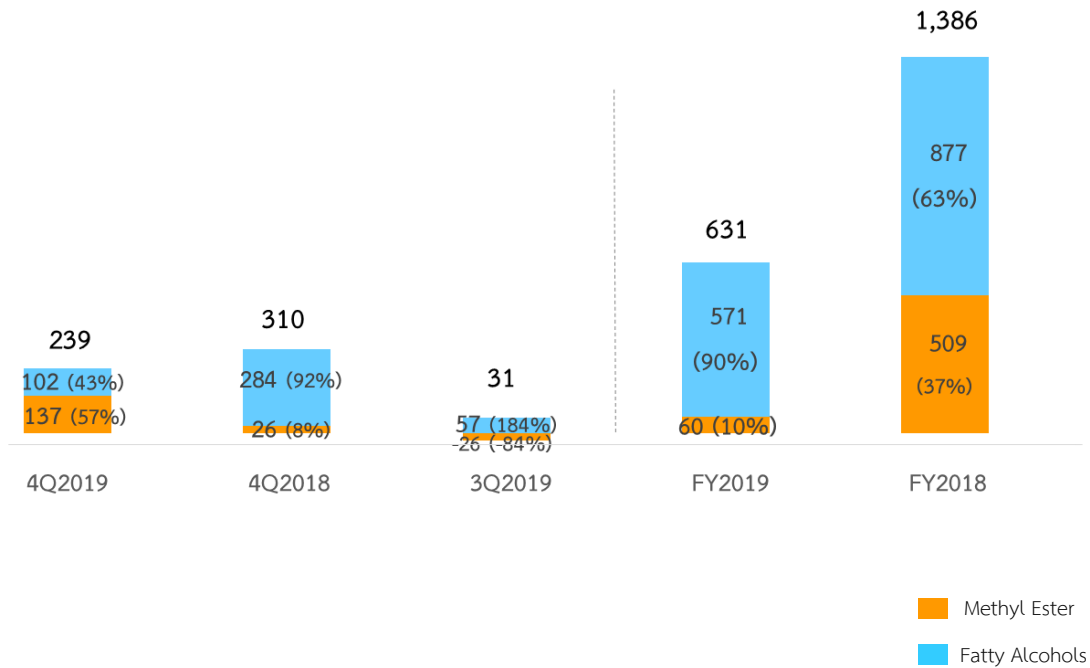
(2) Extra items were from raw material derogation and deferred tax assets/liabilities.

Exhibit 2 : Sales revenue and Adjusted EBITDA breakdown by business unit comparison of 4Q2019 vs. 4Q2018 vs. 3Q2019 vs. FY2019 vs. FY2018 (million THB)

Sales Revenue Breakdown



Adjusted EBITDA



Market Overview by Business

Methyl Ester (Biodiesel)

Exhibit 3: Product and Feedstock Prices

Average Price	4Q2019	4Q2018	% YoY	3Q2019	% QoQ	FY2019	FY2018	% YoY
Methyl Ester (B100) (Baht/litre) ⁽¹⁾	25.89	21.78	19%	21.62	20%	22.36	24.15	-7%
Methyl Ester (B100) (Baht/kg) ⁽²⁾	29.93	25.18	19%	24.99	20%	25.85	27.91	-7%
Crude Palm Oil (CPO) (Baht/kg) ⁽³⁾	23.01	16.94	36%	16.89	36%	18.29	19.57	-7%
EPPO P2F (Baht/kg) ⁽⁴⁾	4.52	5.22	-13%	4.83	-6%	4.77	5.19	-8%
Biodiesel Mandate	B7	B7		B7		B7	B7	

Note : (1) Reference Price of EPPO
 (2) Conversion ratio: 0.865 Tons = 1,000 Liters
 (3) Reference Price of DIT
 (4) Market ME Price - Mixed Feedstock according to EPPO's B100 formula

An average of the 4Q2019 crude palm oil price (CPO-DIT) was at 23.01 Baht/kg, being better than 4Q2018 CPO price by 6.07 Baht/kg. or up 36%, because CPO inventory plunged in December 2019 hitting a minimum record of 300,000 tons in year 2019, attributed to the lower crude palm oil output driven by the country's drought-affected area. In contrast, crude palm oil consumption is climbing due to rising of the

domestic methyl ester demand which was estimated to be at 428,561 tons in 4Q2019, an increase of 84,307 tons or 24%. The main factors were that major vehicle manufacturers have announced their readiness to comply with B20 and continually have promoted B20 to motorists, resulting to consecutively growing of B20 consumption. In addition, The Energy Ministry announced biodiesel B10 as the mandatory biodiesel in Thailand, replacing biodiesel B7 in 2020. Firstly, the government defined revision of B100 specification and quality on December 1, 2019, corresponding to preparing the stock of biodiesel B10 by fuel traders M.7. After that, all refineries are required to produce biodiesel B10 on January 1, 2020. By March 1, 2020, biodiesel B10 will be available at all petrol station nationwide. Moreover, the government has continuously encouraged biodiesel B10 and B20 consumption by subsidizing the price of B10 and B20 to be cheaper than diesel of standard grade by 2 Baht/litre and 3 Baht/litre respectively from October 2019 onwards. As the domestic crude palm oil price climbed up, methyl ester price in 4Q2019 was at 29.93 Baht/kg., rose by 4.75 Baht/kg or 19% from the same period of previous year.

Compared to 3Q2019, crude palm oil price was at 23.01 Baht/kg, an increase of 6.12 Baht/kg or 36% because the inventory of domestic crude palm oil decreased due to crude palm oil output being less than its expectation. In addition, the demand of crude palm oil boosted during holiday season and energy sector oil consumption grew driven by the government's measurements. In 4Q2019, methyl ester demand grew by 32,538 tons or up 8% to the level of 428,561 ton compared to prior quarter owing to the higher transportation during travel season and fuel traders M.7.'s preparing the stock of biodiesel B10 which would soon be the mandatory diesel shift from biodiesel B7 in 2020. The Energy Ministry reported biodiesel B10 consumption in December 2019 stood at 22.96 million litres, improved from prior month by 16.77 million litres or 27%, in tandem with biodiesel B20 consumption of 237.69 million litres, an increase of 9.54 million litres or 4% from previous month. Due to crude palm oil price upward, methyl ester price in 4Q2019 was increased to 29.93 Baht/kg., rose by 4.94 Baht/kg. or 20% compared to 3Q2019.

Overall FY2019 compared to FY2018, crude palm oil price declined by 7% stood at 18.29 Baht/kg caused by the continuously increasing inventory to the level of 500,000 tons in 3Q2019, attributed to a bit higher crude palm oil price level. Even though, the government has agreed to set the palm fresh fruit bunch guaranteed price at 4 Baht/kg. Also, the Electricity Generating Authority of Thailand (EGAT) completely purchased crude palm oil amount of 160,000 tons in April 2019 to generate electricity in response to the government's delegation. According to the cabinet resolution previously approved on May 7, 2019, EGAT was assigned to purchase additional 200,000 tons of crude palm oil, which total 66,250 tons was purchased and used in power generation. In addition, in December 2019, EGAT has purchased the additional crude palm oil amounting to 101,700 tons that required the bidders to deliver crude palm oil to EGAT from December 2019 until April 2020 (extended from January 2020). However, crude palm oil price

soared in 4Q2019 when the government officially announced the biodiesel B10 to be the mandatory diesel shifting from biodiesel B7 in 2020. As a result, biodiesel B10 mandate is expected to raise the consumption of crude palm oil in energy sector approximately 30-40% which will become a major consumer instead of edible oil for consumption. In FY2019, methyl ester demand was increased from FY2018 by 0.22 million tons or 16%, which was equal to 1.56 million tons due to maintaining the biodiesel mandated at B7 whole year and the various measurements to stimulate domestic biodiesel consumption by the government as aforementioned. Meanwhile, the average of FY2019 methyl ester price was declined to 25.85 Baht/kg., a decrease of 2.06 Baht/kg. or 7% from FY2018, corresponding to crude palm oil price downward.

The average EPPO P2F in 4Q2019 (the difference between ME EPPO price and mixed feedstock prices) was at 4.52 Baht/kg, decreased by 13% and 6% compared to 4Q2018 and 3Q2019 respectively because the methanol price which is a factor in the ME EPPO price formula dramatically decreased. With a corresponding, methyl ester price in FY2019 declined from FY2018 by 0.42 Baht/kg. or 8% which was stood at 4.77 Baht/kg.

Fatty Alcohols

Exhibit 4: Products and Feedstock's prices

Average Price (USD per ton)	4Q2019	4Q2018	% YoY	3Q2019	% QoQ	FY2019	FY2018	% YoY
Fatty Alcohols ⁽¹⁾								
- Short Chain	2,438	3,538	-31%	2,848	-14%	2,891	3,705	-22%
- Mid Cut	1,157	1,231	-6%	1,033	12%	1,135	1,445	-21%
- Long Chain	1,106	1,164	-5%	1,030	7%	1,107	1,251	-12%
Average Fatty Alcohols ⁽²⁾	1,244	1,395	-11%	1,178	6%	1,267	1,568	-19%
Crude Palm Kernel Oil (CPKO) ⁽³⁾	742	717	3%	561	32%	633	914	-31%
Market P2F of Fatty Alcohols	353	535	-34%	504	-30%	507	471	8%

Note : (1) Reference Price of ICIS

(2) Average price of fatty alcohols with production proportion: Short Chain 8% Mid Cut 62% and Long Chain 30%

(3) Reference Price of Malaysian Palm Oil Board (MPOB)

Average crude palm kernel oil price (MPOB) in 4Q2019 was at 742 USD/ton, increased by 25 USD/ton or 3% from 4Q2018 and improved by 181 USD/ton or 32% from 3Q2019. The primary cause is Indonesia and Malaysia palm kernel oil stock being less than their expectation in end of 2019. In addition, palm oil and other vegetable oil outputs are expected to lower due to the drought affected area. On the demand

side, natural fatty alcohols in 4Q2019 has slowed down from the same period of previous year, resulting from purchasing power of China depressed mainly from US-China trade war and depreciation of Yuan (CNY) against US dollar. Besides, the extreme fluctuation of crude palm kernel oil price in end of 2019 affected buying sentiment to be drop as buyers waited for the stabilized fatty alcohols price.

FY2019 versus FY2018, crude palm kernel oil price decreased along the year by 281 USD/ton or 31% to be at 633 USD/ton because in international crude palm kernel oil market, the inventory level stood at the high level in 2Q2019, especially Malaysia's inventory raised to 490,000 tons driven by their overwhelmed output. In the meantime, overall crude palm kernel oil demand is expected to be slow growth driven by the improving of consumer health concern trend and tariff barriers of international trade. However, crude palm kernel oil price increased suddenly in 4Q2019, mainly from the expectation of declining of palm oil and other vegetable oil outputs owing to the drought affected area.

The market P2F of natural fatty alcohols in 4Q2019 was at 353 USD/ton, a decrease of 34% and 30% compared to 4Q2018 and 3Q2019 respectively due to the extreme fluctuation of crude palm kernel oil price in 4Q2019. While, natural fatty alcohols price was unable to catch up crude palm kernel oil price immediately, in addition to plunged price of Short Chain alcohols despite of lower in coconut oil price, which is a substitute raw material compared to growing of crude palm oil price. In contrast, market P2F of natural fatty alcohols in FY2019 was at 507 USD/ton, improved by 8% from FY2018 driven by tight supply.

Operating Performance by Business Unit

Methyl Ester (ME) Business Unit Operating Performance

Exhibit 5: Keys Operating Performance of ME Business Unit

Methyl Ester Business	4Q2019	4Q2018	% YoY	3Q2019	% QoQ	FY2019	FY2018	% YoY
Utilization (%) ⁽¹⁾	75%	112%	-37%	78%	-3%	82% ⁽¹⁾	113% ⁽²⁾	-31%
Sales Volume (ton)	106,755	97,431 ⁽³⁾	10%	102,834	4%	415,882 ⁽⁴⁾	374,922 ⁽³⁾	11%
Sales Volume (million litre) ⁽⁵⁾	123	113	10%	119	4%	481	433	11%
Sales Revenue (million baht)	2,942	2,079	42%	2,281	29%	9,262	9,913	-7%
EBITDA (million baht)	171	1	17000%	-112	-253%	5	429	-99%
EBITDA margin (%)	5.8%	0.0%	5.8%	-4.9%	10.7%	0.1%	4.3%	-4.2%
Stock Gain/(Loss) & NRV (million baht)	34	-25	-236%	-86	-140%	-55	-80	-31%
Adjusted EBITDA (million baht) ⁽⁶⁾	137	26	427%	-26	-627%	60	509	-88%
Adjusted EBITDA Margin (%)	4.7%	1.3%	3.4%	-1.1%	5.8%	0.7%	5.1%	-4.4%

Note : (1) Nameplate Capacity 500,000 tons per year from methyl ester plant 1 and plant 2 with nameplate 300,000 and 200,000 ton per year respectively. The methyl ester plant 2 has commenced the commercial operation on April 5, 2019.

(2) Nameplate Capacity 300,000 tons per year from methyl ester plant 1

(3) In 4Q2018 and FY2018, the company reported sales volume from methyl ester plant 2 amounting to 7,109 tons which could not be recorded in profit/loss statement because it was under testing run for commercial operation. However, sales volume for methyl ester as aforementioned was included in the total sales volume in 4Q2018 and FY2018 as table above.

(4) In FY2019, the company had sales volume from methyl ester plant 2 of 17,293 tons which could not be recorded in profit/loss statement because it was under testing run for commercial operation.

(5) Conversion ratio: 0.865 Tons = 1,000 Liters

(6) Adjusted EBITDA refers to EBITDA excluding impact of Stock Gain/(Loss) and NRV

Operating performance comparison between 4Q2019 vs. 4Q2018

In 4Q2019, the company recorded methyl ester sales revenue of THB 2,942 million, an increase of 42% from 4Q2018 because methyl ester selling price improved in relation to the rising of crude palm oil price and sales volume increased by 10%. As a result, the government has encouraged biodiesel B10 to be the mandatory diesel in 2020 and fuel traders M.7 must prepare the stock of biodiesel B10 before starting the shifting B7 to B10 as mandatory biodiesel, resulting in the growing demand of biodiesel.

Besides, in 4Q2019, the company's methyl ester plant 2 had temporarily shut down in November 2019 for 15 days to investigate oil leaking in heat exchanger, which had already repaired and currently resumed its normal operation. Consequently, the company had the expense from the investigation and repairing of methyl

ester plant 2. Furthermore, the company also had an impact from a considerable diminishing of glycerine price due to ample supply, attributed to glycerine sales revenue dropped significantly compared to 4Q2018.

Based on the rising of palm oil price in 4Q2019, the company realized Stock Gain & NRV of THB 34 million, while in 4Q2018, the company had Stock Loss & NRV of THB 25 million. From the factors as mentioned above, EBITDA was recorded at THB 171 million, an increase of THB 170 million from the same period of prior year and the company reported Adjusted EBITDA of THB 137 million, rose by THB 111 million or 427% from 4Q2018.

Operating performance comparison between 4Q2019 vs. 3Q2019

On quarter by quarter basis, methyl ester business unit's sales revenue in 4Q2019 increased by THB 661 million or 29%. This was because methyl ester selling price improved following the rising of crude palm oil price, in addition, methyl ester sales volume grew up by 4% owing to increasing of biodiesel demand for travel season and transportation. Moreover, the government's measurements have stimulated biodiesel B10 to be mandatory biodiesel in Thailand.

According to demand of biodiesel arise due to the government's encouragement, as a result, the high competition in market has softened in end of quarter, attributed to improving of the profitability of methyl ester business. Although, the company's methyl ester plant 2 had shut down for 15 days as mentioned earlier, the company reported EBITDA of THB 171 million, rose by THB 283 million or 253% and Adjusted EBITDA of THB 137 million, an increase of THB 163 million or 627% from previous quarter when deducting Stock Gain & NRV of THB 34 million.

Operating performance comparison between FY2019 vs. FY2018

In FY2019, the company reported methyl ester sales revenue of THB 9,262 million, decreased from FY2018 by THB 651 million or 7% primarily from declining of methyl ester price following the soften of crude palm oil price. Despite, the company's methyl ester plant 2 has been operating since 2Q2019 and exported methyl ester amounting to 6,800 tons, resulting in methyl ester sales volume in FY2019 increased by 11% from FY2018 up to 415,882 tons. If considering the methyl ester sales volume that could realize in profit/loss statement in FY2019 and FY2018 were at 398,589 tons and 367,813 tons respectively, attributed to sales volume in FY2019 increased by 30,776 tons or 8% compared to FY2018. Moreover, the company has been impacted from the drastic diminishing of by-product price in relation to ample glycerine supply and the average of crude palm oil price dropped, attributed to lower in feedstock price discount and higher in product selling price discount, as a result, the company's profitability of methyl ester decreased.

Besides, in FY2019, the company recorded accrued payable for labor regulation amendment, in which the maximum severance pay rate is amended from 300 days to be 400 days of the employee's latest wage rate for an employee who has worked for 20 consecutive years or more. Moreover, the higher extraordinary expenses were recorded in this timing which were the maintenance expenses of methyl ester plant 1 and plant 2 shutdown and the advisory fee from the raw materials derogation issue.

Based on these factors, EBITDA was posted at THB 5 million, a decrease of 99% from FY2018. When deducting the effect of Stock Loss & NRV of THB 55 million, the company reported Adjusted EBITDA of THB 60 million, a decrease of 88% from FY2018.

Fatty Alcohol (FA) Business Unit Operating Performance

Exhibit 6 : Keys Operating Performance of FA Business Unit

Fatty Alcohols Business	4Q2019	4Q2018	% YoY	3Q2019	% QoQ	FY2019	FY2018	% YoY
Utilization (%)	74%	129%	-55%	114%	-40%	95%	115%	-20%
Sales Volume (Ton)	24,539	33,442	-27%	23,364	5%	96,946	114,784	-16%
Revenue from Sales (million baht)	900	1,575	-43%	827	9%	3,793	6,312	-40%
EBITDA (million baht)	55	285	-81%	156	-65%	494	494	0%
EBITDA margin (%)	6.1%	18.1%	-12.0%	18.9%	-12.8%	13.0%	7.8%	5.2%
Stock Gain/(Loss) & NRV	-47	1	-4800%	99	-147%	-77	-383	-80%
Adjusted EBITDA (million baht) ⁽¹⁾	102	284	-64%	57	79%	571	877	-35%
Adjusted EBITDA Margin (%)	11.3%	18.0%	-6.7%	6.9%	4.4%	15.0%	13.9%	1.1%

Note : (1) Adjusted EBITDA refers to EBITDA excluding impact of Stock Gain/(Loss) and NRV

Operating performance comparison between 4Q2019 vs. 4Q2018

Fatty alcohols business recorded sales revenue of THB 900 million in 4Q2019, a decrease of THB 675 million or 43% from 4Q2018 mainly due to the reduction of natural fatty alcohols sales volume by 8,903 tons or 27% stood at 24,539 tons caused by the shutdown for maintenance and catalyst changing in December 2019 for 15 days and slowing down purchasing power due to uncertainty of global economy primarily from US-China trade war. As aforementioned and the average of natural fatty alcohols price dropped in relation to crude palm kernel oil price softness, the company had EBITDA of THB 55 million, a decreased by THB 230 million or 81% from 4Q2018. When deducting Stock Loss & NRV of THB 47 million, the company had Adjusted EBITDA of THB 102 million, decreased from 4Q2018 by 64%.

Operating performance comparison between 4Q2019 vs. 3Q2019

On quarter by quarter basis, the sales revenue of fatty alcohol business increased by 9% from 3Q2019, mostly due to significantly rising of sales volume of fatty alcohols by 5%. On the other hand, crude palm kernel oil price considerably increased in 4Q2019, as a result, fatty alcohols price was unable to catch up upward crude palm kernel oil price immediately, attributed to the lower of profitability of fatty alcohols. Nevertheless, the company had EBITDA of THB 55 million, decreased by THB 101 million or 65% from 3Q2019. When deducting impact from Stock Loss & NRV of THB 47 million, the company had Adjusted EBITDA of THB 102 million, an increase of THB 45 million or 79% compared to 3Q2019.

Operating performance comparison between FY2019 vs. FY2018

In FY2019, fatty alcohols business recorded revenue of THB 3,793 million, a decrease of 40% from FY2018 primarily from the declining of sales volume by 16% compared to the previous year. The primary cause was that the company had shutdown of fatty alcohols plant for maintenance and catalyst changing three times in FY2019 compared with twice in FY2018, in addition to decreasing natural fatty alcohols price following declining crude palm kernel oil price. However, the company could generate EBITDA at THB 494 million equal to previous year. The company had been impacted from Stock Loss & NRV of THB 77 million, attributed to Adjusted EBITDA of THB 571 million, a decrease of 35% from FY2018.

Consolidated Profit & Loss statement

Exhibit 7 : Consolidated Profit & Loss Statement comparison of 4Q2019, 4Q2018 and 3Q2019

	4Q2019		4Q2018		YoY		3Q2019		QoQ	
	MB	%	MB	%	MB	%	MB	%	MB	%
Sale Revenue	3,842	100	3,654	100	188	5	3,108	100	734	24
Feedstock	(2,872)	(75)	(2,575)	(70)	(297)	12	(2,332)	(75)	(540)	23
Net Realizable Value (NRV)	4	0	(4)	(0)	8	(200)	(19)	(1)	23	(121)
Product to Feed Margin	974	25	1,075	29	(101)	(9)	757	24	217	29
Variable Costs	(393)	(10)	(484)	(13)	91	(19)	(459)	(15)	66	(14)
Fixed Costs	(231)	(6)	(163)	(4)	(68)	42	(202)	(6)	(29)	14
Stock Gain/(Loss)	(17)	(0)	(20)	(1)	3	(15)	32	1	(49)	(153)
SG&A	(129)	(3)	(140)	(4)	11	(8)	(93)	(3)	(36)	39
Other Income	22	1	18	0	4	22	9	0	13	144
EBITDA	226	6	286	8	(60)	(21)	44	1	182	414
Depreciation and Amortization	(132)	(3)	(125)	(3)	(7)	6	(139)	(4)	7	(5)
EBIT	94	2	161	4	(67)	(42)	(95)	(3)	189	(199)
Net Financial Costs	(6)	(0)	(5)	(0)	(1)	20	(4)	(0)	(2)	50
FX Gain/Loss ⁽¹⁾	(1)	(0)	(1)	(0)	0	0	3	0	(4)	(133)
Share of Profit/(Loss) from investment	8	0	9	0	(1)	(11)	4	0	4	100
Income Tax Expenses	2	0	7	0	(5)	(71)	(5)	(0)	7	(140)
Net Profit bef extra items	97	3	171	5	(74)	(43)	(97)	(3)	194	(200)
Extra item net of tax⁽²⁾	94	2	272	7	(178)	(65)	0	0	94	n.a.
Net Profit after extra items	191	5	443	12	(252)	(57)	(97)	(3)	288	(297)

Notes :

(1) Including Gain/(Loss) from FX and Derivatives

(2) Extra items were from the reversal of reserve from inventory shortfall damage and deferred tax assets/liabilities

Exhibit 8 : Consolidated Profit & Loss Statement comparison FY2019 and FY2018

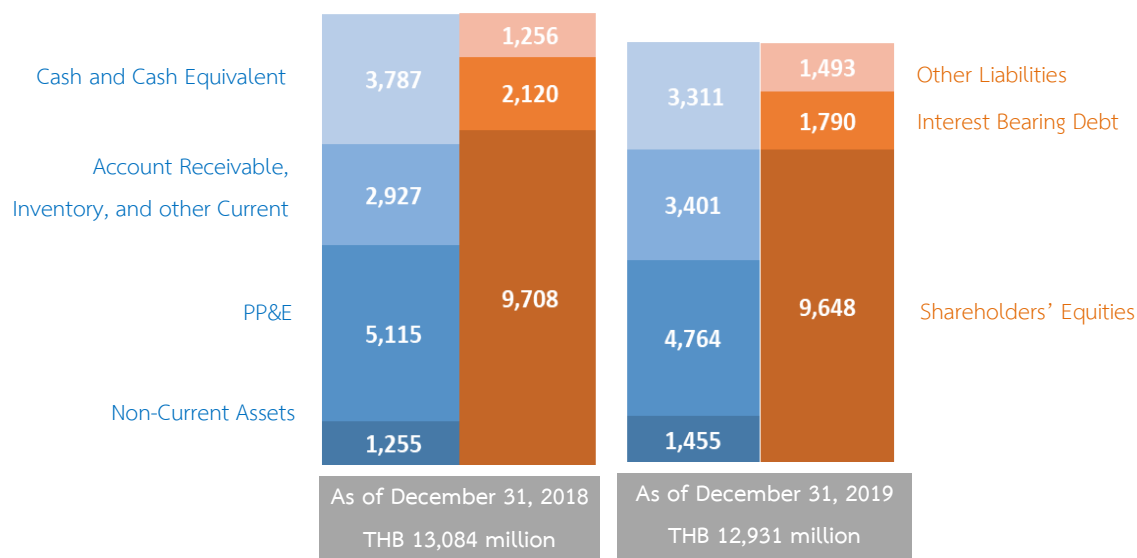
	FY2019		FY2018		YoY	
	MB	%	MB	%	MB	%
Sale Revenue	13,055	100	16,225	100	(3,170)	(20)
Feedstock	(9,566)	(73)	(12,075)	(74)	2,509	(21)
Net Realizable Value (NRV)	(12)	(0)	(2)	(0)	(10)	500
Product to Feed Margin	3,477	27	4,148	26	(671)	(16)
Variable Costs	(1,741)	(13)	(1,936)	(12)	195	(10)
Fixed Costs	(743)	(6)	(556)	(3)	(187)	34
Stock Gain/(Loss)	(120)	(1)	(461)	(3)	341	(74)
SG&A	(441)	(3)	(368)	(2)	(73)	20
Other Income	67	1	96	1	(29)	(30)
EBITDA	499	4	923	6	(424)	(46)
Depreciation and Amortization	(513)	(4)	(520)	(3)	7	(1)
EBIT	(14)	(0)	403	2	(417)	(103)
Net Financial Costs	(18)	(0)	(24)	(0)	6	(25)
FX Gain/Loss ⁽¹⁾	(3)	(0)	6	0	(9)	(150)
Share of Profit/(Loss) from investment	29	0	102	1	(73)	(72)
Income Tax Expenses	(10)	(0)	0	0	(10)	n.a.
Net Profit bef extra items	(16)	(0)	487	3	(503)	(103)
Extra item net of tax⁽²⁾	110	1	(1,648)	(10)	1,758	(107)
Net Profit after extra items	94	1	(1,161)	(7)	1,255	(108)

Notes : (1) Including Gain/(Loss) from FX and Derivatives

(2) Extra items were from raw material derogation and deferred tax assets/liabilities.

Statement of Financial Position

Exhibit 9 : Consolidated Financial Position as of December 31, 2019 and as of December 31, 2018



Assets

As of December 31, 2019, the company had total assets of THB 12,931 million, a decrease of THB 153 million when compared to December 31, 2018 in which key changes are described as follows;

1. PP&E decreased by THB 351 million due to depreciation in year of 2019
2. Deferred tax asset declined by THB 133 million due to recording deferred tax liabilities from the reversal of reserve for the damage from inventory shortfall and deferred tax asset adjustment.
3. Investment payment in joint venture company, GKBI increased by THB 350 million
4. Current assets decreased by THB 2 million caused by declining of cash and cash equivalent, which was mainly due to investment payment for GKBI, methyl ester plant 2 project construction payment and long-term loan from financial institution payment, offsetting by the rising of account receivable and other receivables, in addition to the rising of inventory in relation to increasing raw material price and methyl ester price. Also, the company has the incremental of nameplate capacity methyl ester from methyl ester plant 2 which had commenced the commercial operation in 2019, as a result, the amount of company's inventory was increased.

Liabilities

As of December 31, 2019, the company had total liabilities of THB 3,283 million, a decrease of THB 93 million or 3% when compared to December 31, 2018, mainly attributed to

1. long term borrowings from financial institutions decreased by THB 336 million due to loan repayment as per schedule;
2. account payable increased by THB 213 million because raw material prices rose compared to FY2018

Shareholder's equities

As of December 31, 2019, the company had total shareholder's equity of THB 9,648 million, decreased by THB 60 million or 1% due to the announcement of the payment of interim dividend to the Company's shareholders as the approval of the Company's Board of Directors on September 11, 2019 and the net profit of THB 94 million for FY2019.

Statement of Cash Flows

The company had cash from operating activities of THB 625 million due to the net profit of THB 94 million, offsetting by the adjustment for non-cash items, an increase of account payable, account receivable, other current assets, and decreasing of inventory.

The company had cash used in investing activities of THB 144 million because there was cash spending for investment in GGC KTIS Bio Industrial Company Limited (GKBI) amounting to THB 524 million and cash spending for PP&E of THB 292 million mainly from investment in methyl ester plant 2. The company had received cash dividend from Thai Ethoxylate Co, Ltd. (TEX) amounting to THB 223 million and interest income of THB 51 million, while short-term investment at financial institutions decreased THB 400 million.

The company had cash flow spending for financial activities of THB 563 million, which was spent for repayment of long-term loan from financial institute and interest payment, financial fee, financial leases and dividend payment.

Key Financial Ratios

Exhibit 10 : Key Financial Ratios comparison of FY2019 and FY2018.

Key Financial Ratio	FY2019	FY2018
Current ratio (x)	3.6	4.4
EBITDA to sales revenue (%)	3.8	5.7
Net profit to sales revenue (%)	0.7	(7.2)
Return on total assets (%)	2.3	(10.5)
Return on equity (%)	1.0	(11.2)
Debt to equity (x)	0.3	0.3
Interest bearing debt to equity (x)	0.2	0.2
Interest bearing debt to EBITDA (x)	3.6	2.3

Notes:

Current ratio (x)	=	Current assets divided by current liabilities
EBITDA to sales revenue (%)	=	EBITDA divided by sale volume
Net profit to sales revenue (%)	=	Net profit divided by sales revenue
Return on total assets (%)	=	Net profit divided by average total assets
Return on equity (%)	=	Net profit divided by average equities attributed to owners of the company
Debt to equity (x)	=	Total debt divided by shareholders' equities
Interest bearing debt to equity (x)	=	Interest bearing debt divided by shareholder' equities
Interest bearing debt to EBITDA (x)	=	Interest bearing debt divided by EBITDA