

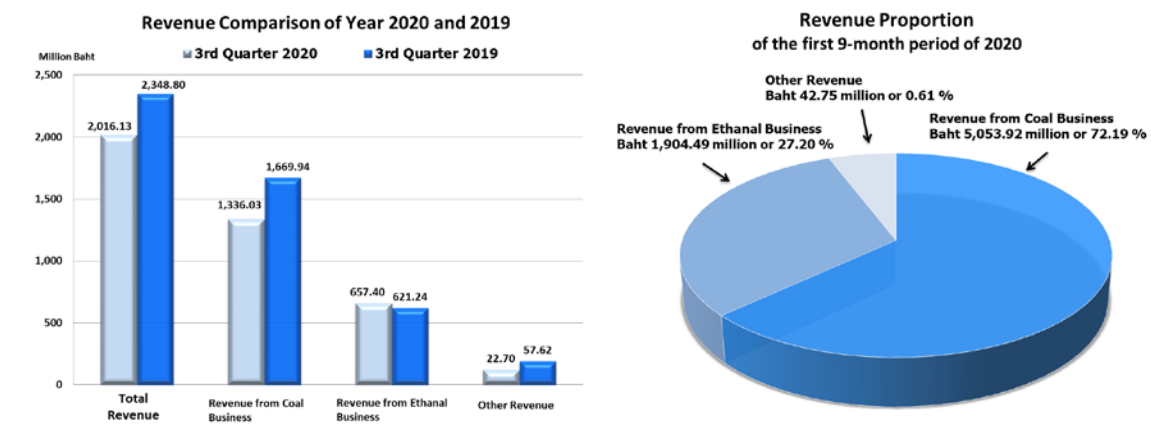
MANAGEMENT DISCUSSION AND ANALYSIS

(For the Consolidated Financial Statements of the 3rd quarter 2020 and the first 9-month period of 2020)

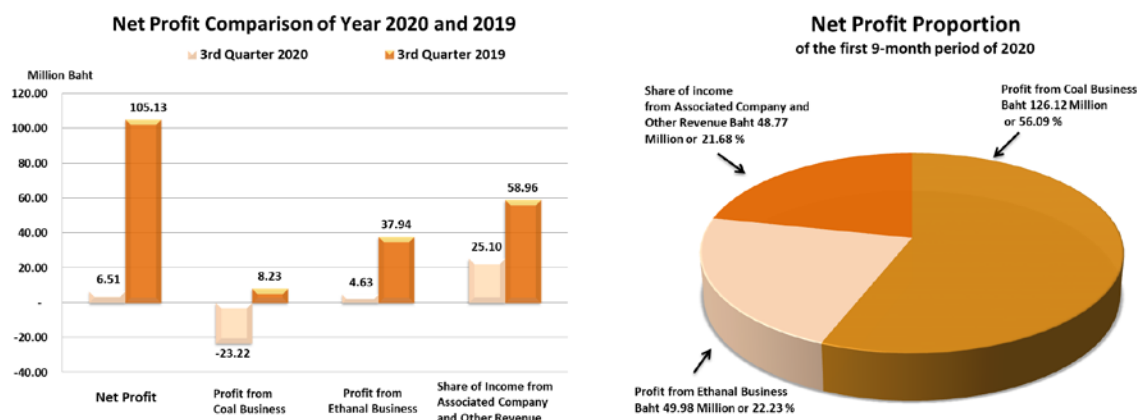
OVERALL OPERATING RESULTS

The overall operating results in the 3rd quarter 2020 and the first 9-month period of 2020 of the Company and subsidiary companies declined due to the coronavirus disease (“COVID-19”) pandemic situation, resulting in the reduction of energy demand. Nevertheless, the Company and subsidiary companies continue to be profitable at a satisfactory level.

The Company and subsidiary companies had total revenue in the 3rd quarter 2020 and the first 9-month period of 2020 of Baht 2,016.13 million and 7,001.16 million, which decreased from the same period last year by Baht 332.67 million and 417.43 million or 14.16 and 5.63 percent, respectively. The revenue proportion from coal business, ethanol business and other revenue in the first 9-month period of 2020 accounted for 72.19, 27.20 and 0.61 percent, respectively.



The Company and subsidiary companies had total net profit in the 3rd quarter 2020 and the first 9-month period of 2020 of Baht 6.51 million or Baht 0.01 per share and 224.87 million or Baht 0.43 per share, which decreased from the same period last year by Baht 98.62 million and 153.28 million or 93.81 and 40.53 percent. The revenue proportion from coal business, ethanol business, and share of income from associated company and other revenue in the first 9-month period of 2020 accounted for 56.09, 22.23 and 21.68 percent, respectively, with the net profit margin of 4.66 percent, the EBITDA margin of 15 percent, and the return on equity of 5.08 percent.



The overall financial position and liquidity of the Company and subsidiary companies as at September 30, 2020 were considered in good standing. The current ratio was as high as 1.70 times and the total debt to total assets ratio was at the low level of only 35.15 percent with debt to equity ratio of only 54.21 percent.

Operating Results of the Coal Business or the Core Business: The total revenue in the 3rd quarter 2020 and the first 9-month period of 2020 were Baht 1,336.03 million and 5,053.92 million, which decreased from the same period last year by Baht 333.91 million and 285.30 million or 20 and 5.34 percent, due to the decrease in coal sales volume from the same period last year of 9.84 and 2.09 percent and the average coal selling price decreased from the same period last year by 11.28 and 3.33 percent, respectively. The net loss derived from shareholding proportion of the Company in the 3rd quarter 2020 was Baht 23.22 million, with the net profit decreased from the same period last year by Baht 31.45 million or 382.14 percent, resulting in a net loss as described above, and the net profit derived from shareholding proportion of the Company in the first 9-month period of 2020 was Baht 126.12 million, which increased from the same period last year by Baht 37.33 million or 42.04 percent.

Operating Results of the Ethanol-for-Fuel Business or the Secondary Core Business: The Company and subsidiary company had total revenue in the 3rd quarter 2020 of Baht 657.40 million, which increased from the same period last year by Baht 36.16 million or 5.82 percent and had total revenue in the first 9-month period of 2020 of Baht 1,904.49 million, which decreased from the same period last year by Baht 90.67 million or 4.54 percent, due to the decrease in ethanol sales volume from the same period last year by 0.31 and 9.66 percent but the average ethanol selling price increased from the same period last year by 6.13 and 5.65 percent, respectively. The net profit derived from shareholding proportion of the Company in the 3rd quarter 2020 and the first 9-month period of 2020 was Baht 4.63 million and 49.98 million, which decreased from the same period last year by Baht 33.31 million, and 149.80 million or 87.80 and 74.98 percent, respectively.

Operating Results Analysis

Revenue (Unit : Million Baht)	3 rd Quarter (Jul.-Sep.)		Increase (Decrease) (%)	First 9-Month Period (Jan. – Sep.)		Increase (Decrease) (%)
	2020	2019		2020	2019	
Revenue from Coal Sales	1,336.03	1,669.94	(20.00)	5,053.92	5,339.22	(5.34)
Revenue from Ethanol Sales	657.40	621.24	5.82	1,904.49	1,995.16	(4.54)
Other Revenue	22.70	57.62	(60.60)	42.75	84.21	(49.23)
Total Revenue	2,016.13	2,348.80	(14.16)	7,001.16	7,418.59	(5.63)

REVENUE:

(1) Revenue of the Company and subsidiary companies in the 3rd quarter 2020 totaled Baht 2,016.33 million, which decreased from the same period last year by Baht 332.67 million or 14.16 percent due to the following reasons:

(1.1) Revenue from coal business totaled Baht 1,336.03 million, which decreased from the same period last year by Baht 333.91 million or 20 percent. This was due to the decrease in coal sales volume and coal selling price as described above.

(1.2) Revenue from ethanol business totaled Baht 657.40 million, which increased from the same period last year by Baht 36.16 million or 5.82 percent. This was due to the increase in ethanol selling price as described above; and

(1.3) Other revenue totaled Baht 22.70 million, which decreased from the same period last year by Baht 34.92 million or 60.60 percent. This was due to the subsidiary company having received insurance compensation in the 3rd quarter 2019 for damage from flooding incident of year 2017.

(2) Revenue of the Company and subsidiary companies in the first 9-month period of 2020 totaled Baht 7,001.16 million, which decreased from the same period last year by Baht 417.43 million or 5.63 percent due to the following reasons:

(2.1) Revenue from coal business totaled Baht 5,053.92 million, which decreased from the same period last year by Baht 285.30 million or 5.34 percent. This was due to the decrease in coal sales volume and coal selling price as described above.

(2.2) Revenue from ethanol business totaled Baht 1,904.49 million, which decreased from the same period last year by Baht 90.67 million or 4.54 percent. This was due to the decrease in ethanol sales volume as described above; and

(2.3) Other revenue totaled Baht 42.75 million, which decreased from the same period last year by Baht 41.46 million or 49.23 percent. This was due to the subsidiary company having received insurance compensation in the first 9-month period of 2019 for damage from flooding incident of year 2017.

Expenses (Unit : Million Baht)	3 rd Quarter (Jul. – Sep.)		Increase (Decrease) (%)	First 9-Month Period (Jul. – Sep.)		Increase (Decrease) (%)
	2020	2019		2020	2019	
Coal Business						
Cost of sales	932.00	1,101.50	(15.39)	3,133.49	3,299.66	(5.04)
Selling and administrative expenses	470.46	518.83	(9.32)	1,619.11	1,686.67	(4.01)
Financial cost	4.82	1.19	305.04	13.98	31.11	(55.06)
Corporate income tax	(23.49)	29.19	(182.01)	109.07	138.24	(21.10)
Ethanol Business						
Cost of sales	620.20	474.38	30.74	1,694.99	1,453.58	16.61
Selling and administrative expenses	18.90	24.10	(21.58)	65.94	66.07	(0.20)
Financial cost	9.39	7.95	18.11	32.21	26.47	21.68
Corporate income tax	(0.73)	1.45	(150.34)	11.79	15.80	(25.38)

COAL BUSINESS EXPENSES

(1) Coal business expenses of the Company and subsidiary companies in the 3rd quarter 2020 totaled Baht 1,383.34 million, which decreased from the same period last year by Baht 267.37 million or 16.20 percent, due to the following reasons:

(1.1) Cost of coal sales decreased from the same period last year by Baht 169.50 million or 15.39 percent, due to the decrease in coal sales volume and average cost of coal sales of 9.84 and 6.15 percent, respectively.

(1.2) Selling and administrative expenses decreased from the same period last year by Baht 48.37 million or 9.32 percent due to the decrease in coal sales volume as described above.

(1.3) Financial expense increased from the same period last year by Baht 3.63 million or 305.04 percent due to the increase in interest expense; and

(1.4) Corporate income tax decreased from the same period last year by Baht 53.13 million or 182.01 percent due to the decrease in profit.

(2) Coal business expenses of the Company and subsidiary companies in the first 9-month period of 2020 totaled Baht 4,875.65 million, which decreased from the same period last year by Baht 280.03 million or 5.43 percent, due to the following reasons:

(2.1) Cost of coal sales decreased from the same period last year by Baht 166.17 million or 5.04 percent, due to the decrease in coal sales volume and cost of coal sales of 2.09 and 3.01 percent, respectively.

(2.2) Selling and administrative expenses decreased from the same period last year by Baht 67.56 million or 4.01 percent due to the decrease in royalty paid to the government of the subsidiary companies in accordance with the decrease in revenue of coal business.

(2.3) Financial expense decreased from the same period last year by Baht 17.13 million or 55.06 percent due to the decrease in interest expense; and

(2.4) Corporate income tax decreased from the same period last year by Baht 29.17 million or 21.10 percent due to the decrease in profit.

ETHANOL BUSINESS EXPENSES

(1) Ethanol business expenses of the subsidiary company in the 3rd quarter 2020 totaled Baht 647.76 million, which increased from the same period last year by Baht 139.88 million or 27.54 percent, due to the following reasons:

(1.1) Cost of ethanol sales increased from the same period last year by Baht 145.82 million or 30.74 percent due to 25.55 percent increase in the molasses price, which is the raw material and a major cost of ethanol production.

(1.2) Selling and administrative expenses decreased from the same period last year by Baht 5.20 million or 21.58 percent due to the decrease in ethanol transportation cost.

(1.3) Financial expense increased from the same period last year by Baht 1.44 million or 18.11 percent due to the increase in short-term loan for operation, resulting in an increase in interest expenses; and

(1.4) The corporate income tax decreased from the same period last year by Baht 2.18 million or 150.34 percent due to the decreased of profit.

(2) Ethanol business expenses of the subsidiary company in the first 9-month period of 2020 totaled Baht 1,804.93 million, which increased from the same period last year by Baht 243.01 million or 15.56 percent, due to the following reasons:

(2.1) Cost of ethanol sales increased from the same period last year by Baht 241.41 million or 16.61 percent due to 28.58 percent increase in the molasses price, which is the raw material and a major cost of ethanol production.

(2.2) Selling and administrative expenses decreased from the same period last year by Baht 0.13 million or 0.20 percent due to the decrease in ethanol transportation cost.

(2.3) Financial expense increased from the same period last year by Baht 5.74 million or 21.68 percent due to the increase in short-term loan for operation, resulting in an increase in interest expenses; and

(2.4) The corporate income tax decreased from the same period last year by Baht 4.01 million or 25.38 percent due to the decrease in profit.

Gross Profit (Unit : Million Baht)	Coal Business		Ethanol Business		Total	
	Million Baht	%	Million Baht	%	Million Baht	%
3rd Quarter 2020 (July - September 2020)						
Revenues from sales	1,336.03	100.00	657.40	100.00	1,993.43	100.00
Less Cost of sales	932.00	69.76	620.20	94.34	1,552.20	77.87
Gross Profit	404.03	30.24	37.20	5.66	441.23	22.13
3rd Quarter 2019 (July - September 2019)						
Revenues from sales	1,669.94	100.00	621.24	100.00	2,291.18	100.00
Less Cost of sales	1,101.50	65.96	474.38	76.36	1,575.88	68.78
Gross Profit	568.44	34.04	146.86	23.64	715.30	31.22
First 9-Month Period of 2020 (January - September 2020)						
Revenues from sales	5,053.92	100.00	1,904.49	100.00	6,958.41	100.00
Less Cost of sales	3,133.49	62.00	1,694.99	89.00	4,828.48	69.39
Gross Profit	1,920.43	38.00	209.50	11.00	2,129.93	30.61
First 9-Month Period of 2019 (January - September 2019)						
Revenues from sales	5,339.22	100.00	1,995.16	100.00	7,334.38	100.00
Less Cost of sales	3,299.66	61.80	1,453.58	72.86	4,753.24	64.81
Gross Profit	2,039.56	38.20	541.58	27.14	2,581.14	35.19

GROSS PROFIT

(1) Gross profit of the Company and subsidiary companies in the 3rd quarter 2020 totaled Baht 441.23 million or 22.13 percent of the sales revenue, which decreased from the same period last year with the gross profit of Baht 715.30 million or 31.22 percent of the sales revenue, due to the following reasons:

(1.1) Gross profit from coal business was 30.24 percent of the sales revenue, which decreased from the same period last year with gross profit of 34.04 percent of the sales revenue. This was due to the decrease in average coal selling price of 11.28 percent but the average cost of sales decreased by 6.15 percent, and

(1.2) Gross profit from ethanol business was 5.66 percent of the sales revenue, which decreased from the same period last year with gross profit of 23.64 percent of the sales revenue. Despite the average ethanol selling price increased by 6.13 percent but the average cost of ethanol sales increased by 31.18 percent due to the increase in molasses price, which is the raw material and a major cost of ethanol production as described above.

(2) Gross profit of the Company and subsidiary companies in the first 9-month period of 2020 totaled Baht 2,129.93 million or 30.61 percent of the sales revenue, which decreased from the same period last year with the gross profit of Baht 2,581.14 million or 35.19 percent of the sales revenue, due to the following reasons:

(2.1) Gross profit from coal business was 38 percent of the sales revenue, which slightly decreased from the same period last year with gross profit of 38.20 percent of the sales revenue.

(2.2) Gross profit from ethanol business was 11 percent of the sales revenue, which decreased from the same period last year with gross profit of 27.14 percent of the sales revenue. This was due to the increase in average ethanol selling price of 5.65 percent but the average cost of ethanol sales increased by 29.08 percent due to the increase in molasses price, which is the raw material and a major cost of ethanol production as described above.

Net Profit (Unit: Million Baht)	3 rd Quarter (Jul. – Sep.)		Increase (Decrease) (%)	First 9-Month Period (Jan. – Sep.)		Increase (Decrease) (%)
	2020	2019		2020	2019	
Profit (Loss) from Coal Business	(23.22)	8.23	(382.14)	126.12	88.79	42.04
Profit from Ethanol Business	4.63	37.94	(87.80)	49.98	199.78	(74.98)
Share of income from associated company and other revenue	25.10	58.96	(57.43)	48.77	89.58	(45.56)
Net Profit	6.51	105.13	(93.81)	224.87	378.15	(40.53)
Net Earnings per Share (Baht per Share)	0.01	0.20	(93.81)	0.43	0.72	(40.53)
Remark: Registered par value of Baht 1 per share						

NET PROFIT

(1) The net profit of the Company and subsidiary companies in the 3rd quarter 2020 totaled Baht 6.51 million, which decreased from the same period last year by Baht 98.62 million and net earnings per share was Baht 0.01 per share, which decreased from the same period last year by Baht 0.19 per share or 93.81 percent due to the following reasons:

(1.1) Net loss from coal business derived from shareholding proportion of the Company was Baht 23.22 million, due to the net profit decreased from the same period last year by Baht 31.45 million or 382.14 percent. This was due to the decrease in coal sales volume and average coal selling price as described above.

(1.2) Net profit from ethanol business derived from shareholding proportion of the Company was Baht 4.63 million, which decreased from the same period last year by Baht 33.31 million or 87.80 percent due to the increase in molasses price, which is the raw material and a major cost of ethanol production, as described above; and

(1.3) Share of income from associated company and other revenue was Baht 25.10 million, which decreased from the same period last year by Baht 33.86 million or 57.43 percent, due to, the subsidiary company having received insurance compensation for damage in the 3rd quarter 2019 as described above.

(2) The net profit of the Company and subsidiary companies in the first 9-month period of 2020 totaled Baht 224.87 million, which decreased from the same period last year by Baht 153.28 million and net earnings per share was Baht 0.43 per share, which decreased from the same period last year by Baht 0.29 per share or 40.53 percent due to the following reasons:

(2.1) Net profit from coal business derived from shareholding proportion of the Company was Baht 126.12 million or 56.09 percent of the total net profit, which increased from the same period last year by Baht 37.33 million or 42.04 percent as costs and expenses of coal business could be reduced more than the decrease in revenue from coal sales.

(2.2) Net profit from ethanol business derived from shareholding proportion of the Company was Baht 49.98 million or 22.23 percent of the total net profit, which decreased from the same period last year by Baht 149.80 million or 74.98 percent due to the increase in molasses price, which is the raw material and a major cost of ethanol production, as described above; and

(2.3) Share of income from associated company and other revenue was Baht 48.77 million or 21.68 percent of the total net profit, which decreased from the same period last year by Baht 40.81 million or 45.56 percent, due to the subsidiary company having received insurance compensation for damage in the first 9-month period of 2019 as described above.

EARNINGS EFFICIENCY

(1) EBITDA (Earnings before financial expenses, corporate income tax, depreciation and amortization) of the Company and subsidiary companies in the first 9-month period of 2020 was Baht 1,050.19 million, which decreased from the same period last year by Baht 454.10 million or 30.19 percent and EBITDA margin was at 15 percent, which decreased from the same period last year by 26.02 percent.

(2) Net profit margin of the Company and subsidiary companies in the first 9-month period of 2020 was at 4.66 percent, which decreased from the same period last year by 51.01 percent.

(3) Return on equity of the Company and subsidiary companies in the first 9-month period of 2020 was at 5.08 percent, which decreased from the same period last year by 40.45 percent.

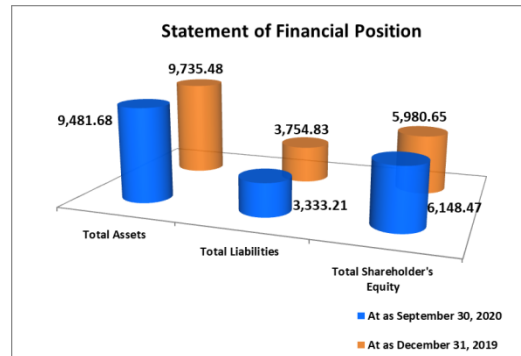
(4) Return on total assets of the Company and subsidiary companies in the first 9-month period of 2020 was at 3.40 percent, which decreased from the same period last year by 54.64 percent. The return on fixed assets in the first 9-month period of 2020 was at 19.94 percent, which decreased from the same period last year by 34.06 percent.

STATEMENTS OF FINANCIAL POSITION

Description	Unit: Million Baht		Increase (Decrease)	
	As at September 30, 2020	As at December 31, 2019	Million Baht	%
Total Assets	9,481.68	9,735.48	(253.80)	(2.61)
Total Liabilities	3,333.21	3,754.83	(421.62)	(11.23)
Total Shareholders' Equity	6,148.47	5,980.65	167.82	2.81
Book Value-Baht per Share	8.56	8.31	0.25	3.01
Remark: Registered par value of Baht 1 per share				

ASSETS: The total assets of the Company and subsidiary companies as at September 30, 2020 was Baht 9,481.68 million, which decreased from the end of year 2019 by Baht 253.80 million or 2.61 percent, due to (1) current assets decreased by Baht 602.42 million or 14.01 percent, consisting of: (A) cash and cash equivalent increased by Baht 289.28 million or 26.56 percent; (B) trade accounts receivable and other accounts receivable increased by Baht 47.15 million or 6.68 percent; (C) inventories decreased by Baht 150.24 million or 20.60 percent; and (D) other current assets most of which were prepaid corporate income tax, advance payment for goods, etc., decreased by Baht 788.61 million or 45.10 percent; and (2) non-current assets increased by Baht 348.62 million or 6.38 percent.

LIABILITIES: The total liabilities of the Company and subsidiary companies as at September 30, 2020 was Baht 3,333.21 million, which decreased from the end of year 2019 by Baht 421.62 million or 11.23 percent, due to (1) trade accounts payable and other accounts payable decreased by Baht 96.54 million or 18.60 percent (2) short-term loan and long-term loan of the subsidiary companies decreased by Baht 488.30 million or 20.68 percent (3) accrued expenses, most of which were overburden removal expenses and freight cost, etc., increased by Baht 39.61 million or 10.95 percent; and (4) other liabilities, most of which were the lease agreement on coal loading jetty acquisition and provision for mine rehabilitation of the subsidiary companies and allowance for long-term benefits of employees, etc., increased by Baht 123.61 million or 24.08 percent.



TOTAL SHAREHOLDERS' EQUITY: The total shareholders' equity of the Company and subsidiary companies as at September 30, 2020 was Baht 6,148.47 million, which increased from the end of year 2019 by Baht 167.82 million or 2.81 percent, resulting in an increase of the share's book value from Baht 8.31 per share to Baht 8.56 per share, an increase of Baht 0.25 per share or 3.01 percent. This was due to (1) an increase in retained earnings of Baht 67.37 million or 2.10 percent due to the net profit of Baht 224.87 million, but there was a dividend payment of Baht 157.50 million (2) a net increase in translation adjustment in financial of Baht 62.35 million or 115.66 percent; and (3) an increase in minority shareholders' equity of Baht 38.10 million or 2.36 percent.

CASH FLOWS

Description	Unit: Million Baht	
	First 9-month period of 2020	First 9-month period of 2019
Cash Flows from (used in) Operating Activities	1,796.00	1,559.02
Cash Flows from (used in) Investing Activities	(319.16)	(924.06)
Cash Flows from (used in) Financing Activities	(842.49)	(796.66)
Increase (Decrease) in Translation Adjustments in Financial Statements	(35.88)	24.53
Net Increase (Decrease) in Cash	598.47	(137.17)
Cash at the beginning of the period	477.62	605.36
Cash at the end of the period	1,076.09	468.19

(1) The net cash from operating activities of the Company and subsidiary companies in the first 9-month period of 2020 totaled Baht 1,796 million, consisting of (A) income before corporate income tax and interest expense of Baht 447.46 million; (B) transactions that did not affect the cash such as depreciation and amortization of assets, most of which were mostly transactions concerning coal mining operations of the subsidiary companies in Indonesia of Baht 636.29 million; (C) a decrease in operating assets of Baht 886.21 million; (D) a decrease in operating liabilities of Baht 82.83 million; (E) an increase in interest received of Baht 10.61 million; and (F) an increase in interest expense and taxes of Baht 101.74 million.

(2) The net cash used in investing activities of the Company and subsidiary companies in the first 9-month period of 2020 totaled Baht 153.53 million, consisting of (A) properties, buildings and equipment, most of which were the coal transport jetty construction of the Company and wastewater treatment plant construction of the subsidiary company increased by Baht 231.19 million (B) an increase in expenses of coal mine projects of subsidiary companies in Indonesia of Baht 298.47 million; (C) investment in subsidiary companies' ordinary shares increased by Baht 74.48

million; (D) dividend income of Baht 6.87 million and (D) short-term capital investment and other items decreased by Baht 443.74 million.

(3) The net cash used in financing activities of the Company and subsidiary companies in the first 9-month period of 2020 totaled Baht 842.49 million, consisting of (A) a decrease in loan of Baht 621.36 million (B) dividend payment of Baht 257.96 million; and (C) an increase in minority shareholders' equity of Baht 36.83 million.

ASSET MANAGEMENT CAPABILITY

(1) The trade accounts receivable and other accounts receivable of the Company and subsidiary companies as at September 30, 2020 were 7.94 percent of total assets. The provisions of doubtful debts are considered based on review of receivable period and assessment of past debt collection experience. Accordingly, there was no provision of doubtful debt in the 3rd quarter 2020 and the first 9-month period of 2020.

(2) Inventory of the Company and subsidiary companies as at September 30, 2020 was 6.11 percent of total assets without deterioration or impairment of the products. Therefore, there was no allowance for impairment loss of inventory in the 3rd quarter 2020 and the first 9-month period of 2020.

(3) The Company's goodwill incurred from investment in the subsidiary company as at September 30, 2020 was accounted for 2.47 percent of total assets, by which the Company considered financial projection and impact in various aspects and found that it was not yet necessary for provision of goodwill impairment from investment in the 3rd quarter 2020 and the first 9-month period of 2020.

LIQUIDITY AND SUFFICIENCY OF CAPITAL

(1) The total debt-to-equity ratio of the Company and subsidiary companies as at September 30, 2020 was as low as 0.54:1 with appropriate capital structure. The Company has cash generation and credit facilities sufficient for future investment projects.

(2) The current ratio of the Company and subsidiary companies as at September 30, 2020 was as high as 1.70 times despite the quick ratio was only 0.98 times but there was no liquidity problem. The Company and subsidiary companies have credit facilities sufficient for future investment projects.

(3) The cash cycle of the Company and subsidiary companies the first 9-month period of 2020 was 43 days, an increase from the same period last year of 5 days. The average debt collection period was at 28 days, which decreased from the same period last year by 7 days. The average inventory turnover was at 37 days, an increase from the same period last year of 9 days but the average debt repayment period was at 22 days, which decreased from the same period last year by 3 days.

DEBT OBLIGATION

The subsidiary company in a business of ethanol production and distribution for fuel purpose has obligation according to the terms and conditions of the loan agreement with a local commercial bank as follows:

(1) The subsidiary company must maintain its debt to equity ratio (D/E ratio) not exceeding 2.5 times and debt service coverage ratio (DSCR) of no less than 1.10 times until the expiration of the loan agreement. The subsidiary company is able to maintain the D/E ratio and DSCR as required by the contractual obligation of the loan without any default.

(2) The lending bank has stipulated that the Company must maintain its shareholding proportion in the subsidiary company of no less than 50 percent of the total number of shares during the whole duration of the loan agreement. Accordingly, the Company has no plan to sell or decrease

its shareholding proportion in the subsidiary company to below 50 percent of the total number of shares.

(3) The lending bank has stipulated that the subsidiary company cannot pay dividend to its shareholders, including the Company, if the subsidiary company cannot comply with the conditions as stipulated within the loan agreement, such as the maintenance of D/E ratio, DSCR, and shareholding proportion of the Company in the subsidiary company, etc. Accordingly, the subsidiary company has never breached the conditions of loan agreements and has been provided with good financial support from lending banks.

FUTURE TREND

Coal Business: The operating results in the 4th quarter 2020 are expected to improve as global coal prices began to rise. Nevertheless, the coronavirus disease (“COVID-19”) pandemic situation has to be closely monitored. Although the situation in China has improved, but in India, which is another main customer, continues to have a severe outbreak of COVID-19. In this regard, the Company and subsidiary companies will endeavor to manage and resolve problems with prudence in order to reduce costs and various expenses as much as possible in order to maintain good operating results.

Ethanol Business: The molasses price outlook in year 2020 is expected to increase as the molasses is a by-product of sugarcane production, which has been reduced due to drought, and molasses is the main raw material for the ethanol production. Nevertheless, the subsidiary company has made strategic adjustment by procuring other raw materials to substitute part of the molasses. Also, there is the wastewater evaporation plant with a capacity of 3,000 cubic meters per day (Evaporator System for Bio-Methanated Spent Wash), which is under the commissioning process, deemed as an effective and sustainable solution for treatment of wastewater from the ethanol production process to reduce impact to the environment. In addition, water resource consumption can be significantly reduced by over 90 percent as water condensation from the spent wash evaporation process can be reused for ethanol production process with excess electricity produced from this project that can be used in the ethanol production plant to save electricity consumption. Furthermore, potassium humate can be derived as a by-product from this wastewater evaporation process at approximately 50,000 metric tons per year, which can be sold for additional revenue and profit with commercial revenue from sale of potassium humate expected in the 4th quarter 2020. In this regard, the Company continues to place great importance on maintaining product quality and the cost management of ethanol production efficiently and effectively, in order to enable the Company to have good operating results continuously in year 2020 and able to proceed with regular dividend payments to shareholders according to the established policy.

Overall Business: The coronavirus disease (“COVID-19”) pandemic situation has a significant impact on the global economy, impacting the performance of the Company and subsidiary companies in the first 9-month period of 2020.. Nevertheless, the overall operating results of the coal business, which is the core business, and the ethanol-for-fuel business, regarded as the secondary core business, are expected to continue to be profitable in year 2020 and enable the Company to proceed with regular dividend payments to shareholders according to the established policy.