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These notes form an integral part of the interim financial statements.

The interim financial statements were authorized for issue by the Board of Directors on 13 November 2020

1. **General information**

The International Engineering Public Company Limited “the Company” is incorporated in Thailand and has its registered office at 408/37, Phaholyothin Place, 9th Floor, Phaholyothin Road, Samsennai, Phayathai, Bangkok.

The Company was listed on the Stock Exchange of Thailand on 13 May 1993.

The Company’s first five major shareholders at 2 November 2020 were as follows:

|  |  |
| --- | --- |
|  | *(% of paid-up share capital)* |
| Mr. Komol Jungrungruangkij | 10.54 |
| Mr. Tischuan Nanavaratorn | 2.81 |
| Mr. Surat Itsopolphan | 2.01 |
| Mr. Kornchanun Thanannapong | 1.58 |
| Mr. Vichit Chinwongvorakul | 0.91 |

The principal activities of the Group are engineering products and providing services on installation and implementation of information technology system, waste plant, generating electricity from waste, solar energy and biomass.

Due to the resignation of the former management and directors of the Company who were accused of fraud and the resignation of the former accounting manager. Besides, the Securities and Exchange Commission (SEC) and the Department of Special Investigation (DSI) had appointed the committee to investigate the fault of the former executive committee. In addition, the Company also filed a lawsuit with the former management. The outcomes of the investigation and the prosecutions have not been finalized. Please also see notes 37 to the interim financial statements.

Details of the Company’s subsidiaries were as follows:

|  |  |  | **Ownership interest** | |
| --- | --- | --- | --- | --- |
|  |  |  | ***(%)*** | |
|  |  | **Country of** | **30 September** | **31 December** |
| **Name of entity** | **Type of business** | **incorporation** | **2020** | **2019** |
|  |  |  |  |  |
| ***Direct subsidiaries*** |  |  |  |  |
|  |  |  |  |  |
| 1. IEC Green Energy Co., Ltd. | Providing consulting in research and development, distributing the products regarding technology for environmental management, and development of all energy and alternative energy | Thailand | 100 | 100 |
|  |  |  |  |  |
| 1. IEC Business Partners   Co., Ltd. | Investments (not commercial operations yet) | Thailand | 100 | 100 |
|  |  |  |  |  |
| 1. E-Contech Management  Pte. Ltd. | Providing consulting service and engineering technology research (ceased operations) | Singapore | 100 | 100 |
|  |  |  |  |  |
| 1. IEC Sakaeo 1 Co., Ltd. | Operating in production and distribution of electricity from biomass | Thailand | 100 | 100 |
|  |  |  |  |  |
| ***Indirect subsidiaries*** |  |  |  |  |
|  |  |  |  |  |
| 5. GIDEC Co., Ltd. | Operating in waste disposal, and producing and distributing electricity from biomass. | Thailand | 100 | 100 |
|  |  |  |  |  |
| 6. IEC Mae Tha Mae Taeng  Co., Ltd. | Operating in production and distribution of electricity from solar energy | Thailand | 100 | 100 |

1. **Basis of preparation of interim financial statements**
   1. ***Statement of compliance***

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 Interim Financial Reporting; guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2019. The financial statements do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiaries for the year ended 31 December 2019.

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2019 except the Group/Company have adopted new and revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2020.

The application of these new and revised TFRS does not have any material effect on the accounting policies, methods of computation and financial performance or position of the Group/Company, except as disclosed in note 4 to the financial statements.

* 1. ***New financial reporting standards***

The FAP has issued a number of new and revised TFRS which are effective for annual accounting periods beginning on or after 1 January 2020, were as follows:

| **TFRS** | **Topic** | **Effective** |
| --- | --- | --- |
| TFRS 7\* | Financial Instruments: Disclosures | 2020 |
| TFRS9\* | Financial Instruments | 2020 |
| TFRS 16 | Leases | 2020 |
| TAS32\* | Financial Instruments: Presentation | 2020 |
| TFRIC16\* | Hedges of a Net Investment in a Foreign Operation | 2020 |
| TFRIC19\* | Extinguishing Financial Liabilities with Equity instruments | 2020 |

*\* TFRS - Financial reporting standards related to financial instruments*

***(a) TFRS – Financial reporting standards related to financial instruments***

These TFRS establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting.

***(b) TFRS 16 Leases***

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases.

* 1. ***Functional and presentation currency***

The interim financial statements are presented in Thai Baht, which is the Group’s/Company’s functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statement to the nearest thousand / million unless otherwise stated.

* 1. ***Use of estimates and judgments***

The preparation of interim financial statements in conformity with TFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgments made by management in applying the Group/Company accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements of the Company and its subsidiaries for the year ended 31 December 2019.

*2.4.1 Judgments*

Information about judgments made in applying accounting policies that have the most significant effects on the amount recognized in the financial statements is included in the following notes:

|  |  |
| --- | --- |
| Note 13 | Investment properties |

*2.4.2 Assumptions and estimation uncertainties*

Information about significant areas of estimation uncertainties that have a significant risk of resulting in a material adjustments to the amounts recognized in the financial statements is included in the following notes:

|  |  |
| --- | --- |
| Notes 11 and 12 | Allowance for impairment of investment. |
| Note 13 | Valuation of investment properties. |
| Note 14 and 17 | Accounting for an arrangement containing a lease. |
| Note 18 | Assumptions of estimates of future cash flows. |
| Note 18 | The calculation of recoverable amount of goodwill. |
| Note 21 | Current and deferred taxation and utilisation of tax losses. |
| Note 30 | The assumptions of discount rate, future salary increase rate, staff |
|  | turnover rate, mortality rate and disability rate. |
| Notes 31 and 37 | Provision on litigation. |
| Note 35 | Valuation of financial instruments. |

* From the situation as described in Note 3, resulting in estimation uncertainty, the Group/Company elected to apply accounting guidance on temporary accounting relief measures for additional accounting options, issued by the Federation of Accounting Professions, in response to impact from the situation of COVID – 19 outbreak on the following:
* Impairment of assets

The Group/Company elected to consider impairment of trade accounts receivables under simplified approach using historical loss to estimate for expected credit losses and did not take forward – looking information about situation of COVID – 19 to be uncertainty for consideration.

* 1. ***Measurement of fair values***

Measuring the fair value of an asset or a liability, the Group/Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

* Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
* Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
* Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group/Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

|  |  |
| --- | --- |
| Note 11 | Measurement of available-for-sale investments |
| Note 13 | Investments properties |
| Note 18 | Goodwill |
| Note 35 | Financial instruments |

***2.6 Going Concern***

As shown in the financial statements for the nine-month period ended 30 September 2020, the Company had negative cash flows from operating activities in the amount of Baht (25) million in the separate financial statements and as at 30 September 2020, deficit amounted to Baht 2,905 million and Baht 4,022 million in the consolidated and separate financial statements, respectively. The Group also had current liabilities exceeded current assets as at 30 September 2020 in the amount of Baht 25 million in the consolidated financial statements. Five subsidiaries had deficit of shareholders and a subsidiary did not maintain a financial ratio according to the loan agreement that it may entitle the creditor to accelerate the subsidiary makes the repayment immediately. In addition, the Group and the Company had a lot of litigation which have been still in the process of consideration by the Court. Furthermore, The Stock Exchange of Thailand delists common shares of the Company from being listed securities effective from 10 July 2019 onwards. Based on the above circumstances indicate the existence of a material uncertainty which may cast significant doubt about the Group’s/Company’s ability to continue as a going concern. However, the current Board of Directors and the management have planned to resolve the above problems to manage liquidity risk and the management is revising the capital restructuring plan to reverse deficit, to study the investment in the solar farm project and hotel business and the increasing capital plan and resolve other such issues. Moreover, the Company filed to sue The Stock Exchange of Thailand to The Central Administrative Court (due to delist common shares of the Company from being listed securities) (as details described in note 37 to the interim financial statements). The case has been in the process of the Central Administrative Court consideration, the result has not been finalized. However, the current management believes that it is appropriate to use going concern basis for preparing the financial statements due to major shareholder of the Company and the Company confirmed to provide continuous financial support for the Company and subsidiaries able to continue business operations until September 2021.Therefore, the consolidated and separate financial statements have been prepared in accordance with the basis that the Group and the Company will continue as a going concern with the assumption that the Company has sufficient working capital for the business. The consolidated and separate financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amount and classification of liabilities that may be necessary if the Group and the Company are unable to continue as a going concern.

1. **Coronavirus disease 2019 pandemic (“COVID-19”)**

As economic conditions and the Coronavirus disease 2019 pandemic is continuing to evolve. It has spreaded and significantly affected businesses and the general public both directly and indirectly around the world, resulting in an economic slowdown and adversely impacting most businesses and industries, but does not affected to the Company’s main revenue (sale of electricity).

Such situation may bring uncertainties and have an impact on the environment in current operation. The Group’s/Company’s management will continuously monitor the progress of the above situation and will assess the financial impact on the value of assets, estimation of liabilities and contingent liabilities on a regular basis. In addition, the level of severity of the impact depends on the Government’s various control measures and timing of the outbreak of coronavirus disease 2019 (COVID-19), which the management will have to use judgement in various issues as the situation changes.

1. **Change in accounting policies**

From 1 January 2020, the Group/Company has applied the new and revised financial reporting standards (TFRS), as described in Note 2.2 to the financial statements, is summarized as follows:

4.1 Financial reporting standards related to financial instruments establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including the accounting of derivatives and hedging accounting.The application of these new and revised TFRS does not have any material effect on the accounting policies, methodsof computation financial performance or position of the Group/Company.

4.2. TFRS 16 Lease, a lessee recognizesa right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payment. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standards, i.e. lessors continue to classify lease as finance operating lease.

The Company has initially adopted the above financial reporting standard by using the modified retrospective approach of which the cumulative effect is recognized as an adjustment to the deficit as at 1 January 2020, and the comparative information was not restated. Impact from the adoption of those financial reporting standards was summarized as follow:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | |
|  | Previously  reported | Adjustment/  Reclassification | | Restated |
|  | *(in thousand Baht)* | | | |
| ***Statement of financial position***  ***As at 1 January 2020*** |  |  |  |  |
| Leasehold Right | 6,351 | (6,351) |  | - |
| Right-of-use assets | - | 26,565 |  | 26,565 |
| Accrued expense | 46,901 | (1,164) |  | 45,737 |
| Current portion of lease liabilities | 2,356 | 1,797 |  | 4,153 |
| Leases liabilities | 2,445 | 19,250 |  | 21,695 |
| Deficits | (2,930,592) | 1,045 |  | (2,929,547) |
|  |  |  |  |  |
|  | **Separate financial statements** | | | |
|  | Previously reported | Adjustment/  Reclassification | | Restated |
|  | *(in thousand Baht)* | | | |
| ***Statement of financial position***  ***As at 1 January 2020*** |  |  |  |  |
| Leasehold Right | 6,351 | (6,351) |  | - |
| Right-of-use assets | - | 11,448 |  | 11,448 |
| Current portion of lease liabilities | - | 940 |  | 940 |
| Leases liabilities | - | 4,992 |  | 4,992 |
| Deficits | (4,023,462) | (50) |  | (4,023,512) |

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

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** |  | **Separate  financial statements** |

|  |  |
| --- | --- |
|  | *(in thousand Baht)* |

|  |  |  |  |
| --- | --- | --- | --- |
| Operating lease commitments as at 31 December 2019 | 30,800 |  | 13,215 |
| Less: short-term leases and leases of low-value assets | (65) |  | (65) |
| Less: service agreement | (7,288) |  | (7,288) |
| Less: deferred interest expenses | (3,115) |  | (714) |
| Increase in lease liabilities due to TFRS 16 adoption | 20,332 |  | 5,148 |
| Lease liabilities as at 31 December 2019 | 4,801 |  | - |
| **Lease liabilities as at 1 January 2020** | **25,133** |  | **5,148** |
|  |  |  |  |
| Classified to: |  |  |  |
| Current | 4,095 |  | 882 |
| Non-current | 21,038 |  | 4,266 |
| **Total** | **25,133** |  | **5,148** |

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 were summarized as follow:

|  | **Consolidated financial statements** |  | **Separate  financial statements** |
| --- | --- | --- | --- |
|  | *(in thousand Baht)* | | |
| Land | 15,117 |  | - |
| Building | 5,097 |  | 5,097 |
| Leasehold Right | 6,351 |  | 6,351 |
| **Total right-of-use assets at 1 January 2020** | **26,565** |  | **11,448** |

1. **Significant accounting policies**

The Group/Company has significant accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2019 except the changes in accounting policies as described in Note 4 related to financial instruments and leases as follows:

***Classification and measurement***

Financial assets that are debt instruments are measured at fair value through profit or loss, or amortized cost. Classification is driven by the Group’s/Company’s business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets, as equity instruments, are measured at fair value through profit or loss.

Financial liabilities are classified and measured at amortized cost. The Group /Company chooses to measure at fair value through profit or loss when certain conditions are met.

***Impairment of financial assets***

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

***TFRS 16 Leases***

TFRS 16 supersedes TAS17 Leases together with related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

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

The Company recognized the cumulative effect of initial applying this standard and the comparative information was not restated. The Company has elected to apply this standard to leases previously classified as operating leases by recognized lease liabilities at 1 January 2020 based on the present value of the remaining lease payment which was discounted by using incremental borrowing rate at the date of initial application. The right-of-use assets were recognized basing on the amount equal to these lease liabilities, adjusted for the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position before the date of initial application.

The impact of the change in accounting policies was described in Note 4 to the financial statements.

1. **Seasonal operations**

Revenue of the Group / Company is subject to seasonal and economic environment.

1. **Related parties**

Relationships with subsidiaries and other related parties that the Group / the Company had significant transactions with during the period were as follows:

| **Name of related parties** | **Country of**  **Incorporation/ nationality** | **Natures of relationship** |
| --- | --- | --- |
|  |  |  |
| 1. IEC Green Energy Co., Ltd. | Thailand | Subsidiary, 100% shareholding and some common directors |
|  |  |  |
| 2. IEC Business Partners Co., Ltd. | Thailand | Subsidiary, 100% shareholding and some common directors |
|  |  |  |
| 3. NFS (2010) Co., Ltd. | Thailand | Subsidiary, 100% shareholding and some common directors until 4 January 2019 |
|  |  |  |
| 4. GIDEC Co., Ltd. | Thailand | Indirect subsidiary held by IEC Green Energy Co., Ltd. 100% shareholding and some common directors |
|  |  |  |
| 5. IEC Mae Tha Mae Taeng Co., Ltd. | Thailand | Indirect subsidiary held by IEC Green Energy Co., Ltd., 100% shareholding and some common directors |
|  |  |  |
| 6. E-Contech Management Pte. Ltd. | Singapore | Subsidiary (ceased operations), 100% shareholding |
|  |  |  |
| 7. IEC Sakaeo 1 Co., Ltd. (“SK1”) | Thailand | Subsidiary, 100% shareholding and some common directors |
|  |  |  |
| 8. The M Group Plc. | Thailand | Related company by shareholding |
|  |  |  |
| 9. AI Consortium | Thailand | Consortium between the Company and Appworks Co., Ltd |
|  |  |  |
| 10. Appworks Co., Ltd | Thailand | Related company as a venturer of AI Consortium |
|  |  |  |
| 11. Mr. Komol Jungrungruangkij | Thai | Major Shareholder and director |
|  |  |  |
| 12. A related person | Thai | Related person by related to major shareholder |
|  |  |  |
|  |  |  |
| 13. Key management personnel | Thailand | Persons having authority and responsibility for Planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the Group/Company (whether executive of otherwise) |

The pricing policies for particular types of transactions are explained further below:

| **Transactions** | **Pricing policies** |
| --- | --- |
| Management fee income | Contract price |
| Interest income | 2 – 5% per annum |
| Dividend income | At shareholder meeting resolution |
| Cost of services | Agree price |
| Consulting fee | Contract price |
| Interest expense | 2 - 5% per annum |
| Directors’ and managements’ remunerations represent director bonus, meeting allowance, salary and others | Approval from the Company’s directors and shareholders |

Significant transactions for the three-month and nine-month periods ended 30 September with related parties were as follows:

|  | **For the three-month periods** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **financial statements** | | |  | **financial statements** | | |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | |
| ***Revenue*** |  |  |  |  |  |  |  |
| **Subsidiaries** |  |  |  |  |  |  |  |
| Management fee income | - |  | - |  | 308 |  | 682 |
| Interest income | - |  | - |  | 4,543 |  | 4,475 |
| ***Expenses*** |  |  |  |  |  |  |  |
| **Related company** |  |  |  |  |  |  |  |
| Cost of services | 7,235 |  | 780 |  | 7,235 |  | 780 |
| **Related person** |  |  |  |  |  |  |  |
| Consulting fee | 419 |  | 150 |  | 100 |  | 150 |
| Interest expense | - |  | - |  | - |  | - |
| Key management personnel |  |  |  |  |  |  |  |
| Compensation |  |  |  |  |  |  |  |
| Short - term employee |  |  |  |  |  |  |  |
| benefits | 1,820 |  | 2,955 |  | 821 |  | 1,598 |
| Post - employment benefits | 159 |  | 140 |  | 139 |  | 109 |
| Total key management |  |  |  |  |  |  |  |
| personnel compensation | 1,979 |  | 3,095 |  | 960 |  | 1,707 |

|  | **For the nine-month periods** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **financial statements** | | |  | **financial statements** | | |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | |
| ***Revenue*** |  |  |  |  |  |  |  |
| **Subsidiaries** |  |  |  |  |  |  |  |
| Management fee income | - |  | - |  | 1,234 |  | 1,713 |
| Interest income | - |  | - |  | 13,554 |  | 12,919 |
| ***Expenses*** |  |  |  |  |  |  |  |
| **Related company** |  |  |  |  |  |  |  |
| Cost of services | 12,135 |  | 20,265 |  | 12,135 |  | 20,265 |
| **Related person** |  |  |  |  |  |  |  |
| Consulting fee | 1,418 |  | 500 |  | 460 |  | 500 |
| Interest expenses | - |  | 290 |  | - |  | 212 |
| Key management personnel |  |  |  |  |  |  |  |
| Compensation |  |  |  |  |  |  |  |
| Short - term employee |  |  |  |  |  |  |  |
| benefits | 5,893 |  | 10,818 |  | 2,874 |  | 6,792 |
| Post - employment benefits | 300 |  | 450 |  | 240 |  | 356 |
| Total key management |  |  |  |  |  |  |  |
| personnel compensation | 6,193 |  | 11,268 |  | 3,114 |  | 7,148 |

Balances as at 30 September 2020 and 31 December 2019 with related parties were as follows:

***Other current receivables - related parties***

|  | **Consolidated financial statements** | | | | | | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Debt balance | | | |  | | Allowance for doubtful account | | | | |  | | Net | | |
|  | 30 September |  | | 31 December |  | | 30 September |  | | 31 December | |  | | 30 September |  | 31 December |
|  | 2020 |  | | 2019 |  | | 2020 |  | | 2019 | |  | | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | | | | | | | | | | |
| ***Other receivables*** |  | |  |  | |  |  | |  | |  | |  |  |  |  |
| **Related company** |  | |  |  | |  |  | |  | |  | |  |  |  |  |
| The M Group Plc. | 450,000 | |  | 450,000 | |  | 450,000 | |  | | 450,000 | |  | - |  | - |
| **Total** | **450,000** | |  | **450,000** | |  | **450,000** | |  | | **450,000** | |  | **-** |  | **-** |

|  | **Separate financial statements** | | | | | | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Debt balance | | | |  | | Allowance for doubtful account | | | | |  | | Net | | |
|  | 30 September |  | | 31 December |  | | 30 September |  | | 31 December | |  | | 30 September |  | 31 December |
|  | 2020 |  | | 2019 |  | | 2020 |  | | 2019 | |  | | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | | | | | | | | | | |
| ***Other receivables*** |  | |  |  | |  |  | |  | |  | |  |  |  |  |
| **Subsidiaries** |  | |  |  | |  |  | |  | |  | |  |  |  |  |
| IEC Green Energy Co., Ltd. | 2,249 | |  | 2,153 | |  | 2,249 | |  | | 2,153 | |  | - |  | - |
| IEC Business Partners Co., Ltd. | 490 | |  | 490 | |  | 490 | |  | | 490 | |  | - |  | - |
| IEC Mae Tha Mae Taeng Co., Ltd | - | |  | 96 | |  | - | |  | | - | |  | - |  | 96 |
| IEC Sakaeo 1 Co., Ltd. | 7,455 | |  | 7,545 | |  | 7,449 | |  | | 7,545 | |  | 6 |  | - |
| GIDEC Co., Ltd. | 289 | |  | 7,469 | |  | 289 | |  | | 7,469 | |  | - |  | - |

|  | **Separate financial statements** | | | | | | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Debt balance | | | |  | | Allowance for doubtful account | | | | |  | | Net | | |
|  | 30 September |  | | 31 December |  | | 30 September |  | | 31 December | |  | | 30 September |  | 31 December |
|  | 2020 |  | | 2019 |  | | 2020 |  | | 2019 | |  | | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | | | | | | | | | | |
| **Related companies** |  | |  |  | |  |  | |  | |  | |  |  |  |  |
| The M Group Plc. | 450,000 | |  | 450,000 | |  | 450,000 | |  | | 450,000 | |  | - |  | - |
| ***Accrued interest income*** |  | |  |  | |  |  | |  | |  | |  |  |  |  |
| **Subsidiaries** |  | |  |  | |  |  | |  | |  | |  |  |  |  |
| IEC Green Energy Co., Ltd. | 358,205 | |  | 348,839 | |  | 358,205 | |  | | 348,839 | |  | - |  | - |
| IEC Business Partners Co., Ltd. | 21,019 | |  | 21,019 | |  | 21,019 | |  | | 21,019 | |  | - |  | - |
| IEC Sakaeo 1 Co., Ltd. | 30,775 | |  | 26,649 | |  | 30,775 | |  | | 26,649 | |  | - |  | - |
| E-Contech Management Pte. Ltd. | 619 | |  | 557 | |  | 619 | |  | | 557 | |  | - |  | - |
| **Total** | **871,101** | |  | **864,817** | |  | **871,095** | |  | | **864,721** | |  | **6** |  | **96** |

***Short-term loans to related parties***

|  | **Separate financial statements** | | | | | | | | | | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Debt balance | | | | |  | | Allowance for doubtful account | | | |  | | | Net | | | | | |
|  | 30 September | |  | | 31 December |  | | 30 September |  | 31 December | | |  | | | 30 September | |  | | 31 December |
|  | 2020 | |  | | 2019 |  | | 2020 |  | 2019 | | |  | | | 2020 | |  | | 2019 |
|  | *(in thousand Baht)* | | | | | | | | | | | | | | | | | | | |
| **Subsidiaries** |  |  | |  | |  |  | |  | |  |  | |  | | |  | |  | |
| IEC Green Energy Co., Ltd. | 601,994 |  | | 632,994 | |  | 601,994 | |  | | 632,994 |  | | - | | |  | | - | |
| IEC Business Partners Co., Ltd. | 2,173 |  | | 1,645 | |  | 2,173 | |  | | 1,645 |  | | - | | |  | | - | |
| IEC Sakaeo 1 Co., Ltd. | 226,469 |  | | 206,269 | |  | 226,469 | |  | | 206,269 |  | | - | | |  | | - | |
| E-Contech Management Pte. Ltd. | 4,523 |  | | 4,523 | |  | 4,523 | |  | | 4,523 |  | | - | | |  | | - | |
| **Total** | **835,159** |  | | **845,431** | |  | **835,159** | |  | | **845,431** |  | | - | | |  | | **-** | |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | **Separate** | | | |
|  |  | **financial statements** | | | |
|  |  | 2020 |  | | 2019 |
|  |  | *(in thousand Baht)* | | | |
| *For three-month period ended 30 September* |
| Doubtful debts expense |  | - |  | 10,350 | |
| Reversal of allowance for doubtful account |  | (14,000) |  | (10,000) | |
| **Total** |  | **(14,000)** |  | **350** | |
|  |  |  |  |  | |
| *For nine-month period ended 30 September* |  |  |  |  | |
| Doubtful debts expense |  | 27,728 |  | 101,810 | |
| Reversal of allowance for doubtful account |  | (38,000) |  | (15,000) | |
| **Total** |  | **(10,272)** |  | **86,810** | |

Movements of short – term loans to related parties during the nine-month periods ended 30 September were as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | |  | **Separate financial statements** | | |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | |
| At 1 January | **-** |  | **-** |  | 845,431 |  | 743,546 |
| Increase | **-** |  | **-** |  | 27,728 |  | 101,810 |
| Decrease | **-** |  | **-** |  | (38,000) |  | (15,000) |
| **At 30 September** | **-** |  | **-** |  | **835,159** |  | **830,356** |

Investments in subsidiaries were as details in note 12 to the interim financial statements.

***Trade accounts payable - related party***

|  | **Consolidated financial statements** | | |  | **Separate financial statements** | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 30 September |  | 31 December |  | 30 September |  | 31 December |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | |
| **Related Company** |  |  |  |  |  |  |  |
| **Consortium** |  |  |  |  |  |  |  |
| Appwork Co., Ltd. | 7,261 |  | 2,631 |  | 7,261 |  | 2,631 |
| **Total** | **7,261** |  | **2,631** |  | **7,261** |  | **2,631** |

***Other current payables - related persons***

|  | **Consolidated financial statements** | | |  | **Separate financial statements** | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 30 September |  | 31 December |  | 30 September |  | 31 December |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | |
| ***Accrued meeting allowance***  ***and accrued consultant fee*** |  |  |  |  |  |  |  |
| Directors | - |  | 569 |  | - |  | 569 |
| **Total** | **-** |  | **569** |  | **-** |  | **569** |

***Short-term loans from related person***

Movements of short-term loans from related person during the nine-month periods ended 30 September were as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **financial statements** | | |  | **financial statements** | | |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | |
| At 1 January | - |  | 65,000 |  | - |  | 50,000 |
| Decrease | - |  | (65,000) |  | - |  | (50,000) |
| **At 30 September** | **-** |  | **-** |  | **-** |  | **-** |

***Non-current provisions for employee benefit–related person***

|  | **Consolidated** | | |  | **Separate** | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **financial statements** | | |  | **financial statements** | | |
|  | 30 September |  | 31 December |  | 30 September |  | 31 December |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | |
| **Related person** |  |  |  |  |  |  |  |
| Key management personnel | 2,409 |  | 2,155 |  | 2,126 |  | 1,937 |
| **Total** | **2,409** |  | **2,155** |  | **2,126** |  | **1,937** |

Provision for losses of subsidiaries was described in note 31 to the interim financial statements.

***Directors’ remunerations***

The Ordinary General Meeting of Shareholders held on 25 January 2020 passed a resolution to approve the remunerations for directors and audit committee for the year 2020 in the amount not exceeding Baht 0.80 million.

The Ordinary General Meeting of Shareholders held on 30 April 2019 passed a resolution to approve the remunerations for directors and audit committee for the year 2019 in the amount not exceeding Baht 0.80 million.

***Significant agreements with related parties***

The Company entered into 5 consultant agreements with related persons and key management personnel of the Company as the consultants to provide legal advice and coordinate with various departments for a period of 3 months to 60 months from 1 November 2018 to 31 October 2024 at the rate of Baht 10,000 to Baht 50,000 per month.

During 2020 and 2019, the Company entered into the management agreements and an additional memorandum of agreement with four subsidiaries and five subsidiaries, respectively, to provide various management services for a period 12 month from 1 January 2020 to 31 December 2020 and 1 January 2019 to 31 December 2019, requiring management fee of each subsidiary at the rate of Baht 120,000 to Baht 360,000 per year.

On 1 April 2016, a subsidiary (IEC Green Energy Co., Ltd.), entered into a front-end machinery rental agreement with a subsidiary (GIDEC Co., Ltd.) for a period of 5 years with monthly rental rate of Baht 1.50 million.

***Consortium agreement***

On 20 August 2018, the Company entered into a consortium agreement. (“Consortium”) with Apps Works Company Limited named “AI Consortium” with the objective to propose and submit a tender, entering into the agreement and performing the work under the agreement, with a public company in the project of a backup system development plan for OM Unified. The period of consortium agreement starts from the date of signing the agreement and will finish when the consortium fully complies with the agreement. In this regard,each consortium has to perform according to the scope of work, procuring goods and services and conditions specified in the consortium agreement.

***Contingently liable to its related parties***

As at 31 December 2019, the Company was contingently liable as guarantor of loans from domestic financial institution of the subsidiary (IEC Mae Tha Mae Taeng Co., Ltd.).

1. **Trade accounts receivable**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **financial statements** | | |  | **financial statements** | | |
|  | 30 September |  | 31 December |  | 30 September |  | 31 December |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | |
| Other parties | 59,222 |  | 71,024 |  | 15,634 |  | 16,306 |
| *Less* allowance for doubtful  accounts | (7,605) |  | (7,605) |  | (6,877) |  | (6,877) |
| **Net** | **51,617** |  | **63,419** |  | **8,757** |  | **9,429** |

Aging analyses for trade accounts receivable were as follows:

|  | **Consolidated** | | |  | | **Separate** | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **financial statements** | | |  | | **financial statements** | | | | | |
|  | 30 September |  | 31 December | |  | | 30 September | |  | | 31 December |
|  | 2020 |  | 2019 | |  | | 2020 | |  | | 2019 |
|  | *(in thousand Baht)* | | | | | | | | | | |
| Within credit terms | 45,642 |  | 52,282 |  | | 2,782 | |  | | 3,758 | |
| Overdue |  |  |  |  | |  | |  | |  | |
| Less than 3 months | 5,975 |  | 7,854 |  | | 5,975 | |  | | 2,389 | |
| Over 6-12 months | - |  | 423 |  | | - | |  | | 423 | |
| Over 12 months | 7,605 |  | 10,465 |  | | 6,877 | |  | | 9,736 | |
| Total | 59,222 |  | 71,024 |  | | 15,634 | |  | | 16,306 | |
| *Less* allowance for doubtful |  |  |  |  | |  | |  | |  | |
| accounts | (7,605) |  | (7,605) |  | | (6,877) | |  | | (6,877) | |
| **Net** | **51,617** |  | **63,419** |  | | **8,757** | |  | | **9,429** | |

The normal credit term granted by the Group/Company ranges from 7 - 30 days.

1. **Other current receivables**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **financial statements** | | |  | **financial statements** | | |
|  | 30 September |  | 31 December |  | 30 September |  | 31 December |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | |
| Related parties | 450,000 |  | 450,000 |  | 871,101 |  | 864,817 |
| *Less* allowance for doubtful |  |  |  |  |  |  |  |
| accounts | (450,000) |  | (450,000) |  | (871,095) |  | (864,721) |
| Net | - |  | - |  | 6 |  | 96 |
| Other parties | 268,546 |  | 262,081 |  | 177,197 |  | 168,138 |
| *Less* allowance for doubtful |  |  |  |  |  |  |  |
| accounts | (133,817) |  | (139,400) |  | (111,047) |  | (116,603) |
| Net | 134,729 |  | 122,681 |  | 66,150 |  | 51,535 |
| **Other current receivables, net** | **134,729** |  | **122,681** |  | **66,156** |  | **51,631** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| *For the three-month period  ended 30 September* |  |  |  |  |  |  |  |
| Doubtful debts expenses | - |  | - |  | 4,479 |  | 4,699 |
| Reversal of allowance for |  |  |  |  |  |  |  |
| doubtful account | (1,668) |  | (2,222) |  | (9,232) |  | (2,222) |
|  | **(1,668)** |  | **(2,222)** |  | **(4,753)** |  | **2,477** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| *For the nine-month period  ended 30 September* |  |  |  |  |  |  |  |
| Doubtful debts expenses | - |  | 242 |  | 13,939 |  | 13,835 |
| Reversal of allowance for |  |  |  |  |  |  |  |
| doubtful account | (5,583) |  | (5,000) |  | (13,121) |  | (5,347) |
|  | **(5,583)** |  | **(4,758)** |  | **818** |  | **8,488** |

***Other current receivable - other parties***

|  | **Consolidated** | | |  | **Separate** | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **financial statements** | | |  | **financial statements** | | |
|  | 30 September |  | 31 December |  | 30 September |  | 31 December |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | |
| Prepaid expenses | 4,003 |  | 4,305 |  | 776 |  | 2,464 |
| Advance payment for |  |  |  |  |  |  |  |
| development project | 6,000 |  | 6,000 |  | 6,000 |  | 6,000 |
| Other advance payment | 96 |  | 299 |  | 23 |  | 60 |
| Accrued interest income | 6,157 |  | 6,320 |  | 6,157 |  | 6,321 |
| Value added tax recoverable | 116,837 |  | 123,650 |  | 47,039 |  | 47,426 |
| Input tax invoices | 324 |  | 1,615 |  | 4 |  | 1,307 |
| Advance payment for materials | 4,052 |  | 2,550 |  | 4,052 |  | - |
| Advance payment for machinery | 5,630 |  | - |  | - |  | - |
| Other receivables – NongRee |  |  |  |  |  |  |  |
| Power Plant Co., Ltd | 53,333 |  | 58,889 |  | 53,333 |  | 58,889 |
| Securities company receivables | 13,735 |  | - |  | 13,735 |  | - |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| Other receivables | 58,379 |  | 58,453 |  | 46,078 |  | 45,671 |
| Total | 268,546 |  | 262,081 |  | 177,197 |  | 168,138 |
| *Less* allowance for doubtful |  |  |  |  |  |  |  |
| accounts | (133,817) |  | (139,400) |  | (111,047) |  | (116,603) |
| **Other current receivable -** |  |  |  |  |  |  |  |
| **other parties, net** | **134,729** |  | **122,681** |  | **66,150** |  | **51,535** |

**Allowance for doubtful accounts of other current receivable - other parties comprised :-**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **financial statements** | | |  | **financial statements** | | |
|  | 30 September |  | 31 December |  | 30 September |  | 31 December |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | |
| Other advance payment | 80 |  | 80 |  | - |  | - |
| Advance payment for |  |  |  |  |  |  |  |
| development project | 6,000 |  | 6,000 |  | 6,000 |  | 6,000 |
| Accrued interest income | 6,079 |  | 6,079 |  | 6,079 |  | 6,079 |
| Value added tax recoverable | 10,850 |  | 10,877 |  | - |  | - |
| Other receivables – NongRee |  |  |  |  |  |  |  |
| Power Plant Co., Ltd | 53,333 |  | 58,889 |  | 53,333 |  | 58,889 |
| Other receivables | 57,475 |  | 57,475 |  | 45,635 |  | 45,635 |
| **Total** | **133,817** |  | **139,400** |  | **111,047** |  | **116,603** |

The Board of Directors Meeting of the Company held on 26 February 2018 passed a resolution to approve the Company to sell the right to claim of short-term loans to Nong Ree Power Plant Co., Ltd. in the amount of Baht 65 million to other company who purchased share of Nong Ree Power Plant Co., Ltd. from the Company at the price of Baht 20 million. The payment was required to be completed within 3 years by monthly payable in 36 installments of Baht 555,555.55 per month. The first installment will be paid within the end of month (when Nong Ree Power Plant Co., Ltd. was able to produce 3 megawatts of electricity and sold to PEA). On 26 February 2018, the Company entered into the sell and purchase the right to claim agreement. As at 30 September 2020 and 31 December 2019, the outstanding balance amounted to Baht 53 million and Baht 59 million, respectively which was set up an allowance for doubtful accounts in the amount of Baht 53 million and Baht 59 million, respectively.

1. **Current contract assets**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **financial statements** | | |  | **financial statements** | | |
|  | 30 September |  | 31 December |  | 30 September |  | 31 December |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | |
| Other parties | 92,034 |  | 66,329 |  | 42,446 |  | 16,590 |
| *Less* allowance for doubtful |  |  |  |  |  |  |  |
| accounts | (8,631) |  | (8,066) |  | (8,631) |  | (8,066) |
| **Net** | **83,403** |  | **58,263** |  | **33,815** |  | **8,524** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| *For the nine-month period ended 30 September* | |  |  |  |  |  |  |
| Doubtful debts expenses | 565 |  | - |  | 565 |  | - |

1. **Other current financial assets and other non-current financial assets**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | **Consolidated and separate**  **financial statements** | | | |
|  |  | Fair Value | | | |
|  |  | 30 September |  | 31 December | |
|  |  | 2020 |  | 2019 | |
|  |  | *(in thousand Baht)* | | | |
| Short-term deposit with financial institution |  | 1,972 |  | | 1,462 |
| Investment for trading |  | 6,059 |  | | - |
| Available-for-sale investment |  | 1,029 |  | | 1,804 |
| Other long-term investments |  | 8,995 |  | | 8,995 |
|  |  | 18,055 |  | | 12,261 |
| *Less* allowance for devaluation of investments |  | (8,995) |  | | (8,995) |
| **Net** |  | **9,060** |  | | **3,266** |
|  |  |  |  | |  |
| Classified to: |  |  |  | |  |
| Current |  | 8,031 |  | | 1,462 |
| Non-current |  | 1,029 |  | | 1,804 |
| **Total** |  | **9,060** |  | | **3,266** |
|  |  |  |  | |  |

* Investment for trading

Movements of Investment for trading during the nine-month periods ended 30 September were as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | **Consolidated and separate**  **financial statements** | | | |
|  |  | Fair Value | | | |
|  |  | 2020 |  | 2019 | |
|  |  | *(in thousand Baht)* | | | |
| At 1 January |  | - |  | | **-** |
| Acquisition for the period |  | 6,298 |  | | **-** |
| Valuation adjustment |  | (239) |  | | **-** |
| **At 30 September** |  | **6,059** |  | | - |

* Available-for-sale investment

Movements of Available-for-sale investment during the nine-month periods ended 30 September were as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | **Consolidated and separate**  **financial statements** | | | |
|  |  | Fair Value | | | |
|  |  | 2020 |  | 2019 | |
|  |  | *(in thousand Baht)* | | | |
| At 1 January |  | 1,804 |  | | 1,336 |
| Valuation adjustment |  | (775) |  | | 633 |
| **At 30 September** |  | **1,029** |  | | **1,969** |

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated and Separate financial statements** | | | | | | | | | | |
|  |  | | |  | Unrealized gain from change | | |  |  | | |
|  | Cost | | |  | in value of investments | | |  | Fair value | | |
|  | 30 September |  | 31 December |  | 30 September |  | 31 December |  | 30 September |  | 31 December |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | | | | | |
| **Available-for-sale investment** | | | | | | | | | | | |
| Electricity Generating Plc. | **125** |  | **125** |  | **904** |  | **1,679** |  | **1,029** |  | **1,804** |

* Other long-term investments

Movements of Other long-term investments during the nine-month periods ended 30 September were as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | **Consolidated and separate**  **financial statements** | | | |
|  |  | Fair Value | | | |
|  |  | 2020 |  | 2019 | |
|  |  | *(in thousand Baht)* | | | |
| *Other investments - Cost* |  |  |  | |  |
| Energy system engineering and service Co., Ltd. | | |  | |  |
| As at 1 January |  | 8,995 |  | | 9,195 |
| Disposal |  | - |  | | (200) |
| As at 30 September |  | 8,995 |  | | 8,995 |
| *Less* allowance for devaluation of investments | | (8,995) |  | | (8,995) |
| **Net** |  | **-** |  | | **-** |

1. **Investments in subsidiaries**

Movements during the nine-month period ended 30 September were as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | **Separate**  **financial statements** | | | |
|  |  | 2020 |  | 2019 | |
|  |  | *(in thousand Baht)* | | | |
| Cost:- |  |  | | | |
| At 1 January |  | 2,470,010 |  | | 2,486,010 |
| Liquidation |  | - |  | | (16,000) |
|  |  | 2,470,010 |  | | 2,470,010 |
| *Less* allowance for devaluation of investments |  | (2,470,010) |  | | (2,470,010) |
| **At 30 September** |  | **-** |  | | **-** |
|  |  |  |  | |  |
| *For the nine-month period ended 30 September* |  |  |  | |  |
| Reversal of allowance for devaluation of investments | | - |  | | (16,000) |

Investments in subsidiaries as at 30 September 2020 and 31 December 2019 were as follows:

|  | Separate financial statements | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Ownership  Interest | | |  | Paid-up capital | | |  | Cost method | | |  | Allowance for  devaluation of investments | | |  | At cost – net | | | | |  | Dividends | | | | |  |
|  | 30 September |  | 31 December |  | 30 September |  | 31 December |  | 30 September |  | 31 December |  | 30 September |  | 31 December |  | 30 September |  | 31 December |  | 30 September | | | |  | | 31 December |  | |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 | | | |  | | 2019 |  | |
|  | *(%)* | | | *(in million Baht)* | | | | | *(in thousand Baht)* | | | | | | | | | | | | | | | | | | |
| ***Direct subsidiaries*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | |  | |  | |  | |
| IEC Green Energy |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | |  | |  | |  | |
| Co., Ltd. | 100 |  | 100 |  | 1,040 |  | 1,040 |  | 1,031,135 |  | 1,031,135 |  | (1,031,135) |  | (1,031,135) |  | - |  | - |  | | - | |  | | - | |
| IEC Business Partners |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | |  | |  | |  | |
| Co., Ltd. | 100 |  | 100 |  | 760 |  | 760 |  | 760,600 |  | 760,600 |  | (760,600) |  | (760,600) |  | - |  | - |  | | - | |  | | - | |
| E-Contech Management |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | |  | |  | |  | |
| Pte. Ltd. | 100 |  | 100 |  | 3 |  | 3 |  | 3,275 |  | 3,275 |  | (3,275) |  | (3,275) |  | - |  | - |  | | - | |  | | - | |
| IEC Sakaeo1 Co., Ltd. | 100 |  | 100 |  | 630 |  | 630 |  | 675,000 |  | 675,000 |  | (675,000) |  | (675,000) |  | - |  | - |  | | - | |  | | - | |
| **Total** |  |  |  |  |  |  |  |  | **2,470,010** |  | **2,470,010** |  | **(2,470,010)** |  | **(2,470,010)** |  | **-** |  | **-** |  | | **-** | |  | | **-** | |

1. **Investment properties**

Acquisitions, disposals and transfers of investment properties during the nine-month periods ended 30 September were as follows

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **financial statements** | | |  | **financial statements** | | |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | |
| Net book value at 1 January | 199,497 |  | 201,457 |  | 142,492 |  | 142,515 |
| Depreciation for the period | (1,455) |  | (1,472) |  | - |  | (23) |
| **Net book value at 30 September** | **198,042** |  | **199,985** |  | **142,492** |  | **142,492** |

***Pledge***

As at 30 September 2020, investment properties totaling 4 title deeds with cost value amounted to Baht 133 million of the Company and condominium with book value amounted to Baht 19.19 million of a subsidiary (IEC Green Energy Co., Ltd.) had been mortgaged as collateral for loans from a related person.

1. **Property, plant and equipment**

Acquisitions, disposals and transfers of property, plant and equipment during the nine-month periods ended 30 September were as follows

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **financial statements** | | |  | **financial statements** | | |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | |
| Net book value at 1 January | 688,607 |  | 755,465 |  | 4,359 |  | 8,369 |
| Acquisition and transfer in – at cost | 10,411 |  | 21,441 |  | 256 |  | 3 |
| Disposal and transfer out |  |  |  |  |  |  |  |
| - net book value | (610) |  | (725) |  | (72) |  | (599) |
| Depreciation for the period | (77,824) |  | (76,819) |  | (1,783) |  | (2,858) |
| Reversal of allowance for |  |  |  |  |  |  |  |
| impairment for the period | 16,722 |  | 15,289 |  | 648 |  | - |
| **Net book value at 30 September** | **637,306** |  | **714,651** |  | **3,408** |  | **4,915** |

*Assets installed on the rental land*

As at 30 September 2020, plant and equipment of the two subsidiaries (GIDEC Co., Ltd. and IEC Green Energy Co., Ltd.) with carrying value in the amount of Baht 215 million had been constructed on the rental land of a subsidiary under the 2 rental contracts for a period of 20 years and 25 years. All of the rights in construction, building and machinery of subsidiaries belong to landlord at the end of lease agreement.

*Pledge*

As at 30 September 2020, net book value of land with exist structures and structures to be constructed in the future of a subsidiary (IEC Sakaeo 1 Co., Ltd) and the related right to insurance claims on those assets have been mortgaged as collaterals for loan agreements were as follows:

|  |  | **Consolidated**  **financial statements** | | |
| --- | --- | --- | --- | --- |
|  |  | | *(in million Baht*) | |
| Lands |  | | 16 |  | |
| Biomass power plant with equipment |  | | 170 |  | |
| **Total** |  | | **186** |  | |

1. **Non-operating asset**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **financial statements** | | |  | **financial statements** | | |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | |
| Net book value at 1 January | 161,320 |  | 161,320 |  | 151,949 |  | 151,949 |
| No changed during the period | - |  | - |  | - |  | - |
| **Net book value at 30 September** | **161,320** |  | **161,320** |  | **151,949** |  | **151,949** |

1. **Deferred right to use transmission line**

Acquisitions, disposals and transfers of deferred right to use transmission line during the nine-month periods ended 30 September were as follows

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **financial statements** | | |  | **financial statements** | | |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | |
| Net book value at 1 January | 34,735 |  | 36,526 |  | - |  | - |
| Amortization for the period | (1,341) |  | (1,341) |  | - |  | - |
| **Net book value at 30 September** | **33,394** |  | **35,185** |  | **-** |  | **-** |

1. **Right-of-use assets**

Movements of the right-of-use assets during the nine-month periods ended 30 September were summarized as follows:

|  | **Consolidated  financial statements** |  | **Separate  financial statements** |
| --- | --- | --- | --- |
|  | *(in thousand Baht)* | | | |
| Adjustments of right-of-use assets due to TFRS16 adoption | 20,214 |  | 5,097 |
| Reclassification – Leasehold Right to right-of-use assets | 6,351 |  | 6,351 |
| Total | 26,565 |  | 11,448 |
| Depreciation for the period | (1,932) |  | (1,317) |
| **Net book value at 30 September 2020** | **24,633** |  | **10,131** |

1. **Goodwill**

|  |  | **Consolidated and separate financial statements** | | |
| --- | --- | --- | --- | --- |
|  |  | 2020 |  | 2019 |
|  |  | *(in thousand Baht)* | | |
| *Cost:* |  |  |  |  |
| At 1 January |  | 239,322 |  | 239,322 |
| No changed during the period |  | - |  | - |
| As at 30 September |  | 239,322 |  | 239,322 |
| *Less* allowance for impairment of assets |  | (239,322) |  | (239,322) |
| Net |  | - |  | - |

1. **Other intangible assets**

Acquisitions, disposals and transfers of other intangible assets during the nine-month periods ended 30 September were as follows

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **financial statements** | | |  | **financial statements** | | |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | |
| Net book value at 1 January | 409 |  | 970 |  | 118 |  | 137 |
| Acquisition and transfer in |  |  |  |  |  |  |  |
| – at cost | - |  | 207 |  | - |  | 137 |
| Amortization for the period | (4,436) |  | (4,549) |  | (1,887) |  | (1,700) |
| Reversal of allowance for |  |  |  |  |  |  |  |
| impairment for the period | 4,297 |  | 3,989 |  | 1,866 |  | 1,563 |
| **Net book value at 30 September** | **270** |  | **617** |  | **97** |  | **137** |

1. **Advance payment for purchase of investment**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | Consolidated and Separate  **financial statements** | | |
|  |  |  |  |  | 30 September |  | 31 December |
|  |  |  |  |  | 2020 |  | 2019 |
|  |  |  |  |  | *(in thousand Baht)* | | |
| Advance payment for purchase of investment | | | |  | 40,000 |  | 40,000 |
| *Less* allowance for impairment of asset |  |  |  |  | (40,000) |  | (40,000) |
| **Net** |  |  |  |  | **-** |  | **-** |

The Board of Directors Meeting held on 23 March 2015 had approved to the Company acquired the ordinary shares of Thaworn Energy (2013) Co., Ltd. ("TE") for 100% of paid-up share capital totaling 1,250,000 shares at the price of Baht 100 per share totaling amount of Baht 125 million, requiring payable in 2 installments. The Company paid for the first installment of Baht 40 million on 2 April 2015, which was recorded as advance payment for purchase of investment due to share acquisition had not been achieved under the agreement. The Company filed the lawsuit with the concern parties to refund of the advance payment and set up fully allowance for impairment of advance payment. Subsequently, the Civil Court decided the Company succeed in the case and receive the payment of full refund. On 11 June 2019, the defendant appealed to the Appeal Court.

Subsequently, on 6 October 2020, the Appeal Court decided the defendant to pay the deposit for the shares to the Company with interest rate at 7.5% per annum as described in note 37 to the interim financial statements.

1. **Deferred Tax**

Movements of deferred tax assets and liabilities during the nine-month periods ended 30 September were as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated and separate financial statements** | | | | | | |
|  | At 1 January 2020 |  | (Charged)/credited to | | |  | At  30 September  2020 |
|  |  | Profit(loss) |  | Other comprehensive income (loss) |  |
|  | *(in thousand Baht)* | | | | | | |
| ***Deferred tax liabilities*** |  |  |  |  |  |  |  |
| Other non-current financial assets | (336) |  | - |  | - |  | (336) |
| Non-current provisions for |  |  |  |  |  |  |  |
| employee benefit | (1,184) |  | - |  | - |  | (1,184) |
| **Total** | **(1,520)** |  | **-** |  | **-** |  | **(1,520)** |

Deferred tax assets arising from temporary difference that have not been recognized in the financial statements were as follows:-

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
|  | 30 September |  | 31 December |  | 30 September |  | 31 December |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in million Baht)* | | | | | | |
| Deductible temporary differences | 1,642 |  | 1,659 |  | 1,052 |  | 1,050 |
| Tax losses | 572 |  | 565 |  | 441 |  | 427 |
| **Total** | **2,214** |  | **2,224** |  | **1,493** |  | **1,477** |

The tax losses expire during 2020 – 2024. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit against which the Group/ Company can utilize the benefits there from.

1. **Other non-current assets**

|  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 30 September |  | 31 December |  | 30 September |  | 31 December |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | |
| Deposit under a construction and |  |  |  |  |  |  |  |
| services management of waste |  |  |  |  |  |  |  |
| disposal system in community |  |  |  |  |  |  |  |
| agreement | 32,500 |  | 32,500 |  | - |  | - |
| Deposit for payment on purchase |  |  |  |  |  |  |  |
| of waste from segregating organic |  |  |  |  |  |  |  |
| fertilizer | 5,000 |  | 5,000 |  | 5,000 |  | 5,000 |
|  |  |  |  |  |  |  |  |
| Others deposits | 23,491 |  | 22,633 |  | 18,022 |  | 17,083 |
| Total | 60,991 |  | 60,133 |  | 23,022 |  | 22,083 |
| *Less* allowance for impairment |  |  |  |  |  |  |  |
| of asset | (7,575) |  | (7,575) |  | (6,370) |  | (6,370) |
| **Net** | **53,416** |  | **52,558** |  | **16,652** |  | **15,713** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| *For the nine-month period ended 30 September* | |  |  |  |  |  |  |
| Impairment loss | - |  | 5,000 |  | - |  | 5,000 |
| Reversal of allowance for |  |  |  |  |  |  |  |
| impairment | - |  | (1,189) |  | - |  | - |
|  | **-** |  | **3,811** |  | **-** |  | **5,000** |

**Allowances for impairment were as follows:-**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **financial statements** | | |  | **financial statements** | | |
|  | 30 September |  | 31 December |  | 30 September |  | 31 December |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht )* | | | | | | |
| Deposit for payment on purchase |  |  |  |  |  |  |  |
| of waste from segregating organic |  |  |  |  |  |  |  |
| fertilizer | 5,000 |  | 5,000 |  | 5,000 |  | 5,000 |
| Others deposits | 2,575 |  | 2,575 |  | 1,370 |  | 1,370 |
| **Total** | **7,575** |  | **7,575** |  | **6,370** |  | **6,370** |

1. **Bank overdrafts and short-term loans from financial institutions**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **financial statements** | | |  | **financial statements** | | |
|  | 30 September |  | 31 December |  | 30 September |  | 31 December |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | |
| Bank overdrafts | 10,680 |  | 6,466 |  | 748 |  | 583 |
| Promissory note | 20,000 |  | **-** |  | **-** |  | **-** |
| **Total** | **30,680** |  | **6,466** |  | **748** |  | **583** |

Movements of short-term loans from financial institutions for the nine-month periods ended 30 September were as follows:

|  | **Consolidated** | | |  | **Separate** | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **financial statements** | | |  | **financial statements** | | | |
|  | 2020 |  | 2019 |  | 2020 |  | | 2019 |
|  | *(in thousand Baht)* | | | | | | | |
| ***Promissory note*** |  |  |  |  |  | |  |  |
| At 1 January | - |  | 20,000 |  | **-** | |  | **-** |
| Increase | 20,000 |  | 40,000 |  | **-** | |  | **-** |
| Decrease | - |  | (60,000) |  | **-** | |  | **-** |
| **At 30 September** | **20,000** |  | **-** |  | **-** | |  | **-** |

1. **Trade accounts payable**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | | |
|  | **financial statements** | | |  | **financial statements** | | | |
|  | 30 September |  | 31 December |  | 30 September | |  | 31 December |
|  | 2020 |  | 2019 |  | 2020 | |  | 2019 |
|  | *(in thousand Baht)* | | | | | | | |
| Related parties | 7,261 |  | 2,631 |  | 7,261 |  | | 2,631 |
| Other parties | 36,018 |  | 33,822 |  | 7,889 |  | | 3,770 |
| **Total** | **43,279** |  | **36,453** |  | **15,150** |  | | **6,401** |

1. **Other current payables**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | | |
|  | **financial statements** | | |  | **financial statements** | | | |
|  | 30 September |  | 31 December |  | 30 September | |  | 31 December |
|  | 2020 |  | 2019 |  | 2020 | |  | 2019 |
|  | *(in thousand Baht)* | | | | | | | |
| Related parties | - |  | 569 |  | - |  | | 569 |
| Other parties | 122,679 |  | 121,064 |  | 30,885 |  | | 24,572 |
| **Total** | **122,679** |  | **121,633** |  | **30,885** |  | | **25,141** |

***Other current payables – other parties***

|  | **Consolidated**  **financial statements** | | | **Separate**  **financial statements** | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 30 September |  | 31 December |  | 30 September |  | 31 December |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | |
| Payable to purchase of |  |  |  |  |  |  |  |
| fixed asset | 72,072 |  | 72,684 |  | 3,042 |  | 3,802 |
| Other payables | 30,291 |  | 34,174 |  | 14,498 |  | 14,961 |
| Income received under the |  |  |  |  |  |  |  |
| memorandum for damages | 5,000 |  | - |  | 5,000 |  | - |
| Undue output tax | 12,035 |  | 11,454 |  | 5,064 |  | 3,090 |
| Accrued interest expense | 3,281 |  | 2,752 |  | 3,281 |  | 2,719 |
| **Total** | **122,679** |  | **121,064** |  | **30,885** |  | **24,572** |

The Board of Directors Meeting held on 10 April 2020 passed the resolutions to agree to accept an offer from Mr. Suthin Jaithum to compensate the Company for damages amounting to Baht 15 million and the Company to submit a petition to withdraw the case no. Black at Aor.2568/2016 and Red No. Aor.2696/2561 in charge of fraud among the Company (“plaintiff”) and Mr. Suthin Jaithum and Ms. Charuwan Phusanaphibankhup (“defendant”)

Subsequently, on 16 April 2020, the Company (“plaintiff”) entered into two memorandum of compensation for damages and delivered the fuel with Mr. Sutin Jaithum (“defendant”) and Ms. Charuwan Phusanaphibankhup (“debtor”). The defendant requested to indemnify the Company and asked the Company to withdraw the lawsuit against the defendant in the case no. Black at Aor.2568/2016 and Red No. Aor.2696/2561 in charge of fraud. The debtor agreed to be bound by indemnity, which will pay damages to the Company, however the defendant and the debtor agreed to pay damages to the Company in the amount of Baht 15 million in the following installments:

1. Payable on the date of this memorandum in the amount of Baht 5 million by cashier cheque no. 16118083, dated on 13 April 2020, which the Company has already received and as at 30 September 2020, recorded the whole amount as income received under the memorandum for damages under shown other current liabilities.
2. The remaining amount of Baht 10 million will be settled by post date cheque, 22 copies, dated on 30 May 2020 to 28 February 2022 issued by Kaew Lamduan Group Company Limited, and Ms. Charuwan Phusanaphibankhup, who signs the cheques.

In addition, the defendant is able to provide wood chopped fuel used to generate electricity, according to the standards set by the Company which will be delivered to the Company or IEC Sakaeo 1 Co., Ltd. (creditor) every month not exceeding or equal to the amount of Baht 1.50 million. The first installment will begin in April 2020 and must be delivered by February 2022. The value of goods shall be based on the average market price of the three creditable companies.

The Company agreed to immediately withdraw the said lawsuit and the 22 copies of post dated cheques. On 8 May 2020, the Company withdrew the said lawsuit to the Supreme Court.

Subsequently, on 30 November 2020, the company is unable to collect the payment according to the cheques payable for 6 copies in the amount  of Baht 2.70 million. In this regard, the Company has filed a criminal complaint under the Cheque Act with Mr. Sutin Jaithum and Ms. Charuwan Phusanaphibankhup to the police station. However , IEC Sakaeo 1 Co.,Ltd. has outstanding wood chopped fuel debt in the amount of Baht 2.40 million.

1. **Short-term loans**

Movements of short-term loans from other persons for the nine-month periods ended 30 September were as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **financial statements** | | |  | **financial statements** | | |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | |
| At 1 January | - |  | 65,000 |  | - |  | 50,000 |
| Decrease | - |  | (65,000) |  | - |  | (50,000) |
| **At 30 September** | **-** |  | **-** |  | **-** |  | **-** |

1. **Advance received for purchase of shares**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | Consolidated and separate  **financial statements** | | |
|  |  |  |  |  | 30 September |  | 31 December |
|  |  |  |  |  | 2020 |  | 2019 |
|  |  |  |  |  | *(in thousand Baht)* | | |
| Buyer’s deposit received for purchase of subsidiary shares | | | |  | 10,000 |  | 10,000 |
| **Total** |  |  |  |  | **10,000** |  | **10,000** |

1. **Long-term loans**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Consolidated** | | |
|  | **financial statements** | | |
|  | 30 September |  | 31 December |
|  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | |
| Long-term loans from financial institutions | 155,670 |  | 237,701 |
| *Less* long-term loans in default | (155,670) |  | (205,271) |
| current portion of long-term loans | - |  | (20,280) |
| **Net** | **-** |  | **12,150** |

Movements of long-term loans during for the nine-month periods ended 30 September were as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Consolidated** | | |
|  | **financial statements** | | |
|  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | |
| At 1 January | 237,701 |  | 334,016 |
| Decrease | (82,031) |  | (50,659) |
| **At 30 September** | **155,670** |  | **283,357** |

Under the loan agreements of the subsidiary (IEC Sakaeo 1 Co., Ltd.) contains certain restrictive conditions relating to maintain of debt coverage ratio as follows:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | As per agreement |  | As per financial statements | | |
|  |  | At 30 September 2020 |  | At 31 December 2019 |
| Financial ratio (DSCR) |  | Not less than 1.1 |  | 0.20 |  | 0.20 |
| Debt to equity ratio |  | Not less than 0 |  | (1.60) |  | (1.36) |

Therefore, as at 30 September 2020 and 31 December 2019, the subsidiary (IEC Sakaeo 1 Co., Ltd.) did not maintain a financial ratio according to the agreement. The bank may accelerate the subsidiary makes the repayment immediately prior to maturity. Therefore, the subsidiary classified long-term loan to long-term loan in default in the amount of Baht 156 million and Baht 205 million, respectively, as shown in current liabilities.

1. **Lease liabilities**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated financial statements | | | | |  | Separate financial statements | | | | |
|  | 30 September 2020 | | | | | | | | | | |
|  | Future value of the minimum lease payments |  | Interest |  | Present Value of minimum lease payments |  | Future value of the minimum lease payments |  | Interest |  | Present Value of minimum lease  payments |
|  | *(in thousand Baht)* | | | | | | | | | | |
| Within one year | 4,360 |  | 366 |  | 3,994 |  | 947 |  | 113 |  | 834 |
| After one year but |  |  |  |  |  |  |  |  |  |  |  |
| within five years | 20,715 |  | 2,661 |  | 18,054 |  | 4,211 |  | 552 |  | 3,659 |
| **Total** | **25,075** |  | **3,027** |  | **22,048** |  | **5,158** |  | **665** |  | **4,493** |
|  |  | | | | |  |  | | | | |
|  | Consolidated financial statements | | | | |  | Separate financial statements | | | | |
|  | 31 December 2019 | | | | | | | | | | |
|  | Future value of the minimum lease payments |  | Interest |  | Present Value of minimum lease payments |  | Future value of the minimum lease payments |  | Interest |  | Present Value of minimum lease  payments |
|  | *(in thousand Baht)* | | | | | | | | | | |
| Within one year | 2,386 |  | 30 |  | 2,356 |  | - |  | - |  | - |
| After one year but |  |  |  |  |  |  |  |  |  |  |  |
| within five years | 2,451 |  | 6 |  | 2,445 |  | - |  | - |  | - |
| **Total** | **4,837** |  | **36** |  | **4,801** |  | **-** |  | **-** |  | **-** |

As at 30 September 2020, lease liabilities in the amount of Baht 22 million and Baht 4 million in the consolidated and separate financial statements, respectively, represented 7 lease agreements of land, Building and vehicle. The payment is made with 24 – 336 month installment of Baht 3,850 to Baht 110,500.

As at 31 December 2019, financial lease liabilities of two subsidiaries (IEC Sakaeo 1 Co.,Ltd. and Gidec Co., Ltd.) in the amount of Baht 5 million represented 2 financial lease agreement to purchase vehicle with other company. The payment is made with 24 – 48 month installment of Baht 0.21 million.

1. **Non-current provision for employee benefits**

Movement in the present value of the defined benefit obligations for the nine-month periods ended 30 September were as follows:

|  | **Consolidated** | | |  | **Separate** | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **financial statements** | | |  | **financial statements** | | | |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 | |
|  | *(in thousand Baht)* | | | | | | | |
| Defined benefit obligations at |  |  |  |  |  | |  |  |
| 1 January | 5,447 |  | 8,433 |  | 4,288 | |  | 7,902 |
| **Recognize in profit or loss** |  |  |  |  |  | |  |  |
| Current service costs and interest |  |  |  |  |  | |  |  |
| on obligation | 691 |  | 1,242 |  | 434 | |  | 1,079 |
| *Less* employee benefit paid | (15) |  | - |  | - | |  | - |
| **Defined benefit obligations** |  |  |  |  |  | |  |  |
| **at 30 September** | **6,123** |  | **9,675** |  | **4,722** | |  | **8,981** |

1. **Provisions**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
|  | 30 September |  | 31 December |  | 30 September |  | 31 December |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | |
| Provision for penalty under |  |  |  |  |  |  |  |
| the contract | 49,451 |  | 34,447 |  | 49,451 |  | 34,447 |
| Provision on lawsuit | 8,326 |  | 8,375 |  | - |  | - |
| Provision for loss of subsidiary | - |  | - |  | 77,942 |  | 77,942 |
| **Total** | **57,777** |  | **42,822** |  | **127,393** |  | **112,389** |
|  |  |  |  |  |  |  |  |
| Classified to: |  |  |  |  |  |  |  |
| Current | 49,451 |  | 34,447 |  | 49,451 |  | 34,447 |
| Non - Current | 8,326 |  | 8,375 |  | 77,942 |  | 77,942 |
| **Total** | **57,777** |  | **42,822** |  | **127,393** |  | **112,389** |

Movements for the nine-month periods ended 30 September were as follows:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Consolidated financial statements** | | | | | | | | | | | | | | |
|  |  | Provision for penalty  under the contract | | |  | Provision on lawsuit | | |  | Provision for loss of subsidiary | | |  | Total | | |
|  |  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  |  | *(in thousand Baht)* | | | | | | | | | | | | | | |
| At 1 January |  | 34,447 |  | 19,002 |  | 8,376 |  | 13,057 |  | - |  | - |  | 42,823 |  | 32,059 |
| Increase of provision |  | 15,004 |  | 9,101 |  | - |  | 81 |  | - |  | - |  | 15,004 |  | 9,182 |
| Payment of provision |  | - |  | - |  | (50) |  | (4,744) |  | - |  | - |  | (50) |  | (4,744) |
| **At 30 September** |  | **49,451** |  | **28,103** |  | **8,326** |  | **8,394** |  | **-** |  | **-** |  | **57,777** |  | **36,497** |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Separate financial statements** | | | | | | | | | | | | | | | |
|  |  | Provision for penalty  under the contract | | |  | Provision on lawsuit | | |  | Provision for loss of subsidiary | | | |  | Total | | |
|  |  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 | |  | 2020 |  | 2019 |
|  |  | *(in thousand Baht)* | | | | | | | | | | | | | | | |
| At 1 January |  | 34,447 |  | 19,002 |  | - |  | 4,410 |  | 77,942 |  | | 77,942 |  | 112,389 |  | 101,354 |
| Increase of provision |  | 15,004 |  | 9,101 |  | - |  | 81 |  | - |  | | - |  | 15,004 |  | 9,182 |
| Payment of provision |  | - |  | - |  | - |  | (4,491) |  | - |  | | - |  | - |  | (4,491) |
| **At 30 September** |  | **49,451** |  | **28,103** |  | **-** |  | **-** |  | **77,942** |  | | **77,942** |  | **127,393** |  | **106,045** |

1. **Share capital**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **Consolidated and separate financial statements** | | | | | | |
|  | *Par* |  | 30 September 2020 | | |  | 31 December 2019 | | |
|  | *value* |  | Number |  | Amount |  | Number |  | Amount |
|  | *(in Baht)* |  | *(in thousand shares / in thousand Baht)* | | | | | | |
| ***Authorized share*** |  |  |  |  |  |  |  |  |  |
| ***capital*** |  |  |  |  |  |  |  |  |  |
| At beginning of period |  |  |  |  |  |  |  |  |  |
| - Ordinary shares | *0.01* |  | 447,657,627 |  | 4,476,576 |  | 447,657,627 |  | 4,476,576 |
| **At the end of period** |  |  |  |  |  |  |  |  |  |
| **- Ordinary shares** | ***0.01*** |  | **447,657,627** |  | **4,476,576** |  | **447,657,627** |  | **4,476,576** |
|  |  |  |  |  |  |  |  |  |  |
| ***Issued and paid*** |  |  |  |  |  |  |  |  |  |
| ***share capital*** |  |  |  |  |  |  |  |  |  |
| At beginning of period |  |  |  |  |  |  |  |  |  |
| - Ordinary shares | *0.01* |  | 249,345,539 |  | 2,493,455 |  | 249,335,778 |  | 2,493,358 |
| Increase of shares | *0.01* |  | - |  | - |  | 9,761 |  | 97 |
| **At the end of period** |  |  |  |  |  |  |  |  |  |
| **- Ordinary shares** | ***0.01*** |  | **249,345,539** |  | **2,493,455** |  | **249,345,539** |  | **2,493,455** |

On 13 – 20 May 2019, warrants holders exercised the rights to convert warrant (IEC-W2) in the amount of 9,760,547 shares, for purchasing ordinary shares at the price of Baht 0.045 per share in the amount of Baht 439,225 (issued and paid-up share capital in the amount of Baht 97,605 and share premium on ordinary shares in the of Baht 341,619). The Company registered the increase share capital with the Ministry of Commerce on 31 May 2019.

**Warrants to purchase ordinary shares no.2 (IEC – W2)**

On 23 May 2016, the Company issued warrants to purchase the Company’s ordinary shares no.2 (IEC-W2) amount 40,679 million units for offering to the existing shareholders rate 5 existing shares per 1 warrant at the offering price of 0 baht. The details are as follows:

Number of warrants : 40,679 million units

Maturity of warrants : 3 years from 23 May 2016

Offering price : At Baht 0 per unit

Exercise ratio : 1 warrant (IEC-W2) per 1 ordinary share

Exercise price : Year 1 price 0.025 Bath per 1 share / year 2 price 0.035 Bath per share and year 3 price 0.045 Bath per share

Due date : 22 May 2019

During the nine-month periods ended 30 September, the number of warrants to purchase ordinary shares of the Company has changed as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | Number of warrants | | |
|  | 2020 |  | 2019 |
|  | *(in thousand units)* | | |
| Balance at 1 January | - |  | 40,474,623 |
| Decrease | - |  | (9,761) |
| **Balance at 30 September** | **-** |  | **40,464,862** |

1. **Segment information**

***Information about reportable segments***

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Segment 1** | | |  | **Segment 2** | | | **Total** | | | |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in million Baht)* | | | | | | | | | | |
| **For the three-month period 30 September** | | | | | | | | | | | |
| Revenue from operations |  |  |  |  |  |  |  |  |  |  |  |
| - External | 30 |  | 6 |  | 129 |  | 88 |  | 159 |  | 94 |
| Other revenue |  |  |  |  |  |  |  |  |  |  |  |
| - External | 1 |  | 2 |  | 1 |  | 1 |  | 2 |  | 3 |
| - Inter – segment | - |  | 1 |  | - |  | - |  | - |  | 1 |
| **Total** | **31** |  | **9** |  | **130** |  | **89** |  | **161** |  | **98** |
| *Less* elimination | - |  | (1) |  | - |  | - |  | - |  | (1) |
| **Total segment revenue** | **31** |  | **8** |  | **130** |  | **89** |  | **161** |  | **97** |
| Finance income | 1 |  | - |  | - |  | - |  | 1 |  | - |
| Finance cost | 1 |  | - |  | 2 |  | 4 |  | 3 |  | 4 |
| Reversal impairment loss on assets | (1) |  | (1) |  | (6) |  | (5) |  | (7) |  | (6) |
| Reversal expected credit loss of |  |  |  |  |  |  |  |  |  |  |  |
| receivables | (2) |  | (2) |  | - |  | - |  | (2) |  | (2) |
| **Segment income (loss) before**  **income tax** | **(3)** |  | **(12)** |  | **16** |  | **(16)** |  | **13** |  | **(28)** |

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Segment 1** | | |  | **Segment 2** | | | **Total** | | | |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in million Baht)* | | | | | | | | | | |
| **For the nine-month period 30 September** | | | | | | | | | | | |
| Revenue from operations |  |  |  |  |  |  |  |  |  |  |  |
| - External | 72 |  | 52 |  | 384 |  | 335 |  | 456 |  | 387 |
| Other revenue |  |  |  |  |  |  |  |  |  |  |  |
| - External | 1 |  | 4 |  | 4 |  | 8 |  | 5 |  | 12 |
| - Inter – segment | 1 |  | 2 |  | - |  | - |  | 1 |  | 2 |
| **Total** | **74** |  | **58** |  | **388** |  | **343** |  | **462** |  | **401** |
| *Less* elimination | (1) |  | (2) |  | - |  | - |  | (1) |  | (2) |
| **Total segment revenue** | **73** |  | **56** |  | **388** |  | **343** |  | **461** |  | **399** |
| Finance income | 1 |  | 1 |  | - |  | - |  | 1 |  | 1 |
| Finance cost | 1 |  | 1 |  | 8 |  | 14 |  | 9 |  | 15 |
| Impairment loss on assets |  |  |  |  |  |  |  |  |  |  |  |
| (reversal) | (3) |  | 3 |  | (18) |  | (18) |  | (21) |  | (15) |
| Reversal expected credit loss of |  |  |  |  |  |  |  |  |  |  |  |
| receivables | (5) |  | (4) |  | - |  | - |  | (5) |  | (4) |
| **Segment income (loss) before**  **income tax** | **(17)** |  | **(46)** |  | **42** |  | **(10)** |  | **25** |  | **(56)** |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Segment assets** |  |  |  |  |  |  |  |  |  |  |  |
| **At 30 September / 31 December** | **566** |  | **538** |  | **1,038** |  | **1,070** |  | **1,604** |  | **1,608** |

Reconciliation of reportable segment revenues, profit or loss and asset for the nine-month periods ended 30 September

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | | |
|  | For the Three-month | | |  | For the nine-month | | |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in million Baht)* | | | | | | |
| **Profit or loss** |  |  |  |  |  |  |  |
| Profit (loss) for reportable segments | 3 |  | (37) |  | 14 |  | (167) |
| Elimination of inter – segment profits | 10 |  | 9 |  | 11 |  | 111 |
| **Profit (loss) before income tax** | **13** |  | **(28)** |  | **25** |  | **(56)** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
|  | 30 September |  | 31 December |  | 30 September |  | 31 December |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in million Baht )* | | | | | | |
| **Assets** |  |  |  |  |  |  |  |
| Total assets for reportable segments | 1,595 |  | 1,606 |  | 557 |  | 535 |
| Investment in equity securities | 9 |  | 2 |  | 9 |  | 2 |
| **Consolidated total assets** | **1,604** |  | **1,608** |  | **566** |  | **537** |

1. **Earnings (loss) per share**

***Basic earnings (loss) per share***

Basic earnings (loss) per share for the three-month and nine-month periods ended 30 September is calculated by dividing the net profit (loss) for the periods attributable to ordinary shareholders of the Company by the weight average number of shares issuing during the periods as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | | |
|  | For the Three-month | | |  | For the nine-month | | |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in million Baht/in million share)* | | | | | | |
| Profit (loss) for the period attributable |  |  |  |  |  |  |  |
| to ordinary shareholders of the |  |  |  |  |  |  |  |
| Company (basic) | 12 |  | (28) |  | 25 |  | (56) |
| Number of ordinary shares |  |  |  |  |  |  |  |
| outstanding at 1 January | 249,336 |  | 249,336 |  | 249,346 |  | 249,336 |
| Effect of shares issued | - |  | 4 |  | - |  | 4 |
| Weighted average number of |  |  |  |  |  |  |  |
| ordinary shares outstanding |  |  |  |  |  |  |  |
| (basic) | 249,336 |  | 249,340 |  | 249,346 |  | 249,340 |
| **Earnings (loss) per share (basic)  (Baht)** | **0.00005** |  | **(0.00011)** |  | **0.00010** |  | **(0.00022)** |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | | | |
|  | For the three-month | | | |  | For the nine-month | | |
|  | 2020 |  | | 2019 |  | 2020 |  | 2019 |
|  | *(in million Baht/in million share)* | | | | | | | | |
| Profit (loss) for the period attributable |  |  |  | |  |  |  |  |
| to ordinary shareholders of the |  |  |  | |  |  |  |  |
| Company (basic) | 18 |  | (12) | |  | 1 |  | (132) |
| Number of ordinary shares |  |  |  | |  |  |  |  |
| outstanding at 1 January | 249,346 |  | 249,336 | |  | 249,346 |  | 249,336 |
| Effect of shares issued | - |  | 4 | |  | - |  | 4 |
| Weighted average number of |  |  |  | |  |  |  |  |
| ordinary shares outstanding |  |  |  | |  |  |  |  |
| (basic) | 249,346 |  | 249,340 | |  | 249,346 |  | 249,340 |
| **Earnings (loss) per share (basic)  (Baht)** | **0.00007** |  | **(0.00005)** | |  | **0.00000** |  | **(0.00052)** |

1. **Financial instruments**

***Determination of fair value for financial assets and liabilities not measured at fair value.***

The Group’s / Company’s financial assets and liabilities not measured at fair value are short-term. The Group / Company estimates the fair value of financial assets and liabilities approximately their carrying amounts in the statement of financial position.

Fair values of long-term loans approximated their carrying amounts because interest rates approximated to market rates.

1. **Commitments with non – related parties**

As at 30 September 2020, the Group /Company had commitments as follows:

|  | **Consolidated financial statements** |  | **Separate**  **financial statements** |
| --- | --- | --- | --- |
|  | *(in million Baht)* | | |
| ***Non-cancellable operating lease*** |  |  |  |
| ***commitments*** |  |  |  |
| Within one year | 2 |  | 2 |
| After one year but within five years | 3 |  | 3 |
| After five years | 1 |  | 1 |
| **Total** | **6** |  | **6** |
|  |  |  |  |
| ***Other commitments*** |  |  |  |
| Bank guarantee and cashier cheques for service |  |  |  |
| agreement and electricity usage | 51 |  | 50 |
| **Total** | **51** |  | **50** |

On 8 April 2015, the Company (“buyer”) entered into an agreement to purchase the remaining waste from separation of organic fertilizer with another company (“seller”) by agreeing to buy the remaining waste from the separation of organic fertilizer to use as raw materials in the recycling plastic project. The purchase price is determined for the first 2 years from the date of the first purchase at a fixed rate of Baht 161 per metric ton and increase by 2% in every year for a total of 10 years, requiring the deposit in the amount of Baht 5 million. Under the agreement requires the important conditions such as the termination of the agreement only when received the consent from both parties and non-compliance under the conditions of agreement, etc.

In this regard, in case of either party fails to comply with the agreement, the other party has the right to claim damages and fines at the rate of 5% per year, including damages or penalty from the termination without consent. Presently, the Company has not been notified of claims for damages or fines from the termination of the above agreement. However, the Company has already set up an allowance for impairment of deposit under the above agreement in the amount of Baht 5 million, includinghas followed the saidrefunded deposit.

1. **Lawsuits and litigation**

* ***Lawsuits that the Company and subsidiaries sued***

***The International Engineering Public Company Limited (The Company)***

| **Case No.** | **Plaintiff/ Complainant** | **Defendant/**  **Objector** | **Details of case** |
| --- | --- | --- | --- |
| Por.780/2561  Por.1281/2562 | The Company | Mrs. Waraporn Petcharawan  Mr. Polpiphat Srisuwan  Mr. Itthidej Srisuwan  Mr Saran  Yusuk  Thaworn Energy (2013) Co., Ltd. | On 12 February 2018, the Company filed a plaint to the Civil Court for breach of the sale and purchase of share agreement with the claims amount of Baht 53.75 million, which the Court of First Instance ordered the defendant to pay back the deposit for the shares to the Company with interest rate at 7.5 % per annum from the sue date. Subsequently, on 11 June 2019, the defendant appealed to the Court. Subsequently, on 6 October 2020, the Appeal Court ordered the defendant to payment the deposit for the shares to the Company with interest rate at 7.5% per annum until the settlement was completed. Later, the defendant is in the process of filling to the Supreme Court. |
| Black case No. Por.310/2563 | The Company | IEC Business Partners Co., Ltd (“Subsidiary”) | On 21 January 2020, the Company filed a plaint to the Civil Court about debt, loans, promissory note and default on debts. On 2 July 2020, the Court ordered the defendant to make the payment in the amount of Baht 21.02 million to the plaintiff. However, as at 30 September 2020, the Subsidiary recorded such liability amounted to Baht 21.52 million shown under other current payables. |

***IEC Green Energy Co., Ltd. (IEC GREEN)***

| **Case No.** | **Plaintiff/ Complainant** | **Defendant/**  **Objector** | **Details of case** |
| --- | --- | --- | --- |
| Aor.1656/2560 | The subsidiary  (IEC GREEN) | Mr. Bhusana Premanode  Mr. Narong Ongartmaneerut  Mr. Chanchai Khemwichien  Mr Suthep  Boa San Thia  LPS Company Limited | On 27 July 2017, the Company filed a plaint to the Court for fraud in the purchasing Bio Scrubber Emission with the claim amount of Baht 20.50 million. On 13 November 2018, the Court dismissed the case and the Company appealed to the Court and the Appeal Court reversed the decision and agreed to obtain all defendants’ plaints except for the 2nd and 4th defendants. Subsequently, on 29 August 2019, the subsidiary filed a dike to the Court. Presently, it has been in the process of consideration of the Supreme Court which has not been finalized. |

***Gidec Co., Ltd. (GIDEC)***

| **Case No.** | **Plaintiff/ Complainant** | **Defendant/**  **Objector** | **Details of case** |
| --- | --- | --- | --- |
| Por.1775/2561 | The subsidiary (GIDEC) | Flora Technology Company  Limited | On 4 September 2018, the subsidiary filed a plaint to the Court regarding the breach of the consulting agreement in the disposal of community waste for processing into electrical energy with the claim amount of Baht 13.71 million. On 19 November 2018, the Civil Court ordered the defendant to pay the amount of claim of Baht 11.84 million with interest from 21 July 2016 until the settlement was completed. |

***IEC Mae Tha Mae Taeng Co., Ltd. (IECMT)***

| **Case No.** | **Plaintiff/ Complainant** | **Defendant/**  **Objector** | **Details of case** |
| --- | --- | --- | --- |
| Aor.1671/2560  Aor.3006/2561 | The subsidiary  (IECMT) | Mr. Bhusana Premanode  Mr. Kittphat Sirathanaset  Mr. Somchai  Lertwisettheerakun  Mr Maruphong  Siriwat  Ms. Aphirat Premanode  REEC Company  Ltd. | On 31 July 2017, the subsidiary filed a plaint to Civil Court charged with false statements and concealing facts in the procurement of Line Conditioner, Mae Malai Project without real purchasing with the claim amount of Baht 10.52 million and on 13 November 2018, the Court dismissed the case. However, the subsidiary set up an allowance for impairment in full amount.  On 28 February 2019, the subsidiary filed an appeal to the Appeal Court and the Court reversed to accept the request of all the defendants and of Mr. Somchai Lertwisettheerakun. The subsidiary filed a petition to the Supreme Court for the defendant – Somchai. Presently, it has been in the process of consideration of the Court, which has not been finalized. |
| Aor.1673/2560  Aor.3007/2561 | The subsidiary  (IECMT) | Mr. Bhusana Premanode  Mr. Kittphat Sirathanaset  Mr. Somchai  Lertwisettheerakun  Mr Maruphong  Siriwat  Ms. Aphirat Premanode  REEC Company Ltd. | On 31 July 2017, the subsidiary filed a plaint to Civil Court charged with false statements and concealing the facts in the procurement of Line Conditioner, Mae Tha Project without real purchasing with the claim amount of Baht 20.37 million and on 13 November 2018, the Court dismissed the case. However, the subsidiary set up an allowance for impairment in full amount.  On 28 February 2019, the subsidiary filed an appeal to the Appeal Court and the Court reversed to accept the request of all the defendants and Mr. Somchai Lertwisettheerakun. The subsidiary filed a petition to the Supreme Court for the defendant-Somchai. Presently, it has been in the process of consideration of the Court, which has not been finalized. |

***IEC Sakaeo 1 Co., Ltd. (IEC SK1)***

| **Case No.** | **Plaintiff/ Complainant** | **Defendant/**  **Objector** | **Details of case** |
| --- | --- | --- | --- |
| Por.386/2562 | The subsidiary  (IEC SK1) | Ms. Charuwan Phusanaphibankhup  Mr. Suthin Jaithum | On 18 July 2019, the subsidiary filed a plaint to the Court for breach of the acknowledgement of debt agreement with the claim amount of Baht 2.93 million. Presently, it has been in the process of consideration of the Court, which has not been finalized. |

* ***Litigation that the Company and subsidiaries were sued***

***The International Engineering Public Company Limited (The Company)***

| **Case No.** | **Plaintiff/ Complainant** | **Defendant/**  **Objector** | **Details of case** |
| --- | --- | --- | --- |
| Por.2933/2561 | BP Auto Tech Engineering Company Limited | The Company | On 28 May 2018, the Company was sued for breach of hire of work agreement with the claim amount of Baht 3.69 million. On 28 November 2019, the Court ordered the Company to make the payment of Baht 2.95 million with interest at the rate of 7.5% per annum of the principal in the amount of Baht 2.59 million from the next day of sue date until the completed settlement. On 19 December 2019, the Company requested to extend the period of filing the appeal by 26 February 2020. However, as at 30 September 2020 and 31 December 2019, the Company recorded a principal amounted to Baht 2.59 million shown under other current payables. |

***IEC Green Energy Co., Ltd (IEC GREEN)***

| **Case No.** | **Plaintiff/ Complainant** | **Defendant/**  **Objector** | **Details of case** |
| --- | --- | --- | --- |
| Aor.1991/2561 | LPS Company  Limited | The subsidiary  (IEC GREEN) | On 2 May 2018, the subsidiary was sued due to bring a false charge and on 16 September 2019, the Court temporarily dispose the case to wait for the result of the primary case, Aor. 1656/2560. |

***IEC Business Partners Co., Ltd (IECBP)***

| **Case No.** | **Plaintiff/ Complainant** | **Defendant/**  **Objector** | **Details of case** |
| --- | --- | --- | --- |
| Civil black case No.219/2552 | IGA | The subsidiary  (IECBP) | On 22 January 2009, a subsidiary was sued by International Gasohol Corporation Limited in relation to breach the sell agreement with calling the outstanding debt, a lawyer fee of Baht 1 million and claim due to default under sale and purchase of assets agreement in the amount of Baht 77.21 million with interest at 7.5 % per annum on principal totalling Baht 82.54 million. However, the subsidiary recorded payable on assets and provision amounted to Baht 69 million and Baht 8 million, respectively. Subsequently, on 4 February 2020, the Court considered that there was a reasonable cause for both parties to compromise. Therefore, the Court ordered to postpone the consideration and made the appointment to investigate the witness. On 3 November 2020, the Court judged the defendant to make the payment in the amount of Baht 26 million, which the subsidiary is in the process of copy a judgment. |

***IEC Mae Tha Mae Taeng Co., Ltd (IECMT)***

| **Case No.** | **Plaintiff/ Complainant** | **Defendant/**  **Objector** | **Details of case** |
| --- | --- | --- | --- |
| Por.4271/2561 | Mr. Somchai Lertwisettheerakun | The subsidiary  (IECMT) | On 26 July 2018, the subsidiary was sued for violations and recover damage with the claim amount of Baht 50 million. On 21 May 2019, the Court ordered to temporarily dispose of the case to wait for the completed of facts of the relevant criminal case. |
| Aor.2016/2561  Aor.765/2562 | Mr. Somchai Lertwisettheerakun | The subsidiary  (IECMT) | On 6 July 2018, the subsidiary was sued due to bring a false charges and on 8 September 2020, the Court ordered to dismiss the case and ordered to temporarily dispose the case. |
| Aor.2271/2561  Aor.3057/2561 | Mr. Somchai Lertwisettheerakun | The subsidiary  (IECMT) | On 25 July 2018, the subsidiary was sued due to bring a false charges. The Court ordered to temporarily dispose of the case to wait for the main case. (Aor. 1673/2560) having final judgment first. |

**Incriminating the former directors and executives of the Company**

* On 31 October 2017, The SEC filed criminal complaints against former directors and executives of The International Engineering Public Company Limited (IEC) and their associates, totaling 25 persons, with the Department of Special Investigation (DSI) for jointly committing fraudulent acts, misappropriating the company's assets and seeking unlawful gains, which had caused damage to IEC. Their misconduct also included arranging or allowing preparation of forged accounting records be inconsistent with the facts to deceive other persons during September 2014 to August 2016, regarding purchases of IEC subsidiaries shares, entering into construction contracts, machinery procurement and installation contracts, as well as misuse of North Environment Company Limited (NE) and Energy System Engineering and Service Company Limited (ESES) as a channel for committing fraudulent acts involved nine cases with the initial total damages of more than Baht 200 million, which were summarized as follows:

Case 1: Committing a fraud by misappropriating IEC assets through a purchase transaction of IEC Sakaeo 1 Co., Ltd. (IEC SK1) shares in the amount of Baht 345 million. The seller received Baht 300 million from the sale of shares; the margin of approximately Baht 45 million was given to the former director of IEC Sakaeo 1 Co., Ltd.

Case 2: Arranging for falsification of the IEC financial statements; the former directors and two related persons made up fake documents and partially paid for the debt owed by debtor, who had agreed to take on debt into believed that the debtor owing the outstanding balance of fuel charge worth Baht 53.62 million was capable of debt repayment to the company without allowance for a doubtful account of the outstanding debt.

Case 3: Performing duties dishonestly and seeking wrongful gains, which caused damage to IEC, through a purchase transaction of IECSK1 shares at the amount of Baht 100 million. This was done after IECSK1 had been placed in absolute receivership by the Central Bankruptcy Court's order. ; the former directors knew the fact but they still wanted IEC to buy IECSK1 shares from the two seller (who were their debtors) in order to repay them (the former directors) with the money received from the sale of shares.

Case 4: Performing duties dishonestly and seeking wrongful gains, which caused damage to IEC, in the case where IEC did not exercise the right to purchase shares of Kokcharoen Green Energy Company Limited (KE) in the amount of Baht 45 million. Instead, the former director offered to buy KE shares directly from the seller at the price of Baht 20 million. Later, he arranged for his associates to sell the shares to a third party at the significantly higher price of Baht 70 million, which created an unlawful benefit for the former directors. The three directors of ESES assisted and supported the execution of such trading transactions.

Case 5: Committing a fraud by misappropriating money of NongRee Power Plants Company Limited through a contract with ESES for the construction of a building and the installation of electricity-generating machinery at the exaggerated price of Baht 58 million. NongRee Power Plants paid for the first installment of Baht 12.48 million to ESES.

Case 6: Committing a fraud by misappropriating money of IEC through the selling transactions of thermoplastic of IEC project in Rayong province. That was the former directors and one related person jointly sold the thermoplastic to third parties before the launch date of commercial operation. Instead of making the payment for the thermoplastic to IEC, the buyers transferred the total payment approximately Baht 2.95 million into the accounts of two related persons and NE director, was involved in the arrangement.

Case 7: Committing a fraud by misappropriating money of IEC through the transactions related to the outsourcing contract with Bann Tongkum, regarding the construction of a wastewater treatment system and a water purifier system of IEC project in Rayong province in the amount of Baht 15.09 million. The former directors and one related person had signed in acceptance of the complete construction and approved the full payment when in fact the construction was incomplete.

Case 8: Committing a fraud by misappropriating money of IEC through the transactions related to purchasing contract of waste trommel screen machines of IEC project in Had Yai District, Songkla Province from Petchpiya Group in the amount of Baht 10.70 million. The former directors and related one person signed in acceptance of the machines and approved the full payment by IEC but the machines could not be found in fact.

Case 9: Committing a fraud by misappropriating money of IEC through the transactions related to the outsourcing contract with Thai-Chin Engineering & Construction, regarding the construction of a contaminated plastic distilling plant of IEC project in Yad Yai District, Songkla Province in the amount of Baht 10.50 million. The former directors and one related person signed in acceptance of the complete construction and approved the full payment by IEC even though the construction was in breach of the contract.

The transactions as detailed above are liable to the offences under Paragraph 2 of Section 281/2, Section 307, Section 308, Section 311, Section 312 and Section 315 of the Securities and Exchange Commission Act B.E. 2535 in conjunction with Section 83, Section 86, Section 91, Section 352, Section 353 and Section 354 of the Penal Code. Each case may be subject to imprisonment from 5 to 10 years and a fine from Baht 500,000 to Baht 1 million.

In such case, the Department of Special Investigation (DSI) has been classified into 6 group cases. Presently, 5 groups of case, DSI completely investigated and sent the file of those cases to prosecutor of Office of the Special Prosecutor on 28 August 2020, and another group of cases has been in the process of investigation due to be waiting for evidence from People’s Republic of China and Republic of Singapore.

***The reason for delisting ordinary shares of the Company from being listed security***

On 20 June 2019, The Stock Exchange of Thailand (SET) announced the reason for delisting ordinary shares of the Company from being listed security due to the Company was unable to eliminate the grounds for delisting or to repossess the qualifications in order to resume trading within specified deadline which caused their shares subject to possible delisting under SET’s regulation. SET allowed trading on the securities of the Company for 7 business days before the effective date of delisting, during 1 – 9 July 2019. At the end of trading period, SET delisted the ordinary shares of the Company from listed security, effective from 10 July 2019 onwards. However, the current management is processing to eliminate the grounds for delisting. On 25 June 2019, the Company resolved to sue and on 27 June 2019, the Company has filed a plaint SET to the Central Administrative Court, to request the Court to revoke the judgement to cancel the order to revoke the delisted ordinary shares of IEC from being listed security. At the present, the case has been in the process of investigation of facts, which has not been finalized.

1. **Events after the reporting period**

On 1 October 2020, the Company entered into 4 warehouse rental agreements with related person for storage of goods, machinery, materials, equipment and documents were moved from the Project of Waste Plastic Recycling at Rayong Province for a period of 1 year from 1 October 2020 to 30 September 2021, at the rate of 20,000 - 90,000 Baht per month.

1. **Reclassification of accounts**

Certain accounts in statements of financial position for the year ended 31 December 2019 and statements of comprehensive income for the three-month and nine-month period ended 30 September 2019 have been reclassified to conform to the presentation in the financial statements for the three-month and nine-month period ended 30 September 2020.

|  | **As at 31 December 2019** | | | | | | | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated statement** | | | | | | |  | **Separate statement** | | | | | | | | |
|  | Before Reclassify | |  | Reclassify |  | After Reclassify | |  | Before Reclassify | |  | Reclassify | | |  | | After Reclassify | |
|  | *(in million Baht)* | | | | | | | | | | | | | | | | | |
| ***Statements of financial position*** | | |  |  |  | |  |  | |  |  | |  |  | |  | | |
| **Current assets** |  | |  |  |  | |  |  | |  |  | |  |  | |  | | |
| Current Investment | 2 | |  | (2) |  | | - |  | | 2 |  | | (2) |  | | - | | |
| Other current |  | |  |  |  | |  |  | |  |  | |  |  | |  | | |
| receivables | 181 | |  | (58) |  | | 123 |  | | 60 |  | | (8) |  | | 52 | | |
| Other current financial | - |  | | 2 |  | | 2 |  | | - |  | | 2 |  | | 2 | | |
| assets |  |  | |  |  | |  |  | |  |  | |  |  | |  | | |
| Current contract assets | - |  | | 58 |  | | 58 |  | | - |  | | 8 |  | | 8 | | |
| **Non-current assets** |  |  | |  |  | |  |  | |  |  | |  |  | |  | | |
| Available-for-sale  investments | 2 |  | | (2) |  | | - |  | | 2 |  | | (2) |  | | - | | |
| Other non-current |  |  | |  |  | |  |  | |  |  | |  |  | |  | | |
| financial assets | - |  | | 2 |  | | 2 |  | | - |  | | 2 |  | | 2 | | |
| Leasehold Right | 6 |  | | (6) |  | | - |  | | 6 |  | | (6) |  | | - | | |
| Right-of-use assets | - |  | | 6 |  | | 6 |  | | - |  | | 6 |  | | 6 | | |
| **Total** | **191** |  | | **-** |  | | **191** |  | | **70** |  | | **-** |  | | **70** | | |
|  |  |  | |  |  | |  |  | |  |  | |  |  | |  | | |

|  | **For the three-month period ended 30 September 2019** | | | | | | | | | | | | | | | | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated statement** | | | | | | | | | | | |  | | | **Separate statement** | | | | | | | | | | |
|  | Before Reclassify |  | | Reclassify | | |  | | | After Reclassify | | |  | | | Before Reclassify | |  | | | Reclassify |  | | After Reclassify | | |
|  | *(in million Baht)* | | | | | | | | | | | | | | | | | | | | | | | | | |
| ***Statement of comprehensive income*** | | | | | | |  | | |  | | |  | | |  | |  | | |  |  | |  | | |
| **Revenues** |  |  | |  | | |  | | |  | | |  | | |  | |  | | |  |  | |  | | |
| Interest income | - |  | | - | |  | | - | | |  | | | (5) | | |  | | 5 | | | |  | | - |
| Finance income | - |  | | - | |  | | - | | |  | | | - | | |  | | (5) | | | |  | | (5) |
| Reversal of |  |  | |  | |  | |  | | |  | | |  | | |  | |  | | | |  | |  |
| allowance for |  |  | |  | |  | |  | | |  | | |  | | |  | |  | | | |  | |  |
| doubtful accounts | (2) |  | | 2 | |  | | - | | |  | | | (12) | | |  | | 12 | | | |  | | - |
| Reversal of |  |  | |  | |  | |  | | |  | | |  | | |  | |  | | | |  | |  |
| allowance for |  |  | |  | |  | |  | | |  | | |  | | |  | |  | | | |  | |  |
| impairment of assets | (6) |  | | 6 | |  | | - | | |  | | | (1) | | |  | | 1 | | | |  | | - |
| **Expenses** |  |  | |  | |  | |  | | |  | | |  | | |  | |  | | | |  | |  |
| Doubtful debts |  |  | |  | |  | |  | | |  | | |  | | |  | |  | | | |  | |  |
| expense | - |  | | - | |  | | - | | |  | | | 15 | | |  | | (15) | | | |  | | - |
| Reversal of |  |  | |  | |  | |  | | |  | | |  | | |  | |  | | | |  | |  |
| impairment loss |  |  | |  | |  | |  | | |  | | |  | | |  | |  | | | |  | |  |
| on assets | - |  | | (6) | |  | | (6) | | |  | | | - | | |  | | (1) | | | |  | | (1) |
| Expected credit loss |  |  | |  | |  | |  | | |  | | |  | | |  | |  | | | |  | |  |
| of receivables |  |  | |  | |  | |  | | |  | | |  | | |  | |  | | | |  | |  |
| (reversal) | - |  | | (2) | |  | | (2) | | |  | | | - | | |  | | 3 | | | |  | | 3 |
| **Total** | **(8)** | |  | | **-** | |  | | **(8)** | | |  | | | **(3)** | | |  | | **-** | |  | | **(3)** | |

|  | **For the nine-month period ended 30 September 2019** | | | | | | | | | | | | | | | | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated statement** | | | | | | | | | | | |  | | | **Separate statement** | | | | | | | | | | |
|  | Before Reclassify |  | | Reclassify | | |  | | | After Reclassify | | |  | | | Before Reclassify | |  | | | Reclassify |  | | After Reclassify | | |
|  | *(in million Baht)* | | | | | | | | | | | | | | | | | | | | | | | | | |
| ***Statement of comprehensive income*** | | | | | | |  | | |  | | |  | | |  | |  | | |  |  | |  | | |
| **Revenues** |  |  | |  | | |  | | |  | | |  | | |  | |  | | |  |  | |  | | |
| Interest income | (1) |  | | 1 | |  | | - | | |  | | | (14) | | |  | | 14 | | | |  | | - |
| Finance income | - |  | | (1) | |  | | (1) | | |  | | | - | | |  | | (14) | | | |  | | (14) |
| Reversal of |  |  | |  | |  | |  | | |  | | |  | | |  | |  | | | |  | |  |
| allowance for |  |  | |  | |  | |  | | |  | | |  | | |  | |  | | | |  | |  |
| doubtful accounts | (5) |  | | 5 | |  | | - | | |  | | | (20) | | |  | | 20 | | | |  | | - |
| Reversal of |  |  | |  | |  | |  | | |  | | |  | | |  | |  | | | |  | |  |
| allowance for |  |  | |  | |  | |  | | |  | | |  | | |  | |  | | | |  | |  |
| impairment of assets | (21) |  | | 21 | |  | | - | | |  | | | (2) | | |  | | 2 | | | |  | | - |
| Reversal of |  |  | |  | |  | |  | | |  | | |  | | |  | |  | | | |  | |  |
| allowance for |  |  | |  | |  | |  | | |  | | |  | | |  | |  | | | |  | |  |
| impairment of |  |  | |  | |  | |  | | |  | | |  | | |  | |  | | | |  | |  |
| investments | - |  | | - | |  | | - | | |  | | | (16) | | |  | | 16 | | | |  | | - |
| **Expenses** |  |  | |  | |  | |  | | |  | | |  | | |  | |  | | | |  | |  |
| Loss on write off of |  |  | |  | |  | |  | | |  | | |  | | |  | |  | | | |  | |  |
| investments in |  |  | |  | |  | |  | | |  | | |  | | |  | |  | | | |  | |  |
| subsidiary | - |  | | - | |  | | - | | |  | | | 16 | | |  | | (16) | | | |  | | - |
| Other expenses | 2 |  | | - | |  | | 2 | | |  | | | - | | |  | | 16 | | | |  | | 16 |
| Doubtful debts |  |  | |  | |  | |  | | |  | | |  | | |  | |  | | | |  | |  |
| expense | 1 |  | | (1) | |  | | - | | |  | | | 116 | | |  | | (116) | | | |  | | - |
| Loss on impairment |  |  | |  | |  | |  | | |  | | |  | | |  | |  | | | |  | |  |
| of assets | 5 |  | | (5) | |  | | - | | |  | | | 5 | | |  | | (5) | | | |  | | - |
| Reversal of |  |  | |  | |  | |  | | |  | | |  | | |  | |  | | | |  | |  |
| impairment loss |  |  | |  | |  | |  | | |  | | |  | | |  | |  | | | |  | |  |
| on assets | - |  | | (16) | |  | | (16) | | |  | | | - | | |  | | (13) | | | |  | | (13) |
| Expected credit loss |  |  | |  | |  | |  | | |  | | |  | | |  | |  | | | |  | |  |
| of receivables |  |  | |  | |  | |  | | |  | | |  | | |  | |  | | | |  | |  |
| (reversal) | - |  | | (4) | |  | | (4) | | |  | | | - | | |  | | 96 | | | |  | | 96 |
| **Total** | **(19)** | |  | | **-** | |  | | **(19)** | | |  | | | **85** | | |  | | **-** | |  | | **85** | |