

No. ACE-ACC-4/2020

13 November 2020

Subject Management Discussion and Analysis for the period ended 30 September 2020

To President

The Stock Exchange of Thailand

Absolute Clean Energy Public Company Limited (“the Company”), are pleased to provide you our management discussion and analysis for the period ended 30 September 2020 of the Company and the subsidiaries (“the Group”) as follow:

Financial Performance of the Group								
Consolidated financial statements	Q3-2019	Q2-2020	Q3-2020	Change		9M-2019	9M-2020	Change
	THB Mn	THB Mn	THB Mn	%QoQ	%YoY	THB Mn	THB Mn	%YoY
Sales of goods and services	1,142.7	1,139.5	1,182.8	3.8%	3.5%	3,399.0	3,438.0	1.1%
Revenue from finance lease under power purchase agreement	102.9	102.8	103.2	0.4%	0.3%	308.4	306.9	(0.5%)
Revenue from construction under a concession arrangement	21.2	398.1	215.0	(46.0%)	914.2%	89.7	744.4	729.9%
Cost of sales and services	(819.3)	(796.3)	(822.9)	3.3%	0.4%	(2,506.5)	(2,407.9)	(3.9%)
Cost of construction under a concession arrangement	(21.2)	(398.1)	(215.0)	(46.0%)	914.2%	(89.7)	(744.4)	729.9%
Gross profit	426.3	446.0	463.1	3.8%	8.6%	1,200.9	1,337.0	11.3%
Net gain (loss) on exchange rate	(7.3)	(58.6)	37.6	N.A.(>100)	N.A.(>100)	(83.2)	91.2	N.A.(>100)
Gain from business acquisition	-	-	2.2	N.A.(>100)	N.A.(>100)	-	2.2	N.A.(>100)
Other income	1.8	0.9	3.0	233.3%	66.7%	26.9	176.9	557.6%
Profit before expenses	420.8	388.3	505.9	30.3%	20.2%	1,144.6	1,607.3	40.4%
Gain (loss) on forward contracts	-	(50.8)	8.4	N.A.(>100)	N.A.(>100)	-	7.1	N.A.(>100)
Administrative expenses	(84.5)	(77.2)	(67.3)	(12.8%)	(20.4%)	(259.0)	(232.4)	(10.3%)
Finance costs	(107.1)	(25.1)	(27.8)	10.8%	(74.0%)	(325.7)	(79.2)	(75.7%)
Profit before income tax	229.2	235.2	419.2	78.2%	82.9%	559.9	1,302.8	132.7%
Tax income (expenses)	(1.1)	14.6	(9.0)	N.A.(<-100)	718.2%	10.1	(49.2)	N.A.(<-100)
Net profit	228.1	249.8	410.2	64.2%	79.8%	570.0	1,253.6	119.9%
<i>Add(less): Loss/gain from extraordinary items*</i>	<i>5.4</i>	<i>104.3</i>	<i>(35.7)</i>			<i>66.3</i>	<i>(221.7)</i>	
Net profit from ordinary activities	233.5	354.1	374.5	5.8%	60.4%	636.3	1,031.9	62.2%

* Extraordinary items from non-operating, consists of unrealised gain(loss) on exchange rate of receivable under finance lease agreement, gain(loss) on forward contracts, insurance claim and gain from business acquisition.

Significant events for the period ended 30 September 2020

On 21 August 2020, Asia Clean Energy Co. Ltd., a subsidiary, acquired common shares of 3 biomass power plants in the proportion of 100 percent with the consideration paid of Baht 464.6 million. From comparison of identifiable assets acquired and liabilities assumed, and the consideration paid, the consideration paid is lower than fair value of net assets transferred. As a result, the Group has gain from business acquisition amounting to Baht 2.2 million, presented as “Gain from business acquisition” in Statement of Comprehensive Income.

Sales and service income for the period ended 30 September 2020 and 2019 are presented below:

Sales and service income	Q3-2019	Q2-2020	Q3-2020	Change		9M-2019	9M-2020	Change
	THB Mn	THB Mn	THB Mn	%QoQ	%YoY	THB Mn	THB Mn	%YoY
Sales of electricity - FiT	611.5	635.3	668.2	5.2%	9.3%	1,806.3	1,926.6	6.7%
FiT Premium	43.0	37.4	35.8	(4.3%)	(16.7%)	127.1	116.8	(8.1%)
Sales of electricity to Industrial Users (IU)	4.0	4.7	4.9	4.3%	22.5%	9.5	14.4	51.6%
Revenue from maintenance services to outside	-	-	47.8	N.A.(>100)	N.A.(>100)	-	47.8	N.A.(>100)
Sales from Biomass Power Plants	658.5	677.4	756.7	11.7%	14.9%	1,942.9	2,105.6	8.4%
Revenue from finance lease under a Power Purchase Agreement	102.9	102.8	103.2	0.4%	0.3%	308.4	306.9	(0.5%)
Revenue from service under a Power Purchase Agreement	407.5	388.0	355.9	(8.3%)	(12.7%)	1,232.8	1,107.2	(10.2%)
Sales of electricity to Industrial Users (IU)	2.4	1.3	1.1	(15.4%)	(54.2%)	6.5	4.1	(36.9%)
Sales of steam (IU)	6.1	4.4	1.8	(59.1%)	(70.5%)	13.6	11.1	(18.4%)
Sales from Natural Gas Power Plant	518.9	496.5	462.0	(6.9%)	(11.0%)	1,561.3	1,429.3	(8.5%)
Sales of electricity - Base tariff and Ft	25.3	25.3	24.0	(5.1%)	(5.1%)	76.8	77.1	0.4%
Adder	30.8	31.3	29.5	(5.8%)	(4.2%)	94.5	95.1	0.6%
Revenue from waste management	10.3	9.6	10.4	8.3%	1.0%	27.5	29.4	6.9%
Sales from Municipal Solid Waste Power Plant	66.4	66.2	63.9	(3.5%)	(3.8%)	198.8	201.6	1.4%
Sales of electricity - Base tariff and Ft	1.8	2.2	3.4	54.5%	88.9%	4.4	8.4	90.9%
Sales from Solar Energy Power Plants	1.8	2.2	3.4	54.5%	88.9%	4.4	8.4	90.9%
Total sales and service income	1,245.6	1,242.3	1,286.0	3.5%	3.2%	3,707.4	3,744.9	1.0%

Sales and service income increase 3.5% QoQ from Baht 1,242.3 million to Baht 1,286.0 million. The increase of Baht 43.7 million, mainly derived from sales of Biomass Power Plants which increased by Baht 79.3 million or 11.7%. Sales of electricity increased by Baht 31.5 million from increase in electricity unit sold compared to prior period. Sales of electricity also increase from partially record of revenue from the new biomass power plant which the Group acquired in

this period. In addition, there is revenue from maintenance to outside amounting to Baht 47.8 million. On the other hands, sales of Natural Gas Power Plants decreased by Baht 34.5 million or 6.9% because of decrease in unit rate which is adjusted in line with the decline in average Natural Gas price. Sales from Municipal Solid Waste Power Plant decreased by Baht 2.3 million or 3.5% because of higher planned-shutdown compared to prior period.

Sales and service income increase 3.2% YoY from Baht 1,245.6 million to Baht 1,286.0 million. The increase of Baht 40.4 million mainly derived from sales of Biomass Power Plant which increased by Baht 98.2 million from the same reason of QoQ above. The reasons are increase in sales of electricity due to lower planned-shutdown, increase in sales from partially record of revenue from the new power plant acquired in this period and revenue from maintenance services to outside amounting to Baht 47.8 million. Sales from Natural Gas Power Plant decreased by Baht 56.9 million or 11.0% mainly from the same reason of QoQ above which is decrease in unit rate from decline in average Natural Gas price. Sales from Municipal Solid Waste Power Plant decrease because of higher planned-shutdown compared to the same period of prior year.

Sales and service income 9MYoY increase 1.0% from Baht 3,707.4 million to Baht 3,744.9 million. The increase of Baht 37.5 million come from the same reasons of YoY as above. Sales from Biomass Power Plant increase from lower planned-shutdown and increase in sales from new power plant acquired in the current period. Sales from Municipal Solid Waste Power Plant also slightly increase by 1.4%. However, sales from Natural Gas Power Plant decrease from the decrease in unit rate which is adjusted in line with the decline in average Natural Gas price and increase in planned-shutdown for the period.

	Q3-2019	Q2-2020	Q3-2020	Change		9M-2019	9M-2020	Change
	THB Mn	THB Mn	THB Mn	%QoQ	%YoY	THB Mn	THB Mn	%YoY
Revenue from construction under a concession arrangement	21.2	398.1	215.0	(46.0%)	914.2%	89.7	744.4	729.9%

Revenue from construction under a concession arrangement decrease 46.0% QoQ and increase 914.2% YoY and 729.9% 9M YoY. Revenue from construction under a concession arrangement is the revenue from construction of Municipality Solid Waste Power Plant, an indirect subsidiary entered into contract with Krabi Municipality to provide waste management services (converting solid waste into electrical energy for 25-year period started from the date of contract). As specified in the contract, the subsidiary shall transfer building, machine and equipment to Krabi Municipality without any charges when the contract ends. The Group's management assessed the agreement in accordance with TFRIC 12 'Service Concession Arrangements'. As a result, the Group's management recognized revenue from construction under a concession arrangement in accordance with percentage of completion of the fair value of assets. The Group's management also recognized cost of construction under a concession arrangement at actual cost in the same amount. No gain and loss from recognized sales and cost of construction under a concession arrangement transaction. The decrease in revenue from construction under concession arrangement is due to the construction is nearly completed.

Cost of sales and service

Cost of sales and service for the period ended 30 September 2020 and 2019 are presented below:

Cost of sales and service	Q3-2019	Q2-2020	Q3-2020	Change		9M-2019	9M-2020	Change
	THB Mn	THB Mn	THB Mn	%QoQ	%YoY	THB Mn	THB Mn	%YoY
Fuel materials cost	543.0	530.9	515.9	(2.8%)	(5.0%)	1,658.4	1,563.8	(5.7%)
Depreciation and amortisation cost	122.5	123.2	130.0	5.5%	6.1%	367.0	378.0	3.0%
Staff cost and other benefits	36.4	39.0	37.8	(3.1%)	3.8%	118.7	114.0	(4.0%)
Repair and maintenance cost	46.7	40.3	45.8	13.6%	(1.9%)	142.5	130.4	(8.5%)
Cost of maintenance services to outside	-	-	29.8	N.A.(>100)	N.A.(>100)	-	29.8	N.A.(>100)
Engineering and other services	38.8	29.4	30.9	5.1%	(20.4%)	121.4	90.9	(25.1%)
Processing fee - PEA	13.5	13.9	14.0	0.7%	3.7%	40.0	41.8	4.5%
Other cost	18.4	19.6	18.7	(4.6%)	1.6%	58.5	59.2	1.2%
Total cost of sales and service	819.3	796.3	822.9	3.3%	0.4%	2,506.5	2,407.9	(3.9%)

Cost of sales and service increase 3.3% QoQ from Baht 796.3 million to Baht 822.9 million. The increase by Baht 26.6 million, mainly from cost of maintenance services to outside.

Cost of sales and service decrease 3.9% 9MYoY from Baht 2,506.5 million to Baht 2,407.9 million. The decrease by Baht 98.6 million mainly from cost of Natural Gas Power Plant from decrease in fuel material cost because of the decline in average natural gas price. In addition, cost of repair and maintenance of Natural Gas Power Plant also decrease because the plant using in-house management and maintenance services instead of hiring external services company, resulting to reduction in cost of engineering and other services of Natural Gas Power Plant by Baht 30.5 million.

Net gain (loss) on exchange rate

	Q3-2019	Q2-2020	Q3-2020	Change		9M-2019	9M-2020	Change
	THB Mn	THB Mn	THB Mn	%QoQ	%YoY	THB Mn	THB Mn	%YoY
Net gain (loss) on exchange rate	(7.3)	(58.6)	37.6	N.A. (>100)	N.A. (>100)	(83.2)	91.2	N.A. (>100)

Net gain (loss) on exchange rate mainly came from unrealized exchange rate of receivable under finance lease of Natural Gas Power Plant and partially from realized gain on exchange from payment for machine and spare parts for the under-developed projects to foreign suppliers. At the end of the second quarter, Thai Baht is appreciated compared to exchange rate as of end of the first quarter, the Group has loss on exchange rate. But Thai Baht as of the end of third quarter compared to end of second quarter 2020 is depreciated, the Group then has gain on exchange. Overall, for the 9-month period of 2020, Thai Baht still depreciated compared to end of 2019, the Group has yet gain from exchange of Baht 91.2 million.

Gain (loss) on forward contracts

	Q3-2019	Q2-2020	Q3-2020	Change		9M-2019	9M-2020	Change
	THB Mn	THB Mn	THB Mn	%QoQ	%YoY	THB Mn	THB Mn	%YoY
Gain (loss) on forward contracts	-	(50.8)	8.4	N.A. (>100)	N.A. (>100)	-	7.1	N.A. (>100)

The Group has implemented financial reporting standards related to financial instruments (IFRS9) since 1 January 2020 and recognized gain or loss on forward contracts from the differences in fair value of the derivatives.

Other income

	Q3-2019	Q2-2020	Q3-2020	Change		9M-2019	9M-2020	Change
	THB Mn	THB Mn	THB Mn	%QoQ	%YoY	THB Mn	THB Mn	%YoY
Other income	1.8	0.9	3.0	233.3%	66.7%	26.9	176.9	557.6%

Other income comprised of income from insurance claims, interest income, rental income and others. In the first quarter of 2020, an indirect subsidiary received insurance claims from an insurance company Baht 171.9 million. The claim was compensated from the event of damaged machinery during the test run, before COD. Note that the Plant was COD in 2016.

Gross Profit and Gross Profit Margin

Gross Profit	Q3-2019	Q2-2020	Q3-2020	Change		9M-2019	9M-2020	Change
	THB Mn	THB Mn	THB Mn	%QoQ	%YoY	THB Mn	THB Mn	%YoY
Biomass Power Plant	250.1	263.6	291.4	10.5%	16.5%	679.2	798.6	17.6%
Natural Gas Power Plant	145.7	144.9	143.9	(0.7%)	(1.2%)	429.6	427.9	(0.4%)
Municipal Solid Waste Power Plant	30.4	36.6	25.9	(29.2%)	(14.8%)	92.7	106.3	14.7%
Solar Energy Power Plant	0.1	0.9	1.9	111.1%	1,800.0%	(0.6)	4.2	N.A.(>100)
Gross Profit by Segment	426.3	446.0	463.1	3.8%	8.6%	1,200.9	1,337.0	11.3%

Gross Profit Margin	Q3-2019	Q2-2020	Q3-2020	Change		9M-2019	9M-2020	Change
	Percent	Percent	Percent	QoQ	YoY	Percent	Percent	YoY
Biomass Power Plant	38.0	38.9	38.5	(0.4)	0.5	35.0	37.9	2.9
Natural Gas Power Plant	28.1	29.2	31.1	1.9	3.0	27.5	29.9	2.4
Municipal Solid Waste Power Plant	45.7	55.4	40.6	(14.8)	(5.1)	46.6	52.7	6.1
Solar Energy Power Plant	5.5	38.7	57.0	18.3	51.5	(14.3)	49.8	64.1
Gross Profit by Segment	34.2	35.9	36.0	0.1	1.8	32.4	35.7	3.3

Gross Profit increase 3.8% QoQ from Baht 446.0 million to Baht 463.1 million and **Gross Profit Margin increase from 35.9% to 36.0%** from Gross Profit of Biomass Power Plant which increased by Baht 27.8 million mainly from gross profit from outside maintenance service, including efficient fuel management both in procurement process and production process. Gross Profit Margin of Biomass Power Plant for this period included gross profit of new acquired power plant, resulting in lower gross profit margin compared to the prior period. If calculating exclude such new acquired power plant, Gross Profit Margin of Biomass Power Plant will increase to 40.2%.

Gross Profit increase 8.6% YoY from Baht 426.3 million to Baht 463.1 million and **Gross Profit Margin increase from 34.2% to 36.0%** mainly from Gross Profit of Biomass Power Plants from the aforementioned reasons of QoQ as above. In addition, Gross Profit of Solar Energy Power Plants increased from the same period of last year, since Solar Energy Power Plant segment is in the started-up phase in year 2019. On the other hand, Gross Profit of Municipal Solid Waste Power Plant decrease because of planned-shutdown.

Gross Profit increase 11.3% 9M YoY from Baht 1,200.9 million to Baht 1,337.0 million and **Gross Profit Margin increase from 32.4% to 35.7%** mainly from Gross Profit of Biomass Power Plants from gross profit from outside maintenance service and efficient fuel management both in procurement process and production process. In addition, Gross Profit of Municipal Solid Waste Power Plant also increase from lower amortization cost for rights to service under concession arrangement from extend of amortisation period from 16 years to 18 years and decrease in cost of ashes removal.

Administrative expenses

Administrative expenses for the period ended 30 September 2020 and 2019

	Q3-2019	Q2-2020	Q3-2020	Change		9M-2019	9M-2020	Change
	THB Mn	THB Mn	THB Mn	%QoQ	%YoY	THB Mn	THB Mn	%YoY
Administrative expenses	84.5	77.2	67.3	(12.8%)	(20.4%)	259.0	232.4	(10.3%)

Administrative expenses comprised of employee benefit expenses, consulting fee, depreciation, public relation expenses and others. For the second quarter and third quarter of 2020, the Group has administrative expenses in the amount of Baht 77.2 million and Baht 67.3 million, which represent 6.2% and 5.2% to sales and service income, respectively.

Finance costs

	Q3-2019	Q2-2020	Q3-2020	Change		9M-2019	9M-2020	Change
	THB Mn	THB Mn	THB Mn	%QoQ	%YoY	THB Mn	THB Mn	%YoY
Finance costs	107.1	25.1	27.8	10.8%	(74.0%)	325.7	79.2	(75.7%)

Finance costs significantly decrease 74.0% YoY from Baht 107.1 million to Baht 27.8 million. **Decrease 75.7% 9M YoY** from Baht 325.7 million to Baht 79.2 million as a result of repayments debentures and repayments loans, both repayment as schedule and temporarily prepayment for cash management. Comprised decrease of interest rates of loans from commercial bank since the fourth quarter of 2019. Additionally, bank also cut MLR rate in the first and the second quarters of 2020.

Tax income (expense)

	Q3-2019	Q2-2020	Q3-2020	Change		9M-2019	9M-2020	Change
	THB Mn	THB Mn	THB Mn	%QoQ	%YoY	THB Mn	THB Mn	%YoY
Tax income (expense)	(1.1)	14.6	(9.0)	N.A. (<-100)	718.2%	10.1	(49.2)	N.A. (<-100)

Tax income (expense) comprised of current tax and deferred tax. Deferred income tax mainly from temporary difference of receivable from finance lease and business acquisition.

Net profit and Net profit margin

(Unit: THB Mn)

	Q3-2019			Q2-2020			Q3-2020		
	Operation	Non-Operation	Total	Operation	Non-Operation	Total	Operation	Non-Operation	Total
Profit before tax	236.0	(6.8)	229.2	365.6	(130.4)	235.2	374.6	44.6	419.2
Tax income(expense)	(2.5)	1.4	(1.1)	(11.5)	26.1	14.6	(0.1)	(8.9)	(9.0)
Net profit	233.5	(5.4)	228.1	354.1	(104.3)	249.8	374.5	35.7	410.2

	9M-2019			9M-2020		
	Ordinary	Extraordinary	Total	Ordinary	Extraordinary	Total
	activities	items		activities	items	
Profit before tax	642.8	(82.9)	559.9	1,054.9	247.9	1,302.8
Tax income(expense)	(6.5)	16.6	10.1	(23.0)	(26.2)	(49.2)
Net profit	636.3	(66.3)	570.0	1,031.9	221.7	1,253.6

Extraordinary items from non-operating, consists of unrealized gain(loss) on exchange rate of receivable under finance lease agreement, gain(loss) on forward contracts and income from insurance claim.

	Q3-2019	Q2-2020	Q3-2020	Change		9M-2019	9M-2020	Change
	THB Mn	THB Mn	THB Mn	%QoQ	%YoY	THB Mn	THB Mn	%YoY
Net profit	228.1	249.8	410.2	64.2%	79.8%	570.0	1,253.6	119.9%
Add(Less): Extraordinary items	5.4	104.3	(35.7)			66.3	(221.7)	
Net profit from ordinary activities	233.5	354.1	374.5	5.8%	60.4%	636.3	1,031.9	62.2%

	Q3-2019	Q2-2020	Q3-2020	Change		9M-2019	9M-2020	Change
	Percent	Percent	Percent	QoQ	YoY	Percent	Percent	YoY
Net profit margin	18.3	20.1	31.9	11.8	13.6	15.4	33.5	18.1
Net profit margin from ordinary activities	18.7	28.5	29.1	0.6	10.4	17.2	27.5	10.3

Net profit increase 64.2% QoQ from Baht 249.8 million to Baht 410.2 million and **Net profit margin increase from 20.1% to 31.9%**. The increase is caused from increase in sales and service income and gross profit from efficient fuel management both in procurement process and production process. In addition, the Group has gain on exchange amounting to Baht 37.6 million and gain from forward contracts amounting Baht 8.4 million. However, the net profit margin for 9-month period of 2020 was higher than that of the current quarter due to extraordinary item from insurance claim.

Net Profit from ordinary activities increase 5.8% QoQ from Baht 354.1 million to Baht 374.6 million and **Net profit margin from ordinary activities increase 28.5% to 29.1%**. The increase is caused from increase in sales and service income and gross profit from efficient fuel management both in procurement process and production process.

Net Profit and Net Profit from ordinary activities increase 79.8% and 60.4% YoY and **Net Profit and Net Profit from ordinary activities increase 119.9% and 62.2% 9M YoY**. The increase is caused from increase in sales and service income and gross profit from efficient fuel management both in procurement process and production process, including effectively controlled in maintenance cost. Including the cash management from capital increase from IPO by temporarily prepaying loan, resulting in decrease in financial cost.

Analysis of Financial Position

Statement of Financial Position	30 September	31 December	Change	
	2020	2019	THB Mn	%
Cash and cash equivalents	586.4	71.9	514.5	715.6
Trade and other receivables	838.3	820.0	18.3	2.2
Receivables under finance lease	3,342.4	3,293.3	49.1	1.5
Inventories	390.1	185.2	204.9	110.6
Restricted deposits at financial institutions	353.6	498.7	(145.1)	(29.1)
Investment property (net)	144.9	124.2	20.7	16.7
Property, plant and equipment (net)	8,813.8	8,059.4	754.4	9.4
Advance payments for constructions and purchases of fixed assets	98.5	153.2	(54.7)	(35.7)
Rights to service under concession arrangements (net)	1,524.4	811.7	712.7	87.8
Right-of-use assets (net)	32.0	-	32.0	N.A. (>100)
Derivative assets	7.4	-	7.4	N.A. (>100)
Deferred tax assets (Net)	81.1	56.1	25.0	44.6
Other assets	117.5	71.4	46.1	64.6
Total assets	16,330.4	14,145.1	2,185.3	15.4
Short-term loans from financial institutions	133.4	227.4	(94.0)	(41.3)
Long-term loans from financial institutions	3,812.5	2,767.5	1,045.0	37.8
Trade and other payables	422.7	249.4	173.3	69.5
Leases liabilities (net)	20.9	0.6	20.3	3,383.3
Deferred tax liabilities (net)	122.0	38.5	83.5	216.9
Derivative liabilities	0.3	-	0.3	N.A. (>100)
Other liabilities	77.3	68.7	8.6	12.5
Total liabilities	4,589.1	3,352.1	1,237.0	36.9
Issued and paid-up share capital	5,088.0	5,088.0	-	-
Share Premium	3,896.0	3,896.0	-	-
Retained earnings - Unappropriated	2,780.2	1,831.9	948.3	51.8
Deficit from business combination	(22.9)	(22.9)	-	-
Total equity	11,741.3	10,793.0	948.3	8.8

Assets

Total assets as at 30 September 2020 and 31 December 2019 were Baht 16,330.4 million and Baht 14,145.1 million, respectively. Increase by Baht 2,185.3 million or 15.4% due to an increase of Baht 514.5 million in cash and cash equivalents, receivables under finance lease increased by Baht 49.1 million from the adjustment of exchange rates. Inventories increased by Baht 204.9 million. Restricted deposits at financial institutions decreased by Baht 145.1 million, which are deposits with financial institutions as collateral as specified in the loan agreements in order to receive payment under the Power Purchase Agreements, to reserve for adequately principal repayment and interest and to reserve for repair and maintenance projects and as collateral for letter of guarantee for compliance with Power Purchase Agreements. Investment properties increased by Baht 20.7 million from purchase of land of future power plant project. Property plant and equipment increased by Baht 754.4 million from acquisition of office buildings and depreciation charge during the period. Advance payments for constructions and purchase of fixed assets decreased by Baht 54.7 million from Krabi Solid Waste Power Plant, which partially progress is done during the period. Rights to service under concession arrangements increased by Baht 712.7 million from concession rights of Krabi Solid Waste Power Plant and amortisation during the period. Right-of-use assets increased by Baht 32.0 million from the adoption of TFRS16 leases standard for land and buildings for rent which the Group previously classified as operating lease. Derivative assets increased by Baht 7.4 million from recognized of difference in fair value of derivative from the adoption of TFRS9 financial instruments. Deferred tax assets increase by Baht 25.0 million mainly from business acquisition.

Liabilities

Total liabilities as at 30 September 2020 and 31 December 2019 were Baht 4,589.1 million and Baht 3,352.1 million, respectively. Increased by Baht 1,237.0 million or 36.9%, mainly due to short-term loans from financial institutions decreased by Baht 94.0 million from repayment during the period. Long-term loans from financial institutions increased by Baht 1,045.0 million. Trade and other payables increased by Baht 173.3 million from business acquisition which already paid in October 2020. Finance lease liabilities increased by Baht 20.3 million from the adoption of TFRS16 leases standard. Deferred tax liabilities increased by Baht 83.5 million. Derivative liabilities increased by Baht 0.3 million from recognized of difference in fair value of derivative from the adoption of TFRS9 financial instruments. The debt to equity ratio was 0.39 times, the net debt to equity ratio was 0.31 times, the interest-bearing debt to equity ratio was 0.34 times, and the net interest-bearing debt to equity ratio was 0.26 times.



Equity

Shareholders' equity as at 30 September 2020 and 31 December 2019 were Baht 11,741.3 million and Baht 10,793.0 million. Increased by Baht 948.3 million or 8.8% from increase in net profit resulting to increase in unappropriated retained earnings.

Please be informed accordingly,

Yours sincerely,

(Mr.Tanavijit Ankapipatchai)

Director and Chief Financial Officer