

No. ACE-ACC-1/2020

24 February 2020

Subject Management Discussion and Analysis for the year ended 31 December 2019

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 year ended 31 December 2019 of the Company and the subsidiaries (“the Group”) as follow:

| Financial Performance of the Group | | | | | | | | | | | |
|---|--------------|--------------|--------------|--------------|---------------|--------------|----------------|----------------|--------------|---------------|--|
| Consolidated financial statements | Q1-2019 | Q2-2019 | Q3-2019 | Q4-2019 | Change QoQ | | 2019 | 2018 | Change YoY | | |
| | THB Mn | THB Mn | THB Mn | THB Mn | THB Mn | % | THB Mn | THB Mn | THB Mn | % | |
| Sales of goods and services | 1,110.5 | 1,145.8 | 1,142.7 | 1,141.2 | (1.5) | (0.1) | 4,540.2 | 4,416.2 | 124.0 | 2.8 | |
| Revenue from finance lease under power purchase agreement | 102.3 | 103.2 | 102.9 | 102.0 | (0.9) | (0.9) | 410.4 | 417.0 | (6.6) | (1.6) | |
| Revenue from construction under a concession arrangement | - | 68.5 | 21.2 | 14.9 | (6.3) | (29.7) | 104.6 | - | 104.6 | 100.0 | |
| Cost of sales and services | (858.3) | (828.9) | (819.3) | (818.2) | (1.1) | (0.1) | (3,324.7) | (3,415.7) | (91.0) | (2.7) | |
| Cost of construction under a concession arrangement | - | (68.5) | (21.2) | (14.9) | (6.3) | (29.7) | (104.6) | - | (104.6) | 100.0 | |
| Gross profit | 354.5 | 420.1 | 426.3 | 425.0 | (1.3) | (0.3) | 1,625.9 | 1,417.5 | 208.4 | 14.7 | |
| Net loss on exchange rate | (28.3) | (47.6) | (7.3) | (20.3) | 13.0 | > 100 | (103.5) | (10.0) | 93.5 | > 100 | |
| Other income | 14.1 | 11.0 | 1.8 | 6.0 | 4.2 | > 100 | 32.9 | 15.7 | 17.2 | > 100 | |
| Profit before expenses | 340.3 | 383.5 | 420.8 | 410.7 | (10.1) | (2.4) | 1,555.3 | 1,423.2 | 132.1 | 9.3 | |
| Administrative expenses | (102.8) | (71.8) | (84.5) | (71.2) | (13.3) | (15.7) | (330.3) | (378.6) | (48.3) | (12.8) | |
| Finance costs | (109.8) | (108.8) | (107.1) | (86.9) | (20.2) | (18.9) | (412.6) | (482.5) | (69.9) | (14.5) | |
| Profit before income tax | 127.7 | 202.9 | 229.2 | 252.6 | 23.4 | 10.2 | 812.4 | 562.1 | 250.3 | 44.5 | |
| Tax income (income tax expense) | 4.9 | 6.3 | (1.1) | (7.2) | 6.1 | > 100 | 2.9 | (15.5) | 18.4 | > 100 | |
| Profit for the year | 132.6 | 209.2 | 228.1 | 245.4 | 17.3 | 7.6 | 815.3 | 546.6 | 268.7 | 49.2 | |
| Other comprehensive income: | - | - | - | 1.1 | 1.1 | 100.0 | 1.1 | 5.4 | (4.3) | (79.6) | |
| Total comprehensive income for the year | 132.6 | 209.2 | 228.1 | 246.5 | 18.4 | 8.1 | 816.4 | 552.0 | 264.4 | 47.9 | |

Sales and service income for the year ended 31 December 2019 and 2018 are presented below:

| | Q1-2019 | Q2-2019 | Q3-2019 | Q4-2019 | Change QoQ | | 2019 | 2018 | Change YoY | |
|---------------------------------|----------------|----------------|----------------|----------------|--------------|--------------|----------------|----------------|--------------|------------|
| | THB Mn | THB Mn | THB Mn | THB Mn | THB Mn | % | THB Mn | THB Mn | THB Mn | % |
| Sales of electricity | 653.2 | 689.4 | 687.9 | 694.6 | 6.7 | 1.0 | 2,725.1 | 2,719.9 | 5.2 | 0.2 |
| > Biomass Power Plants | 625.4 | 659.0 | 658.5 | 660.4 | 1.9 | 0.3 | 2,603.3 | 2,614.8 | (11.5) | (0.4) |
| > Natural Gas Power Plant | 2.3 | 1.8 | 2.3 | 2.5 | 0.2 | 8.7 | 8.9 | 5.0 | 3.9 | 78.0 |
| > Solid Waste Power Plant | 24.3 | 27.2 | 25.3 | 29.0 | 3.7 | 14.6 | 105.8 | 99.7 | 6.1 | 6.1 |
| > Solar Energy Power Plant | 1.2 | 1.4 | 1.8 | 2.7 | 0.9 | 50.0 | 7.1 | 0.4 | 6.7 | >100 |
| Revenue from service under a | | | | | | | | | | |
| Power Purchase Agreement | 413.9 | 411.5 | 407.4 | 395.2 | (12.2) | (3.0) | 1,628.0 | 1,523.8 | 104.2 | 6.8 |
| Adder | 30.3 | 33.4 | 30.8 | 34.7 | 3.9 | 12.7 | 129.2 | 125.4 | 3.8 | 3.0 |
| Revenue from waste management | 9.0 | 8.2 | 10.4 | 9.8 | (0.6) | (5.8) | 37.4 | 37.5 | (0.1) | (0.3) |
| Sales of steam | 4.1 | 3.3 | 6.2 | 6.9 | 0.7 | 11.3 | 20.5 | 9.6 | 10.9 | >100 |
| Sales and service income | 1,110.5 | 1,145.8 | 1,142.7 | 1,141.2 | (1.5) | (0.1) | 4,540.2 | 4,416.2 | 124.0 | 2.8 |

From the table of sales and services income above, the Group has sales and service income for the year ended 31 December 2019 and 2018, amounting to Baht 4,540.2 million and Baht 4,416.2 million respectively, which increased by Baht 124.0 million. In which revenue from service under a Power Purchase Agreement increased by Baht 104.2 million as a result from increase in unit of electricity sold and unit price which is adjusted in line with natural gas price. Sales of electricity of Natural Gas Power Plant and sales of steam increased by totaling Baht 14.8 million or 78.0 percent and over 100.0 percent, respectively, due to the growth of customer's demand in steam from expanding of production line.

By the way, no significant change in sales and service income of Quarter 4 compared to Quarter 3 2019, except sales of electricity of Solar Energy Power Plant which increase by Baht 0.9 million or 50.0 percent. The reason of increase is from COD of new solar power plant, 1 MW installed capacity, in September 2019 result in full 3-month operations in Quarter 4.

| | Q1-2019 | Q2-2019 | Q3-2019 | Q4-2019 | Change | | 2019 | 2018 | Change | | |
|------------------------------------|---------|---------|---------|---------|--------|--------|--------|--------|--------|-------|--|
| | THB Mn | THB Mn | THB Mn | THB Mn | THB Mn | % | THB Mn | THB Mn | THB Mn | % | |
| Revenue from finance lease under a | | | | | | | | | | | |
| Power Purchase Agreement | 102.3 | 103.2 | 102.9 | 102.0 | (0.9) | (0.9) | 410.4 | 417.0 | (6.6) | (1.6) | |
| Revenue from construction under | | | | | | | | | | | |
| a concession arrangement | - | 68.5 | 21.2 | 14.9 | (6.3) | (29.7) | 104.6 | - | 104.6 | 100.0 | |

The group has revenue from construction under a concession arrangement for the year ended 31 December 2019 amounting to Baht 104.6 million which 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 amounting to Baht 104.6 million. No gain and loss from recognized sales and cost of construction under a concession arrangement transaction.

Cost of sales and service

Cost of sales and service for the year ended 31 December 2019 and 2018 are presented below:

| Cost of sales and services | Q1-2019 | Q2-2019 | Q3-2019 | Q4-2019 | Change | | 2019 | 2018 | Change | |
|--|--------------|--------------|--------------|--------------|---------------|---------------|----------------|----------------|----------------|----------------|
| | THB Mn | THB Mn | THB Mn | THB Mn | THB Mn | % | THB Mn | THB Mn | THB Mn | % |
| Fuel materials cost | 215.9 | 213.5 | 203.8 | 203.0 | (0.8) | (0.4) | 836.2 | 986.0 | (149.8) | (15.2) |
| Depreciation and amortization cost | 106.3 | 105.8 | 108.1 | 109.3 | 1.2 | 1.1 | 429.5 | 432.4 | (2.9) | (0.7) |
| Staff cost and other benefits | 41.0 | 43.9 | 37.9 | 38.9 | 1.0 | 2.6 | 161.7 | 153.2 | 8.5 | 5.5 |
| Repair and Maintenance cost | 48.6 | 24.9 | 32.5 | 41.2 | 8.7 | 26.8 | 147.2 | 170.7 | (23.5) | (13.8) |
| Other cost | 27.9 | 27.5 | 26.0 | 34.9 | 8.9 | 34.0 | 116.3 | 136.4 | (20.1) | (14.7) |
| Total cost of Biomass Power Plants | 439.7 | 415.6 | 408.3 | 427.3 | 19.0 | 4.6 | 1,690.9 | 1,878.7 | (187.8) | (10.0) |
| Fuel materials cost | 346.0 | 340.0 | 339.3 | 331.1 | (8.2) | (2.4) | 1,356.4 | 1,247.9 | 108.5 | 8.7 |
| Depreciation and amortization cost | 0.6 | 0.6 | 0.6 | 0.7 | 0.1 | 16.7 | 2.5 | 2.0 | 0.5 | 25.0 |
| Staff cost and other benefits | 4.3 | 4.9 | 4.6 | 5.7 | 1.1 | 24.9 | 19.5 | 15.9 | 3.6 | 22.6 |
| Repair and Maintenance cost | 29.6 | 31.2 | 27.9 | 21.0 | (6.9) | (24.7) | 109.7 | 118.7 | (9.0) | (7.6) |
| Other cost | 0.7 | 0.7 | 0.7 | 0.8 | 0.1 | 12.3 | 2.9 | 3.3 | (0.4) | (12.1) |
| Total cost of Natural Gas Power Plant | 381.2 | 377.4 | 373.1 | 359.3 | (13.8) | (3.7) | 1,491.0 | 1,387.8 | 103.2 | 7.4 |
| Depreciation and amortization cost | 15.0 | 15.0 | 13.2 | 10.6 | (2.6) | (19.7) | 53.8 | 60.2 | (6.4) | (10.6) |
| Staff cost and other benefits | 4.4 | 5.8 | 4.0 | 4.8 | 0.8 | 21.5 | 19.0 | 17.8 | 1.2 | 6.7 |
| Repair and Maintenance cost | 11.3 | 8.8 | 13.8 | 10.4 | (3.4) | (24.8) | 44.3 | 49.8 | (5.5) | (11.0) |
| Other cost | 5.1 | 4.7 | 5.1 | 4.2 | (0.9) | (17.5) | 19.1 | 21.0 | (1.9) | (9.0) |
| Total cost of Solid Waste Power Plant | 35.8 | 34.3 | 36.1 | 30.0 | (6.1) | (16.9) | 136.2 | 148.8 | (12.6) | (8.5) |
| Depreciation and amortization cost | 0.5 | 0.7 | 0.7 | 1.0 | 0.3 | 42.9 | 2.9 | 0.2 | 2.7 | >100 |
| Staff cost and other benefits | 1.1 | 0.8 | 0.9 | 0.5 | (0.4) | (46.7) | 3.3 | 0.2 | 3.1 | >100 |
| Repair and Maintenance cost | - | 0.1 | 0.2 | 0.1 | (0.1) | (50.0) | 0.4 | - | 0.4 | 100.0 |
| Total cost of Solar Energy Power Plants | 1.6 | 1.6 | 1.8 | 1.6 | (0.2) | (11.1) | 6.6 | 0.4 | 6.2 | >100 |
| Total cost of sales and service | 858.3 | 828.9 | 819.3 | 818.2 | (1.1) | (0.1) | 3,324.7 | 3,415.7 | (91.0) | (2.7) |

From the table above, cost of sales and service for the year ended 31 December 2019 is Baht 3,324.7 million, decreased by Baht 91.0 million or 2.7 percent compared to 2018. The decrease of cost of sales mainly comes from Biomass Power Plants, which decreased by Baht 187.8 million or 10.0 percent mostly from decreased in fuel material cost amounting to Baht 149.8 million. The reasons are mainly due to the improvement of fuel material management and production processes, modification and mixing of fuel material to improve combustion resulting in better heat rate and lower fuel consumption per

unit and also improvement of feedstock procurement process including sourcing new types of potential feedstocks which has been studied and researched well. However, fuel materials cost of Natural Gas Power Plant increased by Baht 108.5 million or 8.7 percent because of increase in natural gas price. By the way, the Group has been compensated the increased in gas price from EGAT in form of adjusted electricity price to be in line with natural gas price. No significant change in cost of sales and service of Quarter 4 compared to Quarter 3 in 2019.

Gross Profit and Gross Profit Margin

| | Q1-2019 | Q2-2019 | Q3-2019 | Q4-2019 | Change QoQ | | 2019 | 2018 | Change YoY | |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|----------------|--------------|-------------|
| | THB Mn | THB Mn | THB Mn | THB Mn | THB Mn | % | THB Mn | THB Mn | THB Mn | % |
| Gross Profit | | | | | | | | | | |
| Biomass Power Plants | 185.7 | 243.4 | 250.1 | 233.3 | (16.8) | (6.7) | 912.5 | 736.5 | 176.0 | 23.9 |
| Natural Gas Power Plant | 141.5 | 142.3 | 145.8 | 147.2 | 1.4 | 1.0 | 576.8 | 567.2 | 9.6 | 1.7 |
| Solid Waste Power Plant | 27.8 | 34.6 | 30.3 | 43.4 | 13.1 | 43.2 | 136.1 | 113.8 | 22.3 | 19.6 |
| Solar Energy Power Plant | (0.5) | (0.2) | 0.1 | 1.1 | 1.0 | >100 | 0.5 | - | 0.5 | 100.0 |
| Gross Profit by Segment | 354.5 | 420.1 | 426.3 | 425.0 | (1.3) | (0.3) | 1,625.9 | 1,417.5 | 208.4 | 14.7 |

| | Q1-2019 | Q2-2019 | Q3-2019 | Q4-2019 | Change QoQ | | 2019 | 2018 | Change YoY | |
|---------------------------------|-------------|-------------|-------------|-------------|------------|---|-------------|-------------|------------|---|
| | % | % | % | % | % | % | % | % | % | % |
| % Gross Profit | | | | | | | | | | |
| Biomass Power Plants | 29.7 | 36.9 | 38.0 | 35.3 | (2.7) | | 35.1 | 28.2 | 6.9 | |
| Natural Gas Power Plant | 27.1 | 27.4 | 28.1 | 29.1 | 1.0 | | 27.9 | 29.0 | (1.1) | |
| Solid Waste Power Plant | 43.7 | 50.2 | 45.6 | 59.0 | 13.4 | | 50.6 | 43.4 | 7.2 | |
| Solar Energy Power Plant | (45.5) | (14.3) | 5.6 | 40.7 | 35.1 | | 7.0 | - | 7.0 | |
| %Gross Profit by Segment | 29.2 | 33.6 | 34.2 | 34.2 | - | | 32.8 | 29.3 | 3.5 | |

From the table above, the Group has gross profit for the year ended 31 December 2019 and 2018 amounting to Baht 1,625.9 million and Baht 1,417.5 million, respectively. Increased by Baht 208.4 million or 14.7 percent mainly from increase in gross profit of Biomass Power Plants amounting to Baht 176.0 million from decrease in cost from efficient fuel management both in procurement process and production process. In addition, cost of Biomass Power Plants also decreases from effectively controlled in maintenance cost.

Gross profit of Natural Gas power plant increased mainly from increase in revenue greater than cost. The cost of fuel material, natural gas which is the main production cost, increased from both the consumption and the average gas price, resulting in the total production cost increased from the last year by Baht 103.2 million. However, electricity price is adjusted to be in

line with natural gas price. Therefore, an increase in gas price has no effect on gross profit. In addition, management of electrical machinery operation of the current year is improved from the previous year, resulting in the ability to produce more electricity with the lower gas consumption.

Gross profit and gross profit margin of Solid Waste Power Plant for the year ended 31 December 2019 increased from the last year because of operation management and maintenance is performed effectively in accordance with maintenance plan.

Solar Energy Power Plants are in the start-up phase with only 3 COD plants, therefore the Group has loss on operations for the first half of 2019. By the way, Solar Energy Power Plants segment has an operation profit since Quarter 3 which expected to grow in the future.

Administrative expenses

Administrative expenses for the year ended 31 December 2019 and 2018 are presented below:

| Administrative expenses | Q1-2019 | Q2-2019 | Q3-2019 | Q4-2019 | Change QoQ | | 2019 | 2018 | Change YoY | |
|--------------------------------------|--------------|-------------|-------------|-------------|---------------|---------------|--------------|--------------|---------------|---------------|
| | THB Mn | THB Mn | THB Mn | THB Mn | THB Mn | % | THB Mn | THB Mn | THB Mn | % |
| Staff expenses and other benefits | 38.5 | 40.2 | 35.8 | 33.3 | (2.5) | (7.0) | 147.8 | 153.5 | (5.7) | (3.7) |
| Professional fee and other services | 16.6 | 14.1 | 13.8 | 22.3 | 8.5 | 61.6 | 66.8 | 61.7 | 5.1 | 8.3 |
| Depreciation and amortization | 7.8 | 7.9 | 8.0 | 8.1 | 0.1 | 1.3 | 31.8 | 30.9 | 0.9 | 2.9 |
| Administrative expenses | 1.7 | 1.9 | 1.7 | 1.8 | 0.1 | 5.9 | 7.1 | 6.9 | 0.2 | 2.9 |
| Electricity and utilities expenses | 3.1 | 3.4 | 3.8 | 2.3 | (1.5) | (39.5) | 12.6 | 12.1 | 0.5 | 4.1 |
| Repair and maintenance expenses | 0.4 | 0.1 | 0.4 | 0.4 | - | - | 1.3 | 0.9 | 0.4 | 44.4 |
| Other administrative expenses | 34.6 | 4.2 | 21.0 | 3.0 | (18.0) | (85.7) | 62.9 | 112.6 | (49.7) | (44.1) |
| Total administrative expenses | 102.7 | 71.8 | 84.5 | 71.2 | (13.3) | (15.7) | 330.3 | 378.6 | (48.3) | (12.8) |

For the year ended 31 December 2019 and 2018, the Group has administrative expenses in the amount of Baht 330.3 million and Baht 378.6 million, respectively. Administrative expenses of 31 December 2019 and 2018 are 7.3 percent and 8.6 percent to sales and service income, respectively. Administrative expenses of 2019 decreased by Baht 48.3 million or 12.8 percent from 2018 since there were provision for assets of subsidiaries set up in 2018 amounting to Baht 28.9 million and reversed loss of impairment of land amounting to Baht 16.2 million. No significant change in administrative expenses of Quarter 4 compared to Quarter 3 2019, except other administrative expenses decreased Baht 18.0 million or 85.7 percent as in Quarter 4 the Group has reversed loss of impairment of land.

Finance costs

For the year ended 31 December 2019 and 2018, the Group has finance costs in the amount of Baht 412.6 million and Baht 482.5 million, respectively, decreased by Baht 69.9 million or 14.5 percent due to repayments of loan during the year and temporarily prepayment of loan using unutilized proceed from IPO which pending to use as capital expenditures of power plant projects under develop, comprised decrease of interest rates of loans from bank. For separate financial statements, the Company has finance costs for the year 2019 and 2018 in the amount of Baht 120.8 million and Baht 3.8 million, respectively, mainly increased from interest of debentures which the Company issued in December 2018, in which the Company redeem all of debentures before maturity date in December 2019.

Tax income (expenses)

For the year ended 31 December 2019 and 2018, the Group has tax income in the amount of Baht 2.9 million and tax expenses in the amount of Baht 15.5 million, respectively. Tax income increased by Baht 18.4 million from recording temporary difference of depreciation expenses between accounting and tax.

Net profit and Net profit margin

For the year ended 31 December 2019 and 2018, the Group has net profit in the amount of Baht 815.3 million and Baht 546.6 million, respectively. And net profit margin are 16.4 percent and 11.3 percent, respectively. The increase in net profit for the year 2019 of Baht 268.7 million or 49.2 percent from 2018 is caused from growth in gross profit from increase in sales and service income and improvement of costing control. Including the cash management from capital increase from IPO by temporarily prepaying loan, resulting in decrease in financial cost of the Group.

3. Analysis of Financial Position as at 31 December 2019

| Statement of Financial Position | 31 December | | Change | |
|---|-----------------|-----------------|------------------|---------------|
| | 2019 | 2018 | THB Mn | % |
| | THB Mn | THB Mn | THB Mn | % |
| Cash and cash equivalents | 71.9 | 104.5 | (32.6) | (31.2) |
| Trade and other receivables | 820.0 | 829.1 | (9.1) | (1.1) |
| Receivables under finance lease | 3,293.3 | 3,422.2 | (128.9) | (3.8) |
| Inventories | 185.2 | 95.5 | 89.7 | 93.9 |
| Restricted deposits at financial institutions | 498.7 | 325.0 | 173.7 | 53.4 |
| Investment property (net) | 124.2 | 100.7 | 23.5 | 23.3 |
| Property, plant and equipment (net) | 8,059.4 | 8,129.4 | (70.0) | (0.9) |
| Advance payments for constructions and purchases | | | | |
| of fixed assets | 153.2 | 19.7 | 133.5 | >100 |
| Rights to service under concession arrangements (net) | 811.7 | 761.0 | 50.7 | 6.7 |
| Other assets | 127.5 | 99.6 | 27.9 | 28.0 |
| Total assets | 14,145.1 | 13,886.7 | 258.4 | 1.9 |
| Short-term loans from financial institutions | 227.4 | 369.0 | (141.6) | (38.4) |
| Long-term loans from financial institutions | 2,767.5 | 5,951.4 | (3,183.9) | (53.5) |
| Debentures | - | 1,476.5 | (1,476.5) | (100.0) |
| Trade and other payables | 249.4 | 412.1 | (162.7) | (39.5) |
| Other liabilities | 107.8 | 106.1 | 1.7 | 1.6 |
| Total liabilities | 3,352.1 | 8,315.1 | (4,963.0) | (59.7) |
| Issued and paid-up share capital | 5,088.0 | 4,579.0 | 509.0 | 11.1 |
| Share Premium | 3,896.0 | - | 3,896.0 | 100.0 |
| Retained earnings - Unappropriated | 1,831.9 | 1,015.5 | 816.4 | 80.4 |
| Deficit from business combination | | | | |
| under common control | (22.9) | (22.9) | - | - |
| Total equity | 10,793.0 | 5,571.6 | 5,221.4 | 93.7 |

Assets

Total assets as at 31 December 2019 and 2018 were Baht 14,145.1 million and Baht 13,886.7 million, respectively. Increase by Baht 258.4 million or 1.9 percent due to a decrease of Baht 32.6 million in cash and cash equivalents, receivables under finance lease decreased by Baht 128.9 million from the adjustment of exchange rates and cash received during the year. Inventories increased by Baht 89.7 million due to the change of fuel storage plan in order to be sufficient for production in a longer period. Restricted deposits at financial institutions increased by Baht 173.7 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. Property, plant and equipment decreased by Baht 70.0 million from depreciation during the year. Advance payments for constructions and purchase of fixed assets increased by Baht 133.5 million from Krabi Solid Waste Power Plant. Rights to service under concession arrangements increased by Baht 50.7 million from concession rights of Krabi Solid Waste Power Plant and amortization during the year. Other assets increased by Baht 27.9 million due to the recording of deferred income tax assets increased by Baht 12.1 million and increased in prepaid rental by Baht 11.0 million.

Liabilities

Total liabilities as at 31 December 2019 and 2018 were Baht 3,352.1 million and Baht 8,315.1 million, respectively. Decrease by Baht 4,963.0 million or 59.7 percent, mainly due to long-term loans from financial institutions decreased by Baht 3,183.9 million from prepayments of loan and temporarily repayment of loan. Debentures decreased by Baht 1,476.5 million from redeem of all debentures before maturity date. Trade and other payables decreased by Baht 162.7 million from decrease in natural gas payable which decreased from 2018 by Baht 122.9 million.



Equity

Shareholders' equity as at 31 December 2019 and 2018 were Baht 10,793.0 million and Baht 5,571.6 million. Increased by Baht 5,221.4 million or 93.7 percent from increase in share capital and share premium from IPO of the Company amounting to Baht 3,896.0 million. In addition, the Group also has a net profit resulting to increase in unappropriated retained earnings.

Please be informed accordingly,

Yours sincerely,

(Mr. Tanavijit Ankapipatchai)

Director and Chief Financial Officer