

February 23th, 2021

The President

The Stock Exchange of Thailand

Re: Management Discussion and Analysis on FY2020 performance

The explanation to the consolidated financial performance for the year ended December 31, 2020 of Asia Green Energy Public Company Limited and its subsidiaries (“the Company”) is as follows:

1. Financial performance of Asia Green Energy Public Company Limited for FY2020

Statements of income	2020		2019		Change	
	Million Baht	Percent	Million Baht	Percent	Amount	Percent
Revenues						
Sales and services income	7,897.52	99.57	6,196.23	99.79	1,701.29	27.46
Other income	33.77	0.43	13.30	0.21	20.47	153.91
Total revenues	7,931.29	100.00	6,209.53	100.00	1,721.76	27.73
Expenses						
Cost of sales and services	(7,000.57)	(88.27)	(5,389.25)	(86.79)	1,611.32	29.90
Selling and distribution expenses	(437.24)	(5.51)	(308.82)	(4.97)	128.42	41.58
Administrative expenses	(205.37)	(2.59)	(185.87)	(2.99)	19.50	10.49
Gains on exchange	20.36	0.26	25.74	0.41	(5.38)	(20.90)
Total expenses	(7,622.82)	(96.11)	(5,858.20)	(94.34)	1,764.62	30.12
Operating profit	308.47	3.89	351.33	5.66	(42.86)	(12.20)
Share of loss from investment in joint venture	(1.98)	(0.03)	(0.70)	(0.01)	1.28	182.86
Profit before finance cost and income tax expenses	306.49	3.86	350.63	5.65	(44.14)	(12.59)
Finance cost	(46.27)	(0.58)	(48.14)	(0.78)	(1.87)	(3.88)
Profit before income tax expenses	260.22	3.28	302.49	4.87	(42.27)	(13.97)
Income tax expenses	(31.32)	(0.39)	(26.51)	(0.43)	4.81	18.14
Profit for the year	228.90	2.89	275.98	4.44	(47.08)	(17.06)
Profit attributable to equity holders of the Company	225.32	2.84	272.79	4.39	(47.47)	(17.40)

Sales and services income

Coal business	2020		2019		Volume change		Sale change	
	Million tonnes	Million Baht	Million tonnes	Million Baht	Million tonnes	Percent	Million Baht	Percent
Domestic sales	3.81	6,651.84	2.69	5,629.78	1.12	41.66	1,022.06	18.15
Export sales	0.60	897.30	0.13	173.45	0.47	360.71	723.85	417.33
Total sales revenue	4.41	7,549.14	2.82	5,803.23	1.59	56.37	1,745.91	30.09
Services income		348.38		393.00			(44.62)	(11.35)
Sales and services income		7,897.52		6,196.23			1,701.29	27.46

Performance for fiscal year 2020, the Company had total sales revenue of Baht 7,549.14 million, increased by Baht 1,745.91 million or equivalent to 30.09% from the previous year, in line with the higher volume of sales, most of which were domestic sales. Anyway, the Company's export sales had significantly growth of 417.33% from exporting to Vietnam, Cambodia, China, Taiwan, and Myanmar.

In fiscal year 2020, the Company recorded total services income of Baht 348.38 million, down by Baht 44.62 million or a decrease of 11.35% from the previous year, due to the Company provided services within the Group more than previous year, in line with the higher in sales revenue. In this respect, services income which served third parties has declined.

Cost of sales and services and gross profit

Unit: Million Baht	Coal business		Logistic business		Total segments		Eliminations		Consolidated		Change	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	Million Baht	Percent
Revenue from external customer	7,549.14	5,803.23	348.38	393.00	7,897.52	6,196.23	-	-	7,897.52	6,196.23	1,701.29	27.46
Inter-segment revenue	886.29	143.60	1,082.30	811.38	1,968.59	954.98	(1,968.59)	(954.98)	-	-		
Cost of sales and services	(7,872.60)	(5,380.49)	(1,109.17)	(976.24)	(8,981.77)	(6,356.73)	1,981.20	967.48	(7,000.57)	(5,389.25)	1,611.32	29.90
Segment gross profit	562.83	566.34	321.51	228.14	884.34	794.48			896.95	806.98	89.97	11.15
Gross Profit margin (Percent)	6.67	9.52	22.47	18.94	8.96	11.11			11.36	13.02		(1.67)

Cost of sales and services for the year 2020 was Baht 7,000.57 million, increased by Baht 1,611.32 million or equivalent to 29.90% from the previous year, which was consistent with the increasing of sales and services income. However, the gross profit margin was 11.36%, decreased from 13.02%, led by average product price in coal business decreased as a result of concerns on global coal price.

Selling and distribution expenses

Selling and distribution expenses amounted to Baht 437.24 million, increased by Baht 128.42 million or equivalent to 41.58% from the previous year, in line with an increase in sales revenue.

Administrative expenses

Administrative expenses amounted to Baht 205.37 million, increased by Baht 19.50 million or equivalent to 10.49% from the previous year, due to increased staff expenses and consultant fees and, etc.

As result from the above reasons, the Company's profit attributable to equity holders of the Company in the year 2020 was Baht 225.32 million, decreased by Baht 47.47 million or equivalent to 17.40% from the previous year.

2. Statements of Consolidated Financial Position

Statements of financial position	2020		2019		Change	
	Million Baht	Percent	Million Baht	Percent	Amount	Percent
Current assets						
Cash and cash equivalents	257.50	4.76	263.76	5.57	(6.26)	(2.37)
Trade and other receivables	1,903.09	35.17	1,045.69	22.10	857.40	81.99
Inventories	959.30	17.73	1,505.50	31.81	(546.20)	(36.28)
Derivative assets	0.53	0.01	-	-	0.53	100.00
Other current assets	36.12	0.67	41.46	0.88	(5.34)	(12.88)
Total current assets	3,156.54	58.34	2,856.41	60.36	300.13	10.51
Non-current assets						
Restricted bank deposits	118.07	2.18	126.50	2.67	(8.43)	(6.66)
Investment in joint venture	97.32	1.80	24.68	0.52	72.64	294.33
Investment properties	67.85	1.25	21.89	0.46	45.96	209.96
Property, plant and equipment	1,663.59	30.75	1,667.65	35.24	(4.06)	(0.24)
Right-of-use assets	264.57	4.89	-	-	264.57	100.00
Deferred tax assets	14.17	0.26	15.19	0.33	(1.02)	(6.71)
Other non-current assets	28.51	0.53	19.76	0.42	8.75	44.28
Total non-current assets	2,254.08	41.66	1,875.67	39.64	378.41	20.17
Total assets	5,410.62	100.00	4,732.08	100.00	678.54	14.34
Current liabilities						
Short-term loans from financial institutions	1,879.22	34.73	1,791.21	37.85	88.01	4.91
Trade and other payables	831.59	15.37	461.95	9.76	369.64	80.02
Current portion of liabilities under finance lease agreements	-	-	30.24	0.64	(30.24)	(100.00)
Current portion of lease liabilities	58.46	1.08	-	-	58.46	100.00
Current portion of long-term loans from financial institutions	125.58	2.32	103.63	2.19	21.95	21.18
Income tax payable	8.78	0.16	4.39	0.10	4.39	100.00
Derivative liabilities	0.23	0.01	0.38	0.01	(0.15)	(39.47)
Other current liabilities	28.90	0.53	8.18	0.17	20.72	253.30
Total current liabilities	2,932.76	54.20	2,399.98	50.72	532.78	22.20
Non-current liabilities						
Liabilities under finance lease agreements - net of current portion	-	-	79.07	1.67	(79.07)	(100.00)
Lease liabilities - net of current portion	188.80	3.49	-	-	188.80	100.00
Long-term loans from financial institutions - net of current portion	402.38	7.44	418.96	8.85	(16.58)	(3.96)
Provision for long-term employee benefits	21.56	0.40	18.45	0.39	3.11	16.86
Total non-current liabilities	612.74	11.33	516.48	10.91	96.26	18.64
Total liabilities	3,545.50	65.53	2,916.46	61.63	629.04	21.57
Shareholders' equity						
Equity attributable to owners of the Company	1,864.29	34.45	1,814.51	38.35	49.78	2.74
Non-controlling interests of the subsidiaries	0.83	0.02	1.10	0.02	(0.27)	(24.55)
Total shareholders' equity	1,865.12	34.47	1,815.61	38.37	49.51	2.73
Total liabilities and shareholders' equity	5,410.62	100.00	4,732.07	100.00	678.55	14.34



As of December 31, 2020, the Company had total asset of Baht 5,410.62 million, increased by Baht 678.54 million from previous year. Total current assets increased by Baht 300.13 million mainly due to increasing of trade and other receivables of Baht 857.40 million led by higher sales revenue than prior year, decreasing of inventories of Baht 546.20 million in line with the higher volume of sales, whilst cash and cash equivalent, derivative assets, and other current assets decreased in the net amount of Baht 11.07 million. However, the Company had higher non-current assets by Baht 378.41 million which mainly derived from increasing in right-of-use assets of Baht 264.57 million led by the first adoption of TFRS 16, investment in joint venture increased of Baht 72.64 million, whilst other non-current assets increased by Baht 41.20 million.

As of December 31, 2020, the Company had total liabilities of Baht 3,545.50 million, increased by Baht 629.04 million or 21.57% from previous year, mainly due to increasing in trade and other payables of Baht 369.64 million. And lease liabilities increased by Baht 247.26 million led by the first adoption of TFRS 16. Whilst other liabilities increased in the total amount of Baht 12.14 million.

Shareholders' equity as of December 31, 2020 amounted to Baht 1,815.62 million, an increase of Baht 49.51 million or 2.73%. The details of significant changes were as follows:

- An increase from net profit and other comprehensive income for the year ended 2020 amounted to Baht 228.90 million and Baht 1.84 million, respectively.
- A decrease from cumulative effect of changes in accounting policies of the first adoption of TFRS 9 and 16 amounted to Baht 3.39 million.
- A decrease from dividends paid to shareholders of Baht 174.04 million. And subsidiary paid dividends to its non-controlling interests of Baht 3.80 million.

3. Consolidated statements of Cash flow

Cash Flow Analysis

Cashflow (Unit: Million Baht)	2020	2019
Net cash flow from operating activities	414.16	730.87
Net cash used in investing activities	(273.41)	(218.87)
Net cash flow used in financing activities	(148.84)	(384.79)
Net cash and cash equivalent (before exchange rate effect)	(8.09)	127.21
Effect of exchange rate to cash and cash equivalent	1.83	(0.18)
Net (decrease) increase in cash and cash equivalents	(6.26)	127.03
Cash and cash equivalents at the beginning of the period	263.76	136.73
Cash and cash equivalents at the end of the period	257.50	263.76

Consolidated statement of cash flows for the year 2020, the Company had a net decrease in cash and cash equivalent of Baht 6.26 million which was primarily as a result of the following:

Cash Flow from Operating Activities

The net cash from operating activities of the Company for the year 2020 amounted to Baht 414.16 million, with details as follows;

- Profit before tax of Baht 260.22 million
- Items that did not affect the cash such as depreciation and amortization of assets of Baht 197.32 million
- An increase in operating assets of Baht 318.74 million resulting from the increasing in trade and other receivables of Baht 871.88 million and the decreasing in inventories of Baht 545.37 million
- An increase in operating liabilities of Baht 351.43 million resulting from the increasing in trade and other payables of Baht 343.47 million
- Paid interest expense and taxes in the total amount of Baht 76.07 million

Cash Flow from Investing Activities

The net cash used in investing activities of the Company for the year 2020 amounted to Baht 273.41 million, with details as follows;

- Property, plant and equipment, most of which were port construction, coal screening plant, lighters, trucks, and so on increased by Baht 214.77 million
- An increase in investment in joint venture of Baht 74.63 million
- A decrease in restricted bank deposits of Baht 8.44 million
- Other items decreased by Baht 7.55 million



Cash Flow from Financing Activities

The net cash used in financing activities of the Company for the year 2020 amounted to Baht 148.84 million, mainly resulting from the payment of dividend in the total amount of Baht 177.84 million. While the Company had cash from loans from financial institutions of Baht 29.00 million.

Asia Green Energy Public Company Limited and its subsidiaries ("the Company") persists in dedication and determination in order to build strong growth and sustainable returns by practicing good governance along with developing the society and environment. The Company intends to make profit continuously, with regular dividend payments to shareholders according to the established policy.

Please be informed accordingly,

Yours sincerely,

(Mr.Panom Kuansataporn)
Managing Director