

Ref: Bor Jor. 024/2018

November 13, 2018

Subject: Management Discussion and Analysis Quarter 3 Ending 30 Sep 2018

To: President
The Stock Exchange of Thailand

According to the Board of Directors' Meeting No.10/2018 held on November 13, 2018 have been approved financial statements for the three months ended 30 September 2018. The Company would like to report the operating results for the third quarter ended September 30, 2018 as follows:

The Company net profit of the three months periods Baht 162.228 million which decrease Baht 203.988 million or 55.7% by compared with the net profit at Baht 369.78 million at the same period of last year. And the Company net profit of the three months periods - Owners of the Parent Baht 113.374 million which decrease Baht 209.841 million or 64.9% by compared with the net profit - Owners of the Parent at Baht 323.215 million the same period of last year.

The Company net profit of the nine months periods Baht 1,060.245 million which decrease Baht 286.706 million or 21.29 % by compared with the net profit at Baht 1,346.951 million at the same period of last year. And the Company net profit of the nine months periods - Owners of the Parent Baht 867.731 million which decrease Baht 304.053 million or 25.95% by compared with the net profit - Owners of the Parent at Baht 1,171.784 million the same period of last year.

The details are as follows

(Unit : Thousand Baht)

STATEMENTS OF PROFIT OR LOSS	CONSOLIDATED FINANCIAL STATEMENTS for the three-months period ended 30 September					
	2018		2017		Change	
	Amount	% to Revenue	Amount	% to Revenue	Amount	% Change
Revenue from sales and Revenue from government granted - adder	1,286,885	97%	1,326,166	98%	(39,281)	-3.0%
Revenue from services	38,478	3%	29,278	2%	9,200	31.4%
Total Revenue	1,325,363	100%	1,355,444	100%	(30,081)	-2.2%
Cost of sales	(666,160)	-50%	(583,569)	-43%	(82,591)	14.2%
Cost of rendering of services	(23,134)	-2%	(15,244)	-1%	(7,890)	51.8%
Gross profit	636,069	48%	756,631	56%	(120,562)	-15.9%
Gain (loss) on foreign exchange rates - net	(2,611)	0%	18,179	1%	(20,790)	-114.4%
Other income	1,479	0%	53,734	4%	(52,255)	-97.2%
Gain on bargain purchase	-	0%	787	0%	(787)	-100.0%
Selling expenses	(650)	0%	(3,098)	0%	2,448	-79.0%
Administrative expenses	(118,493)	-9%	(95,161)	-7%	(23,332)	24.5%
Finance costs	(369,545)	-28%	(375,423)	-28%	5,878	-1.6%
Share of profit (loss) from investments in associates	19,992	2%	14,131	1%	5,861	41.5%
Profit (loss) before income tax expense	166,241	13%	369,780	27%	(203,539)	-55.0%
Income tax expense	(4,013)	0%	(3,564)	0%	(449)	12.6%
Profit (loss) for the period	162,228	12%	366,216	27%	(203,988)	-55.7%
Profit (loss) for the period - Owners of the Parent	113,374	9%	323,215	24%	(209,841)	-64.9%

(Unit : Thousand Baht)

STATEMENTS OF PROFIT OR LOSS	CONSOLIDATED FINANCIAL STATEMENTS for the nine-months period ended 30 September					
	2018		2017		Change	
	Amount	% to Revenue	Amount	% to Revenue	Amount	% Change
Revenue from sales and Revenue from government granted - adder	4,136,301	142%	4,176,895	144%	(40,594)	-0.97%
Revenue from services	107,809	4%	86,321	3%	21,488	24.89%
Total Revenue	4,244,110	145%	4,263,216	147%	(19,106)	-0.45%
Cost of sales	(1,843,066)	-63%	(1,730,146)	-60%	(112,920)	6.53%
Cost of rendering of services	(71,353)	-2%	(48,701)	-2%	(22,652)	46.51%
Gross profit	2,329,691	80%	2,484,369	85%	(154,678)	-6.23%
Gain (loss) on foreign exchange rates - net	22,981	1%	102,715	4%	(79,734)	-77.63%
Other income	26,439	1%	59,126	2%	(32,687)	-55.28%
Gain on bargain purchase	-	0%	787	0%	(787)	-
Selling expenses	(2,373)	0%	(7,005)	0%	4,632	-66.12%
Administrative expenses	(294,083)	-10%	(260,216)	-9%	(33,867)	13.01%
Finance costs	(1,087,331)	-37%	(1,080,153)	-37%	(7,178)	0.66%
Share of profit (loss) from investments in associates	72,802	2%	56,067	2%	16,735	29.85%
Profit (loss) before income tax expense	1,068,126	37%	1,355,690	47%	(287,564)	-21.21%
Income tax expense	(7,881)	0%	(8,739)	0%	858	-9.82%
Profit (loss) for the period	1,060,245	36%	1,346,951	46%	(286,706)	-21.29%
Profit (loss) for the period - Owners of the Parent	867,731	30%	1,171,784	40%	(304,053)	-25.95%

The Company would like to clarify the operating results for the three-month period ended 30 September 2018 which changed more than 20% as follows:

(1) Revenue from sales and Revenue from government granted – adder

The Company had Revenue from sales and Revenue from government granted – adder e was Baht 1,286.885 million, a decrease of Baht 39.281 million or a decrease of 3% compared to the same period of the previous year. As a result of the June to September of 2018, Thailand has a very high rainfall throughout the country. As a result, the amount of electricity produced and sold by the Company decreased compared to the same period last year.

(2) Other income

The Company had other income of Baht 1.479 million decreased by Baht 52.255 million or 97.2% compared to the same period of the previous year. This is mainly due to the decrease in other income from construction contract and project management fee that the project has already been completed.

(3) Cost of sales

Cost of sales was Baht 666.16 million, an increase of Baht 82.591 million or 14.2% from the same period of last year. This is mainly due to the increase in production cost of the Green Power Engineering Co., Ltd. (GPE), a subsidiary of the Company that already COD on June 14, 2018. The major cost of production was depreciation and amortization of assets, raw material cost and labor costs.

HEAD OFFICE :

223/61, 14th Fl., Country Complex Tower A. Sunpawut Rd., Bangna Tai,
Bangna, Bangkok 10260, Thailand.

Tax ID:0107547000958 Tel : (662) 361-5599 Fax:(662) 361-5036

(4) Gain (loss) on foreign exchange rates - net

The Company had a foreign exchange loss of Baht 2.611 million, a decrease of Baht 20.79 million or a decrease of 114.4% comparing to the same period of last year. The Company has mainly settled foreign currency accounts receivable. As at 30 September 2018, foreign currency trading accounts receivable of approximately Baht 470 million

(5) Administrative expenses

The Company's administrative expenses were Baht 118.493 million, an increase of Baht 23.332 million or 24.5% from the same period of last year. This is mainly due to an increase in personnel expenses, most of them come from the Industrial Waste Thermal Power Plant project that already COD on June 14, 2018 ago.

Yours Sincerely,

(Mr. Jormsup Lochaya)
Chairman of the board