

Ref: Bor Jor. 007/2019

February 27, 2020

Subject: Management Discussion and Analysis Yearly Ending 31 December 2019

To: President

The Stock Exchange of Thailand

According to the Board of Directors' Meeting No.3/2020 held on February 27, 2020 have been approved financial statements for year ended 31 December 2019. The Company would like to report the operating results for year ended 31 December 2019 as follows:

The Company net profit of the year Baht 2,374.41 million which increase Baht 1,100.21 million or 86.35% by compared with the net profit at 1 Baht 1,274.20 million at the same period of last year.

The Company net profit of the year - Owners of the Parent Baht 2,137.11 million which decrease Baht 1,091.68 million or 104.42 % by compared with the net profit - Owners of the Parent at Baht 1,045.43 million at the same period of year.

(Unit : Million Baht)

STATEMENTS OF PROFIT OR LOSS	CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December					
	2019		2018		Change	
	Amount	% to Revenue	Amount	% to Revenue	Amount	% Change
Revenue from sales and Revenue from government granted - adder	6,128.11	98.12%	5,588.95	97.55%	539.16	9.65%
Revenue from services	117.47	1.88%	140.45	2.45%	(22.98)	-16.36%
Total Revenue	6,245.58	100.00%	5,729.40	100.00%	516.17	9.01%
Cost of the sale of goods	(2,857.51)	-45.75%	(2,533.12)	-44.21%	(324.39)	12.81%
Cost of the sale of the rendering of services	(89.45)	-1.43%	(94.54)	-1.65%	5.09	-5.39%
Gross profit	3,298.62	52.82%	3,101.75	54.14%	196.88	6.35%
Gain (loss) on foreign exchange rates - net	(88.87)	-1.42%	12.21	0.21%	(101.07)	-828.12%
Profit from selling assets to the infrastructure fund	1,289.92	20.65%	-	0.00%	1,289.92	100.00%
Other income	130.35	2.09%	48.59	0.85%	81.76	168.25%
Selling expenses	(2.08)	-0.03%	(4.25)	-0.07%	2.17	-51.04%
Administrative expenses	(567.32)	-9.08%	(505.22)	-8.82%	(62.10)	12.29%
Finance costs	(1,495.31)	-23.94%	(1,456.72)	-25.43%	(38.59)	2.65%
Share of profit (loss) from investments in associates	91.73	1.47%	84.10	1.47%	7.63	9.07%
Profit (loss) before income tax expense	2,657.05	42.54%	1,280.45	22.35%	1,376.60	107.51%
Income tax expense	(282.64)	-4.53%	(6.25)	-0.11%	(276.39)	4419.33%
Profit (loss) for the period	2,374.41	38.02%	1,274.20	22.24%	1,100.21	86.35%
Profit (loss) for the period - Owners of the Parent	2,137.11	34.22%	1,045.43	18.25%	1,091.68	104.42%

Note: financial statements for year ended 31 December 2019 does not include the performance of Sinenergy Ninh Thuan Power Limited Liability Company which has supplied electricity the Vietnam Electricity Authority (EVN) on December 24, 2019 due to the process of holding shares.

The Company would like to clarify the operating results for the year ended 31 December 2019 which changed more than 20% as follows:

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

In 2019, the company has revenue from sales and revenue from government granted - adder of Baht 6,128.11 million which increasing by Baht 539.16 million or 9.65% from the same period of last year which is mainly due to

- The company has increased revenue in the amount of Baht 398.59 million from revenue from sales of electricity from solar power plant project In Vietnam total of 4 projects with a total capacity of 186.72 megawatts COD at the end of June 2019.
- The increase in revenue of Baht 196.64 million from the thermal power plant from industrial waste of Green Power Energy Co.Ltd, a subsidiary of the Company that already COD on June 14, 2018.
- The increase in revenue from sales of tap water and raw water in the amount of Baht 44.35 million of Super Water Company Limited (SW) and Thai Panichnawa Construction and Langnumthai Join Venture Co.,Ltd. (JVTPN), which SUPER acquired in business on June 28, 2019.

(2) Gain (loss) on foreign exchange rates – net

In 2019, the company has loss on foreign exchange rates – net amounted to Baht 88.87 million, a increase of Baht 101.07 million or 828.12% compared to the same period of last year. As a result of loan to an overseas subsidiary of the company and the occurrence of the baht appreciation at the end of the year resulting in a large amount of difference from the exchange rate. However, the loss from exchange rate is a representation of accounting numbers only.

(3) Profit from selling assets to the infrastructure fund

The company has a profit from selling assets to the infrastructure fund in the amount of 1,289.923 million baht due to the transfer of net income from the operation of the solar power plant project of 17 Aunyawee Holding Co., Ltd. (17AYH) and Health Planet Management (Thailand) Co., Ltd. (HPM), 19 projects totaling 118 MW to the Super Energy Power Plant Infrastructure Fund (SUPEREIF) on 14 August 2019, which are detailed below.

(Unit : MB)	Total
Compensation from revenue transfer agreement - net	7,928
<u>Less</u> Net assets transferred to infrastructure fund	(6,316)
Profit from asset disposition to infrastructure fund	1,612
<u>Less</u> profits from the sale of assets to the infrastructure fund in proportion to which SUPER invested 20%	(322)
Profit from asset disposition to infrastructure fund - net	1,290
Income tax expense	(308)

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(4) Other income

In 2019, the company has other income of Baht 130.35 million which increasing by Baht 81.76 million or 168.25% from the same period of last year which is mainly due to

- The increase in interest income from loans to a company in the amount of Baht 44.98 million. (This loan is in accordance with the resolution of the board of directors in the Board of Directors Meeting No.1/2019 on February 27, 2019)
- Interest income from financial institutions in the amount of Baht 21.45 million.
- Increased rental income from land rental to Infrastructure Fund that started to recognize revenue in the year 2019 in the amount of Baht 12.24 million.

(5) Administrative expenses

In 2019, the administrative expenses was Baht 567.32 million which increasing by Baht 62.10 million or 12.29 % from the same period of last year by the increase in

- Employee expenses increased by Baht 47.23 million because in the year 2019 the company expanded investment to foreign countries. Therefore having to hire more employees both domestically and internationally to support investment expansion.
- Rents increased by Baht 16.75 million, due to the land rent of tap water and raw water business in the amount of Baht 9.5 million and office rental fees in foreign countries in the amount of Baht 5 million.

Please be informed accordingly.

Yours Sincerely,

(Mr. Jormsup Lochaya)
Chairman of the board