

## Management Discussion and Analysis Quarter 2/2015

### Financial Performance

Unit : THB million

Line items	30 June		Increase (Decrease)	
	2015	2014	Amount	Percentage
Revenue from sales and services	58.17	28.56	29.61	103.68
Cost of sales and services	(55.29)	(33.17)	(22.12)	66.69
<b>Gross Profit</b>	2.88	(4.61)	7.49	(162.47)
Other income	22.44	453.31	(430.87)	(95.05)
Administrative expenses	(45.56)	(19.09)	(26.47)	138.66
Other expenses	(0.05)	0.00	(0.05)	(100.00)
Finance cost	(12.09)	(17.12)	5.03	(29.38)
Share of profit from investments in jointly controlled entities	313.53	228.42	85.11	37.26
<b>Profit (loss) before income tax expense</b>	281.15	640.91	(359.76)	(56.13)
Tax income	0.13	7.32	(7.19)	(98.22)
<b>Profit (loss) for the period</b>	281.28	648.23	(366.95)	(56.61)
<b>Other comprehensive income:</b>				
Items that will be reclassified subsequently to profit or loss				
Currency translation differences	2.05	0.00	2.05	100.00
	283.33	648.23	(364.90)	(56.29)
<b>Profit (loss) attributable to:</b>				
Owner of the parent	281.29	648.23	(366.94)	-57
Non-controlling interest	0.00	0.00	0.00	0
	281.29	648.23	(366.94)	-57
<b>Comprehensive income (expense) attributable to:</b>				
Owners of the parent	283.34	648.23	(364.89)	-56
Non-controlling interests	0.00	0.00	0.00	0
	283.34	648.23	(364.89)	-56
Earnings per share (Baht per share)	0.15	0.50	-0.35	(70)

The new accounting standard in 2015 required the company to change its accounting policy with regards to an investment in joint controlled entities from applying partial consolidation to equity method. The impact to the financial statements ended 31 December 2014 and financial information for the six-month period ended 30 June 2014 is described in Note 4 of the financial statement.

#### 1.1 Revenue from sales and services

Total revenue from sales and services in 2Q2015 was THB 58.17 million, which increased by THB 29.61 million or 103.68% compared with THB 28.56 million in the same period last year.

The increase mainly came from the additional 9 PV Rooftop projects which started commercial operation between late 2014 and early 2015 contributing an increase in revenue from electricity by THB 32.54 million.

## 1.2 Cost of sales and services

Total cost of sales and services in 2Q2015 was THB 55.29 million, which increased by THB 22.12 million or 66.69% compared with THB 33.17 million in the same period last year. The increase in 2015 was mainly from more staff and other costs due to business expansion and more rooftop projects in operation.

The company's gross margin for 2015 was 4.95% increasing from negative 16.14% achieved last year due to more commercial operation of PV Rooftop.

## 1.3 Administrative expenses

Total administrative expenses for 2Q2015 was THB 45.56 million, which increased by THB 26.47 million or 138.66%, compared with THB 19.09 million in the same period last year. The increase in 2015 was caused by more staff and other related costs in business expansion including consulting fees for domestic and foreign business opportunities.

## 1.4 Finance Cost

Finance cost for 2Q2015 was THB 12.09 million, which decreased by THB 5.03 million or 29.38% compared with THB 17.12 million in the same period last year. The decrease was due to a partial loan repayment from IPO proceeds.

## 1.5 Share of Profit from Investment in Jointly Controlled Entities

The effect of changes in accounting policy with regards to an investment in joint controlled entities, the company recognised an investment in joint controlled entities based on equity method.

### Financial Performance of joint controlled entities based on equity method

Unit : THB million

	30 June 2015	30 June 2014	Increase (Decrease)	
			Amount	Percentage
Net Profit	313.53	228.42	85.11	37.26%
Extraordinary Item: Income from Liquidated Damages for Delay in Construction	-	-64.58	64.58	-100.00%
Normal Operating Profit	313.53	163.84	149.69	91.36%

Net profit of joint controlled entities for 2Q2015 was THB 313.53 million, which increased by THB 85.11 million or 37.26% compared with THB 228.42 million in the same period last year. Net profit in 2014 included an income from liquidated damages for delay in construction, extraordinary item, of THB 64.58 million.

Normal operating profit of joint controlled entities for 2Q2015 was THB 313.53 million, which increased by THB 149.69 million or 91.36% compared with THB 163.84 million in the same period last year. The increase was from all PV solar power plants operational in 2015.

## 1.6 Net profit (loss) for the period

According to the consolidated financial statement for 2Q2015, the net profit was THB 283.33 million or earnings per share of THB 0.15, an decrease of THB 364.90 million, compared with a net profit of THB 648.23 million or earnings per share of THB 0.50 in 2Q2014. The decrease was due to an extraordinary accounting profit of THB 450 million in 2014 from the change in status of investments in subsidiaries to jointly controlled entities. However, the earnings from normal operation is higher in 2015 due to more operation of PV solar power plants from 5 to 10 power plants and more operation of rooftop projects. The company recognised profit from PV solar power plants based on equity method which was recorded as share of profit from investment in jointly controlled entities.

## Analysis of Financial Position

### 2.1 Analysis of assets

As of June 30, 2015, the total assets were THB 4,475.51 million, increasing by THB 359.10 million or 8.72% from THB 4,116.41 million as at December 31, 2014. The details were as follows;

Unit : THB million

	30 June 2015	31 December 2014	Increase (Decrease)	
			Amount	Percentage
Current assets	1,293.61	1,409.83	-116.22	(8.24)
Non-current assets	3,181.90	2,706.58	475.32	17.56
<b>Total assets</b>	<b>4,475.51</b>	<b>4,116.41</b>	<b>359.10</b>	<b>8.72</b>

1. As of June 30, 2015, current assets were THB 1,293.61 million, decreasing by THB 116.22 million or 8.24% from THB 1,409.83 million as at December 31, 2014. The main reasons were a usage of some matured fixed deposits to expand domestic and foreign businesses and a decrease in trade and other receivables.
2. As of June 30, 2015, non-current assets were THB 3,181.90 million, increasing by THB 475.32 million or 17.56% from THB 2,706.58 million as at December 31, 2014. The main reason was an increase in investments in jointly controlled entities and investments in PV Rooftop.

### 2.2 Analysis of liabilities and shareholders' equity

As of June 30, 2015 the total liabilities and shareholders' equity were THB 4,475.51 million, increasing by THB 359.10 million or 8.72% from THB 4,116.41 million as at December 31, 2014. The details were as follows;

Unit : THB million

	30 June 2015	31 December 2014	Increase (Decrease)	
			Amount	Percentage
Liabilities	702.92	627.16	75.76	12.08
Equity	3,772.59	3,489.25	283.34	8.12
<b>Total Liabilities and Equity</b>	<b>4,475.51</b>	<b>4,116.41</b>	<b>359.10</b>	<b>8.72</b>

2.2.1 As of June 30, 2015, the total liabilities were THB 702.92 million, increasing by THB 75.76 million or 12.08 from THB 627.16 million as at December 31, 2014. The main reasons were as follows;

1. Construction payables and other payables decreased by THB 106.81 million due to the completion of solar power plant construction.
2. Additional borrowing from bank were THB 223.98 million for construction of PV rooftops.
3. Value added tax payable decreased by THB 38.34 million.

2.2.2 As of June 30, 2015, the total equity were THB 3,772.59 million, increasing by THB 283.34 million or 8.12% from THB 3,489.25 million at the end of 2014 due to net profit of 2Q2015.

At the Annual General Meeting of shareholders held on April 29, 2015, resolution was passed to approve the compensation of the accumulated loss of Baht 538.54 million from the share premium of Baht 1,266.10 million. Upon the compensation, the Company has no accumulated loss with the remaining share premium of Baht 727.55 million.