

Description and analysis of financial position and financial performance for 2014

Financial Performance

Unit: THB million

	31 December		Increase (Decrease)	
	2014	2013	Amount	Percentage
Revenue from sales and services	825.24	141.04	684.20	485.11%
Cost of sales and services	(239.30)	(80.42)	(158.88)	197.56%
Gross Profit	585.94	60.62	525.32	866.58%
Other income	523.45	466.31	57.14	12.25%
Administrative expenses	(122.73)	(107.87)	(14.86)	13.78%
Finance cost	(158.36)	(83.16)	(75.20)	90.43%
Loss on impairment/write-off of fixed assets	(250.00)	(599.25)	349.25	(58.28%)
Profit of the subsidiaries before changes in their statuses to jointly controlled entities	0.00	105.43	(105.43)	(100.00%)
Profit before tax income (expenses)	578.30	(157.92)	736.22	(466.20%)
Tax income (expenses)	2.96	142.30	(139.34)	(97.92%)
Profit (loss) for Year	581.26	(15.62)	596.88	(3,821.25%)
Basic earnings per share (Baht per share)	0.41	(0.02)	0.43	(2,150%)

1.1 Revenue from sales and services

Revenue from sales and services in 2014 was THB 825.24 million, which increased by THB 684.20 million or 485.11% compared with THB 141.04 million in the same period last year. The increase mainly came from the additional 5 PV power plants which started commercial operation in 2014 under SSE-1, the company's joint controlled entity.

1.2 Cost of sales and services

Total cost of sales and services in 2014 was THB 239.30 million, which increased by THB 158.88 million or 197.56%, compared with THB 80.42 million in the same period last year. The increase was mainly from more operation of PV solar power plants which was in line with the increase in revenue.

The company's gross profit margin for 2014 was 71% increasing from 43% achieved last year due to more commercial operation of solar power plants in 2014.

1.3 Administrative expenses

Total administrative expenses for 2014 was THB 122.73 million, which increased by THB 14.86 million or 13.78%, compared with THB 107.87 million in the same period last year. The increase was caused by a return of Refunded VAT to be paid to Revenue Department from the write-off of solar thermal plants.

1.4 Finance cost

Finance cost in 2014 was THB 158.36 million, which increased by THB 75.20 million or 90.43% compared with THB 83.16 million in the same period last year. According to the Thai Accounting Policy, the company must capitalize borrowing cost of qualifying assets during the construction period to be construction in progress. The Interest costs incurred during the productive life of the power plants will be expensed in each operational period. The increase in interest expenses in 2014 was from the interest costs of additional PV solar farms that become operational in 2014.

1.5 Net profit (loss) for the year

According to the consolidated financial statement for the year ended December 31, 2014 the company's net profit was THB 581.26 million or earnings per share of THB 0.41 compared with a net loss of THB 15.62 million or loss per share of THB 0.02 in the same period last year.

Analysis of Financial Position

2.1 Analysis of assets

As at December 31, 2014, the total assets were THB 6,881.39 million, increasing by THB 1,576.57 million or 29.72% from THB 5,304.82 million as at December 31, 2013. The details were as follows;

Unit: THB million

Transaction	31 December		Increase (Decrease)	
	2014	2013	Amount	Percentage
Current assets	1,660.55	263.59	1,396.96	529.97%
Non-current assets	5,220.84	5,041.23	179.61	3.56%
Total assets	6,881.39	5,304.82	1,576.57	29.72%

- 1) As at December 31, 2014, current assets were THB 1,660.55 million, increasing by THB 1,396.96 million or 529.97% from THB 263.59 million as at December 31, 2013. The main reason was the receipt of IPO proceeds, which were later invested in short-term investment.
- 2) As at December 31, 2014, non-current assets were THB 5,220.84 million, increasing by THB 179.61 million or 3.56% from THB 5,041.23 million as at December 31, 2013. The main reason was an increase in restricted long-term bank deposit by THB 120.59 million, which is the required reserve as per the loan agreements, and in the construction in progress of commercial rooftop solar projects by THB 59.57 million.

2.2 Analysis of liabilities and shareholders' equity

As at December 31, 2014 the total liabilities and shareholders' equity were THB 6,881.39 million, increasing by THB 1,576.57 million or 29.72% from THB 5,304.82 million as at December 31, 2013.

The details were as follows;

Unit: THB million

	31 December		Increase (Decrease)	
	2014	2013	Amount	Percentage
Liabilities	3,393.88	4,372.09	(978.21)	(22.37%)
Equity	3,487.51	932.73	2,554.78	273.90%
Liabilities and equity	6,881.39	5,304.82	1,576.57	29.72%

2.2.1) As at December 31, 2014, the total liabilities were THB 3,393.88 million, decreasing by THB 978.21 million or 22.37% from THB 4,372.09 million as at December 31, 2013. The main reasons were as follows

- 1) Construction payables and other payables decreased by THB 623.86 million due to the completion of solar power plant construction.
- 2) Short-term loan from director was fully paid back (THB 20.00 million).
- 3) Long-term loan was paid off by THB 904.26 million from cash flow of operational PV power plants and IPO proceeds, offset by more drawdown of loan to construct rooftop projects by THB 622.86 million.

2.2.2) As at December 31, 2014, the total equity were THB 3,487.51 million, increasing by THB 2,554.78 million or 273.90% from THB 932.73 million as at December 31, 2013. The main reasons were as follows

- 1) Additional paid-up capital from shareholders (THB 257 million) and the IPO proceeds of THB 1,716 million.
- 2) The consolidated net income for 2014 was THB 581.50 million resulting in a retained earnings of THB 406.25 million as at the end of December 2014.