

## Management Discussion and Analysis Quarter 1/2015

### Financial Performance

Unit : THB million

Line items	31 March		Increase (Decrease)	
	2015	2014	Amount	Percentage
Revenue from sales and services	24.46	13.66	10.80	79.06%
Cost of sales and services	(25.66)	(15.86)	(9.80)	61.79%
<b>Gross Profit</b>	<b>(1.21)</b>	<b>(2.20)</b>	<b>0.99</b>	<b>(45.00%)</b>
Other income	14.46	3.05	11.41	374.10%
Administrative expenses	(23.38)	(8.74)	(14.64)	167.51%
Other expenses	(0.04)	0.00	(0.04)	(100.00%)
Finance cost	(5.37)	(9.70)	4.33	(44.64%)
Share of profit from investments in jointly controlled entities	155.92	73.36	82.57	112.55%
<b>Profit (loss) before income tax expense</b>	<b>140.38</b>	<b>55.77</b>	<b>84.62</b>	<b>151.73%</b>
Tax income	0.05	0.07	(0.02)	(28.57%)
<b>Profit (loss) for the period</b>	<b>140.43</b>	<b>55.83</b>	<b>84.60</b>	<b>151.53%</b>
<b>Other comprehensive income:</b>				
Items that will be reclassified subsequently to profit or loss				
Currency translation differences	0.73	0.00	0.73	100.00%
	<b>141.16</b>	<b>55.83</b>	<b>85.33</b>	<b>251.53%</b>
<b>Profit (loss) attributable to:</b>				
Owner of the parent	140.43	55.83	84.60	152%
Non-controlling interest	0.00	0.00	0.00	0%
	<b>140.43</b>	<b>55.83</b>	<b>84.60</b>	<b>152%</b>
<b>Comprehensive income (expense) attributable to:</b>				
Owners of the parent	141.16	55.83	85.33	153%
Non-controlling interests	0.00	0.00	0.00	0%
	<b>141.16</b>	<b>55.83</b>	<b>85.33</b>	<b>153%</b>
Earnings per share (Baht per share)	0.08	0.05	0.03	60%

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 three-month period ended 31 March 2014 is described in Note 4 of the financial statement.

#### 1.1 Revenue from sales and services

Revenue from sales and services in 1Q2014 was THB 24.46 million, which increased by THB 10.80 million or 79.06% compared with THB 13.66 million in the same period last year.

The increase mainly came from the additional 8 PV Rooftop, projects which started commercial operation between late 2014 and early 2015 contributing an increase in revenue from electricity by THB 13.05 million.

## 1.2 Cost of sales and services

Total cost of sales and services in 1Q2015 was THB 25.66 million, which increased by THB 9.80 million or 61.79% compared with THB 15.86 million in the same period last year. The increase was mainly from more staff and other costs in 2015 due to business expansion and more rooftop project under operation.

The company's gross margin for 2015 was negative 5.0% decreasing from negative 16.1% achieved last year due to more commercial operation of PV Rooftop.

## 1.3 Administrative expenses

Total administrative expenses for 1Q2015 was THB 23.38 million, which increased by THB 14.64 million or 167.51%, compared with THB 8.74 million in the same period last year. The increase was caused by more staff and other related costs in 2015 given business expansion and consulting fees for inbound and outbound investment.

## 1.4 Finance Cost

Finance cost for 1Q2015 was THB 5.37 million, which decreased by THB 4.33 million or 44.64% compared with THB 9.70 million in the same period last year. The decrease was due to a partial loan repayment from IPO proceeds.

## 1.5 Net profit (loss) for the period

According to the consolidated financial statement for 1Q2015, the net profit was THB 140.43 million or earnings per share of THB 0.08, an increase of THB 84.60 million, compared with a net profit of THB 55.83 million or earnings per share of THB 0.05 in 1Q2014. The increase was caused by 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 March 31, 2015, the total assets were THB 4,193.86 million, increasing by THB 77.45 million or 1.88% from THB 4,116.41 million as at December 31, 2014. The details were as follows;

Unit: THB million

Line items	31 Mar. 2015	31 Dec. 2014	Increase (Decrease)	
			Amount	Percentage
Current assets	1,287.58	1,409.83	(122.25)	(8.67%)
Non-current assets	2,906.28	2,706.58	199.70	7.38%
<b>Total assets</b>	<b>4,193.86</b>	<b>4,116.41</b>	<b>77.45</b>	<b>1.88%</b>

1) As of March 31, 2015, current assets were THB 1,287.58 million, decreasing by THB 122.25 million or 8.67% from THB 1,409.83 million as at December 31, 2014. The main reasons were a withdrawal of some matured fixed deposit and a decrease in trade and other receivables.

2) As of March 31, 2015, non-current assets were THB 2,906.28 million, increasing by THB 199.70 million or 7.38% 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 March 31, 2015 the total liabilities and shareholders' equity were THB 4,193.87 million, increasing by THB 77.46 million or 1.88% from THB 4,116.41 million as at December 31, 2014. The details were as follows;

Unit : THB million

Line items	31 Mar. 2015	31 Dec. 2014	Increase (Decrease)	
			Amount	Percentage
Liabilities	563.45	627.16	(63.71)	(10.16%)
Equity	3,630.42	3,489.25	141.17	4.05%
<b>Total Liabilities and Equity</b>	<b>4,193.87</b>	<b>4,116.41</b>	<b>77.46</b>	<b>1.88%</b>

2.2.1) As of March 31, 2015, the total liabilities were THB 4,193.87 million, increasing by THB 77.46 million or 1.88% from THB 4,116.41 million as at December 31, 2014. The main reasons were as follows;

- 1) Construction payables and other payables decreased by THB 103.64 million due to the completion of solar power plant construction.
- 2) Additional borrowing from bank were THB 80.47 million for construction of PV rooftops.
- 3) Value added tax payable decreased by THB 38.34 million.

2.2.2) As of March 31, 2015, the total equity were THB 3,630 million, increasing by THB 141.17 million or 4.05% from THB 3,489.25 million at the end of 2014 due to net profit of 1Q2015.