

## Management Discussion and Analysis for the three-month period ended 31 March 2017

### 1. Revenue from Sales and Services

The company generated total revenue from sales and services for Q1/2017 for the amount of THB 54.58 million, which increased by THB 14.65 million or 36.67% compared to THB 39.94 million in the same period last year. The increment mainly came from starting of commercial operation date of projects in Japan distribution of electricity in Japan from 1.75 MW to 5.24 MW in Q1/2017. Moreover, the company also realized the strong performance of the new 1 MW solar farm in Bangsaphan district in Q1/2017. (Anyway, the revenue from sales and services did not include the revenue from 80 MW of solar farm which was recognized in the statement of income in form of the contribution through share of profit from investments of 60% in jointly controlled entities).

### 2. Cost of Sales and Expenses

Total cost of sales and services of Q1/2017 were THB 40.46 million, which increased by THB 9.77 million or 31.83% compared to THB 30.69 million in the same period last year. The increment mainly came from depreciation from THB 19.51 million compared with THB 4.35 million. The company's gross profit margin of Q1/2017 was THB 14.13 million, which increased by THB 4.88 million or 52.72%. Gross profit in Q1/2017 was 25.88% increasing from Q1/2016 which shown 23.16%.

Total administrative expenses of Q1/2017 were THB 29.76 million, which decreased by THB 7.72 million or 20.59% compared to THB 37.47 million in the same period last year. The decreasing mainly came from decreases in project consultant fee for Japan of THB 10.70 million.

Finance cost for Q1/2017 was THB 26.81 million, which increased by THB 17.49 million or 187.66%, comparing to the same period last year. The increasing mainly came from interest expenses from issuance of bond of THB 21.90 million.

### 3. Share of Profit from Investment in Jointly Controlled Entities

According to Thai Accounting Standards with regards to an investment in joint controlled entities, the company would recognize an investment in joint controlled entities based on equity method. This concept was applied for the 80-MW solar PV farm. The details are as followed;

Financial Performance of joint controlled entities based on equity method

Unit : THB million

Items	31 March		Increase (Decrease)	
	2017	2016	Amount	%
Revenue	448.99	395.09	53.90	13.64
Cost and expenses	(174.88)	(136.35)	(38.53)	28.26
Net Profit	274.11	258.74	15.37	5.94
Share of Profit from Investment in Jointly Controlled Entities (60%)	164.47	155.24	9.22	5.94

Revenue of joint controlled entities for Q1/2017 was THB 274.11 million, which increased by THB 15.37 million or 5.94% compared to THB 258.74 million in the same period last year. The main reasons were strong operation performance and wind fall from net gain in compensation from insurance for the amount of THB 37.00 million. Net profit from jointly controlled entities would be categorized by the equity method in terms of share of profit from jointly controlled entities. In Q1/2017, the amount of share of profit from jointly controlled entities was equaled to THB 164.47 million, which increased by THB 9.2 million or 5.94%, comparing to THB 155.24 million in the same period last year.

### 4. Profit attributable to Owners of the parent

According to the consolidated financial statement for Q1/2017, The profit attribute to owners for Q1/2017 was THB 130.22 million, which increased by THB 0.83 million or 0.64% compared to THB 129.39 million in the same period last year. The comprehensive income for the period was THB 128.62 million, which decreased by THB 20.65 million compared to THB 149.27 million in the same period last year. The main reasons were due to interest expenses from bond increased and profit sharing from joint controlled entities decreased.