

No. TSE(PCL)002/05-2021

12 May 2021

Subject: Management discussion and analysis quarter 1 ending 31 March 2021

To: The President
The Stock Exchange of Thailand

The Board Meeting of Thai Solar Energy Public Company Limited ("the Company") held on 12 May 2021 resolved to approve the financial statement quarter 1 ending 31 March 2021. The Company would like to inform Management Discussion and Analysis details as follow;

Management Discussion and Analysis for 3-month period ended 31 March 2021

1. Revenue from Sales and Services

The company generated total revenue from sales and services of Q1/2021 amounting of THB 371.40 million, which increased by THB 0.34 million or 0.09% compared to THB 371.06 million of the same period last year. (The revenue from sales and services did not include the revenue from 80 MW of solar farm which was recognized the contribution through share of profit from investments of 60% in jointly controlled entities).

The company has revenue increased from revenue of new acquired 5 MW solar farm in Krabi province, offset with the decrease in revenue from solar farm projects in Japan which has affect from high snow in early 2021 and decrease in revenue of disposed project during 2020.

2. Cost of Sales and Expenses

Total cost of sales and services of Q1/2021 amounting of THB 269.81 million, which increased by THB 28.35 million or 11.74% compared to THB 241.46 million of the same period last year. The increase mainly from operation costs of Biomass projects. Result in the decrease of gross profit margin of 27.36% in Q1/2021 compared to 34.93% in Q1/2020.

Total administrative expenses of Q1/2021 amounting of THB 47.45 million, which decreased by THB 18.28 million or 27.81% compared to THB 65.73 million of the same period last year. The decrease mainly from impairment of assets which occurred in 2020.

This is not include unrealized gain (loss) from exchange rate which presented gain amounting of THB 43.91 million in Q1/2021 and presented loss amounting of THB 167.47 million in Q1/2020 caused profit increased of THB 211.38 million or 126.22%. This is considered as non-cash transaction and no impact to operation.

Total finance costs of Q1/2021 amounting of THB 84.69 million, which increased by THB 22.15 million or 35.42% compared to THB 62.54 million of the same period last year. The increase mainly from finance costs of right of PPA which start construction.

3. Share of Profit from Investment in Joint Ventures

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

Financial Performance of joint ventures based on equity method

Unit : THB million

Items	31 March		Increase (Decrease)	
	2021	2020	Amount	%
Revenue	412.83	389.10	23.73	6.10
Cost and expenses	(100.49)	(108.12)	7.63	7.06
Net Profit	312.34	280.98	31.36	11.16
Share of Profit from Joint Ventures (60%)	187.40	168.59	18.81	11.16

Net profit of joint ventures of Q1/2021 amounting of THB 312.34 million, increased by THB 31.36 million or 11.16% compared to THB 280.98 million of the same period last year due to better operation performance from power plant improvement and decrease in finance costs.

Net profit from joint ventures would be categorized by the equity method in terms of share of profit from joint ventures. In Q1/2021, the amount of share of profit from joint ventures amounting to THB 187.40 million, increased by THB 18.81 million or 11.16%, comparing to THB 168.59 million of the same period last year.

4. Profit attributable to Owners of the parent

According to the consolidated financial statement of Q1/2021, the profit attribute to owners amounting of THB 202.57 million, increased by THB 196.04 million or 3,002.14% compared to THB 6.53 million of the same period last year. Main increase came from non-cash transactions of changes in unrealized gain (loss) from exchange rate and decrease in impairment of assets which occurred in 2020.

Please be informed accordingly.
Your sincerely,

- signed -

(Mr. Somphop Prompanapitak)
Chief Operating Officer