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Topic Management's Discussion and Analysis of results and financial status for 2nd quarter 2017,
as of 30 June 2017

Attention The President
The Stock Exchange of Thailand

Management's Discussion and Analysis of results and financial status

For 2nd quarter 2017, as of 30 June 2017

1) Executive Summary

For the 6 months period ended 30 June 2016 and 2017, consolidated electricity sale revenue is 444.6 MTHB and 447.9 MTHB respectively, increasing by 3.3 MTHB or 0.7% compared to the same period of 2016. The increase is mainly as a result of higher electricity sale volume despite lower average electricity tariff (which compared of base tariff, Ft, and Adder) , which decrease for the period of Jan-Jun 2017 compared to Jan-June 2016.

For the 6 months period ended 30 June 2016 and 2017, consolidated cost of sales is 84.6 MTHB and 83.3 MTHB respectively, immaterially decreasing by 1.3 MTHB or 1.5% compared to the same period of 2016.

For the 6 months period ended 30 June 2016 and 2017, consolidated gross profit is 360.0 MTHB and 364.5 MTHB respectively, increasing by 4.6 MTHB or 1.3% compared to the same period of 2016, whereas gross profit margin is 81.0% and 81.4% respectively. The increase is mainly as a result of increase in electricity sale revenue, which is driven by higher electricity sale volume.

For the 6 months period ended 30 June 2016 and 2017, consolidated net profit is 270.1 MTHB and 211.3 MTHB respectively, decreasing by 58.8 MTHB or 21.8% compared to the same period of 2016. The decrease is mainly as a result of (1) increase of administration expenses, (2) increase of uncanceled construction costs of project under construction (i.e. Hidaka project), and (3) unrealized foreign exchange loss booked in profit and loss statement. The net profit attributed to company's shareholders for the 6 months period ended 30 June 2016 and 2017 is 270.1 MTHB and 212.9 MTHB respectively.

2) Analysis of financial results and status

Revenue

Revenue Structure	Consolidated Financial Statement for 6 months ended 30 June			
	2016		2017	
	MTHB	%	MTHB	%
Sale revenue from electricity rate (base tariff + Ft)	148.1	31.5	144.3	32.1
Sale revenue from Adder	296.5	63.1	303.5	67.5
Sale revenue from electricity sale	444.6	94.6	447.9	99.6
Other revenues ¹	25.5	5.4	1.6	0.4
Total sale revenues	470.1	100.0	449.5	100.0

Remark: ¹ Other revenues included (but not limited to) import tax, interest revenue, revenue related to power development fund

For the 6 months period ended 30 June 2016 and 2017, consolidated electricity sale revenue is 444.6 MTHB and 447.9 MTHB respectively, increasing by 3.3 MTHB or 0.7% compared to the same period of 2016. The increase is mainly as a result of higher electricity sale volume despite lower average electricity tariff, which decrease for the period of Jan-Jun 2017 compared to Jan-June 2016. Sale revenue from electricity sale comprised of (1) sale revenue from electricity rate (Base Tariff + Ft) and (2) sale revenue from Adder.

Project	Contracted Capacity (MW)	Electricity Sale Volume (MWh)	
		For 6 months period ended 30 June 2016	For 6 months period ended 30 June 2017
Sermasang Solar Project	40	45,618.9	46,698.3
Total	40	45,618.9	46,698.9
Average Tariff Rate (THB/KWh)		3.25	3.09

For the 6 months period ended 30 June 2016 and 2017, consolidated other revenue is 25.5 and 1.6 MTHB respectively, decreasing 23.9 MTHB or 93.6% compared to the same period of 2016. The decrease is mainly as a result of unrealized foreign change gain of 23.8 MTHB booked for the 6 months period ended 30 June 2017.

Cost of Sales

For the 6 months period ended 30 June 2016 and 2017, consolidated cost of sales is 84.6 MTHB and 83.3 MTHB respectively, immaterially decreasing by 1.3 MTHB or 1.5% compared to the same period of 2016.

Cost of sales comprised of (1) depreciation and amortization, (2) operating and maintenance cost of solar plant, and (3) other costs (i.e. electricity cost, salary and bonus, and insurance fee).

Cost of sales	Consolidated Financial Statement for 6 months ended 30 June			
	2016		2017	
	MTHB	%	MTHB	%
Operating and maintenance cost	19.0	22.5	18.9	22.7
Depreciation and amortization	57.9	68.4	57.7	69.3
Others ¹	7.7	9.1	6.7	8.0
Cost of sales	84.6	100.0	83.3	100.0

Remarks: ¹ Others included (but not limited to) electricity, salary and bones, and insurance fee

Gross Profit

For the 6 months period ended 30 June 2016 and 2017, consolidated gross profit is 360.0 MTHB and 364.5 MTHB respectively, increasing by 4.6 MTHB or 1.3% compared to the same period of 2016, whereas gross profit margin is 81.0% and 81.4% respectively. The increase is mainly as a result of increase in electricity sale revenue, which is driven by higher electricity sale volume.

	Consolidated Financial Statement for 6 months ended 30 June			
	2016		2017	
	MTHB	MTHB	MTHB	MTHB
Sale Revenue	444.6	100.0	447.9	100.0
Cost of sales	84.6	19.0	83.3	18.6
Gross Profit	360.0	81.0	364.5	81.4

Administrative Expenses

For the 6 months period ended 30 June 2016 and 2017, consolidated administrative expenses is 41.0 and 77.5 MTHB respectively, increasing 36.4 MTHB or 88.7% compared to the same period of 2016. The increase is mainly as a result of (1) increase of staff expenses (as a result of increase of headcount to support business expansion both locally and internationally), (2) increase of uncapitalized construction cost of project under construction (i.e. land lease during construction of Hidaka project), and (3) unrealized foreign exchange loss of 10.8 MTHB.

Nevertheless, for the 6 months period ended 30 June 2017, administrative expenses that are one-off items, which are mainly advisor fee, digital media expenses, bank fee, human resource advisor fee, and expenses related to staffs in Japan for development and construction of solar plants, are amounted approximately 11.5 MTHB.

Financial Costs

For the 6 months period ended 30 June 2016 and 2017, consolidated financial cost is 74.3 MTHB and 77.4 MTHB respectively, increasing 3.0 MTHB or 4.1% compared to the same period of 2016. The increase is mainly as a result of increase in long-term borrowing for projects under construction and development.

Financial Costs	Consolidated Financial Statement for 6 months ended 30 June			
	2016		2017	
	MTHB	%	MTHB	%
Interest expenses	56.1	75.5	59.8	77.3
Loss from Interest Rate Swap (IRS)	18.2	24.5	17.5	22.7
Financial Costs	74.3	100.0	77.4	100.0

Net Profit

For the 6 months period ended 30 June 2016 and 2017, consolidated net profit is 270.1 MTHB and 211.3 MTHB respectively, decreasing by 58.8 MTHB or 21.8% compared to the same period of 2016. The decrease is mainly as a result of (1) increase of administration expenses, (2) increase of uncapitalized construction costs of project under construction (i.e. Hidaka project), and (3) unrealized foreign exchange loss booked in profit and loss statement. The net profit attributed to company's shareholders for the 6 months period ended 30 June 2016 and 2017 is 270.1 MTHB and 212.9 MTHB respectively (for the 6 months period ended 30 June 2016, consolidated unrealized foreign exchange gain is 23.8 MTHB).

Financial Status

As of 31 December 2016, and 30 June 2017, consolidated total assets is 4,962.6 MTHB and 5,668.8 MTHB respectively, increasing by 706.2 MTHB or 14.2% compared to the same period of 2016. The increase is mainly a result of increase in assets in the projects under construction and under development.

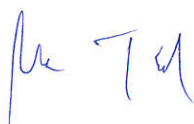
As of 31 December 2016, and 30 June 2017, consolidated total liabilities is 3,665.8 MTHB and 4,147.1 MTHB respectively, increasing by 481.3 MTHB or 13.1% compared to the same period of 2016. The increasing is mainly a results of long-term borrowing from Japanese financial institution for the investment of Hidaka project. Long-term borrowing from financial institution is accounted for 98.7% and 98.9% of total liabilities respectively.

As of 31 December 2016, and 30 June 2017, consolidated total liabilities is 3,665.8 MTHB and 4,147.1 MTHB respectively, whereas total equity is 1,296.8 MTHB and 1,521.7 MTHB respectively. The Debt to Equity ratio is 2.8 times and 2.7 times respectively.

As of 31 December 2016, and 30 June 2017, the companies in the group (where applicable) maintain compliance with financial covenant and conditions of loan from financial institutions.

Please be informed accordingly.

Yours sincerely,



Mr. Natthapatt Tanboon-ek

Chief Financial Officer