



บริษัท พลังงานบริสุทธิ์ จำกัด (มหาชน)  
Energy Absolute Public Company Limited

89 อาคารเอไอเอ แคปิตอล เซ็นเตอร์ ชั้น16 ถนนรัชดาภิเษก แขวงดินแดง เขตดินแดง กรุงเทพฯ 10400  
โทรศัพท์ 02 248 2488-92, 02 002 3667-9 แฟกซ์ 02 248 2493 ทะเบียนเลขที่ 0107551000061

Ref : EA 5908/009

10<sup>th</sup> August 2016

Subject : Management Discussion and Analysis of Financial Statements for 2<sup>nd</sup> quarter ended 30<sup>th</sup> June 2016

To : The President of the Stock Exchange of Thailand

We, the Energy Absolute Public Company Limited would like to report the result of the company and subsidiaries (all together as "the Company") for the 2<sup>nd</sup> quarter ended 30<sup>th</sup> June 2016 which has been approved by the meeting of the Board of Directors No. 4/2016 held on 10<sup>th</sup> August 2016. The details are as follows:-

The overall of operations result for the three-month and six-month periods ended 30<sup>th</sup> June 2016

	Year 2016		Year 2015		Increase (Decrease)			
	Three-month period	Six-month period	Three-month period	Six-month period	Three-month period		Six-month period	
	Baht Million	Baht Million	Baht Million	Baht Million	Baht Million	%	Baht Million	%
Total Revenues	3,144.57	5,601.30	2,510.38	4,523.41	634.19	25.26	1,077.89	23.83
Net profit attributable to Owners of the parent	992.37	1,703.26	741.20	1,321.11	251.17	33.89	382.15	28.93
Basic Earnings per Share (Baht : Share)	0.27	0.46	0.20	0.35	0.07	35.00	0.11	31.43

Net Profit

For the three-month period ended 30<sup>th</sup> June 2016, the Company has earned the net profit of Baht 992.37 million representing the increase of Baht 251.17 million or increased by 33.89% as compared to the net profit of Baht 741.20 million incurred in the same period of last year. And for the six-month period ended 30<sup>th</sup> June 2016, the Company has earned the net profit of Baht 1,703.26 million representing the increase of Baht 382.15 million or increased by 28.93% as compared to the total net profit of Baht 1,321.11 million incurred in the same period of last year. The reasons for changes are as follows:



## Revenues

For the three-month and six-month periods ended 30<sup>th</sup> June 2016, the Company has earned the total revenues of Baht 3,144.57 million and Baht 5,601.30 million respectively. These represent the increase of Baht 634.19 million and Baht 1,077.89 million or increased by 25.26% and 23.83% as compared to the total revenues of Baht 2,510.38 million and 4,523.41 million incurred during the same periods last year respectively. The reasons are as follows:-

- 1. Production line and distribution of bio-diesel fuel:** For the three-month and six-month periods ended 30<sup>th</sup> June 2016, the revenues have increased by Baht 235.52 million and Baht 390.64 million respectively. These represent the increase of 18.64% and 16.05% respectively due to the sales price and sales volume have increased according to the market situation, i.e. for the six-month period ended 30<sup>th</sup> June 2016, the sales volume was 92.83 million liters, representing the increase of 9.71 million liters or 11.68% increase as compared to the sales volume of 83.12 million liters occurred in the same period of last year. For pure glycerin, the revenues incurred during the three-month and the six-month periods ended 30<sup>th</sup> June 2016 have decreased by Baht 9.95 million and Baht 17.60 million or decreased by 16.29% and 14.56% respectively. This is due to the decrease of sales volume and sales price.
- 2. Production line and distribution of electricity unit :** For the three-month and the six month periods ended 30<sup>th</sup> June 2016, the revenues have increased by Baht 403.64 million and Baht 678.93 million or increased by 34.25% and 34.82% respectively. Mainly due to two 90-MW solar power plants of subsidiaries, i.e. 90 MW solar power plants at Lampang and Phisanulok have commenced the commercial operation on 17<sup>th</sup> February 2015 and 1<sup>st</sup> April 2016 respectively.
- 3. Other income :** For the three-month and the six-month periods ended 30<sup>th</sup> June 2016, the Company earned other income (Interest Income and gain from rate of exchange) have increased by Baht 4.98 million and Baht 14.64 million or increased by 71.04% and 81.93% respectively.



### Cost of Sales

The total cost of sales for the three-month and six-month periods ended 30<sup>th</sup> June 2016 were Baht 1,715.59 million and Baht 3,167.67 million, representing the increase of Baht 286.83 million and Baht 502.59 million or increased by 20.08% and 18.86% respectively. The summaries are as follows:-

1. **Production line and distribution of bio-diesel and pure glycerin :** For the three-month and six-month periods ended 30<sup>th</sup> June 2016, the cost of sales have increased by Baht 169.50 million and Baht 346.45 million or increased by 13.83% and 14.95% respectively. This is due to the sales cost per unit of material and sales volume were increased according to the current market situation.
2. **The production line and distribution of electricity :** For the three-month and the six-month periods ended 30<sup>th</sup> June 2016, the sales costs have increased by Baht 117.33 million and Baht 156.15 million or increased by 57.76% and 44.82% respectively. This is due to two 90-MW solar power plants of subsidiaries, i.e. 90 MW solar power plants at Lampang and Phisanulok have commenced the commercial operation on 17<sup>th</sup> February 2015 and 1<sup>st</sup> April 2016 respectively.

### Selling Expenses

For the three-month and six-month periods ended 30<sup>th</sup> June 2016, the selling expenses were Baht 14.30 million and Baht 29.64 million representing the decrease of Baht 5.72 million and Baht 4.67 million or decrease by 28.57% and 13.61% respectively as compared to the same periods of last year which incurred the selling expenses of Baht 20.02 million and Baht 34.31 million respectively. This is due to the decrease of sales promoting and advertisement / public relation expenses.

### Administrative Expenses

For the three-month and the six-month periods ended 30<sup>th</sup> June 2016, the administrative expenses were Baht 152.74 million and Baht 249.41 million, representing the increase of Baht 8.07 million and Baht 45.08 million or increased by 5.58% and 22.06% respectively as compared to the same periods of last year which incurred the administrative expenses of Baht 144.67 million and Baht 204.33 million respectively. This is due to the increase of expenses for expanding the business and annual salary as well as the bonus of the year.

### Finance Cost

For the three-month and six-month periods ended 30<sup>th</sup> June 2016, the finance costs were Baht 263.11 million and Baht 436.87 million, representing the increase of Baht 88.30 million and Baht 140.60 million or increased by 50.51% and 47.46% respectively as compared to the same periods of last year which incurred the finance costs of Baht 174.81 million and Baht 296.27 million respectively. This is due to 2 solar power plants of subsidiaries



have completed construction, therefore, the Company recorded the finance costs incurred thereafter as the expenses rather than the cost price during construction as well as the repayment for retention for constructions

### The Financial Position

#### Deposits at financial institution used as collateral

The deposits at financial institution used as collateral as of 30<sup>th</sup> June 2016 and 31<sup>st</sup> December 2015 were Baht 1,900.75 million and Baht 2,829.52 million respectively. These represent the decrease of Baht 928.77 million or decrease of 32.82% due to the payment to the construction payables and payables for purchases of asset.

#### The trade accounts receivable

The trade accounts receivable as of 30<sup>th</sup> June 2016 and 31<sup>st</sup> December 2015 were Baht 1,543.74 million and Baht 1,051.60 million respectively. This represents the increase of Baht 492.14 million or increased by 46.80% due to the increase of trade accounts receivable resulting from sales volume of electricity units end of period was increased due to the 90 MW solar power plant at Phisanulok of subsidiary was commenced the commercial operation on 1<sup>st</sup> April 2016.

#### Inventories

The inventories as of 30<sup>th</sup> June 2016 and 31<sup>st</sup> December 2015 were Baht 136.41 million and Baht 164.73 million respectively. This represents the decrease of Baht 28.32 million or decreased by 17.19% because of the Company managed the stock of inventory to reflect the sales plan of quarter 3.

#### Long-term loans from financial institutions

The long-term loans from financial institutions as of 30<sup>th</sup> June 2016 and 31<sup>st</sup> December 2015 were Baht 23,457.45 million and Baht 20,523.75 million respectively. This represents the increase of Baht 2,933.70 million or increased by 14.29% due to the Company has drawn down the long term loan for construction the project of solar power plant of a subsidiary at Phisanulok and for Wind Power Plant Projects.



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The business outlook for the 3<sup>rd</sup> Quarter ended 30<sup>th</sup> September 2016

According to the notification of the Department of Energy Business in respect of the specification and qualification of biodiesel oil (No.7) B.E. 2559 dated 11<sup>st</sup> July 2016 has reduced the portion of biodiesel oil from 7% to 5% with effective from 25<sup>th</sup> July 2016, this will cause the decrease of sales volume and sales value of biodiesel oil of the company. For the production line and distribution of electricity, the sales volume may slightly reduce as compared to the 2<sup>nd</sup> quarter. This is due to the drop of ability to produce electricity during the rainy season which is a normal cycle of business.

Please be informed accordingly.

Yours faithfully,

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(Mr. Amorn Saphaweekul)

Deputy Chief Executive Office