

March 8, 2019

Re: Discussion and Analysis of Financial Position and Results of Operations

To: President

Stock Exchange of Thailand

Better World Green Public Company Limited and subsidiaries hereby (the "Company") clarifies the operating performance of the accumulated balance ended December 31, 2018 as detailed below:

Performance Analysis

Overall operating results ended December 31, 2018

(Unit : Thousand Baht)

Statemtn of income	2018	percent	2017	percent	increase(decrease)	percent
Total Income	2,470,275,686	100.00%	2,046,645,083	100.00%	423,630,603	20.70%
Sale and service income	2,223,981,510	90.03%	2,010,855,513	98.25%	213,125,997	10.60%
Construction income	232,388,279	9.41%	16,872,977.00	0.82%	215,515,302	1277.28%
Gross income	2,456,369,789	99.44%	2,027,728,490	99.08%	428,641,299	21.14%
Cost of sale and service	(1,425,834,325)	-64.11%	(1,258,439,980)	-62.58%	167,394,345	13.30%
Cost of construction	(223,443,692)	-96.15%	(16,139,720)	0.00%	(207,303,972)	-1284.43%
Total expenses	(1,649,278,017)	-67.14%	(1,274,579,700)	-62.86%	(374,698,317)	29.40%
Gross profit income	807,091,772	36.29%	753,148,790	37.45%	53,942,982	7.16%
Other income	13,905,897	0.56%	18,916,593	0.92%	(5,010,696)	-26.49%
Profit before tax and expenses	820,997,669	33.24%	772,065,383	37.72%	48,932,286	6.34%
Service expenses	(74,464,584)	-3.01%	(48,122,049)	-2.35%	26,342,535	54.74%
Administrative expenses	(245,221,311)	-9.93%	(231,512,907)	-11.31%	13,708,404	5.92%
Management benefit expenses	(59,798,870)	-2.42%	(53,152,874)	-2.60%	6,645,996	12.50%
Finance costs	(90,132,213)	-3.65%	(84,320,862)	-4.12%	5,811,351	6.89%
Total expenses	(469,616,978)	-19.01%	(417,108,692)	-20.38%	52,508,286	-12.59%
Profit before tax and financial cost	351,380,691	14.22%	354,956,691	17.34%	(3,576,000)	-1.01%
Income tax expenses	(62,369,524)	-2.52%	(77,416,333)	-3.78%	(15,046,809)	-19.44%
Net profit for the period	289,011,167	11.70%	277,540,358	13.56%	11,470,809	4.13%
Equity holders for the period	233,990,777	9.47%	253,169,172	12.37%	(19,178,395)	-7.58%

The ratio in the income statement is as a percentage of total revenue, except for the cost of services and gross profit that expressed as a percentage of revenues from services

Service revenue:

Revenue from industrial waste disposal services increased by 428.64 million Baht or 21.14 percent compared to the same period in the previous year due to an increasing of sales volume by 11.01 percent and a decreasing of average service fee per ton by 6.07 percent compared to the same period in the previous year.

Cost of Service :

Cost of industrial waste disposal services depended on the variable costs landfill amortization, transportation and equipment fuel, and remuneration to Department of Industrial Works. In addition, there were additional costs engendered from raw materials and chemical, transportation fee, maintenance and consumable costs, depreciation resulting in an increasing in cost/revenue ratio by 6.82 percent (67.14-62.86) compared to the same period in the previous year.

Other income:

Other incomes were from other services, transportation, and interest income

Administrative expenses, Executive Compensation and Financial costs:

Most of these expenses are the Sales Support Expenses, Salaries and employee benefits, executive compensation, office expenses, project preparation expenses for power plant of subsidiaries, and Interest payment for the vehicles leasing and loan.

Net profit attributable to equity holders of the Company:

From the above reasons and causes, The Company's net profit decreased by 19.18 million Baht or 7.58 percent compared with the same period of the previous year.

Analysis

Overall financial position as at December 31, 2018

(Unit :Thousand Baht)

Statement of financial position	Dec 31, 2018	percent	Jan 1, 2018	percent	increase (decrease)	percent
Total asset	6,851,504,462	100.00%	5,964,232,677	100.00%	887,271,785	14.88%
Total liabilities	2,974,665,910	43.42%	2,259,577,738	37.89%	715,088,172	31.65%
Total equity attributable to shareholders	3,277,462,406	47.84%	3,147,880,501	52.78%	129,581,905	4.12%
Non-controlling interests	599,376,146	8.75%	556,774,438	9.34%	42,601,708	7.65%

Analysis of Assets

The total assets as at December 31, 2018 increased by 887.27 million Baht or 14.88 percent. Assets with significant changes in total asset are as follows:-

Cash and cash equivalents	increase	953.11 million baht	or	13.91 percent	of total assets.
Trade receivables and accrued income	increase	801.62 million baht	or	11.70 percent	of total assets.
Other current and non-current assets	increase	4,589.94 million baht	or	8.54 percent	of total assets.

Analysis of liabilities

The total liabilities as at December 31, 2018 increased by 715.09 million Baht or 31.65 percent originated from business expansion. The details are as follows:-

Loans from financial institutions	2,359.16 million baht	or	79.31 percent	of total liabilities
Trade payables	540.74 million baht	or	18.18 percent	of total liabilities

Analysis of shareholders

The equity shares as at December 31, 2018 increased by 129.58 million Baht or 4.12 percent engendered from an increasing of Earnings from operations.

Please be informed accordingly.

Sincerely yours,

(Mr.Suthat Boonyaudomsart)

Vice Managing Director of Accounting & Finance Controller