บริษัท พลังงานบริสุทธิ์ จำกัด (มหาชน)
Energy Absolute Public Company Limited
89 อาคารเอไอเอ แคปปิตอล เซ็นเตอร์ ชั้น16 ถนนรัชดาภิเษก แขวงดินแดง เขตดินแดง กรุงเทพฯ 10400
โทรศัพท์ 02 248 2488-92, 02 002 3667-9 แฟกซ์ 02 248 2493 ทะเบียนเลขที่ 0107551000061

Ref : EA 6008/011

11th August 2017

Subject : Management Discussion and Analysis of Financial Statement for 2nd quarter ended 30th June 2017

To : The President of the Stock Exchange of Thailand

We, Energy Absolute Public Company Limited would like to report the result of the company and subsidiaries (all together as "the Company") for the 2nd quarter ended 30th June 2017 which has been approved by the meeting of the Board of Directors No. 3/2017 held on 11th August 2017. The details are as follows:

Overview of operating results for the three-month and six-month periods ended 30th June 2017

	Year 2017		Year 2016		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 revenue	2,947.97	5,612.67	3,137.06	5,579.03	(189.09)	(6.03)	33.64	0.60
Profit attributable to Owners of the parent	966.29	1,945.76	992.37	1,703.26	(26.08)	(2.63)	242.50	14.24
Basic earnings per share (Baht per share)	0.26	0.52	0.27	0.46	(0.01)	(3.70)	0.06	13.04

Net Profit

For the three-month period ended 30th June 2017, the Company earned the net profit of Baht 966.29 million, representing the decrease of Baht 26.08 million (or decreased by 2.63%) as compared to the total net profit of Baht 992.37 million incurred in the same period of last year. And for the six-month period ended 30th June 2017, the Company earned the net profit of Baht 1,945.76 million, representing the increase of Baht 242.50 million (or increased by14.24%) as compared to the same period of last year which incurred the total net profit of Baht 1,703.26 million. The reasons are as follows:

Revenue

For the three-month period ended 30th June 2017, the Company earned the total revenue of Baht 2,947.97 million, representing the decrease of Baht 189.09 million (or decreased by 6.03%) as compared to the same period of last year which incurred the total revenue of Baht 3,137.06 million. And for the six-month period ended 30th June 2017, the Company earned total revenue of Baht 5,612.67 million, representing the increase of Baht 33.64 million (or increased by 0.60%) as compared to the same period of last year which incurred the total revenue of Baht 5,579.03 million. The reasons are summarized as follows:

1. **Manufacturing and distributing Biodiesel Products** : For the three-month and six-month periods ended 30th June 2017, the revenues decreased by Baht 361.91 million and Baht 683.15 million (or decreased by 24.14% and 24.18%) due to sales volumes reduced by 4.10% and 16.23% respectively. These are results of:
   - The government policy to reduce the proportion of biodiesel blended in high-speed diesel to 5% although at the beginning of the 2nd quarter of 2017, it was adjusted to 7%. Whereas at the same period of last year, the proportion of blending biodiesel in high-speed diesel was at 7%.
   - The lower of selling price due to lower of raw material price.

   For pure glycerine : The revenues, for the three-month and six-month periods ended 30th June 2017 increased by Baht 7.89 million and Baht 3.46 million (or increased by 15.44% and 3.35%) respectively due to the higher of selling price.
2. **Generating and distributing Electricity** : For the three-month and six-month periods ended 30th June 2017, the revenues increased by Baht 153.52 million and Baht 696.83 million (or increased by 9.70% and 26.51%) respectively. This is due to 90-MW solar power plant of subsidiary at Phisanulok province was commenced operation on 1st April 2016 and the wind power plants, with aggregate capacity of 126-MW, of subsidiary were commenced operation on 3rd March, 10th June and 23rd June 2017

Cost of sales

For the three-month and six-month periods ended 30th June 2017, cost of sales were Baht 1,562.59 million and Baht 2,889.23 million, representing the decreased of Baht 153.00 million and Baht 278.44 million (or decreased by 8.92% and 8.79%) respectively, as compared to the same periods of last year which incurred the total sales' costs of Baht 1,715.59 million and Baht 3,167.67 million respectively. The reasons are summarized as follows:

1 **Manufacturing and distributing Biodiesel Products and pure glycerine:** For the three-month and six-month periods ended 30th June 2017, the cost of sales reduced by Baht 240.48 million and Baht 508.29 million (or decreased by 17.24% and 19.09%) respectively, due to the decrease of sales volume which was the result of drought occurred since middle of 2016 causing the shortage of raw palm oil.

2 **Generating and distributing Electricity** : For the three-month and six-month periods ended 30th June 2017, cost of sales increased by Baht 87.48 million and Baht 229.86 million (or increased by 27.30% and 45.56%), respectively. This is due to a solar power plant of a subsidiary at Phisanulok province was commenced commercial operation on 1st April 2016 and wind power plants (aggregate capacity of 126-MW) of a subsidiary were commenced commercial operation on 3rd March, 10th June and 23rd June 2017 resulting the cost of sales, i.e. depreciation, administrative and maintenance expenses, etc., increased as compared to the same periods last year.

Selling expense

For the three-month period ended 30th June 2017, the selling expense was Baht 14.77 million, representing an increase of Baht 0.47 million (or increased by 3.29%) as compared to the same period of last year which incurred the selling expense of Baht 14.30 million due to the diesel fuel price, which is major cost of delivery expense, was increased during the 2nd quarter of 2017, therefore, cost of delivery expense was higher, whereas the selling expense for the six-month period ended 30th June 2017, was Baht 26.11 million, representing the decrease of 3.52 million or decreased by 11.89% as compared to the same period of last year which incurred selling expense of Baht 29.63 million. This is the result of the decrease in sales volume of biodiesel.

Administrative expenses

Administrative expenses, for the three-month and six-month periods ended 30th June 2017, were Baht 130.16 million and Baht 261.41 million, representing the increase of Baht 18.48 million and Baht 62.11 million (or increased by 16.55% and 31.16%) respectively, as compared to the same periods of last year which incurred the administrative expenses of Baht 111.68 million and Baht 199.30 million. The reasons are due to the increase of personnel expenses and other expenses to support the expansion of business.

Finance cost

Finance costs, for the three-month and six-month periods ended 30th June 2017, were Baht 283.81 million and Baht 532.84 million, representing the increase of Baht 20.70 million and Baht 95.97 million (or increased by 7.87% and 21.97%) respectively, as compared to the same periods of last year which incurred the finance costs of Baht 263.11 million and Baht 436.87 million. The reasons mainly due to a 90-MW solar power plant at Phisanulok province and 126-MW wind power plants were completed construction. Hence, the finance cost incurred thereafter shall be recorded / included in cost of capital during construction.

บริษัท พลังงานบริสุทธิ์ จำกัด (มหาชน)
Energy Absolute Public Company Limited
89 อาคารเอไอเอ แคปปิตอล เซ็นเตอร์ ชั้น16 ถนนรัชดาภิเษก แขวงดินแดง เขตดินแดง กรุงเทพฯ 10400
โทรศัพท์ 02 248 2488-92, 02 002 3667-9 แฟกซ์ 02 248 2493 ทะเบียนเลขที่ 0107551000061

Financial Status

Trade accounts receivable

Trade accounts receivable as of 30th June 2017 and 31st December 2016, were Baht 1,544.23 million and Baht 1,319.15 million respectively, representing the increase of Baht 225.08 million (or increased by 17.06%). The main reasons are because of the sales volume (nearly end of quarter) in parts of manufacturing and distributing of biodiesel and generating and distributing of electricity (both solar and wind powers) were increased as compared to nearly end of 2016.

Property, plant and equipment

Property, plant and equipment, as of 30th June 2017 and 31st December 2016, were Baht 34,138.58 million and Baht 33,485.32 million respectively, representing the increase of Baht 653.26 million or increased by 1.95%. Mainly, due to the investment of wind power projects, so that those wind power plants can commenced commercial operation with full aggregate capacity of 126-MW.

Long-term loans from financial institutions

Long-term loans from financial institutions as of 30th June 2017 and 31st December 2016, were Baht 18,998.87 million and Baht 19,432.08 million respectively, representing the decrease of Baht 433.21 million or decreased by 2.23%. The main reason is due to loan repayment installment for long-term loans as usual schedule.

Business Trend for the 3rd quarter ended 30th September 2017

Manufacturing and distributing of biodiesel Unit:

According to the Notification of the Department of Energy Business Re : Specification quality of diesel oil (No.10) B.E. 2560 dated 24th April 2017 (the "Notification") which increased the proportion of biodiesel oil blended in high-speed diesel from 5% to 7% , with effective from 8th May 2017. And it is expected that this "Notification" will continue to be effected in the 3rd quarter of 2017.

Generating and distributing of electricity from solar and wind powers

The distributing electricity units generated from solar power may slightly reduce as compared to the 2nd quarter. This is due to the decline of capacity in generating electricity during rainy season which is normal cycle of business. While, the distributing electricity units generated from wind power may higher than the 2nd quarter as results of commenced commercial operation of 126-MW wind power plants on 3rd March, 10th June and 23rd June 2017, therefore, the electricity units were fully generated and distributed for the whole period of 3 months which shall be season that wind speed is high.

บริษัท พลังงานบริสุทธิ์ จำกัด (มหาชน)
Energy Absolute Public Company Limited
89 อาคารเอไอเอ แคปปิตอล เซ็นเตอร์ ชั้น16 ถนนรัชดาภิเษก แขวงดินแดง เขตดินแดง กรุงเทพฯ 10400
โทรศัพท์ 02 248 2488-92, 02 002 3667-9 แฟกซ์ 02 248 2493 ทะเบียนเลขที่ 0107551000061

Kindly be informed accordingly.

Yours faithfully,

(Mr. Amorn Sapthaweekul)

Deputy CEO