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 6011/006

Date 10 November 2017

Subject: Management Discussion and Analysis of Financial Statements for 3rd quarter ended 30th September 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 3rd quarter ended 30th September 2017 which has been approved by the meeting of the Board of Directors No 4/2017 held on 10th November 2017. The details are as follows:-

Overview of operating results for the three-month and nine-month periods ended 30th September 2017

	Year 2017		Year 2016		Increase (Decrease)			
	Three-month period	Nine-month period	Three-month period	Nine-month period	Three-month period		Nine-month period	
	Baht Million	Baht Million	Baht Million	Baht Million	Baht Million	%	Baht Million	%
Total revenue	3,089.78	8,702.45	2,550.15	8,151.45	539.63	21.16	551.00	6.76
Profit attributable to Owners of the parent	976.12	2,921.88	718.01	2,421.27	258.11	35.95	500.61	20.68
Basic earnings per share (Baht per share)	0.26	0.78	0.19	0.65	0.07	36.84	0.13	20.00

Net Profit

For the three-month period ended 30th September 2017, the Company earned the net profit of Baht 976.12 million, representing an increase of Baht 258.11 million (or increased by 35.95%) as compared to the same period of last year which incurred the total net profit of Baht 718.01 million. And for the nine-month period ended 30th September 2017, the Company earned the net profit of Baht 2,921.88 million, representing an increase of 500.61 million (or increased by 20.68%) as compared to the same period of last year which incurred the total net profit of Baht 2,421.27 million. The reasons are as follows:

Revenue

For the three-month and nine-month periods ended 30th September 2017, the Company earned total revenues of Baht 3,089.78 million and Baht 8,702.45 million, representing the increases of Baht 539.63 million and Baht 551.00 million (or increased by 21.16% and 6.76%) respectively, as compared to the same periods of last year which incurred revenues of Baht 2,550.15 million and Baht 8,151.45 million respectively. The reasons are summarized as follows:

1. **Manufacturing and distributing Biodiesel Products**: For the three-month and nine-month periods ended 30th September 2017, the revenues decreased by Baht 22.29 million and Baht 705.44 million (or decreased by 2.01% and 17.93%) respectively. This is the result of the lower of selling price due to lower of the raw material price. While the sales volume increased by 50.55% and 1.05% respectively.

   For pure glycerine: The revenues of three-month and nine-month periods ended 30th September 2017 increased by Baht 26.89 million and Baht 30.35 million or increased by 66.77% and 21.14% due to the increase of sales price.

2. Generating and distributing Electricity: For the three-month and nine-month periods ended 30th September 2017, the revenues increased by Baht 536.72 million and 1,233.55 million or increased by 38.47% and 30.65% respectively. This is due to the 90-MW solar power plant of the subsidiary at Phitsanulok province was commenced operation on 1st April 2016 and the wind power plants, with an aggregate capacity of 126-MW, of the subsidiary were commenced operation on 3rd March, 10th June and 23rd June 2017.

Cost of sales

For the three-month period ended 30th September 2017, cost of sales was Baht 1,622.22 million, representing an increase of Baht 244.11 million (or increased by 17.71%) as compared to the same period of last year which incurred the total sales' cost of Baht 1,378.11 million. And for the nine-month period ended 30th September 2017, cost of sales was Baht 4,511.45 million, representing the decrease of Baht 34.33 million (or decreased by 0.76%), as compared to the same period of last year which incurred the total sales' cost of Baht 4,545.78 million. The reasons are summarized as follows:

1. **Manufacturing and distributing Biodiesel Products and pure glycerine**: For the three-month period ended 30th September 2017, the sales' cost increased by Baht 48.26 million or increased by 4.59% due to the increase of sales volume. For the nine-month period ended 30th September 2017, the sales' cost reduced by Baht 460.01 million or decreased by 12.38% due to the lower of raw material price according to current market conditions although the Company was able to increase the sales volume.

2. **Generating and distributing Electricity**: For the three-month and nine-month periods ended 30th September 2017, the sales costs increased by Baht 195.85 million and Baht 425.68 million (or increased by 59.96% and 51.21%) respectively. This is due a solar power plant of the subsidiary at Phitsanulok province was commenced commercial operation on 1st April 2016 and wind power plants (with an aggregate capacity of 126-MW) of the subsidiary were commenced commercial operation on 3rd March, 10th June and 23rd June 2017 resulting cost of sales, such as depreciation, administrative and maintenance expenses, increased as compared to the same periods last year.

Selling expense

For the three-month and nine-month periods ended 30th September 2017, the selling expenses were Baht 16.00 million and Baht 42.12 million, representing the increases of Baht 6.53 million and Baht 3.01 million (or increased by 68.95% and 7.70%) respectively, as compared to the same periods of last year which incurred selling expenses of Baht 9.47 million and Baht 39.11 million respectively. This is due to the increase of the diesel fuel price, which is a major cost of delivery expense during the 2nd quarter of 2017 as well as the increase of sales volume of biodiesel.

Administrative expenses

Administrative expenses, for the three-month and nine-month periods, ended 30th September 2017, were Baht 152.90 million and Baht 414.31 million, representing the increases of Baht 58.36 million and Baht 109.50 million (or increased by 61.73% and 35.92%) respectively, as compared to the same periods of last year which incurred the administrative expenses of Baht 94.54 million and Baht 304.81 million as the results of the increase in personnel expenses and other expenses to support the expansion of the business.

Finance cost

Finance costs, for the three-month and nine-month periods, ended 30th September 2017, were Baht 330.66 million and Baht 863.50 million, representing the increases of Baht 32.24 million and Baht 117.42 million (or increased by 10.807% and 15.74%) respectively, as compared to the same periods of last year which incurred the finance costs of Baht 298.42 million and Baht 746.08 million respectively. The reasons mainly due to a 90-MW solar power plant at Phitsanulok province and 126-MW wind power plants were completed construction. Consequently, the finance cost incurred thereafter shall be recorded/included in the 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 September 2017 and 31st December 2016, were Baht 1,648.04 million and Baht 1,319.15 million respectively, representing the increase of Baht 328.89 million (or increased by 24.93%). This is due to the increases of the sales volume (nearly end of the quarter) in parts of manufacturing and distributing of biodiesel and generating and distributing of electricity (both solar and wind powers), as compared to the period nearly end of 2016.

Property, plant, and equipment

Property, plant, and equipment, as of 30th September 2017 and 31st December 2016, were Baht 34,489.59 million and Baht 33,485.32 million respectively, representing the increase of Baht 1,004.27 million or increased by 3.00%. Mainly, due to the investment of wind power projects enabling those wind power plants commenced commercial operation with a full aggregate capacity of 126-MW.

Long-term loans from financial institutions

Long-term loans from financial institutions as of 30th September 2017 and 31st December 2016, were Baht 18,662.00 million and Baht 19,432.08 million respectively, representing the decrease of Baht 770.08 million or decreased by 396% due to loan repayment installment for long-term loans as usual schedule.

Business Trend for the 4th quarter ended 31st December 2017

The sales volumes of manufacturing and distributing of biodiesel unit and distributing electricity generated from solar power unit may increase as compared to the 3rd quarter due to end of the rainy season which is a normal cycle of business, as such, the revenues of both business units may increase.

Kindly be informed according.

Yours faithfully,

(Mr. Amorn Sapthaweekul)

(Deputy CEO)