



ไทยโพลีคอนส์
Thai Polycons

บริษัท ไทยโพลีคอนส์ จำกัด (มหาชน) โทร : 02-942-6491-6, 02-943-2930-8

2,4 ซอยประเสริฐมนูกิจ 29 แยก 8 ถนนประเสริฐมนูกิจ แขวงจระเข้บัว เขตลาดพร้าว กรุงเทพฯ 10230. โทรสาร. 0-2942-6497-8

Thai Polycons Public Company Limited Tel : 02-942-6491-6, 02-943-2930-8

2,4 Soi Prasert-Manukitch 29, Yak 8, Prasert-Manukitch Rd., Chaorakhehua, Ladprao Bangkok 10230. Fax. 0-2942-6497-8



At TPOLY-ACC-012/2019

August 13, 2019

Subject: Management's Discussion and Analysis (MD&A)

To: President

The Stock Exchange of Thailand

Thai Polycons Public Company Limited and subsidiaries would like to clarify the consolidated operating performance and financial position for the 2nd quarter ended June 30, 2019.

Please be informed accordingly



ไทยโพลีคอนส์
Thai Polycons

บริษัท ไทยโพลีคอนส์ จำกัด (มหาชน) โทร : 02-942-6491-6, 02-943-2930-8

2,4 ซอยประเสริฐมนูกิจ 29 ยาก 8 ถนนประเสริฐมนูกิจ แขวงคลองจั่น เขตคลองจั่น กรุงเทพมหานคร 10230. โทร. 0-2942-6497-8

Thai Polycons Public Company Limited Tel : 02-942-6491-6, 02-943-2930-8

2,4 Soi Prasert-Manukitch 29, Yak 8, Prasert-Manukitch Rd., Chaorakhehua, Ladprao Bangkok 10230. Fax: 0-2942-6497-8



Management's Discussion and Analysis (MD&A)

Consolidated Financial Position:

The 2nd Quarter of Year 2019 ended June 30, 2019

Thai Polycons Public Company Limited (“Company” or “TPOLY”) has mainly performing their business as a contracting construction company. Later on, their business has expanded to 3 more business sectors, namely real estate development, renewable energy business and trading which all of them are operated by their subsidiaries. Moreover, TPOLY has invested in renewable energy business by holding shares in TPC Power Holding Public Company Limited (“TPCH”), a holding company, which operates the electricity generation and distribution business from various types of renewable energy, and provides other related supporting services for the operations of its subsidiaries. TPCH, currently, has investment in 11 subsidiaries, 6 of them have commenced its commercial operation.

The 2nd Quarter of Year 2019 in Brief

The Company has continuously made progress in business operations and has continuously planned to operate in accordance with the economic and industry conditions. The result of operation in the Q2/2019 is in line with the company's goals. The management team has improved the action plan, reduced risk of management and investment, which leads to a holistic management and maximum efficiency in the long term.



Performance Overview by Business Sector

- Construction

As of December 31, 2018 the company had a backlog in the amount of 3,925 Million Baht. Total revenue of 697.82 Million Baht in the 1st quarter of Year 2019 and 813.3 Million Baht in the 2nd Quarter. Total revenue in the first half of the year is 1,511.1 Million Baht. If combined with the projects that had been auctioned in 2018 and already signed the contract in the first half of the year 2019, the company will have the value of backlog, as of June 30, 2019, in the amount of 4,526.5 Million Baht. This amount of backlog is not including some projects that had been auctioned in 2018 but the contracts have not yet been signed.

- Renewable Energy Power Plant

Currently, the Company has Biomass Power Plant Projects which supply electricity commercially (COD) as follow;

Company	Full Capacity/ Capacity for Sale (MW)	Commercial Operating Date (COD)
1. Chang Raek Biopower (CRB)	9.9/9.2	March 15, 2013
2. Maewong Energy (MWE)	9.0/8.0	October 12, 2015
3. Mahachai Green Power (MGP)	9.5/8.0	April 8, 2016
4. Thungsung Green (TSG)	9.5/9.2	October 3, 2016
5. Pattalung Green Power (PGP)	9.9/9.2	July 7, 2017
6. Satun Green Power (SGP)	9.9/9.2	February 9, 2018

The Company also have 4 projects on biomass power plant that under construction , Pattani Green Company Limited (PTG), TPCH Power 1 Company Limited (TPCH 1), TPCH Power 2 Company Limited (TPCH 2) and TPCH Power 5 Company Limited (TPCH 5). They are expected to be completed and start operating at the beginning of the year 2020 onwards. The results of operations will generate an income to the Company in the future.



ไทยโพลีคอนส์
Thai Polycons

บริษัท ไทยโพลีคอนส์ จำกัด (มหาชน) โทร : 02-942-6491-6, 02-943-2930-8

2,4 ซอยประเสริฐมนูกิจ 29 ยาก 8 ถนนประเสริฐมนูกิจ แขวงคลองจั่น เขตคลองจั่น กรุงเทพมหานคร 10230, โทร. 0-2942-6497-8

Thai Polycons Public Company Limited Tel : 02-942-6491-6, 02-943-2930-8

2,4 Soi Prasert-Manukitch 29, Yak 8, Prasert-Manukitch Rd., Chaorakhehua, Ladprao Bangkok 10230, Fax: 0-2942-6497-8



- Property Development

- Greenwich Town Home Ramintra, the total project value 740 Million Baht has total units for sale of 174 units. The total of sale and transferred until the 2nd quarter year 2019 is 173 units and the remaining is 1 units. This project is expected to be closed by the end of year 2019.
- Greenwich Prime Hatairath, the new project valued 370 Million Baht. The total unit of single-house are 94 units. The total of unit sales transferred until the 2nd quarter year 2019 are 79 units. Only in the 2nd quarter year 2019, the unit sales and transferred are 4 units. The amount of unit sales which will be transferred in the 3rd quarter year 2019 is 1 unit and the remaining for sale are 14 units. Therefore, the project is expected to be closed by end of year 2019.
- The Company has already bought a new plot of land for its third property project to create continuity in business.

- Trading

- Trading business continued to acquire more products and services. Besides construction materials, the company has started to supply wood chip to its affiliated companies (TPC Holdings Plc.).

Performance Overview

Overall operation performance in the 2nd quarter year 2019 compared with the same period of the prior year, TPOLY and its subsidiaries had revenue of 867.2 Million Baht, increase by 57.6 Million Baht. (or 7.1%). Net Profit amounted to 163.0 Million Baht, increase by 8.7 Million Baht (or 5.6%). For the first half of 2019 the company and its subsidiaries had revenue of 1,644.6 Million Baht, increase by 18.5 Million Baht. (or 1.1%) Net Profit amounted to 276.6 Million Baht, decrease 0.47 Million Baht (or 0.2%).



Table1: Overall of Operation Performance

Million Baht	Quarter 2 2019	Variance Y-o-Y		Jan-June 2019	Variance Y-o-Y	
		Amount	%		Amount	%
Revenues from construction services	434.5	66.6	18.1%	795.5	(1.1)	-0.1%
Revenues from sales of electric	412.4	17.2	4.3%	804.9	66.9	9.1%
Revenues from sales of real estate	18.7	(8.2)	-30.5%	40.6	(30.1)	-42.6%
Revenues from sales of services	1.6	(18.0)	-91.9%	3.7	(17.3)	-82.4%
Total revenues	867.2	57.6	7.1%	1,644.6	18.5	1.1%
Other income	21.7	16.2	294.6%	31.2	21.1	209.7%
Reversal doubtful accounts (DC)	(1.0)	1.1	1053.4%	(1.1)	1.2	1307.8%
Loss from discontinued operations	0.0	0.0	0.0%	(1.2)	1.2	0.0%
Gain (Losses) on Investment in JV	5.6	9.2	258.2%	10.0	9.9	9917.6%
Total Cost and Expenses	(724.4)	66.4	10.1%	(1,403.0)	48.3	3.6%
Profit (Loss) before income tax	164.5	7.3	4.7%	272.8	(8.6)	-3.1%
Income tax expenses	(1.5)	(1.4)	-48.0%	3.8	(8.1)	-186.8%
Profit (Loss) for periods	163.0	8.7	5.6%	276.6	(0.5)	-0.2%
Owners of the Company	52.4	4.3	9.0%	66.4	(18.4)	-21.7%
Non-controlling interests	110.5	4.3	4.1%	210.1	17.9	9.3%

1. Analysis of results of operations

1.1 Revenue

In the 2nd quarter year 2019, TPOLY had revenues of 867.2 Million Baht, increased by 57.6 Million Baht (or 7.1%) compared with the same period of the prior year. The revenue from construction sector increased 66.6 Million Baht (or 18.1%) compared with the same period of the prior year. The revenue in the 2nd quarter year 2019 was from construction projects 50.1%, sale of electricity 47.6%, property development 2.2%, trading business 0.2% and other incomes 2.5%.

The revenue from electricity sales in the second quarter of 2019 slightly increased by 17.2 million baht (or 4.3%) due to the SGP power plant has operated for 6 months compared with the same period of the prior year which has operated for 5 months.

The revenue from sales of real estate in the 2nd quarter year 2019 in the total of 18.7 Million Baht, a reduction of 8.2 Million Baht. (or 30.5%) as Greenwich Town Home Ramintra Project would be closed soon. There for, the sales sum came from only one project of Greenwich Prime.

The revenue from sales of goods and services in the total of 1.6 Million Baht, a reduction of 18.0 Million Baht (or decreasing 91.9%)



1.2 Cost of Goods Sold and Expenses

Table 2: Provides an Overview of Costs and Expenses and Extraordinary

Million Baht	Quarter 2 2019	Variance Y-o-Y		Jan-June 2019	Variance Y-o-Y	
		Amount	%		Amount	%
Total revenues	867.2	57.6	7.1%	1,644.6	18.5	1.1%
Cost of construction services	(393.3)	78.4	24.9%	(743.9)	44.1	6.3%
Cost of sales of electric	(222.8)	20.2	10.0%	(437.3)	46.3	11.9%
Cost of sales of real estate	(12.2)	(6.5)	-34.7%	(26.7)	(23.1)	-46.3%
Cost of sales of services	(1.3)	(13.8)	-91.3%	(3.2)	(13.1)	-80.3%
Total cost	(629.7)	78.3	14.2%	(1,211.2)	54.3	4.7%
Gross profit	237.5	-20.7	-8.0%	433.5	(35.8)	-7.6%
Other income	21.7	16.2	294.6%	31.2	21.1	209.7%
Profit before expenses	259.1	(4.5)	-1.7%	464.7	(14.6)	-3.1%
Selling and Administrative expenses	(76.7)	(0.5)	-0.6%	(155.9)	7.1	4.8%
Reversal doubtful accounts (DC)	(1.0)	1.1	1053.4%	(1.1)	1.2	1307.8%
Loss from discontinued operations	0.0	0.0	0.0%	(1.2)	1.2	0.0%
Gain (Losses) on Investment in JV	5.6	9.2	258.2%	10.0	9.9	9917.6%
Total Cost and Expenses	(724.4)	66.4	10.1%	(1,403.0)	48.3	3.6%
Profit (Loss) before financial Cost income tax	187.0	4.0	2.2%	316.6	(14.1)	-4.3%
Financial cost	(22.6)	(3.3)	-12.8%	(43.8)	(5.5)	-11.2%
Profit (Loss) before income tax	164.5	7.3	4.7%	272.8	(8.6)	-3.1%
Income tax expenses	(1.5)	(1.4)	-48.0%	3.8	(8.1)	-186.8%
Profit (Loss) for periods	163.0	8.7	5.6%	276.6	(0.5)	-0.2%

Table 3: Provides the Ratio of Costs to Revenue

Million Baht	Portion to Incomes		Variance YOY	Portion to Incomes		Variance YOY
	2019	2018		2019	2018	
Total revenues	100.0%	100.0%		100.0%	100.0%	
Cost of construction services	45.4%	38.9%	6.5%	45.2%	43.0%	2.2%
Cost of sales of electric	25.7%	25.0%	0.7%	26.6%	24.0%	2.5%
Cost of sales of real estate	1.4%	2.3%	-0.9%	1.6%	3.1%	-1.4%
Cost of sales of services	0.2%	1.9%	-1.7%	0.2%	1.0%	-0.8%
Total cost	72.6%	68.1%	4.5%	73.6%	71.1%	2.5%

- In the 2nd quarter year 2019, the total cost increased by 78.3 Million Baht (or 14.2%) from the same period of the prior year. Cost to Income Ratio increased by 4.5%.

Cost of Construction increased by 78.4 Million Baht (or 24.9%) from the same period of the prior year. Cost to Income Ratio increased by 6.5% due to revenue increased.

Cost of electricity sales increased by 20.2 Million Baht (or 10.0%) due to the SGP power plant has operated for 6 months compared with the same period of the prior year which has operated for 5 month. Cost to Income Ratio increased by 0.7%.



Cost of real estate sales decreased by 6.5 Million Baht (or 34.7%). Cost to Income Ratio decreased by 0.9%.

- Selling and Administrative Expenses decreased by 0.5 Million Baht (or 6%), If compare with total revenues, it slightly decreased by 0.7%.
- Financial Cost decreased by 3.3 Million Baht (or 12.8%) if compare with total revenues, the financial cost decreased by 0.6%.
- Total Net Profit (Loss), Company had total net profit (Loss) of 163 Million Baht , increased by 8.7 Million Baht (or 5.6%) compared with the same period of the prior year. Profit Attributable to TPOLY was 52.4 Million Baht, increased by 4.3 Million Baht (or 9.0%) and the portion of non-controlling interests of 110.5 Million Baht, an increase of 4.3 Million Baht (or 4.1%)

2. Balance Sheet Analysis

Table 4: Provide Overall Balance Sheet

Balance Sheet	Amount (Million Baht)		Variance	
	30-Jun-19	31-Dec-18	Amount (Million Baht)	%YTD
Current Assets	2,059.2	1,802.9	256.3	14.2%
Non-Current Assets	6,395.0	5,510.0	885.0	16.1%
Total Assets	8,454.2	7,312.9	1,141.3	15.6%
Current Liabilities	1,860.8	1,603.4	257.4	16.1%
Non-Current Liabilities	2,582.6	1,924.5	658.1	34.2%
Total liabilities	4,443.4	3,527.9	915.5	26.0%
Equity	4,010.8	3,785.0	225.8	6.0%



ไทยโพลีคอนส์
Thai Polycons

บริษัท ไทยโพลีคอนส์ จำกัด (มหาชน) โทร : 02-942-6491-6, 02-943-2930-8

2,4 ซอยประเสริฐมนูกิจ 29 ยาก 8 ถนนประเสริฐมนูกิจ แขวงคลองจั่น เขตคลองจั่น กรุงเทพมหานคร 10230, โทร. 0-2942-6497-8

Thai Polycons Public Company Limited Tel : 02-942-6491-6, 02-943-2930-8

2,4 Soi Prasert-Manukitch 29, Yak 8, Prasert-Manukitch Rd., Chaorakhehua, Ladprao Bangkok 10230, Fax: 0-2942-6497-8



2.1 Assets

As of June 30, 2019, TPOLY and its subsidiaries had assets amounting to 8,454.2 Million Baht in total or an increase of 1,141.3 Million Baht from the previous year (or 15.6%). The core details were as follows:

- Current assets amounting to 2,059.2 million baht, increased by 256.3 Million Baht (or 14.2%). The main factor was from the increasing of cash, current account receivables and assets from construction contracts.
- Non-current assets amounting to 6,395.0 million baht, increased by 884.9 Million Baht (or 16.1%) due to increasing of property, plant and equipment related to power plant business and deposit for guarantee obligation which the power plant business has guaranteed to the subsidiary.

2.2 Liabilities

As of June 30, 2019, TPOLY and its subsidiaries had liabilities amounting to 4,443.4 Million Baht in total or an increase of 915.5 Million Baht from the previous year (or 26%). The core details were as follows :

- Current liabilities amounting to 1,860.8 Million Baht, increase by 257.4 Million Baht (or 16.1%). The main factor was from increasing trade accounts payable, short-term loans and liabilities from construction contracts.
- Non-current liabilities amounting to 2,582.6 million baht, increased by 658.1 Million Baht (or 34.2%), mainly due to from long-term loans from financial institutions in line with the Company's expansion of investment activities.

2.3 Shareholder's Equities

As of June 30, 2019, TPOLY and its subsidiaries had total shareholder's equities amounting to 4,010.8 million baht, rising by 225.8 Million Baht from the previous year (or 6.0%) owing to retained earnings.



ไทยโพลีคอนส์
Thai Polycons

บริษัท ไทยโพลีคอนส์ จำกัด (มหาชน) โทร : 02-942-6491-6, 02-943-2930-8

2,4 ซอยประเสริฐมนูกิจ 29 ยาก 8, ประเสริฐมนูกิจ แขวงคลองจั่น เขตคลองจั่น กรุงเทพฯ 10230, โทร. 0-2942-6497-8

Thai Polycons Public Company Limited Tel : 02-942-6491-6, 02-943-2930-8

2,4 Soi Prasert-Manukitch 29, Yak 8, Prasert-Manukitch Rd., Chaorakhehua, Ladprao Bangkok 10230, Fax: 0-2942-6497-8



3. The Conclusion and Trends in the business

Overall performance in the 2nd Quarter of Year 2019, the Company and its subsidiaries had their net profit as the result of the improvement of operation management. The construction business had more revenue recognition compared with the same period of the last year and also had more revenue from 6 power plants that operated a full period of commercial. Although, the property development and trading business had less revenue than did in the previous year, it did not affect to the total performance of the whole business. The Company and its subsidiaries still had more total revenue compared with the same period of last year.

Trends of the Company in 2019, in the construction business, the company will have revenue from current projects and clearly have an intention to bid new more construction projects which will generate more revenue in the future. The Company emphasizes to operate all projects with quality, efficiency, well-management and profitability, in special of the projects that company has expertise in, such as, hospital, university buildings and power plants, etc. Moreover, the Company expects to have more revenue from the power plants business. For property development business, the company has already bought a new plot of land for its third property project to create continuity in business while trading business is currently in the expansion and trends to grow continuously.

Please be informed accordingly

Yours faithfully,

(Mr. Pathompol Saosap)

Chief Executive Officer and President

Thai Polycons Public Company Limited