

## TRANSLATION

### TTCL PUBLIC COMPANY LIMITED

### MANAGEMENT DISCUSSION AND ANALYSIS

#### 1. Operating Performance for the period ended March 31, 2020

For quarter ending 31<sup>st</sup> March 2020, the Company reported its Gross Profit at THB 214 million, dropping 60% year over year for the same period, driven by decreasing Revenue from operation power plant due to the divestment of 60% of the total shares in TTCL Gas Power Pte. Ltd. (TTGP).

The foreign exchange difference on translation financial statement was THB 229 million caused by weaker USD during the period. Therefore, the total comprehensive income for the period was THB 467 million. The net profit for the period was THB 237 million, which attributed to the Company at THB 234 million and the basic earnings per share was THB 0.36 per share.

#### 2. Management Discussion and Analysis Report according to consolidated financial statements

For the three-month period ended

(Unit: Million Baht)

	31-Mar-20		31-Mar-19		Change (%)
Construction and service revenue (EPC)	2,245.22	99%	2,387.34	91%	(6%)
Revenue from operation power plant	11.91	1%	241.69	9%	(95%)
<b>Total revenues</b>	<b>2,257.13</b>	<b>100%</b>	<b>2,629.03</b>	<b>100%</b>	<b>(14%)</b>
<u>Less</u> Cost of construction and services (EPC)	(2,037.95)	90%	(2,009.05)	76%	1%
<u>Less</u> Costs of operation power plant	(5.13)	0%	(79.31)	3%	(94%)
<b>Total Costs</b>	<b>(2,043.08)</b>	<b>91%</b>	<b>(2,088.35)</b>	<b>79%</b>	<b>(2%)</b>
<b>Gross profit</b>	<b>214.04</b>	<b>9%</b>	<b>540.68</b>	<b>21%</b>	<b>(60%)</b>
<u>Add</u> Other income	31.13	1%	62.70	2%	(50%)
<u>Less</u> Administrative Expenses	(239.05)	11%	(195.76)	7%	22%
<u>Less</u> Gain (Loss) on exchange rate, net	347.69	15%	(20.53)	1%	1,794%
Add Share of Profit / (Loss) of Associate	0.00	0%	4.99	0%	(100%)
Add Share of Profit / (Loss) of Joint venture	24.70	1%	0.24	0%	10,321%
<b>Profit before Financial Cost and Income Tax</b>	<b>378.51</b>	<b>17%</b>	<b>392.31</b>	<b>15%</b>	<b>(4%)</b>
<u>Less</u> Financial Costs	(65.19)	3%	(97.98)	4%	(33%)
<b>Profit before Income Tax</b>	<b>313.32</b>	<b>14%</b>	<b>294.33</b>	<b>11%</b>	<b>6%</b>
<u>Less</u> Income Tax	(76.16)	3%	(30.52)	1%	150%
<b>Net Profit for this period</b>	<b>237.16</b>	<b>11%</b>	<b>263.82</b>	<b>10%</b>	<b>(10%)</b>

Other comprehensive income (expense)					
Add/(Less) Exchange differences on translating financial statements	229.39	10%	(99.11)	4%	325%
Total comprehensive income for the period	466.55	20%	164.71	6%	179%
Profit attributable to:					
Owners of the parent	233.63		253.43		
Non-controlling interests	3.53		10.39		
Net Profit for this period	237.16		263.82		
Basic earning per share (THB)	<b>0.36</b>		<b>0.39</b>		

## 2.1 Analysis of Revenues, Costs and Expenses

### 2.1.1 Revenues

Total Revenues recorded at THB 2,257 million, decreased 14% when compare to the same period last year.

Revenues	31-Mar-20	31-Mar-19	Change
Construction and service revenues (EPC)	2,245.22	2,387.34	(6%)
Revenue from operation power plant	11.91	241.69	(95%)
<b>Total Revenues</b>	<b>2,257.13</b>	<b>2,629.03</b>	<b>(14%)</b>

- EPC Businesses

Revenue from construction and service (EPC) decreased by 6% to THB 2,245 million, this drop was anticipated due to the domestic projects entering the final stage.

- Power Plant Businesses

Revenue from operation of power plant decreased by 95% to THB 12 million, which was due to the divestment of 60% of the total shares in TTGP in May last year.

### 2.1.2 Costs & Gross Profit

#### Gross Profit Comparison

31-Mar-20	Revenue	Cost	Gross profit
EPC construction	2,245.22	(2,037.95)	207.27
Operation of Power Plan	11.91	(5.13)	6.78
<b>Total</b>	<b>2,257.13</b>	<b>(2,043.08)</b>	<b>214.04</b>

### 2.1.3 Other income / Gain (Loss) on Exchange Rate

- Other Income decreased by 50% to THB 31 million as interest income decreased due to TTGP divestment.
- Gain on Exchange Rate was THB 348 million as a result of a weaker Thai Baht during the period.

### 2.1.4 Administrative expenses

The Administration Expenses increased by 22% to THB 239 million due to an increase in Provision Expense of THB 69 million. When the Provision Expense is excluded the Administration Expense actually dropped by 13% to THB 170 million.

### 2.1.5 Share of Profit of Associate and Joint Venture

There is no longer a Share of Profit of Associate due to divestment of Siam Solar Power in the last year. Share of Joint Venture increased significantly to THB 25 million, which came from profit from Joint Venture in TTGP.

### 2.1.6 Finance Cost and Income Tax

The Financial cost for the period decreased by 33% to THB 65 million due to discharged in loan obligation with Exim bank when the company divested TTGP. Income tax for the period increased by THB 46 million to THB 76 million.

## 3. Analysis of Financial Status

### 3.1 Analysis of Assets

Figures in THB Million	31-Mar-20	31-Dec-19	Increase/(Decrease)	% Change
Current assets	14,004.57	13,572.70	431.87	3.18%
Non-current assets	3,373.90	2,695.11	678.79	25.19%
<b>Total assets</b>	<b>17,378.47</b>	<b>16,267.81</b>	<b>1,110.66</b>	<b>6.83%</b>

As of 31 March 2020, Total Assets were THB 17,378 million, increasing by 7% compared with the end of last year.

Total Current Assets increased by THB 432 million or 3%; major movement as the following items:

- Trade accounts receivable – general customers increased by THB 85 million due to EPC activities from TTCL Vietnam Corporation (TVC), a subsidiary of the Company.

- Contract assets – general customers increased by THB 408 million driven by progress in large project construction.

Total Non-current Assets increased by THB 679 million or 25%; major movement as the following items:

- Trade accounts receivable – general suppliers and loan to the third party increased by THB 105 million and THB 131 million, respectively, due to re-classify the period of transactions from the current portion to the non-current portion.
- Right of use assets increased by THB 411 million according to the adoption of Thai Financial Reporting Standard (TFRS) no. 16 – Leases in 2020.

### 3.2 Analysis of Liabilities and Shareholders' Equity

Figures in THB Million	31-Mar-20	31-Dec-19	Increase/(Decrease)	% Change
Current Liabilities	12,794.40	11,430.51	1,363.89	11.93%
Non-Current Liabilities	1,814.33	2,509.74	(695.41)	(27.71%)
Total Liabilities	14,608.73	13,940.25	668.48	4.80%
Shareholders' equity	2,769.74	2,327.56	442.18	19.00%
<b>Total Liabilities and shareholders' equity</b>	<b>17,378.47</b>	<b>16,267.81</b>	<b>1,110.66</b>	<b>6.83%</b>

As of 31 March 2020, Total Liabilities were THB 14,609 million, increasing by 5% compared with the end of last year.

Total Current Liabilities increased by THB 1,364 million or 12%; major movement as the following items:

- Accrued construction cost increased by THB 203 million due to progress in large construction project.
- Debenture due within one year increased by THB 1,075 million due to the debentures issued since 2016 will be due in Jan 2021.
- Deferred construction revenue increased by THB 104 million mainly from the overseas projects in Malaysia.

Total Non-current Liabilities decreased by THB 695 million or 28%; major movement as the followings items:

- Debenture decreased by THB 1,075 million, which moved to Debenture due within one year.
- Lease liabilities increased by THB 372 million according to the adoption of Thai Financial Reporting Standard (TFRS) no. 16 – Leases in 2020.

Shareholder's equity were THB 2,770 million or increased by 19%. The Shareholders' Equity Opening balance as of the beginning of the year was THB 2,328 million, Impact of first-time adoption of new accounting standards THB -13 million, hence Opening balance as restated was THB 2,314 million. Changing

in equity of the period consist of profit for the period of THB 234 million, other comprehensive profit for the period of THB 233 million and interest paid for the period of subordinated perpetual debentures of THB 11 million. Therefore, the Closing Balance of Shareholders' Equity as of 31 March 2020 were THB 2,770 million.

#### **4. Major Financial Measures**

<b>4.1. Profitability Measures</b>	<b>31-Mar-20</b>	<b>31-Mar-19</b>	<b>Favorable/Unfavorable</b>
4.1.1. Gross profit margin	9.48%	20.57%	Unfavorable
4.1.2. Net profit margin	10.51%	10.03%	Neutral
4.1.3. Times Interest Earned ratio	5.81	4.00	Favorable
4.1.4. Earnings per share	0.36	0.39	Neutral

<b>4.2. Leverage Measures</b>	<b>31-Mar-20</b>	<b>31-Dec-19</b>	<b>Favorable/Unfavorable</b>
4.2.1. Current ratio	1.09	1.19	Favorable
4.2.2. Debt/ Equity ratio	5.27	5.99	Favorable
4.2.3. Interest-Bearing Debt/ Equity ratio	2.11	2.51	Neutral

<b>4.3. Shareholders Value Measures</b>	<b>31-Mar-20</b>	<b>31-Dec-19</b>	<b>Favorable/Unfavorable</b>
4.3.1. Net Book Value/ Share	4.50	3.78	Favorable
4.3.2. Return on total assets	1.36%	(1.16%)	Favorable
4.3.3. Return on equity	8.56%	(8.11%)	Favorable

#### **5. Analysis of Cash Flows**

<b>Figures in THB Million</b>	<b>31-Mar-20</b>	<b>31-Mar-19</b>	<b>Increase/(Decrease)</b>
Net cash provided from (used in) operating activities	(324.37)	231.17	(555.54)
Net cash provided from (used in) investing activities	28.80	12.59	16.22
Net cash provided from (used in) financing activities	(32.35)	92.01	(124.36)
Net increase (decrease) in cash and cash equivalents	(327.92)	335.77	(663.69)
Beginning balance	4,959.66	987.21	3,972.45
Exchange rate gain/(loss) on cash and cash equivalents	262.26	(0.80)	263.06
<b>Ending Balance</b>	<b>4,894.00</b>	<b>1,322.18</b>	<b>3,571.82</b>

As of 31 March 2020, the ending balance of cash and cash equivalents was THB 4,894 million, increased THB 3,572 million compare to the same period last year. Such change was caused by a combination of the Net cash used in operating activities THB 324 million and the Net cash provided from investing activities THB 29 million and the Net cash used in financing activities THB 32 million. All of which are detailed in the following.

**5.1 Net cash used in operating activities, THB 324 million.** The significant changes were:

- Contract assets THB 321 million

**5.2 Net cash provided from investing activities, THB 29 million.** The significant changes were:

- + Proceeds from loan to third parties THB 28 million

**5.3 Net cash used in financing activities THB 32 million.** The significant changes were:

- Cash payment for lease liabilities THB 21 million
- Cash payment for interest from subordinated perpetual debentures THB 11 million

**5.4 Exchange rate gain on cash and cash equivalents THB 262 million.**