



ไทยโพลีคอนส์  
Thai Polycons

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

2,4 ซอยประเสริฐมนูกิจ 29 แขวง 8 ถนนประเสริฐมนูกิจ แขวงจระเข้บัว เขตลาดพร้าว กรุงเทพฯ 10230. โทรศัพท์. 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., Chaarakhehua, Ladprao Bangkok 10230. Fax. 0-2942-6497-8



At TPOLY-ACC-001-02/2022

May 13, 2022

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

To: President

The Stock Exchange of Thailand

Thai Polycons Public Company Limited and subsidiaries pleased to announce our performance through the Report of Management's Discussion and Analysis (MD&A), Consolidated Financial Results for the Quarter 1/2022, ended March 31, 2022.

Please be informed accordingly



---

## Management’s Discussion and Analysis (MD&A)

### Consolidated Financial Results: Quarter 1/2022

Thai Polycons Public Company Limited (“The 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 15 subsidiaries, 11 of them have commencing its commercial operation.

#### Quarter 1/2022 Year in Brief

---

Although the Thai economy will begin to recover in late 2022 due to the reduction of COVID-19 epidemic, resulting in the service sector as tourism improved from domestic tourism and more foreign tourists, export numbers rose, the increase in prices of key agricultural commodities such as rice, palm and rubber. However, inflation accelerated to the highest in 14 years at 4.9 percent due to supply chain problems and rising crude oil prices from the Russia-Ukraine war problem coupled with the weakening baht and household debt problems as a result, the EIC Economic Research Office has revised down its domestic economic growth forecast in 2022 from 3.2 percent to 2.7 percent.

The construction industry is directly affected by inflation and the weakening baht. This was due to an increase in the prices of major construction materials, including steel, cement products, and concrete, amid a continued contraction in private construction projects. In addition, the labor shortage problem persisted from the COVID-19 problem that caused



some workers part of the trip back to the country and still not come back as a result, the overall construction industry in 2022, which was projected to expand in the previous period at 5.0-5.5%, may not be as expected.

Even though the company has adjusted a various business plans, for example, the company has put more weight on hospital construction and irrigation and waterworks. There are improvements in technology and work processes to be more efficient in order to remain competitive. Investing in raw water production and distribution business has low risk and will maintain profit margins of the business group in the long term. But in the short term economics and industrial factors will affect a company's performance, especially in terms of profit margins.

### Performance Overview by Business Sector

- Construction

The contracted work value as of December 31,2021 and win bid project of Q1/2022 amount of 10,474 million baht, some part of the revenue has been recognized before the year 2022, and the income in the Quarter 1/2022 is 508 million baht, with the remaining backlog order of 3,677 million baht. Which does not include the winning work but has not yet signed the contract of construction

Unit: Million Baht

Type of Work	Value	Percentage
Public	285.6	56.1%
Private	207.3	40.7%
Power Plant	16.0	3.1%
<b>Total</b>	<b>508.9</b>	<b>100.0%</b>

- Renewable Energy Power Plant

Currently, Company have Biomass Power Plant Projects which supplying 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
7. Pattani Green (PTG)	23.0/21.0	May 19, 2020
8. TPCH Power 5 Company Limited (TPCH 5)	6.3/6.3	November 17, 2020
9. TPCH Power 1 Company Limited (TPCH 1)	9.9/9.2	November 27, 2020
10. TPCH Power 2 Company Limited (TPCH 2)	9.9/9.2	February 17, 2021
11. Siam Power (SP)	9.5/8.0	December 30, 2021

The company also have project on Waste power plant that under construction.  
 The progress according to the specified plan.

- Real Estate Development

- Greenwich Prime Hatairath, valued 394 Million baht on 20 Rai The total units of single-house type are 94 units. The total of sale and transferred at March 31, 2022 is 93 units. The remaining for sale is 1 unit. Therefore, the progress of sale is more than 99% and the project is expected to be done within year 2022.
- New project at Lam Luk Ka Klong 7, Pathum Thani, on 34 Rai area. Started to adjust the space and land improvement. Blueprint of design almost complete which will have both detached houses and townhomes and expected to start publicizing the project and construction work within quarter 3/2022.

- Commerce and Trading

- Trading business continues to acquire more products and services. Moreover, construction materials, the company has started to supply wood chip to its affiliated companies (TPC Holdings Plc.), especially 4 power plant which located in 3 province of southern border of Thailand, the sales start increase in line with the efficiency of the operations of those power plants.



## Performance Overview

Overall operation performance in the Quarter 1/2022 compared to last year, the company and its subsidiaries have total revenue 1,125 Million baht, increasing 114 Million baht (or increasing 11.33%). Total comprehensive losses amounted to 1.6 Million baht, compared to same period of the past year, decreasing 28 Million baht (or decreasing 105.9%). In which the equity of the parent company losses 56 million baht, a losses increase of 18 million baht. Overall financial performance could be concluded as follows.

Table1: Provide overall of Operation Performance

Million Baht	Quarter 1 2022	Quarter 1 2021	Variance Y-o-Y		Portion to Incomes	
			Amount	%	Quarter 1 2022	Quarter 1 2021
Total revenues	1,125.5	1,011.5	114.03	11.3%	100.0%	100.0%
Total cost	(991.7)	(872.9)	118.85	13.6%	88.1%	86.3%
<b>Gross profit</b>	<b>133.8</b>	<b>138.7</b>	<b>(4.81)</b>	<b>(3.5%)</b>	<b>11.9%</b>	<b>13.7%</b>
Profit before expenses	171.1	142.2	28.90	20.3%	15.2%	14.1%
<b>Administrative expenses</b>	<b>(87.0)</b>	<b>(89.5)</b>	<b>(2.53)</b>	<b>(2.8%)</b>	<b>7.7%</b>	<b>8.9%</b>
Profit (loss) from operating activities	69.9	51.0	18.83	36.9%	6.2%	5.0%
Profit (Loss) before income tax	9.7	17.7	(8.03)	(45.3%)	0.9%	1.8%
<b>Profit (Loss) for periods</b>	<b>(1.09)</b>	<b>27.2</b>	<b>(28.33)</b>	<b>(104.0%)</b>	<b>(0.1%)</b>	<b>2.7%</b>
<b>Owners of the Company</b>	<b>(56.2)</b>	<b>(38.3)</b>	<b>(17.90)</b>	<b>46.7%</b>	<b>(5.0%)</b>	<b>(3.8%)</b>

### 1. Analysis of results of operations

#### 1.1 Revenue

Table 2: Provide overall of Incomes

Million Baht	Quarter 1 2022	Quarter 1 2021	Variance Y-o-Y		Portion to Incomes	
			Amount	%	Quarter 1 2022	Quarter 1 2021
Revenues from construction services	492.90	440.29	52.61	11.9%	43.8%	43.5%
Revenues from sales of electric	625.52	566.18	59.34	10.5%	55.6%	56.0%
Revenues from sales of real estate	4.79	5.00	(0.21)	(4.2%)	0.4%	0.5%
Revenues from sales of services	2.34	0.05	2.29	4,621.4%	0.2%	0.0%
<b>Total revenues</b>	<b>1,125.55</b>	<b>1,011.51</b>	<b>114.03</b>	<b>11.3%</b>	<b>100.0%</b>	<b>100.0%</b>
Other income	37.26	3.55	33.71	950.8%	3.3%	0.4%



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

24 ซอยปรีชาสัมฤทธิ์ 29 ยว 8 ถนนปรีชาสัมฤทธิ์ แขวงจตุจักร เขตจตุจักร กรุงเทพฯ 10230, โทร. 0-2942-6497-8

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

24 Soi Preecha Samriti 29 Yk 8 Preecha Samriti Rd. Chaoekhaiyong Jachara Bangkok 10230. Fax. 0-2942-6497-8



ไทยโพลีคอนส์  
Thai Polycons

Total revenue in the quarter 1/2022 compared to last year increasing 114 million baht. (or increasing 11.3%). Total revenue was from construction services which amounted to 492 million baht, increasing 52 million baht (or increasing 11.9%) while company has projects in hand that will generated partially incomes in 2024, company is continuing of bidding newly construction projects, the revenue is expected to be growing after operating more projects. Furthermore, the company has gaining more revenue from Real Estate and sale from electricity. The revenue structure in the quarter 1/2022 was from construction projects 43.8%, sale of electricity 55.6%, real estate development 0.4% and revenue from sales and services 0.2%.

The revenue from electricity sales in the quarter 1/2022 is 625 million baht, compared to the same period of the past year was increasing 59 Million baht (or increasing 10.5%), the increased revenue came from the Nonthaburi waste power plant and the 4 power plants in the 3 southern border provinces with better efficiency of electricity distribution. As a result in 11 power plants revenue recognition, total selling power 106.5 megawatts (MW) which 9 full year revenue recognition.

The revenue from sale of real estate in 2020 amounted to 4.79 million baht, a decrease of 0.21 million baht (or 4.2 percent). The lower revenue came from the Greenwich Prime project in the late stages expected to close the project within 2022, for new projects Lamlukka Klong 7 area is expected to construction and revenue recognition will begin by 2022.

The revenue from sales of goods and services amounted to 2.34 million baht, a increase of 2.29 million baht.



## 1.2 Cost of Goods Sold and Expenses

Table 3: Provides an Overview of Costs and Expenses and Extraordinary

Million Baht	Quarter 1 2022	Quarter 1 2021	Variance Y-o-Y		Portion to Incomes	
			Amount	%	Quarter 1 2022	Quarter 1 2021
<b>Total revenues</b>	<b>1,125.55</b>	<b>1,011.51</b>	<b>114.03</b>	<b>11.3%</b>	<b>100.0%</b>	<b>100.0%</b>
Cost of construction services	(499.77)	(457.56)	42.20	9.2%	44.4%	45.2%
Cost of sales of electric	(487.20)	(412.84)	74.35	18.0%	43.3%	40.8%
Cost of sales of real estate	(2.97)	(2.40)	0.56	23.3%	0.3%	0.2%
Cost of sales of services	(1.78)	(0.05)	1.73	3,431.8%	0.2%	0.0%
<b>Total cost</b>	<b>(991.71)</b>	<b>(872.86)</b>	<b>118.85</b>	<b>13.6%</b>	<b>88.1%</b>	<b>86.3%</b>
<b>Gross profit</b>	<b>133.84</b>	<b>138.65</b>	<b>(4.81)</b>	<b>(3.5%)</b>	<b>11.9%</b>	<b>13.7%</b>
Other income	37.26	3.55	33.71	950.8%	3.3%	0.4%
<b>Profit before expenses</b>	<b>171.10</b>	<b>142.20</b>	<b>28.90</b>	<b>20.3%</b>	<b>15.2%</b>	<b>14.1%</b>
Selling expenses	(0.68)	(0.54)	0.14	26.5%	0.1%	0.1%
Administrative expenses	(87.00)	(89.54)	(2.53)	(2.8%)	7.7%	8.9%
Reversal doubtful accounts (DC)	(13.55)	(1.09)	12.46	1,137.9%	1.2%	0.1%
<b>Profit (loss) from operating activities</b>	<b>69.86</b>	<b>51.03</b>	<b>18.83</b>	<b>36.9%</b>	<b>6.2%</b>	<b>5.0%</b>
Finance revenue	6.18	1.26	4.93	100.0%	0.5%	(0.1%)
Financial cost	(62.22)	(37.65)	24.57	65.3%	5.5%	3.7%
Gain (Losses) on Investment in JV	(4.14)	3.09	(7.22)	(234.0%)	(0.4%)	0.3%
Loss from discontinued operations	0.00	0.00	0.00	0.0%	0.0%	0.0%
<b>Profit (Loss) before income tax</b>	<b>9.70</b>	<b>17.73</b>	<b>(8.03)</b>	<b>(45.3%)</b>	<b>0.9%</b>	<b>1.8%</b>
Income tax expenses	(10.79)	9.51	(20.30)	(213.5%)	(1.0%)	0.8%
<b>Profit (Loss) for periods</b>	<b>(1.09)</b>	<b>27.24</b>	<b>(28.33)</b>	<b>(104.0%)</b>	<b>(0.1%)</b>	<b>2.7%</b>

- Overall of the quarter 1/2022, the company had total cost increasing of 118 Million baht (or increasing 13.6%) compared to the last year. The Ratio of total costs to total revenue increased by 1.8%. due to the increasing of incomes.

Costs of Construction increasing by 42 Million baht (or increased 9.2%) while the ratio of cost to revenue decreased by 0.8%. The company remains committed to improving efficiency in project management and construction cost management. Construction technology has been developed both in terms of software and hardware to increase the efficiency of construction projects and supporting units.

The cost of electricity sales increased by Baht 74.3 million (or 18.0% increase) in line with the increase in revenue from 4 biomass power plants and waste power plant at Nonthaburi. As a result, the proportion of cost of sales to total income in the same period of the previous year was 43.2 percent, while in 2021 it was 40.8 percent, which was an increase of 2.4 percent.



Cost of real estate sales increased by 0.56 million baht (or 23.3 percent increase) when comparing the cost to income ratio be certain.

Cost of sales of goods and services amounted to 1.78 million baht, increase of 1.73 million baht comparing the cost to income ratio, the proportion increased by 0.02%

- Selling and administrative expenses decreased 2.39 million baht (or decreased 2.7%), comparing the cost to income ratio, the proportion decreased by 1.1%
- Total financial costs increased 24.5 million baht (or increased 65.3%) compared to the same period of the past year while the ratio of cost to revenue is 5.5%, the proportion increased by 1.8%

## 2. Balance Statement Analysis

Table 4: Provide Overall Balance Statement

Balance Sheet	Amount (Million Baht)		Variance	
	31-Mar-22	31-Dec-21	Amount (Million Baht)	%YTD
Current Assets	2,897.1	2,904.7	(7.62)	(0.3%)
Non-Current Assets	8,832.5	8,427.2	405.3	4.8%
<b>Total Assets</b>	<b>11,729.6</b>	<b>11,331.9</b>	<b>397.7</b>	<b>3.5%</b>
Current Liabilities	2,823.0	2,909.3	-86.3	-3.0%
Non-Current Liabilities	5,190.2	4,619.2	571.1	12.4%
<b>Total liabilities</b>	<b>8,013.2</b>	<b>7,528.5</b>	<b>484.7</b>	<b>6.4%</b>
<b>Equity</b>	<b>3,716.4</b>	<b>3,803.4</b>	<b>-87.0</b>	<b>-2.3%</b>





## 1.2 Assets

As of March 31, 2022, total assets amounted to 11,729 million baht increased from the past year 397 Million baht (or increased 3.5%) as follows,

- Current Assets decreased 7 Million baht (or decreased 0.3%) due to working capitals activities mainly as, decreasing in Cash and cash equivalents, Trade accounts receivable and other receivables, Other current receivables and Contractor receivable.
- Non-Current Assets increased 405 Million baht (or increased 4.8%) due to increasing of Restricted bank deposit, Investments in joint venture, Right-of-use assets and Contractor receivable.

## 1.3 Liabilities

As of March 31, 2022, the total liabilities amounted to 8,013 million baht increased from past year 484 Million baht (or increased 6.4%) as follows,

- Current Liabilities decreased 86 million baht (or decreased 3.0%) mainly as, decreasing in Bank overdrafts and short-term loans from financial institutions, Trade accounts payable and other current payables, Estimated repair under guarantee period, and Short-term loan from other company.
- Non-Current Liabilities increased 571 million baht (or increased 12.4%) mainly increased in Lease liabilities and Debentures.

## 1.4 Equities

As of March 31, 2022, the total of the company's Equities amounted to 3,716 Million baht decreased from past year 87 Million baht (or decreased 2.3%).



### 3. The Conclusion and Trends in the business

The overall situation of the construction business in 2022 will still be pressured by the same problems that occurred in the past 2 years from the COVID-19 problem that has caused the overall economic slowdown continuously and is an important factor causing investment in private construction projects to shrink. There are also emerging pressure factors from inflation, the baht, the Russia-Ukraine war, labor shortage problems and rising labor costs. This is a factor depressing the profit margins of the construction industry at a low level which affects to the project costs that are backlog of the company. Although backlog margin starting to improve from the average margin in 2021, but still at a low level compared to the previous 2-3 years.

The operating results of the company and its subsidiaries continued to grow by being a growth in every business including the construction business, the power plant business that has already sold 11 commercial electricity projects; There was less recognition of revenue due to sales from only one Greenwich Prime Hathairat project and it was at the end of the project. In the trading business, revenue is likely to continue to grow from fuel sales to power plants.

In terms of the ratio of total cost to income has increased as the result of the increase in overall revenue recognition.

Selling and administrative expenses, the ratio of total cost to income has decreased which the company has strict cost control. The financial cost has an increasing proportion. Which arises from the activities of the power plant business.

The construction industry in 2022 is likely to continue to slow down due to major pressures on the economy. The Russia-Ukraine war, inflation, interest rates and exchange rates. The competition in the construction industry will continue to be intense from the slowdown in investment in private construction projects. It is expected that the economy and construction industry will recover in the second quarter of 2023 if the Russia-Ukraine war is not prolonged. The company maintains its sales growth target and backlog and aims to Raise profit margins by focusing on construction projects with higher profit margins than the industry



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

24 ซอยประเสริฐมนูกิจ 29 ยว 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

24 Soi Prasert-Manukitch 29 Ysk 8 Prasert-Manukitch Rd., Choochabun, Bangkok 10230, Fax: 0-2942-6497-8



โพลีคอนส์  
Thai Polycons

average especially the pipe work which the company can increase the proportion of this type of work according to the target. Recently, the company has signed a contract for piping work worth 1,251 million baht during the past quarter 1/2022 and the company still aims to increase the proportion of work in this field continuously. to increase the overall profit margin of the company. The company remains committed to improving operational efficiency especially in terms of construction technology and human resource development to be able to compete in a rapidly changing business environment. Meanwhile, the power plant business in the power plant that started COD in 2020-2022 should have better efficiency. The real estate business, a new project on Lam Luk Ka Road, Klong 7, which will have both detached houses and townhomes. It is expected that construction will begin in early 2022. Trading Business, It is expected that revenue will increase from being a fuel supplier for power plants. For investment in raw water production and distribution business has been completed which under construction and the company is the contractor for the construction of all pipes work (Phase 1 and Phase 2). As for Phase 1, the construction is expected to be completed in June 2022 and can supply water to the Industrial Estate Authority of Thailand, Map Ta Phut (southern solder point), in July. Sharp 2022. Phase 2 is expected to start construction in June 2022 and is scheduled to be completed in March 2023 and can supply water to the Industrial Estate Authority of Thailand. Map Ta Phut (Northern solder point) in April 2023, which will improve the overall operation of the company to be more stable in terms of revenue and profit margins according to the strategic plan set by the company.

Most of the risk factors that may affect the performance of 2022 are external factors which uncontrollable, both within and outside the country, such as the COVID-19 epidemic situation, economics and political problems which affect. It is a chain of internal factors. The company focuses on liquidity management and cost management. However, the company will manage the available resources efficiently. Modifying the plans and operating strategies align with the business environment and trends, to reduce the impact of various factors as possible.



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

24 ซอยประเสริฐมนูกิจ 29 ยว 8 ถนนประเสริฐมนูกิจ แขวงจตุจักร เขตจตุจักร กรุงเทพฯ 10230, โทร. 0-2942-6497-8

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

24 Soi Prasert-Manukitch 29 Yek 8 Prasert-Manukitch Rd., Chooakhebin, Jachara, Bangkok 10230, Fax: 0-2942-6497-8



ไทยโพลีคอนส์  
Thai Polycons

Yours faithfully,

(Mr. Pathompol Saosap)

President and Chief Executives Officer

Thai Polycons Public Company Limited