



ไทยโพลีคอนส์  
Thai Polycons

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

2,4 ซอยประเสริฐมนูกิจ 29 แขวง 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

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



At TPOLY-ACC-001-03/2022

August 15, 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 2/2022, ended June 30, 2022.

Please be informed accordingly

Yours faithfully,

Mr.Pathompol Saosab

President and Chief Executives Officer

Thai Polycons Public Company Limited



ไทยโพลีคอนส์  
Thai Polycons

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

2,4 ซอยประเสริฐมนูกิจ 29 แขวง 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

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 Results: Quarter 2/2022

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 2/2022 Year in Brief

---

The Thai economy in the second quarter of 2022 is still recovering slowly. In 2022, the Thai economy is expected to expand by 2.9%, mainly supported by the service sector after the government's policy of opening up the country. It is expected that there will be a total of 7 million foreign tourists throughout the year, resulting in the recovery of related industries. The agricultural sector tends to expand well in both production and prices, private consumption continued to expand from easing disease control measures and driven by pent-up demand, especially from high-income groups. While there are still many pressure factors that may affect the Thai economic recovery, such as the acceleration of inflation. from rising commodity prices due to the disruption of global supply affect the purchasing power of households and costs in the business sector China's economy that may slow more than expected due to the Zero Covid, the war that caused the European economy to slow down and tight financial conditions around the world, etc.



ไทยโพลีคอนส์  
Thai Polycons

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

2,4 ซอยประเสริฐมนูกิจ 29 แขวง 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

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



Overall construction industry value in 2022 is expected that the total construction value, including government construction and private construction is likely to expand by 4%, with government construction The value of private construction in 2022 is likely to grow slightly at 1%, driven by a slow recovery of the real estate sector, high rise building and large buildings, this keeps the competition at a high level and pushed revenue and profit margins to remain stable at a low level since the past few years. In addition, they face risks from higher costs in terms of transportation costs and construction material prices from the Russo-Ukrainian war that pushed up the prices of important oil and building materials, especially steel and cement as well as the problem of labor shortage and higher financial costs due to rising interest rates and from incurring debt to manage liquidity in situations where the backlog is less As a result, in the short term, there is a tendency for small and medium-sized contractors to face problems with lack of financial liquidity.

In the past few years, the company has adjusted and adjusted its business plans to be in line with the business environment, for example, the company has put more weight on the construction of irrigation and water supply works. 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 Q2/2022 amount of 11,080 million baht, some part of the revenue has been recognized and the income in the Quarter 2/2022 is 594.97 million baht, with the remaining backlog order



of 4,681 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	229.14	38.5%
Private	340.89	57.3%
Power Plant	24.94	4.2%
<b>Total</b>	<b>594.97</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 has a power plant project in the ECO group (Public Power Plant: PBM PBB) that is under construction. The PBM PBB project has a construction progress of 66.41 percent and 72.04% of the construction progress as targeted.

- 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 June 30, 2022 is 94 units. The project has been closed in Q2/2022.



- 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 2/2022 compared to last year, the company and its subsidiaries have total revenue 1,200 Million baht, increasing 72 Million baht (or increasing 6.4%). Total comprehensive losses amounted to 63.8 Million baht, compared to same period of the past year, increasing losses 33 Million baht (or increasing 107.2%). In which the equity of the parent company losses 80.8 million baht, a losses increase of 17.2 million baht. Overall financial performance could be concluded as follows.

Table1: Provide overall of Operation Performance

Million Baht	Quarter 2 2022	Variance Y-o-Y		Jan-June 2022	Variance Y-o-Y	
		Amount	%		Amount	%
Total revenues	1,200.9	72.1	6.4%	2,326.4	186.2	8.7%
Total cost	(1,115.0)	50.8	4.8%	(2,106.7)	169.7	8.8%
<b>Gross profit</b>	<b>85.8</b>	<b>21.3</b>	<b>33.0%</b>	<b>219.7</b>	<b>16.5</b>	<b>8.1%</b>
<b>Profit before expenses</b>	<b>89.6</b>	<b>22.1</b>	<b>32.8%</b>	<b>260.7</b>	<b>51.0</b>	<b>24.3%</b>
Selling and Administrative expenses	(83.6)	1.1	1.3%	(171.2)	(1.3)	-0.8%
<b>Profit (loss) from operating activities</b>	<b>8.7</b>	<b>24.8</b>	<b>-153.7%</b>	<b>78.5</b>	<b>43.6</b>	<b>124.8%</b>
<b>Profit (Loss) before income tax</b>	<b>(64.3)</b>	<b>9.4</b>	<b>17.1%</b>	<b>(54.6)</b>	<b>17.4</b>	<b>46.9%</b>
<b>Profit (Loss) for periods</b>	<b>(63.8)</b>	<b>33.0</b>	<b>107.2%</b>	<b>(64.9)</b>	<b>61.4</b>	<b>1722.0%</b>
<b>Owners of the Company</b>	<b>(80.8)</b>	<b>17.2</b>	<b>17.6%</b>	<b>(137.1)</b>	<b>(0.7)</b>	<b>-0.5%</b>



## 1. Analysis of results of operations

### 1.1 Revenue

Table 2: Provide overall of Incomes

Million Baht	Quarter 2 2022	Variance Y-o-Y		Jan-June 2022	Variance Y-o-Y	
		Amount	%		Amount	%
Revenues from construction services	573.1	87.2	18.0%	1,066.0	139.8	15.1%
Revenues from sales of electric	613.6	(29.2)	-4.5%	1,239.1	30.1	2.5%
Revenues from sales of real estate	6.4	6.4	0.0%	11.1	6.1	122.8%
Revenues from sales of services	7.83	7.8	15585.6%	10.2	10.1	10126.9%
<b>Total revenues</b>	<b>1,200.9</b>	<b>72.1</b>	<b>6.4%</b>	<b>2,326.4</b>	<b>186.2</b>	<b>8.7%</b>
<b>Gross profit</b>	<b>85.8</b>	<b>21.3</b>	<b>33.0%</b>	<b>219.7</b>	<b>16.5</b>	<b>8.1%</b>
Other income	3.8	0.8	28.2%	41.1	34.6	530.4%

Total revenue in the quarter 2/2022 compared to last year increasing 72 million baht. (or increasing 6.4%). Total revenue was from construction services which amounted to 573 million baht, increasing 87 million baht (or increasing 18.0%) 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 2/2022 was from construction projects 47.7%, sale of electricity 51.1%, real estate development 0.5% and revenue from sales and services 0.7%.

The revenue from electricity sales in the quarter 2/2022 is 613 million baht, compared to the same period of the past year was decreasing 29 Million baht (or decreasing 4.5%), the decreased revenue came from the CRB project's generators were shut down for maintenance, and the SGP project had an annual maintenance shutdown.

The revenue from sale of real estate in 2020 amounted to 6.4 million baht, a increase of 6.4 million baht. 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 7.8 million baht, a increase of 7.8 million baht.

## 1.2 Cost of Goods Sold and Expenses

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

Million Baht	Quarter 2 2022	Variance Y-o-Y		Jan-June 2022	Variance Y-o-Y	
		Amount	%		Amount	%
<b>Total revenues</b>	<b>1,200.9</b>	<b>72.1</b>	<b>6.4%</b>	<b>2,326.4</b>	<b>186.2</b>	<b>8.7%</b>
Cost of construction services	(603.2)	23.0	4.0%	(1,102.9)	65.2	6.3%
Cost of sales of electric	(500.1)	16.1	3.3%	(987.3)	90.5	10.1%
Cost of sales of real estate	(3.7)	3.7	0.0%	(6.6)	4.2	175.3%
Cost of sales of services	(8.1)	8.0	24091.9%	(9.9)	9.8	11667.1%
<b>Total cost</b>	<b>(1,115.0)</b>	<b>50.8</b>	<b>4.8%</b>	<b>(2,106.7)</b>	<b>169.7</b>	<b>8.8%</b>
<b>Gross profit</b>	<b>85.8</b>	<b>21.3</b>	<b>33.0%</b>	<b>219.7</b>	<b>16.5</b>	<b>8.1%</b>
Selling and Administrative expenses	(83.6)	1.1	1.3%	(171.2)	(1.3)	-0.8%
Reversal doubtful accounts (DC)	2.6	(3.7)	-325.3%	(11.0)	8.7	-390.1%
Financial cost	(66.0)	24.2	57.9%	(128.2)	48.8	61.4%
<b>Profit (Loss) before income tax</b>	<b>(64.3)</b>	<b>9.4</b>	<b>17.1%</b>	<b>(54.6)</b>	<b>17.4</b>	<b>46.9%</b>
Income tax expenses	0.4	(23.6)	-98.1%	(10.3)	(43.9)	-130.8%
<b>Profit (Loss) for periods</b>	<b>(63.8)</b>	<b>33.0</b>	<b>107.2%</b>	<b>(64.9)</b>	<b>61.4</b>	<b>1722.0%</b>

Million Baht	Quarter 2 2022	Portion to Incomes		Jan-June 2022	Portion to Incomes	
		2022	2021		2022	2021
<b>Total revenues</b>	<b>1,200.9</b>	<b>100.0%</b>	<b>100.0%</b>	<b>2,326.4</b>	<b>100.0%</b>	<b>100.0%</b>
Cost of construction services	(603.2)	50.2%	51.4%	(1,102.9)	47.4%	48.5%
Cost of sales of electric	(500.1)	41.6%	42.9%	(987.3)	42.4%	41.9%
Cost of sales of real estate	(3.7)	0.3%	0.0%	(6.6)	0.3%	0.1%
Cost of sales of services	(8.1)	0.7%	0.0%	(9.9)	0.4%	0.0%
<b>Total cost</b>	<b>(1,115.0)</b>	<b>92.9%</b>	<b>94.3%</b>	<b>(2,106.7)</b>	<b>90.6%</b>	<b>90.5%</b>
<b>Gross profit</b>	<b>85.8</b>	<b>7.1%</b>	<b>5.7%</b>	<b>219.7</b>	<b>9.4%</b>	<b>9.5%</b>
Selling and Administrative expenses	(83.6)	7.0%	7.3%	(171.2)	7.4%	8.1%
Reversal doubtful accounts (DC)	2.6	0.2%	0.1%	(11.0)	0.5%	0.1%
Financial cost	(66.0)	5.5%	3.7%	(128.2)	5.5%	3.7%
<b>Profit (Loss) before income tax</b>	<b>(64.3)</b>	<b>-5.4%</b>	<b>-4.9%</b>	<b>(54.6)</b>	<b>-2.3%</b>	<b>-1.7%</b>
Income tax expenses	0.4	0.0%	-2.1%	(10.3)	0.4%	-1.6%
<b>Profit (Loss) for periods</b>	<b>(63.8)</b>	<b>-5.3%</b>	<b>-2.7%</b>	<b>(64.9)</b>	<b>-2.8%</b>	<b>-0.2%</b>

- Overall of the quarter 2/2022, the company had total cost increasing of 50 Million baht (or increasing 4.8%) compared to the last year. The Ratio of total costs to total revenue decreased by 1.4%. due to the increasing of incomes.



Costs of Construction increasing by 23 Million baht (or increased 4.0%) while the ratio of cost to revenue decreased by 1.2%. The company remains committed to improving efficiency in project management and construction cost management. Construction technology has been developed to increase the efficiency of construction projects and supporting units.

The cost of electricity sales increased by Baht 16 million (or 3.3% increase). As a result, the proportion of cost of sales to total income in the same period of the previous year was 41.6 percent, while in 2021 it was 42.9 percent, which was an decrease of 1.2 percent.

Cost of real estate sales amount 3.7 million baht increased by 3.7 million baht when comparing the cost to income ratio, the proportion increased by 0.3%.

Cost of sales of goods and services amounted to 8.1 million baht, increase of 8.0 million baht comparing the cost to income ratio, the proportion increased by 0.7%

- Selling and administrative expenses increased 1.1 million baht (or increased 1.3%), comparing the cost to income ratio, the proportion decreased by 0.3%
- Total financial costs increased 24.2 million baht (or increased 57.9%) 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	
	30-Jun-22	31-Dec-21	Amount (Million Baht)	%YTD
Current Assets	2,908.7	2,904.7	4.1	0.1%
Non-Current Assets	8,849.5	8,427.2	422.2	5.0%
<b>Total Assets</b>	<b>11,758.2</b>	<b>11,331.9</b>	<b>426.3</b>	<b>3.8%</b>
Current Liabilities	3,104.2	2,909.3	194.9	6.7%
Non-Current Liabilities	5,029.9	4,619.2	410.7	8.9%
<b>Total liabilities</b>	<b>8,134.1</b>	<b>7,528.5</b>	<b>605.6</b>	<b>8.0%</b>
<b>Equity</b>	<b>3,624.2</b>	<b>3,803.4</b>	<b>-179.3</b>	<b>-4.7%</b>

## 1.2 Assets

As of June 30, 2022, total assets amounted to 11,758 million baht increased from the past year 426 Million baht (or increased 3.8%) as follows,

- Current Assets increased 4.1 Million baht (or increased 0.1%) Mainly increased in Trade accounts receivable and other receivables, Related parties and Other companies, Contract assets, Advance payment for purchase material and construction and Short-term loans. Mainly decreased in Cash and cash equivalents, Trade accounts receivable and other receivables Other current receivables, Retention receivable, Contractor receivable, Advance payment for service and Other current financial assets.
- Non-Current Assets increased 422 Million baht (or increased 5.0%) Mainly increased in Investment in associate, Investments in joint venture, Right-of-use assets, Income tax deducted at source and Other non-current assets. Mainly decreased in Other intangible assets, Retention receivable and Advance payment for service.

## 1.3 Liabilities

As of June 30, 2022, the total liabilities amounted to 8,134 million baht increased from past year 605 Million baht (or increased 8.0%) as follows,

- Current Liabilities increased 194 million baht (or increased 6.7%) mainly increased in Bank overdrafts and short-term loans from financial institutions, Retention payable, Liabilities under finance lease Current portion, Short-term loan from related parties and Accrued corporate



income tax. Mainly decreased in Construction contracts liabilities, Short-term loan from other company and Short-term loan related person.

- Non-Current Liabilities increased 410 million baht (or increased 8.9%) mainly increased in Lease liabilities and Debentures. Mainly decreased in Retention payable, Other non-current liabilities.

#### 1.4 Equities

As of June 30, 2022, the total of the company's Equities amounted to 3,624 Million baht decreased from past year 179 Million baht (or decreased 4.7%).

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

The overall situation of the construction industry in 2022 is likely to grow at a low level due to major pressures on the economy. The Russo-Ukrainian War, inflation, interest rates and exchange rates The competition in the construction industry will continue to be intense and is an important factor causing investment in private construction projects to shrink. There are also emerging pressure factors from inflation, the baht, the Russian-Ukrainian war. and labor shortage problems and rising labor costs This is a factor depressing the profit margins of the construction industry at a low level. and affect the project cost which is the backlog of the company. That, although starting to improve from the overall picture in 2021, it is 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 decreased as the decrease in cost-to-income ratio of the construction business and power plants.



ไทยโพลีคอนส์  
Thai Polycons

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

2,4 ซอยประเสริฐมนูกิจ 29 แขวง 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

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



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

The construction industry in 2022 is likely to grow at a low level due to major pressures on the economy. The Russo-Ukrainian 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 if the problem of the Russian-Ukrainian war is not prolonged and China relaxed the Zero Covid measures. The economy and the construction industry will recover in the second quarter of 2023. The company maintains its sales and backlog growth targets and aims to raise profit margins. focusing on construction projects with higher profit margins than the industry average especially the pipe work 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. under construction The company is the contractor for the construction of all pipes (Phase 1 and Phase 2), in which the construction of Phase 1 is expected to be completed in July 2022 and can supply water to the Industrial Estate Authority of Thailand, Map Ta Phut, south in the month. August 2022. Phase 2 is expected to start construction in September 2022 and is scheduled to be completed in March 2023 and can supply water to the Industrial Estate Authority of Thailand. Map Ta Phut in the north 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.



ไทยโพลีคอนส์  
Thai Polycons

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

2,4 ซอยประเสริฐมนูกิจ 29 แขวง 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

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



Most of the risk factors that may affect the performance of 2022 are external factors which uncontrollable, both within and outside the country. For 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.

Yours faithfully,

(Mr. Pathompol Saosap)

President and Chief Executives Officer

Thai Polycons Public Company Limited