



ไทยโพลีคอนส์
Thai Polycons

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Subject Management Discussion and Analysis for the financial result of 3rd Q/2022, ended September 30, 2022

Attention President
The Stock Exchange of Thailand

Please be informed that Thai Polycons Public Company Limited (TPOLY) would like to report the company's performance of the 3rd Q/22, end September 30th, 2022 of which details are summarized as follows:

Significant Events in 3rd Q/2022

- **Issuance of corporate debentures**

On August 11th, 2022, the Company received money from the offering of long-term debentures No. 2/2022 at a full value of 360 million baht; with a term of 2 years and 7 months, maturity in 2025, interest rate 5.25% per annum, interest payment every 3 months throughout the debenture term. The objectives of the debenture are reserving for working capital, repaying for the short term loan and investing to the new potential projects.

Financial Performance of 3rd Q/2022 : Consolidated Financial Statement

Consolidated Financial Statements Unit : MB.	Q3/22	Q3/21	Change YoY		9M/22	9M/21	Change YoY	
			Amount	%			Amount	%
Revenues from construction services	628.61	463.26	165.35	35.7%	1,694.61	1,389.41	305.20	22.0%
Revenues from sales of electricity	720.54	661.37	59.17	8.9%	1,959.66	1,870.37	89.29	4.8%
Revenues from sales of real estate	0.00	9.67	(9.67)	(100.0%)	11.14	14.67	(3.53)	(24.1%)
Revenues from sales and services	2.69	0.28	2.41	858.4%	12.85	0.38	12.47	3,280.2%
Total revenues	1,351.84	1,134.58	217.27	19.1%	3,678.26	3,274.83	403.44	12.3%
Cost of construction services	(669.96)	(474.96)	195.00	41.1%	(1,772.90)	(1,512.65)	260.25	17.2%
Cost of sales of electricity	(545.09)	(486.85)	58.25	12.0%	(1,532.42)	(1,383.72)	148.70	10.7%
Cost of sales of real estate	(0.18)	(5.53)	(5.36)	(96.8%)	(6.80)	(7.94)	(1.14)	(14.4%)
Cost of sales and services	(0.28)	(0.12)	0.16	132.3%	(10.14)	(0.21)	9.93	4,818.1%
Total cost	(1,215.51)	(967.46)	248.05	25.6%	(3,322.26)	(2,904.52)	417.74	14.4%
Gross profit (loss)	136.33	167.12	(30.79)	(18.4%)	356.00	370.31	(14.31)	(3.9%)
Other income	180.13	4.30	175.83	4089.7%	221.19	10.81	210.38	1,945.6%
Profit (loss) before expenses	316.46	171.42	145.04	84.6%	577.20	381.12	196.07	51.4%
Distribution cost	(0.26)	(0.81)	(0.55)	(67.9%)	(2.06)	(1.59)	0.47	29.5%
Administrative expenses	(96.32)	(87.78)	8.54	9.7%	(265.77)	(259.55)	6.22	2.4%
Reversal / (Allowance for expected credit loss)	(5.63)	(1.40)	4.24	303.3%	(16.61)	(3.64)	12.97	356.8%
Profit (loss) from operating activities	214.24	81.43	132.82	163.1%	292.76	116.35	176.41	151.6%
Finance revenue	5.77	0.68	5.09	745.3%	20.31	3.26	17.05	523.4%
Finance cost	(64.83)	(45.58)	19.26	42.3%	(193.07)	(125.03)	68.04	54.4%
Profit sharing from investments in joint ventures	(3.41)	0.50	(3.92)	(778.2%)	(22.82)	5.29	(28.11)	(531.7%)
Profit (loss) before income tax	151.76	37.04	114.73	309.8%	97.18	(0.13)	97.31	73,126.7%
Income tax (expenses) revenue	6.86	(4.52)	(11.38)	(252.0%)	(3.48)	29.09	32.57	112.0%
Profit (loss) for the period	158.63	32.52	126.11	387.8%	93.70	28.96	64.74	223.6%
Profit (Loss) attributable to:								
Owners of the Company	60.52	(42.98)	103.51	240.8%	(76.54)	(179.37)	102.83	57.3%
Non-controlling interests	98.10	75.50	22.60	29.9%	170.24	208.32	(38.08)	(18.3%)

In the 3rd Q/2022, the company had a total profit attributable to the owners of THB 60.52 million, the profit increased by THB 103.51 million or 240.8% compared to the 3rd Q/2021. The mainly reasons for the mention results are as follows:

- **Revenue**

The company had a total revenue of THB 1,351.84 million, increased by THB 217.27 million or 19.1% compared to the 3rd Q/2021. The major revenues were derived from:

- Construction Services: The revenue from construction services was THB 628.61 million, increased by THB 165.35 million or 35.7% compare to 2021 because the covid-19 situation was unfolded, the company was able to deliver construction progress as usual.
- Electricity: The revenue from electricity was THB 720.54 million, increased by THB 59.17 million or 8.9% compare to 2021, mainly due to Chang Rak Biopower plant (CRB) resumed electricity production on July 8, 2022 after the generator break down in 2nd Q/22 and Pattani Green plant (PTG) generated more electricity than the previous quarter.

- **Cost**

The company had a total cost of THB 1,215.51 million, increased by THB 248.05 million or 25.6% compare to the 3rd Q/2021. The major costs were comprised of:

- Construction Services: The cost of construction services was THB 669.96 million, increased by THB 195 million or 41.1% compare to 2021 and was higher than this quarterly revenue of THB 41.35 million, mainly because of the increasing of major material price.
- Electricity: The cost of electricity services was THB 545.09 million, increased by THB 58.25 million or 12%. The cost was increased because CRB plant resumed normal operation and there are some plants generated more electricity than the previous quarter.

- **Other Revenue**

The company recognized other revenue THB 180.13 million, increased by THB 175.83 million or 4,089.7 % compared to 2021, mainly due to late delivery fines that charged to constructors of power plant projects in three Southern Border Provinces and the

compensation for business and machine interruption from the insurance claiming of CRB plant.

- **Administrative expenses**

The company had a total of administrative expenses of THB 96.32 million, increased by THB 8.54 million or 9.7% compared to 2021. Most of this expenses were employee's salaries and benefits, utilities which were necessary to run the business.

- **Finance Revenue**

The company had THB 5.77 million, increased by THB 5.09 million or 745.3% compared to 2021 due to the short term loan increased for subsidiaries.

- **Finance Cost**

The company had finance cost of THB 64.83 million, increased by THB 19.26 million or 42.3% compared to 2021. This result was mainly from the increasing of loan facilities, especially corporate debentures, in both construction and electricity services. All of them were used as working capital, short term loan repayment and business expansion investment. The 2 times debenture were issued by construction business, THB 530.5 million on February 18th 2022 and THB 360 million on August 11th 2022 respectively, and the THB 1,500 million was issued by electricity business on September 30th 2021.

- **Profit (Loss) from investment in joint ventures**

The company recognized loss from investment in joint ventures THB 3.41 million, the loss increased by THB 3.92 million or 778.2%. Most of this item were from waste-to-energy power plant which has been under fine-tuning process after starting commercial operation and could not run with full capacity. It resulted in insufficient revenue to cover necessary fixed expenses.

- **Profit (Loss) for the period attributable to owners of the company**

As a result of the foregoing, in the 3rd Q/2022, the company had total profit THB 158.63 million, increased by THB 126.11 million or 387.8% compared to 2021. The company's profit for the period attributable to owners was THB 60.52 million, increased by THB 103.51 million or 240.8% compare to 2021

Situation Outlook in 2022

For the core business, the construction service, still has a high level of competition which affects to the lower bidding price. The main material price, although it has slightly decreased in the 3rd Q/2022, stills be higher than in 2021. It is expected that the gross profit of construction service stills in the low level rate. Therefore, the company strongly concentrates on liquidity and cost management in order to minimize that risks as much as possible.

Yours Faithfully

(Mr.Pathompol Saosap)
President and Chief Executives Officer
Thai Polycons Public Company Limited