



บริษัท ทีพีซี เพาเวอร์ โฮลดิ้ง จำกัด (มหาชน)
TPC POWER HOLDING PUBLIC COMPANY LIMITED



Management's Discussion and Analysis (MD&A)
For Three Months Ended March 31, 2019

No. TPCH-SC-001-05/2562

7 May 2019

Subject: Management's Discussion and Analysis of *Three Months Ended March 31, 2019*

To: Managing Director and Manager, Stock Exchange of Thailand

TPC Power Holding Public Company Limited and its subsidiaries are pleased to announce our performance regarding the financial statement for three months ended March 31, 2019.

TPC Power Holding Public Company Limited is a holding company which invested in other companies that operate power plants from renewable energy. The Company has a mission to focus on enhancing the allocation of power plants to ensure the appropriate level of security to support the development of Thailand's Power Development Plan under the 3E pillars: 1. Energy Security 2. Economic 3. Environmental Friendly and has a main target to improve the management of the company's electricity costs and fuel distribution efficiently.

Management's Discussion and Analysis (MD&A)

For Three Months Ended March 31, 2019

Events During First Quarter 2019

- **Announcement of Siam Power Qualified for Waste-to-Energy Project**

On 19 March 2019, Siam Power Company Limited (SP) which TPCH holds 50% share has passed the qualification for Waste to Energy project consideration under Feed-in-Tariff (FiT) from the Energy Regulatory Commission of Thailand. SP has an install capacity of 9.5 MW and sales capacity of 8.0 MW. Scheduled to sign the Power Purchase Agreement with Metropolitan Electricity Authority (MEA) within 120 days starts from the announcement date.

- **Dividend Payment**

On 24 April 2019, the Ordinary General Meeting of Shareholders passed a resolution to pay a dividend from a net profit resulted in year 2018 of 0.0623 THB per share (a total of 24,994,760 THB) to shareholders with a record date on 8 May 2019 and a payment date on 24 May 2019.

Progress of Projects

■ Progress

Operations	60 MW
CRB, MWE, MGP, TSG, PGP, SGP	
Constructions (SCOD)	49 MW
PTG, TPCH 1, TPCH 2 TPCH 5	
Development	10 MW
SP	

■ Project Under Development

Siam Power (SP) is a municipal-waste project having a total installed capacity of 9.5 MW and will be selling electricity under the FIT system to the Metropolitan Electricity Authority. The company has already filed a petition for a power purchase agreement (**PPA**). The project has signed a contract for construction and management of 3 million tons (133 Rai) of solid waste landfill into RDF used for producing electricity. The contract started in May of 2015 and will last for 23 years. The project also invested in another 800,000 tons (40 Rai) of public landfill. A total of 3,800,000 tons of waste will be convert into 1,700,000 tons of RDF at a NHV of 3,155.93 kcal/kg. Such amount of RDF can be used to produce electricity for 27 years.

On 19 March 2019, Siam Power Company Limited Siam Power Company Limited has passed the qualification for Waste to Energy project consideration from the Energy Regulatory Commission of Thailand. SP has an install capacity of 9.5 MW with a sales capacity of 8.0 MW and is located in Sai Noi District, Nontaburi Province. Scheduled to sign the Power Purchase Agreement with Metropolitan Electricity Authority (MEA) within 120 days starts from the announcement date.

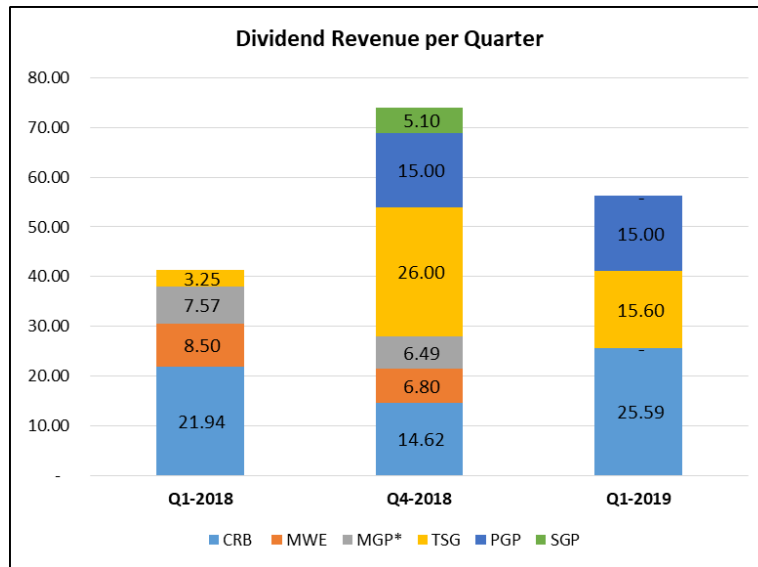
Overview of Financial Performance of the Company

Separated Financial Statement (Million THB)	Quarter			Change +/-	
	Q1-2562	Q4-2561	Q1-2561	QoQ	YoY
Revenue					
Dividend Revenue	56.19	74.01	41.25	(24.1%)	36.2%
Other Revenue	3.54	3.21	4.90	10.2%	(27.8%)
Total Revenue	59.73	77.22	46.15	(22.6%)	29.4%
Expense					
Administrative Expense	(17.67)	(21.50)	(13.12)	(17.8%)	34.7%
Loss From Dissolution of Subsidiaries	(2.12)	0.00	0.00	-	-
Finance Cost	(0.07)	(0.04)	(0.04)	69.2%	69.2%
Total Expense	(19.86)	(21.54)	(13.16)	(7.8%)	50.9%
Net Profit (Loss)	39.87	55.68	32.99	(28.4%)	20.9%
Other Net Profit (Loss)	0.00	0.75	0.00	(100.00%)	-
Total Net Profit (Loss)	39.87	56.43	32.99	(29.3%)	20.9%
Earnings (loss) per share	0.10	0.14	0.08	(29.3%)	20.9%

Separated Financial Statement of 1st Quarter of 2018 shows a total net profit of 39.87 million THB, decreased from the previous quarter of 55.68 million THB by 15.81 million THB due to the following reasons:

- **Dividend Revenue**

In first quarter of 20189, a total Dividend Revenue is 56.19 million THB, decreased from the previous quarter of 74.01 million THB by 17.82 million THB in details as follows:



Note MGP* A Joint venture, recognized revenue from electricity sales according to share holder proportion

■ **Other Revenue**

In Q1-2019 was 3.54 million THB, increased by 0.33 million THB or 10.2% from the previous quarter of 3.21 million THB, from a short term loan interest.

■ **Administrative Expense**

Most of the expenses goes to employees' wages/salaries, Board, Manager, Utilities, other administrative expense and managing expense, Consultant, Public relations. In Q1-2019, the expense was 17.67 million THB, decreased by 3.83 million THB or 17.8% from the previous quarter of 21.50 due to the doubtful debt of the asset income tax that occurred in Q4-2018.

■ **Loss From Dissolution of Subsidiaries**

In Q1-2019, the company had a loss from dissolution of subsidiaries of 2.12 million THB which were TPCH6, TPCH7, and TPCH8. The companies were established to submit a bid for the biomass power plant project upon government request, but since the government's policy has not yet opened the auction, therefor the companies has dissolved.

■ **Financial Cost**

The Company's finance costs was 0.07 million THB due to an interest expenses from financial lease agreements.

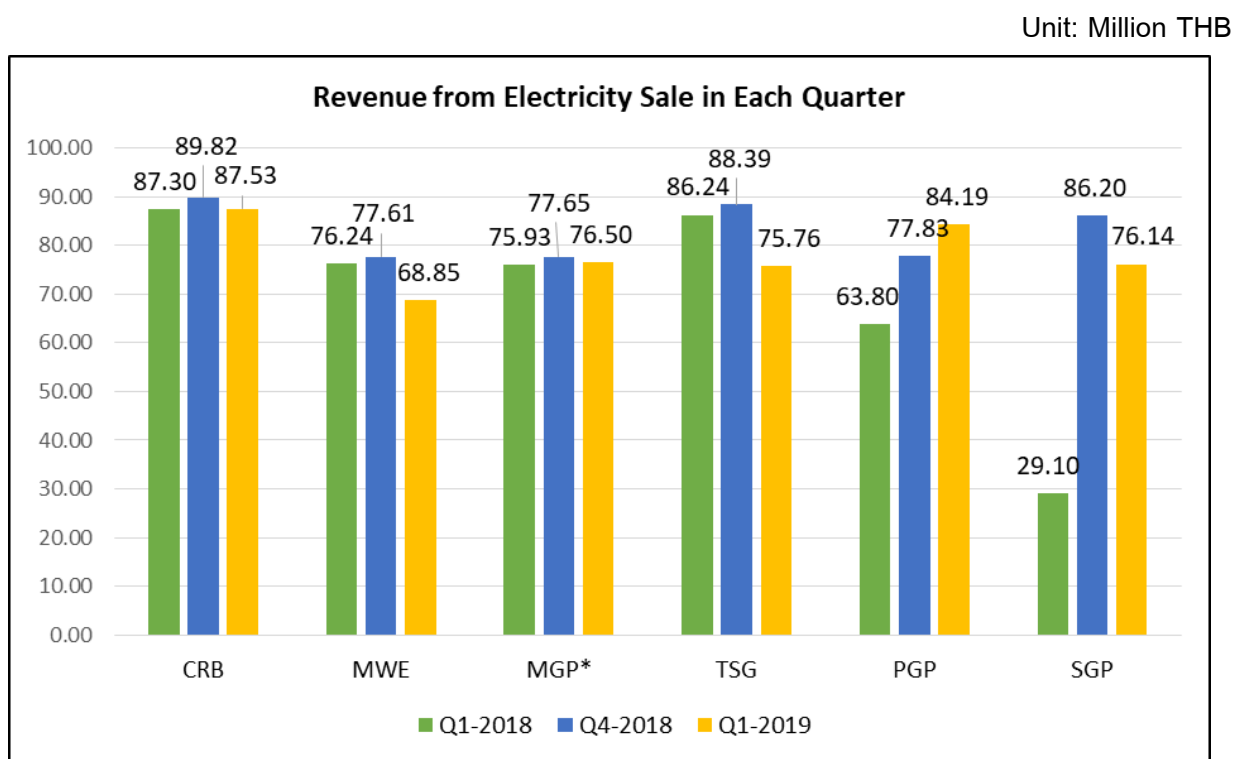
Consolidated Company Performance

Consolidated Financial Statement (Million THB)	Quarter			Change +/-(-)	
	Q1-2019	Q4-2018	Q1-2018	QoQ	YoY
Revenue from sales of electricity	392.46	419.85	342.68	(6.5%)	14.5%
Cost from sales of electricity	(216.50)	(221.68)	(189.46)	(2.3%)	14.3%
Gross Profit	175.96	198.17	153.22	(11.2%)	14.8%
Other revenue	2.56	2.09	3.62	22.3%	(29.3%)
Profit Before Expenses	178.52	200.26	156.84	(10.9%)	13.8%
Administrative Expense	(27.55)	(33.04)	(21.47)	(16.6%)	28.3%
Loss From Dissolution of Subsidiaries	(1.16)	0.00	0.00	-	-
Finance Cost	(19.49)	(20.10)	(19.51)	(3.0%)	(0.1%)
Profit (Loss) from investment in joint venture	4.33	1.63	3.73	>100.0 %	16.1%
Total Expense	(43.88)	(51.51)	(37.25)	(14.8%)	17.8%
Profit (Loss) Before Income Tax	134.65	148.75	119.59	(9.5%)	12.6%
Income Tax Expense	0.00	(0.30)	0.00	(100.0%)	-
Net Profit (Loss)	134.65	148.45	119.59	(9.3%)	12.6%
Other Comprehensive Profit (Loss)					
Actuarial Gain (losses) on defined employee benefit obligations	0.00	0.75	0.00	(100.0%)	-
Total Net Profit (Loss)	134.65	149.21	119.59	(9.8%)	12.6%
Earnings (Loss) per share	0.21	0.23	0.20	(6.8%)	4.4%
Profit Attributable to:					
Owner of the Company	84.85	90.31	81.29	(6.0%)	4.4%
Non-controlling Interests	49.80	58.14	38.30	(14.3%)	30.0%
Total Net Profit (Loss)	134.65	148.45	119.59	(9.3%)	12.6%
Comprehensive Profit Attributable to:					
Owner of the Company	84.85	91.07	81.29	(6.8%)	4.4%
Non-controlling Interests	49.80	58.14	38.30	(14.3%)	30.0%
Total Net Profit (Loss)	134.65	149.21	119.59	(9.8%)	12.6%

- **Revenue from Electricity Sale**

TPCH and its subsidiaries had a total revenue from electricity sales in Q1-2019 of 392.46 million THB, decreased by 27.38 million THB from its previous quarter of 419.85 million THB. Revenue from electricity sales decreased from the shut-down maintenance according to the annual plan of 2 projects, TSG and SGP, as well as the MWE power plant had an unplanned Shutdown to repair the equipment so that the power plant can operate normally.

Each project has revenue from electricity sales as follows:



Note MGP* A Joint venture, recognized revenue from electricity sales according to shareholding proportion

- **Cost from sales of electricity**

The cost from sales of electricity in Q1-2019 was 216.50 million THB, decreased by 5.18 million THB from its previous quarter of 221.68 million THB. The cost consists of operation cost, operational managing, and instruments for making the generator has the best performance. Details as follows.

Cost of Electricity Sales (Million THB)	Q1-2019						
	CRB	MWE	TSG	PGP	SGP	Total	%
Operation cost	35.46	33.53	29.41	36.43	31.89	166.71	77.00
Depreciation and Amortization cost	6.73	6.97	7.01	8.30	8.72	37.72	17.42
Maintenance cost	0.56	2.96	0.38	2.04	1.53	7.46	3.45
Electricity cost	0.29	0.91	1.09	0.97	1.34	4.60	2.13
Total Cost	43.04	44.37	37.89	47.73	43.48	216.50	100.00
Margin of COGS							55.16

Cost of Electricity Sales (Million THB)	Q4-2018						
	CRB	MWE	TSG	PGP	SGP	รวม	% ร้อยละ
Operation cost	39.96	35.69	37.78	28.17	30.25	171.84	77.52
Depreciation and Amortization cost	6.72	7.25	7.14	8.44	8.88	38.43	17.33
Maintenance cost	2.04	3.84	0.00	1.46	0.22	7.56	3.41
Electricity cost	0.25	0.33	0.99	0.89	1.39	3.86	1.74
Total Cost	48.97	47.11	45.90	38.96	40.75	221.68	100.00
Margin of COGS							52.80

■ Other Revenue

In Q1-2019, the Company had revenues from short term loan interests from subsidiaries and short term investment dividend of 2.56 million THB, increased by 0.47 million THB or 22.3% from its previous quarter of 2.09 million THB.

■ Administrative Expenses

In Q1-2019, the company and its subsidiaries had a total of administrative expenses of 27.55 million THB, decreased by 5.49 million THB or 16.6 million THB from its previous quarter of 33.04. The main cost are employees' wages and salaries, Board, Utilities, Power plant Capital contribution, depreciation, interest, and the company has cut the Bad Debt of value added tax. Household and other administrative cost for a better performance.

■ **Finance Cost**

In Q1-2019, TPOCH and its subsidiaries had financial cost in amount of 19.49 million THB, decreased by 0.06 million THB from its previous quarter of 20.10 million THB due to load interests.

■ **Profit (loss) from investments in joint ventures**

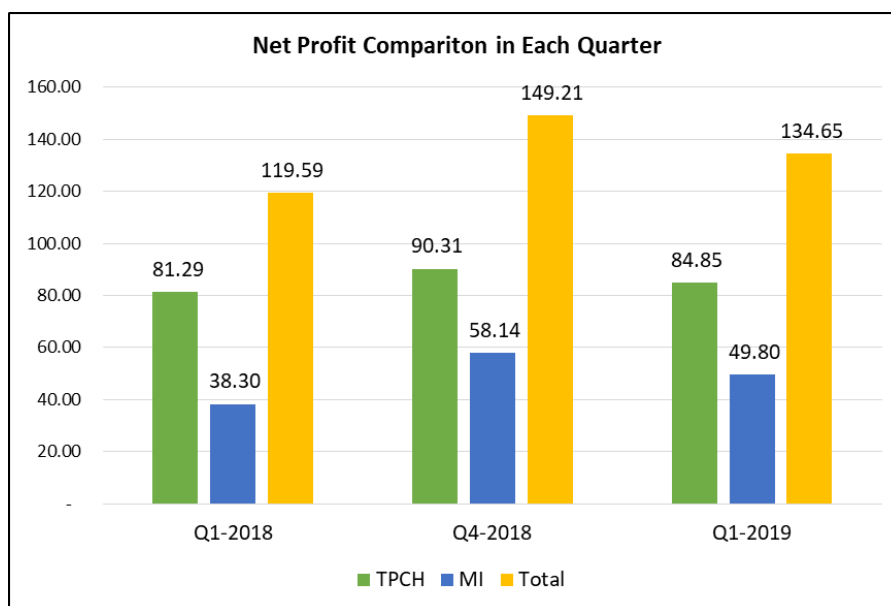
In Q1-2019, profit-sharing from subsidiaries was 4.33 million THB, increased by 2.70 million THB from its previous quarter of 1.63 million THB. Details as follows:

- The share of profit from 46 percent in **MGP** was 9.85 million THB.
- The share of loss from 33 percent in **PA Waste and Energy Company Limited (PA)** from this period was 0.02 million THB.
- The share of loss from 50 percent in **SP** from this period was 5.50 million THB due to the development of waste energy Power operation, funding for development is expected.

■ **Total Net Profit (Loss)**

In Q1-2019, the Company had total net profit (Loss) of 134.65 million THB, decreased by 13.18 million THB from its previous quarter of 148.45 million THB.

Profit Attributable to TPOCH was 84.85 million THB, decreased by 5.46 million THB from its previous quarter of 90.31 million THB due to an annual maintenance shutdown of 2 projects (TSG and SGP), MWE power plant had an unplanned shutdown, and loss from dissolution of subsidiaries.

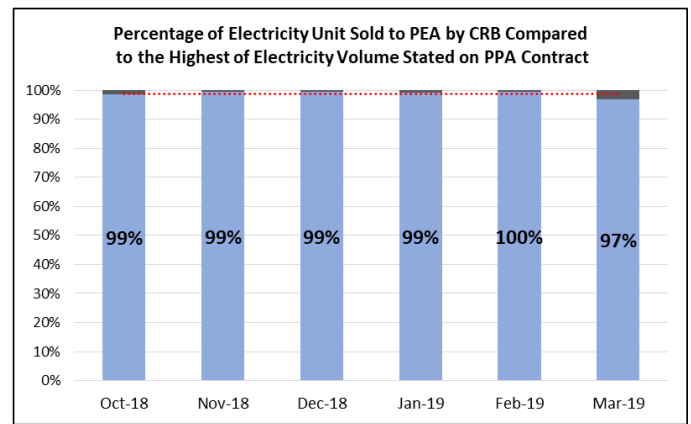
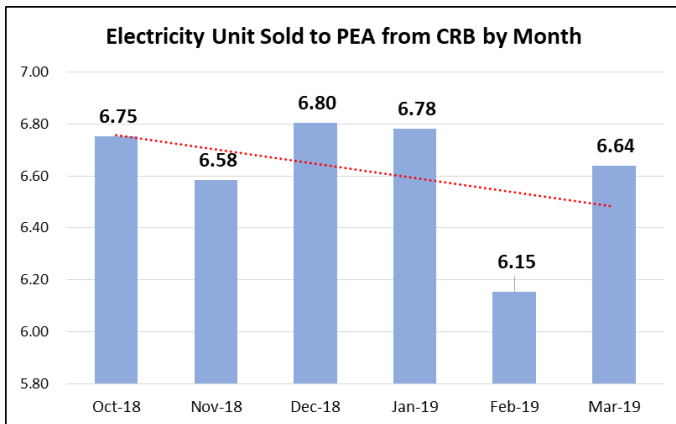


Unit: Million THB

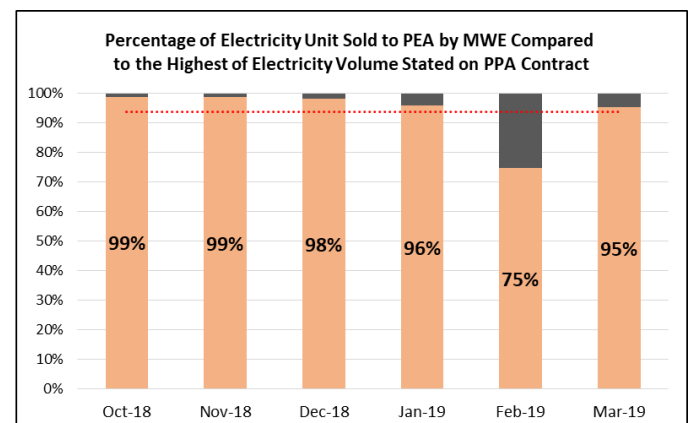
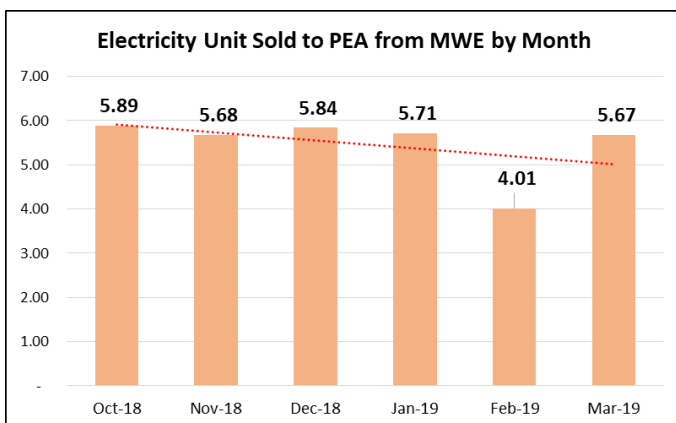
Performance of Power plants under operations (6 plants in total)

CRB, a 9.2 MW power plant selling electricity under the FiT system (4.45 baht/unit), generated and sold 19,571,721 units of electricity in Q1-2019 with one day of unplanned shutdown.

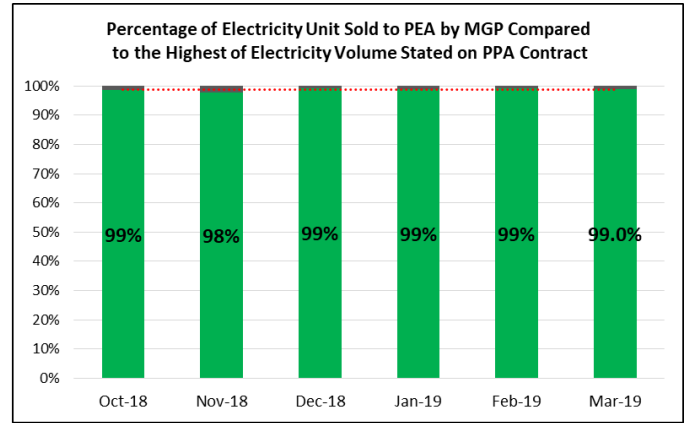
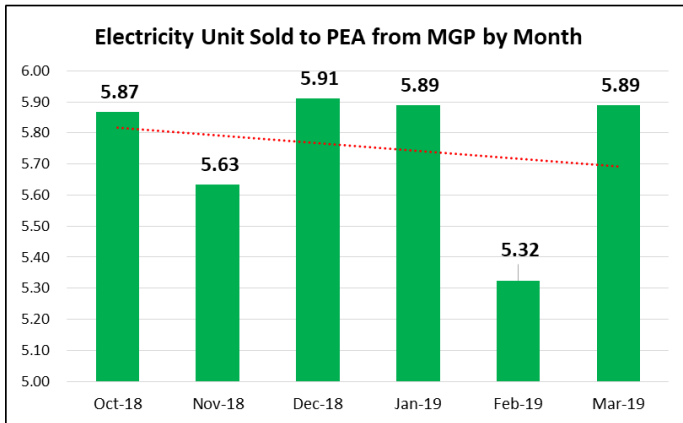
Details as follows.



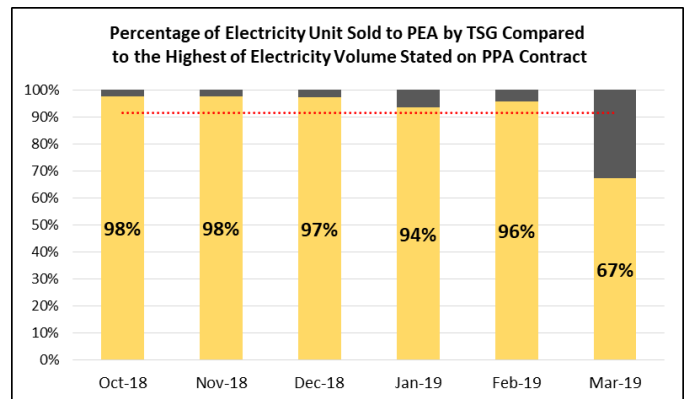
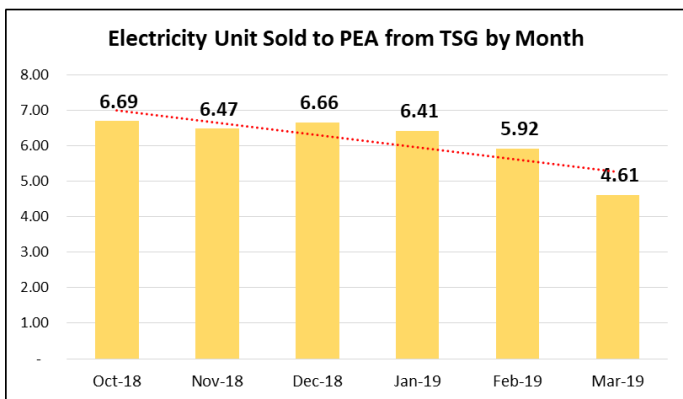
MWE, an 8.0 MW power plant selling electricity under the FiT system (4.45 baht/unit), generated and sold 15,394,275 units of electricity in Q1-2019 with ten days and fourteen hours of an unplanned shutdown. Details as follows.



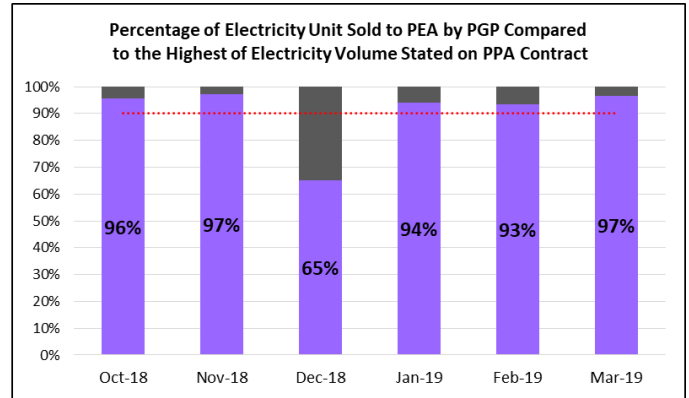
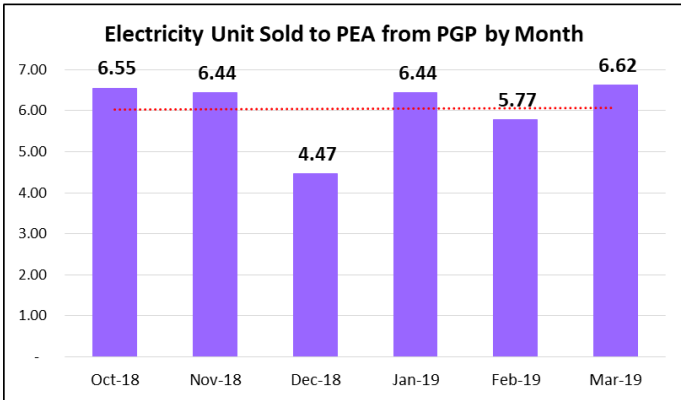
MGP, an 8.0 MW power plant selling electricity under the FiT system (4.45 baht/unit), generated and sold 17,105,076 units of electricity in Q1-2019 with seven hours of an unplanned shutdown. Details as follows.



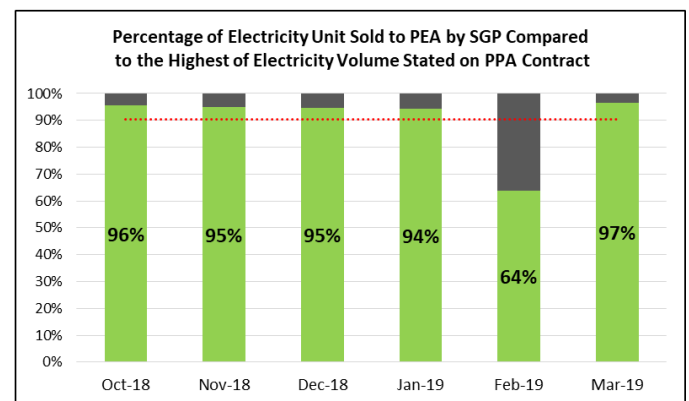
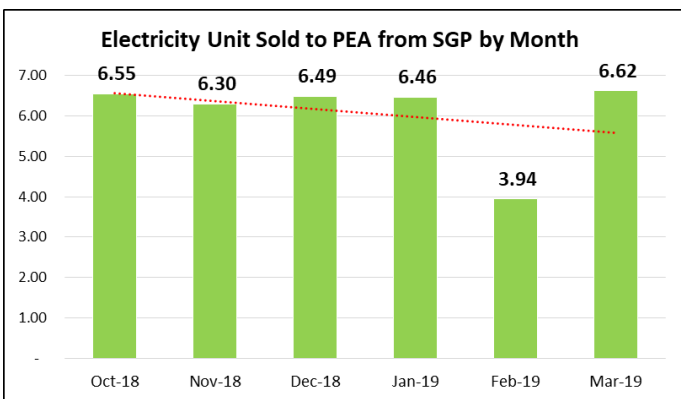
TSG, a 9.2 MW power plant selling electricity under the FiT system (4.45 baht/unit), generated and sold 16,937,984 units of electricity in Q1-2019 with eight days of maintenance shutdown in March and one day of unplanned shutdown. Details as follows.



PGP, a 9.2 MW power plant selling electricity under the FiT system (4.45 baht/unit), generated and sold 18,823,440 units of electricity in Q1-2019 with one day and twenty-three hours of unplanned shutdown. Details as follows.



SGP, a 9.2 MW power plant selling electricity under the FiT system (4.45 baht/unit), generated and sold 17,022,858 units of electricity in Q1-2019 with nine days of maintenance shutdown and one day and twelve hours of unplanned shutdown. Details as follows.



Industry Overview in 2019

The Cabinet meeting report on 30 April 2019 stated that the cabinet has approved the power development plan of Thailand, 2018-2037 (PDP 2018) of the Ministry of Energy. The government's policy has a view of creating a plan that focuses on solving the energy needs of Thailand in 3 dimensions as follows: 1. Energy Security 2. Economic 3. Environmental Friendly (3Es). The country's power development plan has a goal to focus on solving social problems such as community waste combining with a goal of creating local growth in order to affect stability and distribute income from the central to the local area by using local resources for maximum benefit. The goal is to have a total capacity of 77,211 megawatts of electricity within the year 2037, which is the plan year ending, including 20 percent of renewable energy which details in the Alternative Energy Development Plan (AEDP).

The company has developed a community waste power plant project and studied the power generation project by bringing energy crops together with community work to create local growth. Along with the creation of a stable power plant to support the Micro grid and Smart Grid systems in the future, consistent with the same approach as the Thailand Power Development Plan. The investment in SP, which is a company operating a waste power plant, is a response to the country's waste management policy. In addition to the development of community waste power plants in Nonthaburi Province, SP has been researching and developing a community waste power plan in many areas of the country, both in the form of bidding and acquisition.

The company is always looking for new investment opportunities, both in the form of acquisitions of existing projects and the development of new projects both domestic and internationally. The company is in the process of studying the possibility of expanding the power plant development in the South East Asia region, mostly CLMV, by deciding to invest in various projects depending on the return of the project not less than the company has set.

For your information,

TPC Power Holding Public Company Limited

(Mr. Cherdsak Wattanavijitkul)

President

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TPCH : TPC Power Holding Public Company Limited

CRB : Chang Rak Biopower Company Limited

MWE : Maewong Energy Company Limited

MGP : Mahachai Green Power Company Limited

TSG : Thungsung Green Company Limited

PGP : Phatthalung Green Power Company Limited

SGP : Satun Green Power Company Limited

TPCH1: TPCH Power 1 Company Limited

TPCH2: TPCH Power 1 Company Limited

TPCH5: TPCH Power 1 Company Limited

TPCH6: TPCH Power 1 Company Limited

TPCH7: TPCH Power 1 Company Limited

TPCH8: TPCH Power 1 Company Limited

PTG : Pattani Green Company Limited

PA : PA Waste and Energy Company Limited

SP : Siam Power Company Limited

PEA : Provincial Electricity Authority of Thailand

COD : Commercial Operation Date

SCOD : Scheduled Commercial Operation Date

RDF : Refuse Derived Fuel which is the product of processing municipal solid waste to separate the noncombustible from the combustible portion, and preparing the

