

August 13, 2019

Re: Discussion and Analysis of Financial Position and Results of Operations

To: President

Stock Exchange of Thailand

Better World Green Public Company Limited and subsidiaries hereby (the "Company") clarifies the operating performance of Quarter 2 and the accumulated balance for 6 months, ended June 30, 2019 as detailed below:

Performance Analysis

Overall operating results for the Quarter 2 ended June 30, 2019

(Unit : Thousand Baht)

Statements of Income	30 Jun 19	percent	30 Jun 18	percent	Increase(decrease)	percent
Total Income	472,425	100.00%	573,802	100.00%	(101,377)	-17.67%
Sale and service income	416,024	88.06%	564,303	98.34%	(148,279)	-26.28%
Construction income	46,879	9.92%	7,503	1.31%	39,376	100.00%
Total Revenues	462,903	97.98%	571,806	99.65%	(108,903)	-19.05%
Cost of sale and service	(316,690)	-76.12%	(350,445)	-62.10%	(33,755)	-9.63%
Cost of construction	(49,996)	-106.65%	(7,176)	-95.64%	42,820	100.00%
Total Costs	(366,686)	-79.21%	(357,621)	-62.54%	9,065	2.53%
Gross profit Margin	96,217	23.13%	214,185	37.96%	(117,968)	-55.08%
Other income	9,522	2.02%	1,996	0.35%	7,526	377.05%
Profit before expenses	105,739	22.38%	216,181	37.68%	(110,442)	-51.09%
Service expenses	(22,442)	-4.75%	(14,634)	-2.55%	7,808	53.36%
Administrative expenses	(40,178)	-8.50%	(52,607)	-9.17%	(12,429)	-23.63%
Management benefit expenses	(19,921)	-4.22%	(17,484)	-3.05%	2,437	13.94%
finance costs	(20,611)	-4.36%	(23,341)	-4.07%	(2,730)	-11.70%
Total expenses	(103,152)	-21.83%	(108,066)	-18.83%	(4,914)	4.55%
Profit before income tax expense	2,587	0.55%	108,115	18.84%	(105,528)	-97.61%
Income tax expense	(1,877)	-0.40%	(18,825)	-3.28%	(16,948)	-90.03%
Net profit for the period	710	0.15%	89,290	15.56%	(88,580)	-99.20%
Equity holders of the Company	(7,048)	-1.49%	76,150	13.27%	(83,198)	-109.26%

The ratio in the income statement is as a percentage of total revenue, except for the cost of services and gross profit that expressed as a

percentage of revenues from services

Overall operating results for 6 months ended June 30, 2019

(Unit : Thousand Baht)

Statements of Income	30 Jun 19	percent	30 Jun 18	percent	Increase(decrease)	percent
Total Income	939,262	100.00%	1,137,255	100.00%	(197,993)	-17.41%
Sale and service income	862,491	91.83%	1,116,397	98.17%	(253,906)	-22.74%
Construction income	61,550	6.55%	17,873	1.57%	43,677	100.00%
Total Revenues	924,041	98.38%	1,134,270	99.74%	(210,229)	-18.53%
Cost of sale and service	(643,393)	-74.60%	(696,873)	-62.42%	(53,480)	-7.67%
Cost of construction	(68,353)	-111.05%	(17,096)	-95.65%	51,257	100.00%
Total Costs	(711,746)	-77.03%	(713,969)	-62.95%	(2,223)	-0.31%
Gross profit Margin	212,295	24.61%	420,301	37.65%	(208,006)	-49.49%
Other income	15,221	1.62%	2,985	0.26%	12,236	409.92%
Profit before expenses	227,516	24.22%	423,286	37.22%	(195,770)	-46.25%
Service expenses	(45,383)	-4.83%	(26,748)	-2.35%	18,635	69.67%
Administrative expenses	(75,504)	-8.04%	(103,119)	-9.07%	(27,615)	-26.78%
Management benefit expenses	(33,530)	-3.57%	(30,955)	-2.72%	2,575	8.32%
finance costs	(43,161)	-4.60%	(44,407)	-3.90%	(1,246)	-2.81%
Total expenses	(197,578)	-21.04%	(205,229)	-18.05%	(7,651)	3.73%
Profit before income tax expense	29,938	3.19%	218,057	19.17%	(188,119)	-86.27%
Income tax expense	(7,236)	-0.77%	(37,693)	-3.31%	(30,457)	-80.80%
Net profit for the period	22,702	2.42%	180,364	15.86%	(157,662)	-87.41%
Equity holders of the Company	5,564	0.59%	154,594	13.59%	(149,030)	-96.40%

The ratio in the income statement is as a percentage of total revenue, except for the cost of services and gross profit that expressed as a percentage of revenues from services

Service revenue:

Revenue from industrial waste disposal services for the Quarter 2 and the accumulated balance for 6 months decreased by 148.28 and 235.50 million Baht or 26.28 and 22.74 percent respectively compared to the same period in the previous year due to a decreasing of incoming volume of the industrial waste by 27.74 percent in Quarter 2 and 28.10 percent for the 6-month period while the disposal fees per ton remained the same range as the previous year causing from externalities factor which suitable strategies have been applied.

Construction Income:

Revenue from Project of rehabilitation at Huay Kliti from Pollution Control Department, Ministry of Natural Resources and Environment with project value of 425.01 million Baht duration 1,000 working days has been

acknowledged for 73.13 percent of total project value.

Cost of Service :

Cost of industrial waste disposal services depended on the variable costs landfill amortization, transportation and equipment fuel, remuneration to Department of Industrial Works, and some fixed cost of operation including salaries, employees' benefits and depreciations.

Cost of Construction :

Acknowledged as per cost of project.

Other income:

Other incomes were from other services, transportation, and interest income

Administrative expenses, Executive Compensation and Financial costs:

Most of these expenses are the Sales Support Expenses, Salaries and employee benefits, executive compensation, office expenses, preparation of subsidiaries' power plant to be operated and Interest payment from project expansion.

Net profit attributable to equity holders of the Company:

From the above reasons and causes, The Company's net profit(loss) for and the accumulated balance for 6 months amounting (7.05) and 5.56 million Baht decreased 83.20 and 149.03 million Baht or 109.26 and 96.40 percent compared with the same period of the previous year.

Analysis

Overall financial position as at 30 June 2019

(Unit :Thousand Baht)

Statement of financial position	30 Jun 19	percent	31 Dec 18	percent	increase(decrease)	percent
total asset	6,994,993	100.00%	6,814,239	100.00%	180,754	2.65%
total liabilities	3,391,499	48.48%	2,937,401	43.11%	454,098	15.46%
total equity attributable to shareholders	3,082,882	44.07%	3,277,462	48.10%	(194,580)	-5.94%
Non-controlling interests	520,612	7.44%	599,376	8.80%	(78,764)	-13.14%

Analysis of Assets

The total assets as at June 30, 2019 increased by 180.75 million Baht or 2.65 percent. Assets with significant changes in total asset are as follows:-

Cash and cash equivalents	490.05 million Baht or 7.01 percent of total assets.
Trade receivables and accrued income	748.07 million Baht or 10.69 percent of total assets.
Property, plants and equipment	5,179.34 million Baht or 74.04 percent of total assets.

Analysis of liabilities

The total liabilities as at June 30, 2019 increased by 454.10 million Baht or 15.46 percent originated from business expansion. The details are as follows:-

Loans from financial institutions	2,793.07 million Baht or 39.93 percent of total assets
Trade payables	523.08 million baht or 7.48 percent of total assets

In the past 6 months, there were an increasing in land, buildings and equipments including investment in power plants and Refuse Derived Fuel (RDF) which will be completed and operated by this year which bank loans and company cash flow are the majority of funds.

Analysis of shareholders

The equity shares as June 30, 2019 decreased by 194.58 million Baht or 5.94 percent engendered from the changes in operational profit and portion of stakeholders of the Company in subsidiaries.

Please be informed accordingly.

Sincerely yours,

(Mr.Suthat Boonyaudomsart)

Vice Managing Director of Accounting & Finance Controller