



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



Management's Discussion and Analysis (MD&A)
For Nine Months Ended September 30, 2019

No. TPCH-SC-001-11/2562

7 November 2019

Subject: Management's Discussion and Analysis of *Nine Months Ended September 30, 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 nine months ended September 30, 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.

Events During Third Quarter of 2019

■ Thailand Energy Awards

MGP and TSG, power plants of the company, were selected as the winners of Thailand Energy Awards 2019 in the renewable project category linked to the national grid. Department of Alternative Energy Development and Efficiency (DEDE) stated the competition since 2000 in order to eulogize the outstanding performance of factories, buildings and personals that encourage energy conservation and renewable energy development.

■ ASEAN Energy Awards 2019

After winning the Thailand Energy Award 2019 contest, MGP and TSG were representing Thailand to compete in ASEAN level at the ASEAN Energy Award 2019 stage which was hosted by Thailand this year. As the results, MGP won the first prize while TSG received the first runner up award.

Progress of Projects

Operations	60 MW
CRB, MWE, MGP, TSG, PGP, SGP	
Constructions (SCOD)	59 MW
PTG, TPCH 1, TPCH 2 TPCH 5, SP	

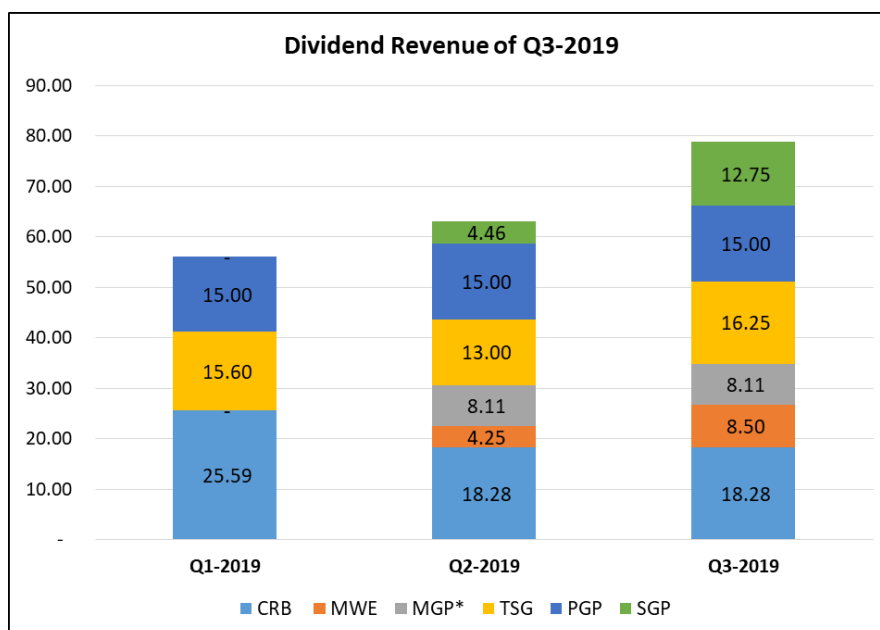
Overview of Financial Performance of the Company

Separated Financial Statement (Million THB)	Quarter				Change +/-	
	Q3-2019	Q2-2019	Q1-2019	Q3-2018	QoQ	YoY
Revenue						
Dividend Revenue	78.89	63.10	56.19	41.38	25.0%	90.6%
Other Revenue	2.91	3.69	3.54	2.95	(21.1%)	(1.2%)
Total Revenue	81.80	66.79	59.73	44.33	22.5%	84.5%
Expense						
Administrative Expense	(19.42)	(17.99)	(17.67)	(16.08)	7.9%	20.7%
Loss From Dissolution of Subsidiaries	0.00	0.00	(2.12)	0.00	-	-
Finance Cost	(0.42)	(0.04)	(0.07)	(0.05)	>100.0%	>100.0%
Total Expense	(19.84)	(18.03)	(19.86)	(16.13)	10.0%	23.0%
Net Profit (Loss)	61.97	48.76	39.87	28.20	27.1%	>100.0%
Other Net Profit (Loss)	0.00	0.00	0.00	0.00	-	-
Total Net Profit (Loss)	61.97	48.76	39.87	28.20	27.1%	>100.0%
Earnings (loss) per share	0.15	0.12	0.10	0.07	27.1%	>100.0%

Separated Financial Statement of 3rdQuarter of 2019 shows a total net profit of 61.97 million THB, increased 13.20 million THB from its previous quarter of 48.76 million THB due to the following reasons:

- **Dividend Revenue**

In Q3-2019, a total dividend revenue was 78.89 million THB, increased 15.79 million THB from its previous quarter of 63.10 million THB, details as follows:



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

■ **Other Revenue**

In Q3-2019, the other revenue was 2.91 million THB, decreased by 0.78 million THB from its previous quarter of 3.69 million THB, which is 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 Q3-2019, the expense was 19.42 million THB, increased by 1.42 million THB from its previous quarter of 17.99 million THB.

■ **Financial Cost**

In Q3-2019, the Company's finance costs was 0.42 million THB due to an interest expenses from financial lease agreements.

Consolidated Company Performance

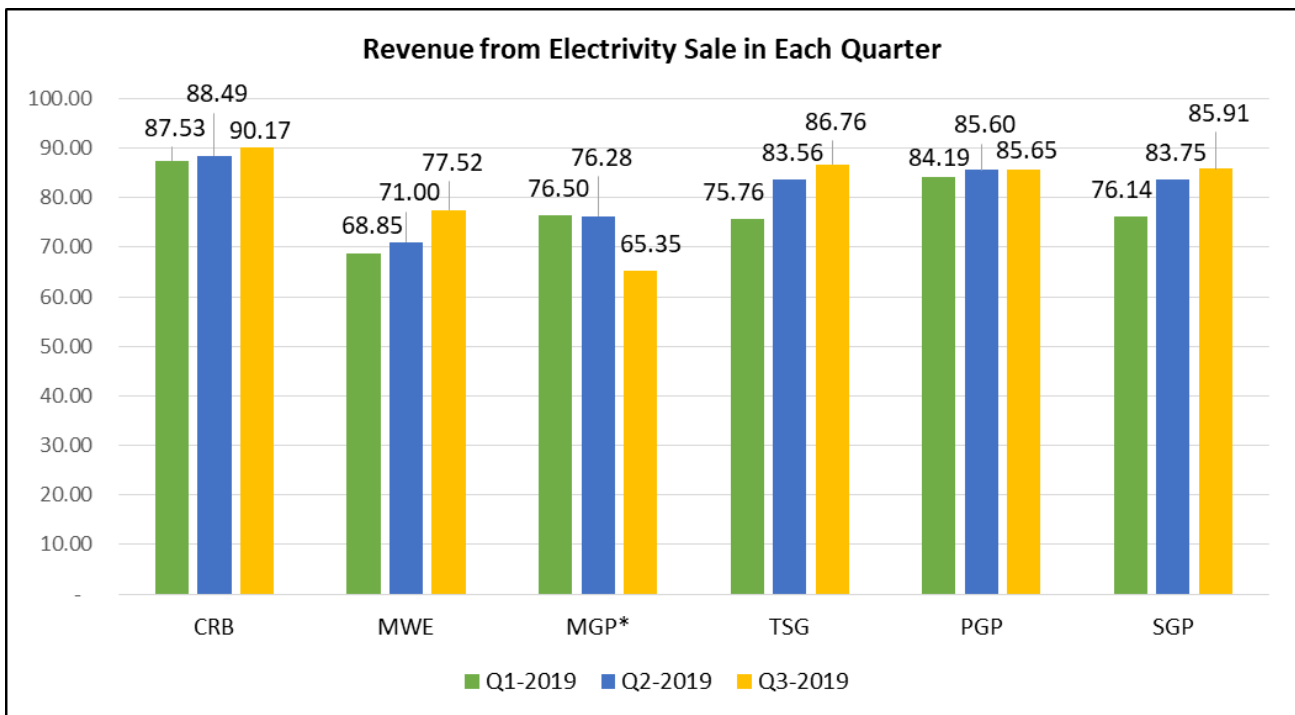
Consolidated Financial Statement (Million THB)	Quarter				Change +/-(-)	
	Q3-2019	Q2-2019	Q1-2019	Q3-2018	QoQ	YoY
Revenue from sales of electricity	426.01	412.40	392.46	402.36	3.3%	5.9%
Cost from sales of electricity	(220.00)	(224.83)	(216.50)	(208.96)	(2.1%)	5.3%
Gross Profit	206.01	187.58	175.96	193.39	9.8%	6.5%
Other revenue	2.78	3.57	2.56	1.24	(22.0%)	>100.0%
Profit Before Expenses	208.79	191.15	178.52	194.63	9.2%	7.3%
Administrative Expense	(30.39)	(27.97)	(27.55)	(29.06)	8.6%	4.6%
Loss From Dissolution of Subsidiaries	0.00	0.00	(1.16)	0.00	-	-
Financing Cost	(20.42)	(19.28)	(19.49)	(20.93)	5.9%	(2.5%)
Profit (Loss) from investment in joint venture	(0.60)	6.06	4.33	(4.55)	(>100.0 %)	(>100.0 %)
Total Expense	(51.41)	(41.20)	(43.88)	(45.44)	24.8%	13.1%
Profit (Loss) Before Income Tax	157.38	149.95	134.65	149.20	5.0%	5.5%
Income Tax Expense	0.00	0.00	0.00	0.00	-	-
Net Profit (Loss)	157.38	149.95	134.65	149.20	5.0%	5.5%
Other Comprehensive Profit (Loss)	0.00	0.00	0.00	0.00	-	-
Total Net Profit (Loss)	157.38	149.95	134.65	149.20	5.0%	5.5%
Earnings (Loss) per share	0.24	0.24	0.21	0.23	1.8%	5.7%
Profit Attributable to:						
Owner of the Company	97.16	95.45	84.85	91.93	1.8%	5.7%
Non-controlling Interests	60.22	54.50	49.80	57.27	10.5%	5.1%
Total Net Profit (Loss)	157.38	149.95	134.65	149.20	5.0%	5.5%
Comprehensive Profit Attributable to:						
Owner of the Company	97.16	95.45	84.85	91.93	1.8%	5.7%
Non-controlling Interests	60.22	54.50	49.80	57.27	10.5%	5.1%
Total Net Profit (Loss)	157.38	149.95	134.65	149.20	5.0%	5.5%

- **Revenue from Electricity Sale**

TPCH and its subsidiaries had a total revenue from electricity sales in Q3-2019 of 426.01 million THB, increased by 13.61 million THB from its previous quarter of 412.40 million THB. Revenue from electricity sale increased MGP being the only power plant that had a schedule maintenance shutdown and some of the projects had a better performance than the previous quarter.

Each project has revenue from electricity sales as follows:

Unit: Million THB



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 Q3-2019 was 220.00 million THB, decreased by 4.83 million THB from its previous quarter of 224.83 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)	Q3-2019						
	CRB	MWE	TSG	PGP	SGP	Total	%
Operation cost	37.12	34.55	33.46	34.42	32.56	172.11	78.23
Depreciation and Amortization cost	6.88	7.20	7.21	8.51	8.93	38.72	17.60
Maintenance cost	0.67	3.00	0.00	0.79	0.49	4.95	2.25
Electricity cost	0.29	0.91	0.94	0.94	1.14	4.22	1.92
Total Cost	44.96	45.65	41.60	44.65	43.12	220.00	100.00
Margin of COGS							51.64

Cost of Electricity Sales (Million THB)	Q2-2019						
	CRB	MWE	TSG	PGP	SGP	รวม	ร้อยละ
Operation cost	35.94	32.06	31.42	39.04	35.66	174.12	77.45
Depreciation and Amortization cost	6.80	7.13	7.09	8.41	8.83	38.27	17.02
Maintenance cost	0.07	5.54	0.39	0.60	1.31	7.91	3.52
Electricity cost	0.31	1.05	0.96	0.86	1.35	4.53	2.02
Total Cost	43.12	45.78	39.86	48.92	47.15	224.83	100.00
Margin of COGS							54.52

■ Other Revenue

In Q3-2019, the Company had revenues from short term loan interests from subsidiaries and short term investment dividend of 2.78 million THB, decreased by 0.79 million THB from its previous quarter of 3.57 million THB.

■ Administrative Expenses

In Q3-2019, the company and its subsidiaries had a total of administrative expenses of 30.39 million THB, increased by 2.42 million THB from its previous quarter of 27.97 million THB. 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.

■ **Financing Cost**

In Q3-2019, TPCH and its subsidiaries had financing cost of 20.42 million THB, increased by 1.13 million THB from its previous quarter of 19.28 million THB due to load interests.

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

In Q3-2019, a total loss from investments in joint ventures was 0.60 million THB, decreased by 6.66 million THB from its previous quarter of earning 6.06 million THB. The loss came from the scheduled maintenance shutdown of MGP. Details as follows:

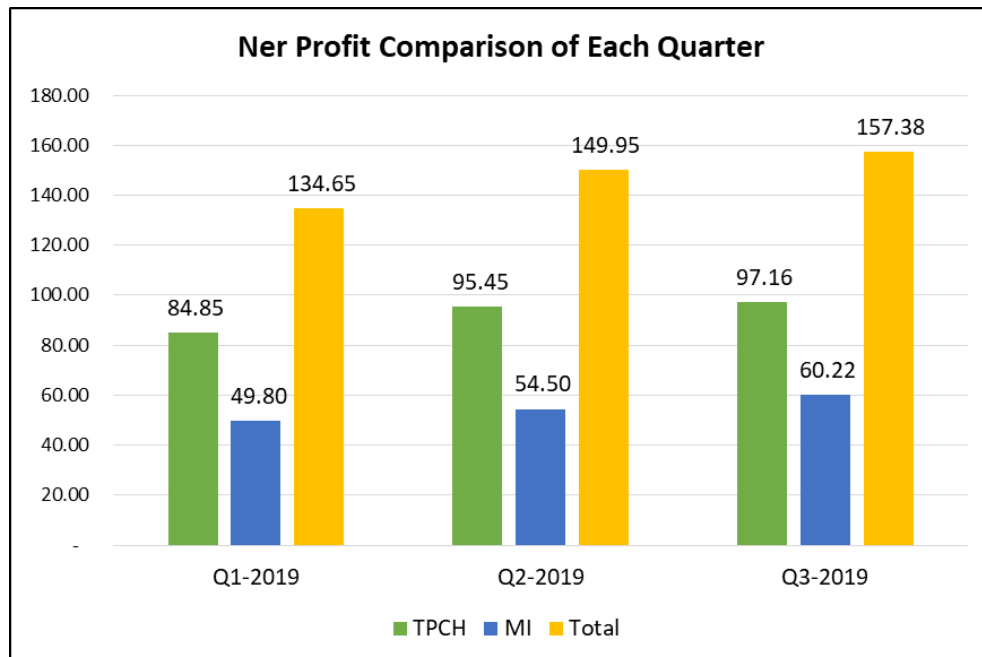
- The share of profit from 46 percent in **MGP** was 4.45 million THB.
- The share of loss from 33 percent in **PA Waste and Energy Company Limited (PA)** from this period was 0.04 million THB.
- The share of loss from 50 percent in **SP** was 5.01 million THB due to the development of waste energy power plant with an installed capacity of 9.5 MW.

■ **Total Net Profit (Loss)**

In Q3-2019, the Company had total net profit of 157.38 million THB, increased by 7.43 million THB or 5% from its previous quarter of 149.95 million THB.

Profit Attributable to TPCH was 97.41 million THB, increased by 1.96 million THB from its previous quarter of 95.45 million THB due to all projects had full capacity operation.

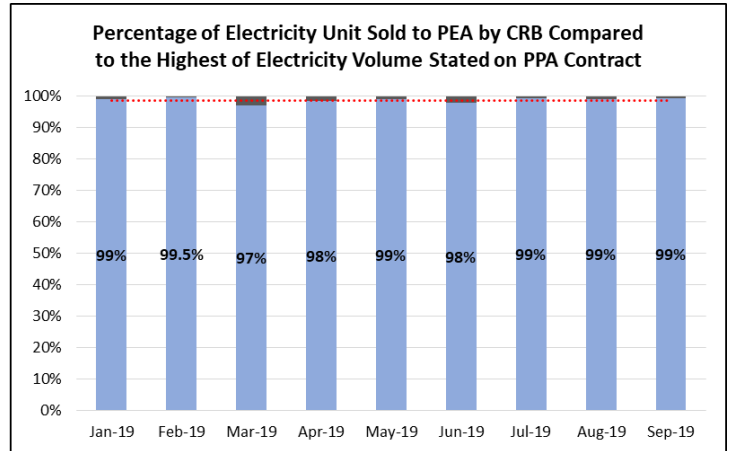
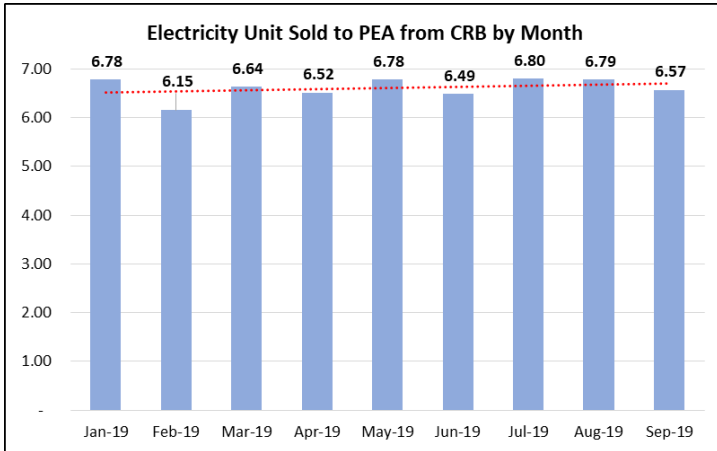
Unit: Million THB



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

CRB, a 9.2 MW power plant selling electricity under the FiT system (4.47 baht/unit*), generated and sold 20,162,024 units of electricity in Q3-2019 with four hours of unplanned shutdown.

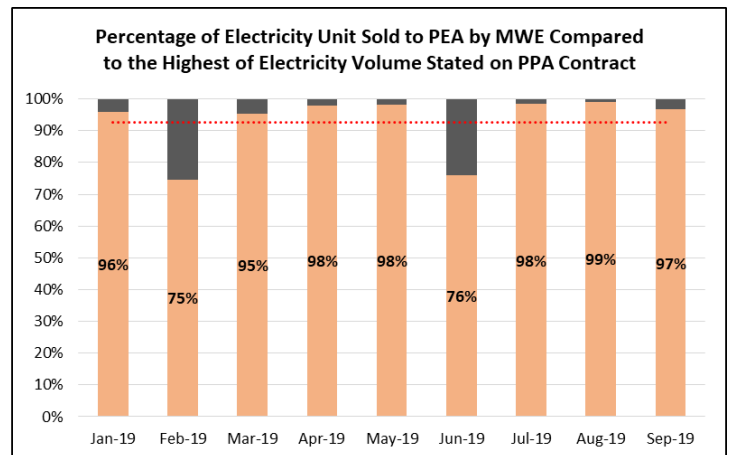
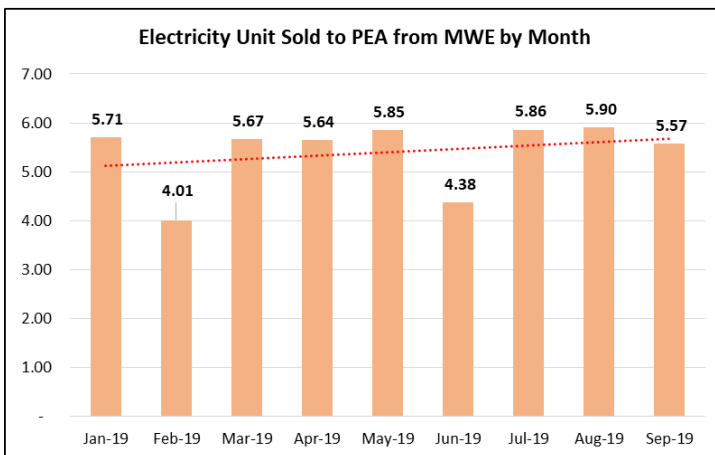
Details as follows.



* The net purchase price of 4.45 baht per unit has increased to 4.47 baht per unit because the core inflation used to calculate FiT variable in 2019 has increased.

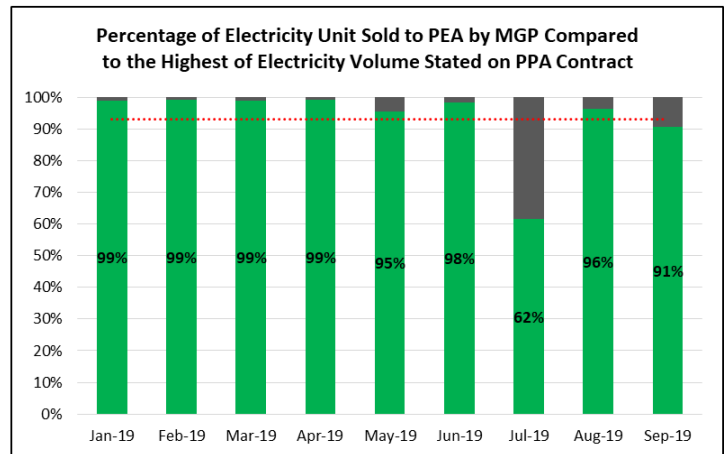
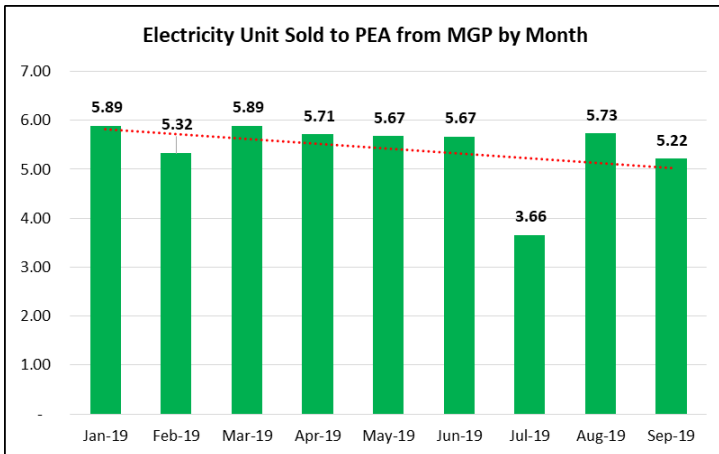
MWE, an 8.0 MW power plant selling electricity under the FiT system (4.47 baht/unit), generated and sold 17,333,122 units of electricity in Q3-2019 with one day and twenty one hours of an unplanned shutdown.

Details as follows.



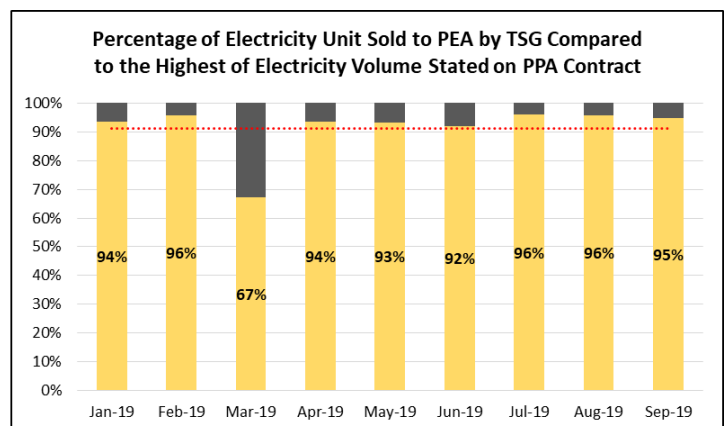
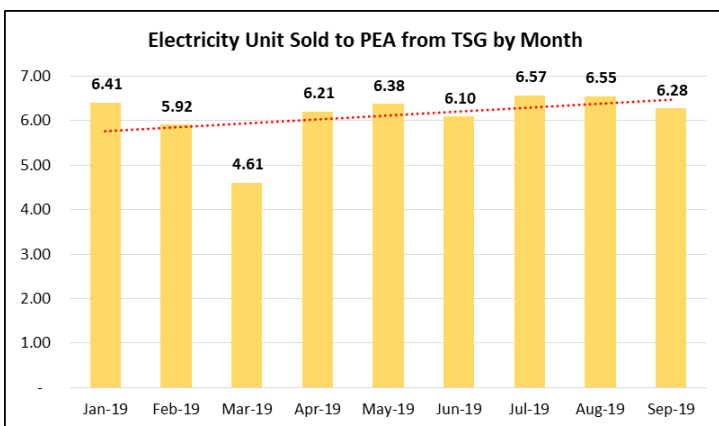
MGP, an 8.0 MW power plant selling electricity under the FiT system (4.47 baht/unit), generated and sold 14,609,345 units of electricity in Q3-2019 with ten days of a scheduled maintenance shutdown in July and two days and twenty three hours of an unplanned shutdown.

Details as follows.



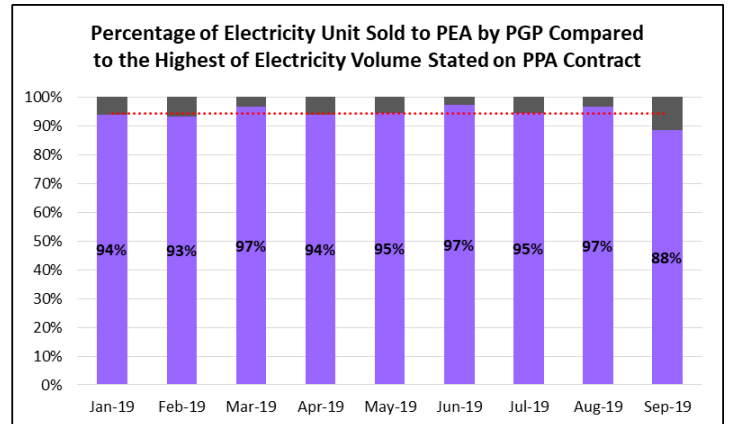
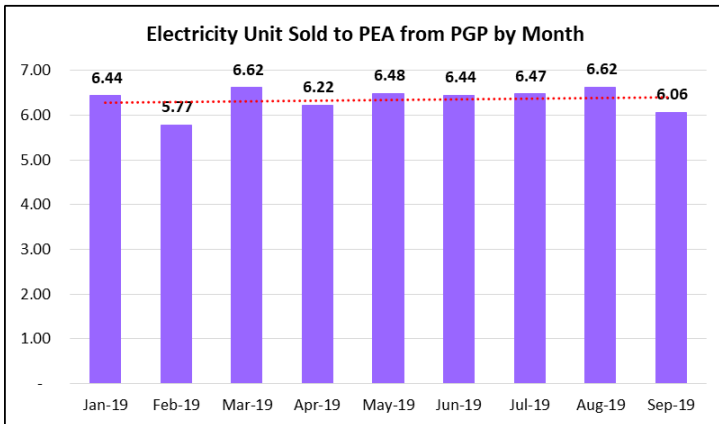
TSG, a 9.2 MW power plant selling electricity under the FiT system (4.47 baht/unit), generated and sold 19,398,325 units of electricity in Q3-2019 with thirteen hours of an unplanned shutdown.

Details as follows.



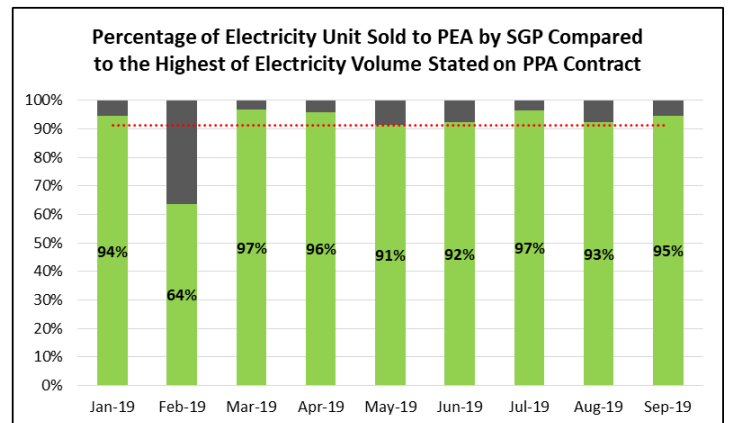
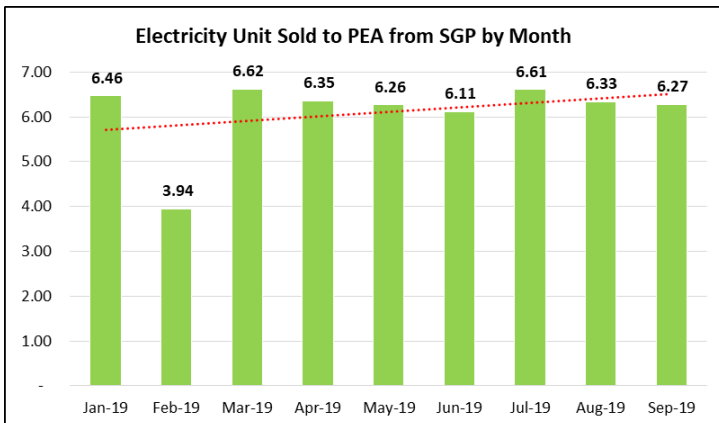
PGP, a 9.2 MW power plant selling electricity under the FiT system (4.47 baht/unit), generated and sold 19,150,796 units of electricity in Q3-2019 with two days and eleven hours of unplanned shutdown.

Details as follows.



SGP, a 9.2 MW power plant selling electricity under the FiT system (4.47 baht/unit), generated and sold 19,209,714 units of electricity in Q3-2019 with two days and ten hours of an unplanned shutdown.

Details as follows.



Industry Overview in 2019

To comply with the government's policy of strong and stable foundation of Thailand economy, the Energy Minister has assigned the Department of Alternative Energy Development and Efficiency (DEDE) to propose a form of electric power project that will improve the quality of life of the community. Therefore the project of "Community power plant for foundation economy" has developed and drafted. The investment will come from the cooperation of all sectors including government, private and community. By supporting farmers to grow energy crops or sell agricultural wastes as fuel for power plants, this will create careers, and create financial strength in the community. According to the draft policy, approximately 250 community power plants will be developed in the first phase. In addition, the draft of alternative energy development plans or the AEDP2018 plan has also increased the proportion of energy from waste electricity generation projects, almost doubling from the AEDP 2015 from 500 MW to 900 MW. All the plans and policies is expected to be finalized by the end of 2019.

According to the policy mentioned above, the role of energy crops will be an important factor in the development of power plant projects in the near future. Since 2017, the company has developed and invested in energy crops called 'Raak Kaew' with a community in NakhonSawan province as an alternative fuel for MWE. Raak Kaew can be used as fuel for both biomass and biomass power plants. With low investment on cultivation and high productivity yield, it can generate fairly attractive income and profits to farmers in the community. The company has also continuously studied the small community power plant technology and is ready to join the project according to the government policy at any time. On the other hand, the company is now developing various waste energy projects in order to reach company's target and support the government accelerated waste management policy. TPCH is now well prepared on project development, technology, and fuels in order to support the country's growth of alternative energy in Thailand

For your information,

TPC Power Holding Public Company Limited

(Mr. Cherdsak Wattanavijitkul)

President

Index

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
MEA	: Metropolitan Electricity Authority
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 combustible portion into a form that can be effectively fired in an existing or new boiler.