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14th August 2020

Topic Submission of Financial Statement Quarter 2/2020 (reviewed) and Management's Discussion and Analysis of financial results and financial status for the first quarter ended 30th June 2020

Attention President
 The Stock Exchange of Thailand

Sernsang Power Corporation Public Company Limited (“SSP”) would like to submit the reviewed financial statements for the second quarter of 2020 ended 30th June 2020, together with the Management Discussion and Analysis for the period.

The Company had previously announced the indefinite postponement of its Annual General Meeting of Shareholders for the year 2020 on April 29, 2020 due to the current pandemic of Coronavirus (COVID-19), as a result, the agenda regarding the appointment of the auditors and the approval of the audit fee for the year 2020 were postponed.

Nevertheless, the Office of the Securities and Exchange Commission has announced the Notification of the Capital Market Supervisory Board, Tor Jor 28/2020 dated 27th March, 2020, which states that listed companies who are unable to hold Annual General Meeting (“AGM”) to appoint the company's auditors, are permitted to submit the company's financial statements for the second quarter of the year 2020, reviewed by the auditors whose names appear in the approved auditor name-list of the SEC and appointed by the company's Board of Directors. Additionally, the company is required to propose the agenda on the appointment of the company's auditors in the upcoming AGM.

The Board of Directors Meeting number 1/2020 on 27th February 2020, with consideration of the Audit Committee, approved the appointment of the following auditors of EY Office Limited as the Company's auditor for the year 2020 and consider the audit fee at the amount not exceed 2,620,000 Baht, excluding actual out-of-pocket expenses

1. Ms. Ratana Jala Certified Public Accountant (Thailand) No. 3734; and/or
2. Ms. Sirikorn Plernpissiri Certified Public Accountant (Thailand) No. 5234; and/or
3. Ms. Somjai Khunapasut Certified Public Accountant (Thailand) No. 4499

In case that those auditors could not perform their duties, EY Office Limited could assign other auditors in their office to handle the audit and express his /her opinions towards the Company's financial statements.

Management Discussion & Analysis of Business Operation

For the second quarter ended 30th June 2020

1) Executive Summary

For the second quarter of 2020, the group of companies can commence the commercial operation of 2 Solar Rooftop Projects in April 2020 and Yamaga Project in June 2020. Summary of the financial result is shown below:

Consolidated Financial Statement (Unit: MTHB)	Q2/19	Q2/20	Change	6M/19	6M/20	Change
Total Revenue	403.0	498.7	+ 23.7%	716.9	905.3	+ 26.3%
EBITDA ¹	326.4	395.8	+ 21.2%	563.3	749.6	+ 33.1%
Net Profit (to SSP's Shareholders)	160.5	150.1	- 6.5%	284.5	367.0	+ 29.0%
Core Operating Profit	193.4	207.7	+ 7.4%	323.1	364.0	+ 12.7%
EBITDA Margin (%)	81.0%	79.4%		78.6%	82.8%	
Net Profit Margin (%)	39.8%	30.1%		39.7%	40.5%	
Core Operating Profit Margin (%)	48.0%	41.6%		45.1%	40.2%	

Remark: ¹ EBITDA excluded unrealized FX gain/loss

For the period of 3 months ended 30th June 2020, total revenue was 498.7 million Baht, increased by 23.7% from the same period last year. Net profit (to SSP's Shareholders) and EBITDA were 150.1 million Baht and 395.8 million Baht respectively. Net profit margin was 30.1% and EBITDA margin was 79.4%. Core operating profit was 207.7 million Baht, increased by 7.4% from the same period last year. Core operating profit margin was 41.6%.

For the period of 6 months ended 30th June 2020, total revenue was 905.3 million Baht, increased by 26.3%. Net profit (to SSP's Shareholders) and EBITDA were 367.0 million Baht and 749.6 million Baht respectively. Net profit margin was 40.5% and EBITDA margin was 82.8%. Core operating profit was 364.0 million Baht, increased by 12.7% from the same period last year. Core operating profit margin was 40.2%.

2) Analysis of financial results and financial status

2.1) Analysis of financial results

(1) Revenue

Consolidated Financial Statement	Q2/19	Q2/20	Change	6M/19	6M/20	Change
Revenue Structure (Unit: MTHB)						
Sale revenue from electricity sale in Thailand	255.0	246.1		480.4	475.9	
Sale revenue from electricity sale in Japan	118.7	146.4		194.3	229.2	
Sale revenue from electricity sale in Vietnam	25.1	68.8		25.1	117.3	
Sale revenue from electricity sale in Mongolia	-	31.4		-	65.0	
Sale revenue from electricity sale in Indonesia	-	0.6		-	1.1	
Total Sale revenue from electricity sale	398.8	493.3	+23.7%	699.8	888.5	+27.0%
EPC Construction revenue and service income on Solar rooftop projects	0.3	0.9		11.9	7.0	
Other revenues ¹	3.9	4.5		5.2	9.8	
Total revenues	403.0	498.7	+23.7%	716.9	905.3	+26.3%

Remark: ¹ Other revenue included (but not limited to) management income, service income, import duty, interest revenue, and revenue related to power development fund.

The main source of company's revenue was from electricity sale. In the second quarter of 2020, the consolidated electricity sale was 493.3 millin Baht, increased by 23.7% from the same period last year. The revenue growth was contributed by the increase of overseas electricity sale including full period revenue recognition from Vietnam, new commercial operation projects of Mongolia project, Yamaga project in Japan as well as solar rooftop projects in Indonesia. Revenue from projects in Thailand was slightly decreased due to lower solar irradiation when compared with the same period last year.

For the period of 6 months, total revenue was 888.5 million Baht or increase by 27% from the same period last year due mainly to the full period revenue recognition and new commercial operation projects as mentioned above.

(2) Cost of Sales

Consolidated Financial Statement Cost of Sales (Unit: MTHB)	Q2/19	Q2/20	Change	6M/19	6M/20	Change
Operating and maintenance costs	22.8	41.1		39.1	80.7	
Depreciation and amortization	62.7	93.0		124.2	180.4	
Cost of EPC construction on Solar rooftop projects	0.2	-		10.1	-	
Others ¹	16.0	20.6		32.4	32.1	
Total cost of sales	101.7	154.7	+52.1%	205.8	293.2	+42.5%

Remark: ¹ Others included (but not limited to) electricity expenses, salary and bones, insurance fee and land lease of Japanese projects

The consolidated cost of sales increased in line with the revenue increase, mainly due to the increase of depreciation and amortization as well as O&M cost which arose from the above mentioned new commercial operation projects

(3) Gross Profit

Consolidated Financial Statement Gross Profit (Unit: MTHB)	Q2/19	Q2/20	Change	6M/19	6M/20	Change
Total Sale revenue from electricity sale and EPC	399.1	494.1		711.7	895.5	
Total cost of sales	101.7	154.7		205.8	293.2	
Gross profit	297.4	339.4	+14.1%	505.9	602.3	+19.1%

Consolidated gross profit for Q2/20 was 339.4 million Baht, increased by 14.1% from the same period last year. Gross profit margin was 69%

For 6M/20, gross profit was 602.3 million Baht, increased by 19.1% from the same period last year and in line with the increase of new commercial operation projects. However, the narrower of gross profit margin of new projects when compared with the first solar project, which receives government's subsidy in form of adder, led to lower gross profit margin from 71% last year to 67% in this year but still at favorable rate. The gross profit margin increased from 505.9 million Baht in 1H2019 to 602.3 million Baht in 1H2020.

(4) Administrative Expenses

Consolidated Financial Statement Administrative Expenses (Unit: MTHB)	Q2/19	Q2/20	Change	6M/19	6M/20	Change
Unrealized FX loss(gain)	32.8	58.8		38.7	7.7	
G&A expenses	43.8	40.2	- 8.3%	78.9	80.0	+1.3%

In Q2/20, general and administrative expenses slightly reduced from 43.8 million Baht to 40.2 million baht while for 6M/20, the G&A expenses slightly increased by 1.3% from the new commercial operation projects.

The group of companies recorded unrealized foreign exchange loss in Q2/20 at 58.5 million Baht, increased from 32.8 million Baht of the same period last year. The main reason was the conversion of loans to subsidiary in abroad and the fluctuations of the Baht currency. However, such unrealized foreign exchange loss is a representation of accounting numbers comparing only at the end of the period.

(5) Financial Costs

Consolidated Financial Statement Financial Cost (Unit: MTHB)	Q2/19	Q2/20	Change	6M/19	6M/20	Change
Financial Cost	48.8	72.1	+ 48.0%	94.8	133.9	+ 41.18%

Consolidated financial costs increased from the same period last year owing to the recognition of interest expenses of the new commercial operation projects.

(6) Net Profit (attributed to company's shareholders) and Core Operating Profit

Consolidated Financial Statement Core Operating Profit (Unit: MTHB)	Q2/19	Q2/20	Change	6M/19	6M/20	Change
Net profit distribution to SSP's shareholders	160.5	150.1	- 6.5%	284.5	367.0	+ 29.0%
Unrealized FX (gain)/loss	33.0	57.7		38.7	(2.9)	
Deferred tax (revenue)/expenses	(0.06)	(0.08)		(0.12)	(0.16)	
Core Operating Profit (to SSP's shareholders)	193.4	207.7	+ 7.4%	323.1	364.0	+ 12.7%

For Q2/20, net profit (to SSP's shareholders) was 150.1 million Baht, decreased from 160.5 million Baht of Q2/19, or decreasing 6% caused by the slightly lower share of profit from investment in subsidiaries in

Thailand from the less solar irradiation as mentioned above as well as the increase of unrealized foreign exchange loss.

For Q2/20, Core Operating Profit increased from 193.4 million Baht to 207.7 million Baht, increasing 7.4%. For 6M/20, Core Operating Profit increased from 323.1 million Baht to 364.0 million Baht, increasing 12.7% from the same period last year.

Core Operating Profit is the key performance indicator of management and board of directors to evaluate the company's financial results, and consider, together with dividend policy, for the payment of dividend. The adjustment items (from net profit to core operating profit) for Q2/20 and 6M/20 are:

- i. Unrealized foreign exchange loss of 57.7 million Baht and unrealized foreign exchange gain of 2.9 million Baht respectively (recorded as gain/loss on exchange)
- ii. Deferred tax revenue of 0.08 and 0.16 million Baht respectively (recorded as tax revenues)

2.2 Financial Status

Consolidated Financial Statement			
Financial Status (Unit: MTHB)			
	31 Dec 2019	30 Jun 2020	Change
Total Assets	13,045.1	15,206.4	+16.6%
Total Liabilities	9,048.1	10,830.8	+19.7%
Total Equity	3,997.0	4,375.6	+9.5%
Total Equity (To SSP's shareholders)	3,777.0	4,096.6	+8.5%
Debt to Equity Ratio (Consolidated)	2.26	2.48	
Debt to Equity Ratio (Company)	0.58	0.51	

In 2020, the group has adopted new financial reporting standards related to (1) financial instruments and (2) Lease. The adoption of these financial reporting standards caused to the increase in total assets and liabilities and the small decrease in total shareholders' equity. The adoption does not have any significant impact on the company's financial statements.

As at 30th June 2020, consolidated total assets were 15,206.4 million Baht, increased by 2,161 million baht, from 13,045.1 million Baht as at 31st December 2019 or 16.6% increase. The increase of total assets consisted mainly of the 788 million Baht increase of property, plant and equipment of power plant, 257 million Baht increase of cash and cash equivalent, 179 million Baht increase of restricted deposits and 672 million Baht increase of right of land use which was a result of the adoption of new financial reporting standards. Most of total assets were property, plant and equipment of power plant which accounted for 76% of total assets.

Consolidated total liabilities were 10,830.8 million Baht, increased by 1,783 million Baht, from 9,048.1 million Baht as at 31st December 2019 or increasing 19.7%. The total liabilities increase consisted mainly of the 732 million Baht increase of long-term loans from financial institutions for the purpose of investmet in new projects, 255 million Baht increase of account payable for construction and the 834 million Baht (652 million Baht lease liabilities and 182 million Baht other financial liabilities) as a result of the adoption of new financial reporting standards while share capital payable from a subsidiary's capital reduction and short-term loan from non-controlling interest of subsidiary were slightly decreased.

Eventhough the adoption of new financial reporting standards has an impact on total shareholders' equity, the total equity at the end of Q2/20 recorded 9.5% increase from 3,997.0 million Baht at the end of 2019 to 4,375.6 million Baht. Total Equity (To SSP's shareholders) increased from 3,777.0 million Baht at the end of 2019 to 4,096.6 million Bath at the end of Q2/20 or increasing 8.5%

Debt to Equity ratio (Consolidated) increased from 2.26 times at the end of 2019 to 2.48 times. D/E (company only) decreased from 0.58 times at the end of 2019 to 0.51 times at the end of Q2/20.

Please be informed accordingly

Your sincerely,

- Signed -

(Ms.Sukunya Phokhakul)

Chief Financial Officer