



Padaeng Industry Public Company Limited and its subsidiaries

Management Discussion and Analysis (MD&A)

For the three-month period ended March 31, 2020



Ref. PDI/BK-BS-022/2020

May 12, 2020

Re: Management Discussion and Analysis (MD&A)
 For the three-month period ended March 31, 2020

To: President
 The Stock Exchange of Thailand

Padaeng Industry Public Company Limited and its subsidiaries (“ the Company”) reassessed its business structure to move towards Green Businesses targeting renewable energy and real estate business. To pursue its business strategy, the Company operates commercial solar farms in Thailand and Japan with total production capacity of 50 megawatts.

The Company would like to announce the operating results for the three-month period ended March 31, 2020, which have been reviewed by the auditor as follows:

Consolidate Financial Statements

Unit : Million Baht

	For the periods ended March 31,	
	2020	2019
REVENUES	178.76	109.66
Revenue from sales electricity	93.21	92.22
Revenue from sales and services	4.10	3.45
Gain on investments	8.62	1.28
Gain on exchange rate	67.04	-
Other income	5.79	12.71
EXPENSES	(115.93)	(104.57)
Cost of sales electricity	(38.76)	(38.53)
Cost of sales and services	(3.61)	(1.13)
Operating and administrative expenses	(41.71)	(36.19)
Loss on exchange rate	-	(12.49)
Finance costs	(31.85)	(16.23)
SHARE OF LOSS OF INVESTMENT IN JOINT VENTURES ON EQUITY METHOD	(0.00)	(0.57)
PROFIT BEFORE TAX	62.83	4.52
INCOME TAX INCOME	0.48	0.56
PROFIT FOR THE PERIODS FROM CONTINUING OPERATIONS	63.31	5.08
PROFIT FOR THE PERIODS FROM DISCONTINUED OPERATION	-	6.24
NET PROFIT FOR THE PERIODS	63.31	11.32



Overview the performance

For the three-month period ended March 31, 2020, the Company announces net profit of Baht 63.31 million, compared to a net profit of Baht 11.32 million from the same period of previous year which includes profit from discontinued operation amounting Baht 6.24 million.

Renewable energy business

The Company reached gross profit for the three-month period ended March 31, 2020, amounting Baht 54.45 million which was gross profit margin of 58.42%.

Performance		
Unit : Million Baht		
Consolidate Financial Statements		
For the periods ended March 31,		
	2020	2019
Revenue from sales electricity	93.21	92.22
Cost of sales electricity	(38.76)	(38.53)
Gross profit	54.45	53.69
Gross profit margin (%)	58.42	58.22

Operating and administrative expenses

The Company has operating and administrative expenses for the three-month period ended March 31, 2020 of Baht 41.71 million, an increase by Baht 5.54 million from the same period of previous year which has expenses from feasibility study of new projects which will generate sustainable returns to the Company and shareholders follow the plan of transition of the Company.

Gain on exchange rate

For the three-month period ended March 31, 2020, the Company has gain on exchange rate by Baht 67.04 million due to revaluation foreign exchange rate in JPY of investments on solar farms in Japan.



The first quarter of 2020, PDI pursues its new business strategy under the guidance of Managing Director which the Board has given its support for further expand into new business lines to accelerate growth, as renewable energy concessions are no longer available locally.

As such, the company can expect a wider investment mandate that focuses on high quality tangible assets in the sectors of real estate and renewable energy.

In addition, the Company continuously manages down its OPEX throughout the period to minimize spending.

Please be informed accordingly.

Yours truly,

-- Signature --

(Mr. Tommy Taechaubol)

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