



Padaeng Industry Public Company Limited and its subsidiaries

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Management Discussion and Analysis (MD&A)

Year ended December 31, 2020



Ref. PDI/BK-BS-015/2021

February 23, 2021

Re: Management Discussion and Analysis (MD&A)  
 Year ended December 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 year ended December 31, 2020, which have been audited by the auditor as follows:

Consolidate Financial Statements		
	Unit : Million Baht	
	For the years ended December 31,	
	2020	2019
REVENUES	557.88	434.16
Revenue from sales electricity	336.65	340.33
Revenue from sales and services	13.07	14.05
Dividend income	69.76	41.09
Gain on investments	54.65	-
Gain on exchange rate	54.77	-
Other income	28.98	38.69
EXPENSES	(470.22)	(549.15)
Cost of sales electricity	(156.03)	(156.77)
Cost of sales and services	(10.82)	(11.19)
Operating and administrative expenses	(182.91)	(161.56)
Loss on investments	-	(30.16)
Loss on exchange rate	-	(50.38)
Loss on impairment of investment in jointly controlled entities	-	(37.87)
Finance costs	(120.46)	(101.22)
SHARE OF LOSS OF INVESTMENTS IN JOINTLY CONTROLLED ENTITIES ON EQUITY METHOD	(0.12)	(2.63)
PROFIT (LOSS) BEFORE INCOME TAX (EXPENSE) INCOME	87.54	(117.62)
INCOME TAX (EXPENSE) INCOME	(7.10)	1.97
PROFIT (LOSS) FOR THE YEARS FROM CONTINUING OPERATIONS	80.44	(115.65)
PROFIT FOR THE YEARS FROM DISCONTINUED OPERATION	-	109.89
NET PROFIT (LOSS) FOR THE YEARS	80.44	(5.76)



## Overview the performance

For the year ended December 31, 2020, the Company announces net profit of Baht 80.44 million, an increased by Baht 86.2 million compared to a net loss of Baht 5.76 million from previous year.

## Renewable energy business

The Company reached gross profit for the year ended December 31, 2020 amounting Baht 180.62 million which was gross profit margin of 53.65% from normally operating.

Performance		
Unit : Million Baht		
Consolidate Financial Statements		
For the years ended December 31,		
	2020	2019
Revenue from sales electricity	336.65	340.33
Cost of sales electricity	(156.03)	(156.77)
Gross profit	180.62	183.56
Gross profit margin (%)	53.65	53.94

## Operating and administrative expenses

The Company has operating and administrative expenses for the year ended December 31, 2020 of Baht 182.91 million, an increased by Baht 21.35 million from previous year follow the plan of transition of the Company.

## Gain on investments

For the year ended December 31, 2020, the Company has gain on investments by Baht 54.65 million, an increased by Baht 84.81 million from previous year from efficient investment strategy.

### Gain on exchange rate

For the year ended December 31, 2020, the Company has gain on exchange rate by Baht 54.77 million, an increased by Baht 105.15 million due to revaluation foreign exchange rate in JPY of investments on solar farms in Japan.



In 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.

On February 1, 2021, the Company held the Extraordinary General Meeting of Shareholders No. 1/2021 which has resolution to approve the entering into the asset acquisition transaction of the two world class hotels. The investment has the potential to generate strong returns for the Company.

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

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Please be informed accordingly.

Yours truly,

– Signature –

(Mr. Tommy Taechaubol)

Managing Director

Board Secretary Division

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