

February 28, 2020

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 for the year ended December 31, 2019 as detailed below:

Performance Analysis

Overall operating results for the year ended December 31, 2019

(Unit : Baht)

Statements of Income	2019	percent	2018	percent	Increase(decrease)	percent
Total Income	1,905,047,715	100.00%	2,470,275,686	100.00%	(565,227,971)	-22.88%
Sale and service income	1,770,983,346	92.96%	2,223,981,510	90.03%	(452,998,164)	-20.37%
Construction income	108,802,531	5.71%	232,388,279	9.41%	(123,585,748)	100.00%
Total Revenues	1,879,785,877	98.67%	2,456,369,789	99.44%	(576,583,912)	-23.47%
Cost of sale and service	(1,349,205,334)	-76.18%	(1,425,834,325)	-64.11%	(76,628,991)	-5.37%
Cost of construction	(105,476,153)	-96.94%	(223,443,692)	-96.15%	(117,967,539)	100.00%
Total Costs	(1,454,681,487)	-77.39%	(1,649,278,017)	-67.14%	(194,596,530)	-11.80%
Gross profit Margin	425,104,390	24.00%	807,091,772	36.29%	(381,987,382)	-47.33%
Other income	25,261,838	1.33%	13,905,897	0.56%	11,355,941	81.66%
Profit before expenses	450,366,228	23.64%	820,997,669	33.24%	(370,631,441)	-45.14%
Service expenses	(92,449,818)	-4.85%	(74,464,584)	-3.01%	17,985,234	24.15%
Administrative expenses	(153,756,231)	-8.07%	(227,755,332)	-9.22%	(73,999,101)	-32.49%
Management benefit expenses	(73,927,755)	-3.88%	(77,264,849)	-3.13%	(3,337,094)	-4.32%
finance costs	(93,890,198)	-4.93%	(90,132,213)	-3.65%	3,757,985	4.17%
Total expenses	(414,024,002)	-21.73%	(469,616,978)	-19.01%	(55,592,976)	11.84%
Profit before income tax expense	36,342,226	1.91%	351,380,691	14.22%	(315,038,465)	-89.66%
Income tax expense	(19,546,953)	-1.03%	(62,369,524)	-2.52%	(42,822,571)	-68.66%
Net profit for the period	16,795,273	0.88%	289,011,167	11.70%	(272,215,894)	-94.19%
Equity holders of the Company	(20,631,600)	-1.08%	233,990,777	9.47%	(254,622,377)	-108.82%

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 decreased by 453 million Baht or 20.37 percent compared to the same period in the previous year. The revenue decreased due to the decreasing of industrial waste volume for 25.42 percent while the average service fee (per ton) increased for 2.98 percent when compared to the same period in the previous year caused by external factors.

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 84.58 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 loss for the year amounting 20.63 million Baht decreased 254.62 million Baht or 108.82 percent compared with the same period of the previous year.

Analysis

Overall financial position as at 31December 2019

(Unit :Baht)

Statement of financial position	2019	percent	2018	percent	increase(decrease)	percent
Total asset	7,356,427,906	100.00%	6,814,238,640	100.00%	542,189,266	7.96%
Total liabilities	3,759,453,967	51.10%	2,937,400,088	43.11%	822,053,879	27.99%
Total equity attributable to shareholders	3,054,710,821	41.52%	3,277,462,406	48.10%	(222,751,585)	-6.80%
Non-controlling interests	542,263,118	7.37%	599,376,146	8.80%	(57,113,028)	-9.53%

Analysis of Assets

The total assets as at December 31, 2019 increased by 542.19 million Baht or 7.96 percent.

Assets with significant changes in total asset are as follows:-

Cash and cash equivalents	435.98 million Baht or 5.93 percent of total assets.
Trade receivables and accrued income	867.02 million Baht or 11.79 percent of total assets.
Property, plants and equipment	5,644.16 million Baht or 76.72 percent of total assets.

Analysis of liabilities

The total liabilities as at December 31, 2019 increased by 822.05 million Baht or 27.99 percent originated from business expansion. The details are as follows:-

Loans from financial institutions	3,147.28 million Baht or 42.78 percent of total assets
Trade payables	456.80 million baht or 6.21 percent of total assets

In the past year, 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 December 31, 2019 decreased by 222.75 million Baht or 6.80 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