

February 28, 2018

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 of the accumulated balance ended December 31, 2018 as detailed below:

**Performance Analysis**

Overall operating results ended December 31, 2017

(Unit : Thousand Baht)

Statement of income	2017	percent	2016	percent	increase(decrease)	percent
<b>Total Income</b>	<b>2,046,645,083</b>	<b>100.00%</b>	<b>1,826,681,309</b>	<b>100.00%</b>	<b>219,963,774</b>	<b>12.04%</b>
Sale and service income	2,010,855,513	98.25%	1,817,727,224	99.51%	193,128,289	10.62%
Construction income	16,872,977	0.82%	-	0.00%	16,872,977	100.00%
Gross income	2,027,728,490	99.08%	1,817,727,224	99.51%	210,001,266	11.55%
Cost of sale and service	(1,258,439,980)	-62.58%	(1,028,070,816)	-56.56%	230,369,164	22.41%
Cost of construction	(16,139,720)	-95.65%	-	0.00%	(16,139,720)	100.00%
Total expenses	(1,274,579,700)	-62.86%	(1,028,070,816)	-56.56%	(246,508,884)	23.98%
<b>Gross profit income</b>	<b>753,148,790</b>	<b>37.45%</b>	<b>789,656,408</b>	<b>43.44%</b>	<b>(36,507,618)</b>	<b>-4.62%</b>
Other income	18,916,593	0.92%	8,954,085	0.49%	9,962,508	111.26%
<b>Profit before tax and expenses</b>	<b>772,065,383</b>	<b>37.72%</b>	<b>798,610,493</b>	<b>43.72%</b>	<b>(26,545,110)</b>	<b>-3.32%</b>
Service expenses	(48,122,049)	-2.35%	(51,022,890)	-2.79%	(2,900,841)	-5.69%
Administrative expenses	(231,512,907)	-11.31%	(182,151,185)	-9.97%	49,361,722	27.10%
Management benefit expenses	(53,152,874)	-2.60%	(50,963,625)	-2.79%	2,189,249	4.30%
<b>Total expenses</b>	<b>(332,787,830)</b>	<b>-16.26%</b>	<b>(284,137,700)</b>	<b>-15.55%</b>	<b>48,650,130</b>	<b>-17.12%</b>
<b>Profit before tax and financial cost</b>	<b>439,277,553</b>	<b>21.46%</b>	<b>514,472,793</b>	<b>28.16%</b>	<b>(75,195,240)</b>	<b>-14.62%</b>
Financial costs	(84,320,862)	-4.12%	(33,831,716)	-1.85%	50,489,146	149.24%
<b>Profit before income tax expenses</b>	<b>354,956,691</b>	<b>17.34%</b>	<b>480,641,077</b>	<b>26.31%</b>	<b>(125,684,386)</b>	<b>-26.15%</b>
Income tax expenses	(77,416,333)	-3.78%	(113,956,319)	-6.24%	(36,539,986)	-32.06%
Net profit for the period	277,540,358	13.56%	366,684,758	20.07%	(89,144,400)	-24.31%
<b>Equity holders for the period</b>	<b>253,169,172</b>	<b>12.37%</b>	<b>351,539,265</b>	<b>19.24%</b>	<b>(98,370,093)</b>	<b>-27.98%</b>

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 increased by 193.13 million Baht or 10.62 percent compared to the same period in the previous year due to a decreasing of sales volume by 3.63 percent and an increasing of average service fee per ton by 6.18 percent compared to the same period in the previous year.

**Cost of Service :**

Cost of industrial waste disposal services depended on the variable costs landfill amortization, transportation and equipment fuel, and remuneration to Department of Industrial Works. In addition, there were additional costs engendered from raw materials and chemical, transportation fee, maintenance and consumable costs, depreciation resulting in an increasing in cost/revenue ratio by 6.02 percent (62.58-56.56) compared to the same period in the previous year.

**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, project preparation expenses for power plant of subsidiaries, and Interest payment for the vehicles leasing and loan.

**Net profit attributable to equity holders of the Company:**

From the above reasons and causes, The Company's net profit decreased by 98.37 million Baht or 27.98 percent compared with the same period of the previous year.

## **Analysis**

Overall financial position as at December 31, 2017

(Unit :Thousand Baht)

Statement of financial positon	Dec 31, 2017	percent	Jan 1, 2017	percent	increase (decrease)	percent
Total asset	5,947,359,699	100.00%	5,447,210,227	100.00%	500,149,472	9.18%
Total liabilities	2,242,704,760	37.71%	1,931,378,124	35.46%	311,326,636	16.12%
Total equity attributable to sha	3,147,880,501	52.93%	3,057,723,206	56.13%	90,157,295	2.95%
Non-controlling interests	556,774,438	9.36%	458,108,897	8.41%	98,665,541	21.54%

### **Analysis of Assets**

The total assets as at December 31, 2017 increased by 500.15 million Baht or 9.18 percent. Assets with significant changes in total asset are as follows:-

Cash and cash equivalents	increase 48.39 million baht or 5.48 percent of total assets.
Trade receivables and accrued income	increase 93.27 million baht or 13.09 percent of total assets.
Cash paid for purchase of fixed assets	increase 318.18 million baht or 8.54 percent of total assets.
Other current and non-current assets	increase 46.54 million baht or 47.00 percent of total assets.

### **Analysis of liabilities**

The total liabilities as at December 31, 2017 increased by 311.33 million Baht or 16.12 percent originated from business expansion. The details are as follows:-

Loans from financial institutions	1,730.86 million baht or 77.18 percent of total liabilities
Trade payables	397.99 million baht or 6.69 percent of total liabilities

### **Analysis of shareholders**

The equity shares as at December 31, 2017 increased by 90.16 million Baht or 2.95 percent engendered from an increasing of Earnings from operations.

Please be informed accordingly.

Sincerely yours,

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(Mr.Suthat Boonyaudomsart)

Vice Managing Director of Accounting & Finance Controller