

eleng 010/2016

August 10, 2016

Subject Explanation of operating results for the quarter ended June 30, 2016

To Director and Manager  
The Stock Exchange of Thailand

The explanation to the consolidated financial performance for three-month period ended June 30, 2016 ("Quarter 2/2016") of Asia Green Energy Public Company Limited and its subsidiaries ("the Company") is as follows:

In Quarter 2/2016, the revenue from sales and services was Baht 1,059.59 million, increased by Baht 88.91 million or equivalent to 9.2% from the corresponding period of last year, resulting from an increase of Baht 48.47 million of domestic sales, Baht 36.24 million of export sales, and Baht 4.21 million of service incomes. Domestic sale is still the main source of incomes representing to 96.2% of total revenue from sales and services pursuant to the business strategy to emphasize on expanding the domestic market. Meanwhile the Company has started an export to Vietnam which is our overseas target market.

Cost of sales and service in Quarter 2/2016 was Baht 928.19 million, increased by Baht 93.49 million or equivalent to 11.2% from the same quarter in previous year in accordance with the higher sales volume. As the coal market is still high competition, resulting in gross profit declining of Baht 4.58 million to be Baht 131.39 million or representing a gross margin ratio of 12.4%, comparing to a gross margin ratio of 14.0% in last year.

In Quarter 2/2016, selling and administrative expenses including other income and expenses was Baht 88.62 million, increasing by 8% from the previous year, whereas the financial cost was Baht 12.88 million, decreasing by 22.4% from the same period of last year. As a result, the Company's net profit attributable to equity holders of the Company for Quarter 2/2016 stood at Baht 29.19 million, representing 2.7% of total revenues, rising by 4.3% from the corresponding period of last year. Nevertheless, in term of quarterly comparison, the company's net profit in Quarter 2/2016 up 107.6% from Quarter 1/2016.

Yours sincerely,

Mr.Panom Kuansataporn  
Managing Director