

Attachment 1

Overview of the business and company performance

Demco Public Company Limited

1. Basic Information:

Company Name : Demco Public Company Limited

Business : 5 major businesses

1) Electrical engineering, providing a complete solution in design, purchase, and construction of high voltage transmission line system, substations, and renewable energy power plants

2) Electrical and mechanical system (M&E)

3) Energy conservation

4) Communication and telecommunication tower construction

5) Manufacture and distribute steel structure for electrical engineering system of cable system, power distribution system and sub stations, as well as, telecommunication tower, radio antenna, and bill board structure

Head Quarter : 59 Moo1 Suan Prik Thai, Amphoemueang Pathum Thani, 12000

Phone : 02-959-5811

Fax : 02-959-5816

Registered Capital: baht 635,461,843

Ordinary shares of 635,461,483 shares, Par value baht 1.00 per share

Paid-Up Capital : baht 629,035,926 (dated 23 April 2013)

Ordinary shares of 629,035,926 shares, Par value baht 1.00 per share

2. Nature of Business

2.1 History

Demco Public Company Limited ("DEMCO" or "Company") was established on 1 June 1992 with registered capital of baht million 6.00. The Company was established by the group of electrical engineer in power distribution system and high voltage transmission system with more than 20 years' experience. At present, the company provides a complete solution in design, purchase, construction, and installation of power distribution and transmission system. The company also offers services in renewable energy for example wind energy, solar energy and energy conservation as well as, construction of telecommunication tower, manufacture and distribute steel poles for high voltage transmission system, Bill Board, and dealers of electrical and transmission equipment and construction materials. This is a business that is growing in compliments with the growth and development of the energy system of the country.

## 2.2 Nature of Business

The Company has 3 type of business

### 1) Services business

The Company provides a complete solution in design, purchase, construction, and installation of engineering systems (Turnkey Basis) for both private and government sector in the form of direct contractor and sub-contractor. The acquisitions of jobs are in the forms of auction and bidding and negotiation. The company also works in consortium with other domestic and international companies to continuously elevate and expand in new business areas. The services that the company provides can be categorized into

- Electrical engineering, providing a complete solution in design, purchase, and construction of High Voltage Transmission Line System)
  - High Voltage Substation
  - Construction of the distribution system. And underground electrical system.
- Renewable energy, providing a complete solution in design, purchase, and construction of alternative energy sources other than current energy (Oil, Coal, and natural gas) such as wind energy, solar energy, waste energy, and bio gas from fermentation of waste water.
- Signal transmission, providing design, installation, and inspection of communication system to locate routing of the train by installing the detection system that communicates and update status back to the train station and central control as well as, installation of optical fiber cable for the public sector.
- Electrical and mechanical system (M&E), providing a complete design, purchase, installation, and inspection solutions of utility systems consisting of electrical systems, sanitary system, air conditioning, ventilation system, steam and hot water system and high pressure piping system
- Communication and Telecommunication tower, providing design, purchase, construction and installation of steel structure for communication and telecommunication system for private and public sector as well as mobile telecommunication provider operator or contractor
- Energy conservation, the company was registered as energy conservation consultant with the department of alternative energy development and efficiency since 2003. Providing consultancy for planning, installation, and design of energy conservation system for public and industrial sector

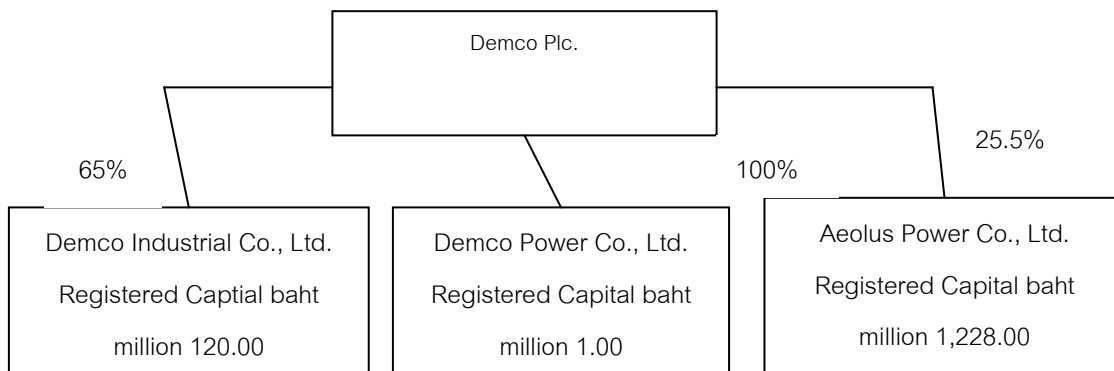
2) Sales business

- Manufacture and distribute steel structure for electrical engineering system of cable system, power distribution system and substations, as well as, telecommunication tower, radio antenna, and bill board structure at the capacity of 12,000 tons per year.
- Distribute installation equipment for telecommunication tower as ready to install sets of Guyed mass tower and self-support tower, which eliminate the troubles of buying from multiple suppliers
- Distribute electrical components for cable system, substation, and various other standard electrical components. Manufacture and distribute mounting device for construction projects
- Distribute building and civil construction materials such as cement, concrete, steel, paints, and etc.

3) Development and investment business

Since 2009, the company has emphasized on expanding alternative and renewable energy business. The company formed an alliance to develop wind energy project. The Company is responsible for surveying, designing, purchasing, and construction of the project. Its Alliance company is responsible for the supply of wind turbine and fund raising as part of co-developer. The company has thus become experienced in terms of cost, opportunities, limitation, and return on investment. Therefore, the company would like to expand business into investment and emphasize on business that compliments the core business as to diversify risk and benefit from dividend and sustainable cash flow.

Company Structure



- Demco Industrial Company Limited

The Company has invested in Demco industries Company Limited (“DI”) since 1 January 2008. Formerly named JMP Inter Company Limited, DI manufactures and installs steel structure, high-pressure vessels, pressure piping systems, and mechanical equipment. DEMCO holds 65% of paid-up shares. The rest 35% of shareholders do not have potential conflict of interest with the company or its sub companies or affiliates held more than 10 percent shares. After the investment, the Company’s policy is to readjust DI’s operating plan by focusing on manufacturing and installation of high-pressure vessel business rather than steel structure. At present, DI has expanded into civil engineering and prefabricate steel house for export.

▪ Demco Power Company Limited

Demco Power Company Limited (“DP”) has registered capital baht million 1.00. The Company holds 100% shares of DP. The Company **Board of Director’s Meeting no. 5/2012 held on 10 September 2012 has approved** the transfer of sales business, which includes manufacturing and distribution of steel structure business, telecommunication tower installation, electrical equipment sales, and construction to DP.

▪ Aeolus Power Company Limited

The Company Extraordinary General Meeting No. 1/2554, held on 17 June 2011 approved an investment of 27 percent shares holding of the Aeolus Power Co., Ltd. (“Aeolus”), which holds 60% of First Korat Wind Company Limited (“FKW”) and KR2 Company Limited (“KR2”). During the time, the Company invested in Aeolus, Aeolus has invested in 2 Wind Farm Projects (“Wind Farm”) which are West Huaybong 3 under Frist Korat Wind Company Limited (“FKW”) and West Huaybong 2 under KR2 Company Limited (“KR2”). Each project has install capacity of 103.5 MW and has PPA with EGAT for 90MW each. The projects are located Huaybong sub-district, Dan Khun Thot district, Nakorn Ratchasima, and using Siemens Wind Power A/S (Siemens) for 45 Turbines each project. DEMCO was the balance of plant subcontractor (“BOP”), electrical substation, transmission line, and fundamental structure of Wind Turbine. The purpose of the investment is to get long-term dividend and able to expand its business to alternative and renewable energy domestically and internationally. As a result of this investment, Aeolus becomes an associated company with DEMCO. Currently, DEMCO holds 25.5% of and consider a related person to Company. DEMCO also has 1 representative on Aeolus board of directors

2.3 Revenue Structure

Revenue Structure of the Company for the past 3 years:

Revenue (baht million)	2010		2011		2012	
	Value	%	Value	%	Value	%

Revenue (baht million)	2010		2011		2012	
	Value	%	Value	%	Value	%
<u>Revenue from Service Business</u>						
1. Electrical Engineering	1,700.24	79.66	1,373.65	46.39	2,209.50	44.57
2. Electrical & Mechanical system	67.12	3.14	209.91	7.09	222.14	4.48
3. Telecommunication	137.44	6.44	121.80	4.11	97.75	1.97
4. Civil Engineering	32.08	1.50	125.89	4.25	46.15	0.93
5. Renewable Energy	197.45	9.25	1,129.90	38.16	2,381.89	48.05
<b>Total Revenue from Service</b>	<b>2,134.33</b>	<b>85.62</b>	<b>2,961.14</b>	<b>90.74</b>	<b>4,957.43</b>	<b>81.08</b>
<u>Revenue from Sales Business</u>						
1. Steel Structure	163.94	49.44	156.69	58.57	436.64	40.22
2. Electrical and Civil	167.65	50.56	110.83	41.43	649.08	59.78
<b>Total Revenue from Sales</b>	<b>331.59</b>	<b>13.30</b>	<b>449.55</b>	<b>27.72</b>	<b>1,085.72</b>	<b>17.76</b>
Other Revenue	27.00	1.08	48.44	2.99	70.94	1.16
<b>Total Revenue</b>	<b>2,492.92</b>	<b>100.00</b>	<b>1,621.66</b>	<b>100.00</b>	<b>6,114.10</b>	<b>100.00</b>

Source: DEMCO Plc.

Based on the table above, the Company has major revenue from Electrical Engineering service such as the construction of electrical substations and transition lines. Based on the Company 20 years engineering experience, the Company can easily expand its business to other related business such as electrical and mechanical system, telecommunication system, and renewable energy. In 2012, the revenue structure of the Company has changed. Revenue from electrical engineering was 36.14% of total revenue or 44.57 of the revenue from service. Revenue from renewable energy was 39% of total revenue or 48.05% of the revenue from service. The revenue from sale business is increase due to the increase of electrical sales.

As of 31 December 2012, the Company has work in progress baht million 4,286.26 as the detail is shown below:

Type of Project	2012	
	Project	Amount (baht million)
Electrical Engineer	76	937.19
Electrical and Mechanical system	6	35.96
Telecommunication	16	69.24
Renewable Energy	9	3,242.87
<b>Total</b>	<b>107</b>	<b>4,286.26</b>

Source: DEMCO

**Shareholders**

List of 10 major shareholders as of 18 March 2013 (the latest book closing date):

	Name	Shares	%
1	Puipunthavong Family		
	- Mrs. Prapee Puipunthavong	89,863,654	14.44%
	- Mr. Swat Puipunthavong	25,875,011	4.16%
	- Miss. Pwalaporn Puipunthavong	2,756,233	0.44%
	- Mr. Oran Puipunthavong	1,056,082	0.17%
	- Miss. Pawadee Puipunthavong	192,000	0.03%
	- Miss Ratchaneewipa Puipunthavong	104,916	0.02%
	- Miss Promporn Puipunthavong	73,746	0.01%
	- Mr. Sumpun Puipunthavong	4,000	0.00%
	Total	119,925,642	19.27%
2	Kitti-Itsaranon Family		
	- Mr. Pradej Kitti-Itsaranon Family	29,054,086	4.67%
	- DD Mart Compan Limited	20,528,857	3.30%
	- Mr. Kamtorn Kitti-Itsaranon	14,093,211	2.26%
	- Miss Jenejira Kitti-Itsaranon	8,696,800	1.40%
	- Miss Nantida Kitti-Itsaranon	4,809,937	0.77%
	- Mrs. Busya Kitti-Itsaranon	1,826,245	0.29%
	Total	79,009,136	12.69%
3	Thai NVDR Company Limited	65,720,890	10.56%
4	Mr. Sompong Chonkadeedumrong by Asia Plus Plc.	15,000,000	2.41%
5	Mr. Pichai Wijakapan	11,887,800	1.91%
6	HSBC (SINGAPORE) NOMINEES PTE LTD	9,600,000	1.54%
7	CITIBANK NOMINEES SINGAPORE PTE LTD-UBS AG LONDON BRANCH-NRBS IPB CLIENT SEG	9,079,972	1.46%
8	<u>Choradol Family</u>		
	- Mr. Suwat Choradol	8,648,006	1.39%
	- Mr. Sukrit Choradol	6,558,251	1.05%
	- Mr. Somsak Choradol	100,000	0.02%
	Total	15,306,257	2.46%
9	Mr. Amornwat Tikritaporn	7,200,000	1.16%
10	Mrs. Worawan Jiengthrupaisan	5,697,100	0.92%

	Name	Shares	%
	Total first 10 Major shareholders	338,426,797	54.37%

Source: Thailand Securities Depository Company Limited

3. **Board of Directors**

List of the Directors of the Company dated 3 April 2013

	ชื่อ	Position
1.	Mrs. Praphee Puipunthavong	Chairman of the Board
2.	Mr. Phongsak Siricupta	Director
3.	Mr. Pradej Kitti- Itsaranon	Director
4.	Mr. Suwat Choradol	Director
5.	Mr. Poomchai Hirunchai	Director
6.	Mr. Askom Manakaew	Director
7.	Mr. Pairoj Sirirat	Director
8.	Gen. Thain Chonmaitree	Chairman of the Audit Committee/Independent Director
9.	Mr. Sanguan Tungdajahirun	Audit Committee/Independent Director
10.	Mr. Maitree Laksanakoses	Audit Committee/Independent Director
11.	Miss Pasita Kityaphoke	Audit Committee/Independent Director

Source: SETSMART

4. The Company and its subsidiaries' operating performance and financial analysis

Statement of Financial Position

Items (baht million)	Company Only			Consolidated		
	2010	2011	2012	2010	2011	2012
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	164.63	188.48	201.07	165.84	201.08	203.87
Trade account receivable-net	321.51	611.57	1,248.12	319.83	585.84	1,178.40
Unbilled installments on completed work-net	820.98	1,377.85	968.02	27.14	1,383.75	970.56
Short-term loan to subsidiaries	34.10	34.08	14.15	0.10	0.08	0.15
Inventory-net	191.15	215.15	204.40	191.93	216.29	205.36
Other current assets	65.94	188.28	51.32	69.60	184.75	245.08
<b>Total current assets</b>	<b>1,598.31</b>	<b>2,615.41</b>	<b>2,887.08</b>	<b>1,574.44</b>	<b>2,571.79</b>	<b>2,803.42</b>
<b>Non-current assets</b>						
Restricted deposits at financial institutions	17.65	73.22	48.10	17.65	73.21	48.10
Invest in associates	-	615.11	1,197.73	-	603.67	1,173.80
Invest in subsidiaries	64.00	64.25	65.00	-	-	-
Other long-term investment-net	40.53	65.85	65.85	40.53	65.85	65.85
PP&E-net	130.87	162.55	182.34	290.84	307.18	315.45
nonperformance asset-net	11.08	10.08	8.93	11.08	10.08	8.93
Other non-current assets	31.73	19.96	6.65	34.52	24.51	23.06
<b>Total non-current assets</b>	<b>295.86</b>	<b>1,011.02</b>	<b>1,574.60</b>	<b>394.62</b>	<b>1,084.50</b>	<b>1,635.19</b>
<b>Total assets</b>	<b>1,894.17</b>	<b>3,626.43</b>	<b>4,461.68</b>	<b>1,969.06</b>	<b>3,656.29</b>	<b>4,438.61</b>
<b>Liabilities and shareholder equities</b>						
<b>Current liabilities</b>						
Bank overdraft and short term loans	136.25	657.52	1,245.33	153.80	672.52	1,249.93
Trade account payable-net	260.38	885.35	660.30	265.04	890.51	628.33
Short-term loan from others	179.00	95.00	280.00	179.22	95.00	280.00
Short-term loan from related person	-	-	-	8.49	-	-



Items (baht million)	Company Only			Consolidated		
	2010	2011	2012	2010	2011	2012
Current portion of long term loan	14.41	18.30	21.96	26.13	27.60	28.43
Advance payment	131.71	618.56	215.23	136.26	622.81	215.23
Other current liabilities	113.67	203.45	261.15	119.01	205.20	226.95
<b>Total current liabilities</b>	<b>835.42</b>	<b>2,478.18</b>	<b>2,683.97</b>	<b>887.95</b>	<b>2,513.64</b>	<b>2,628.87</b>
<b>Noncurrent liabilities</b>						
Long term loan	-	-	-	26.11	17.19	10.71
Employee benefits	-	34.55	39.74		35.13	40.52
Liabilities by contract of financial lease	4.25	13.76	11.32	4.58	13.76	11.32
<b>Total noncurrent liabilities</b>	<b>4.25</b>	<b>48.31</b>	<b>51.06</b>	<b>30.69</b>	<b>66.08</b>	<b>62.55</b>
<b>Total liabilities</b>	<b>839.67</b>	<b>2,526.49</b>	<b>2,735.03</b>	<b>918.64</b>	<b>2,579.72</b>	<b>2,691.42</b>
<b>Shareholder equities</b>						
Registered and paid-up capital	435.46	446.04	553.41	435.46	446.04	553.41
Premium on common shares	455.88	473.82	655.07	455.88	473.82	655.07
Premium on treasury stock	-	-	31.07			31.08
Advance receivable share fee	21.42	19.24	10.75	21.42	19.24	10.75
Retained earnings (deficits)						
Regal reserve	30.36	37.11	55.70	30.36	37.11	55.70
Reserve for treasury stock	124.19	165.16	93.20	124.19	165.16	93.20
up appropriate	111.38	123.73	420.65	86.36	82.26	403.42
<b>Total shareholders' equity of the parent company</b>	<b>1,178.69</b>	<b>1,265.10</b>	<b>1,819.85</b>	<b>1,153.67</b>	<b>1,223.63</b>	<b>1,802.63</b>
Non control interest	-	-		20.94	18.10	37.76
Less Treasury stocks	(124.19)	(165.16)	(93.20)	(124.19)	(165.16)	(93.20)
<b>Total shareholders' equity</b>	<b>1,054.50</b>	<b>1,099.94</b>	<b>1,726.65</b>	<b>1,050.42</b>	<b>1,076.57</b>	<b>1,747.19</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,894.17</b>	<b>3,626.43</b>	<b>4,461.68</b>	<b>1,969.06</b>	<b>3,656.29</b>	<b>4,438.61</b>

**Statement of Comprehensive Income**

Items (baht million)	Company Only			Consolidated		
	2010	2011	2012	2010	2011	2012
Revenue from service	2,134.33	2,961.14	4,957.43	2,182.21	3,036.80	4,986.41
Revenue from sales	331.59	267.52	1,085.72	310.61	251.99	953.18
<b>Total revenue</b>	<b>2,465.92</b>	<b>3,228.66</b>	<b>6,043.15</b>	<b>2,492.82</b>	<b>3,288.79</b>	<b>5,939.59</b>
Cost of service	1,790.52	2,562.28	4,310.97	1,865.94	2,614.91	4,254.93
Cost of sales	322.77	264.80	945.95	301.90	265.56	813.55
<b>Total cost</b>	<b>2,113.29</b>	<b>2,827.08</b>	<b>5,256.92</b>	<b>2,167.84</b>	<b>2,880.47</b>	<b>5,068.48</b>
<b>Gross profit</b>	<b>352.63</b>	<b>401.58</b>	<b>786.23</b>	<b>324.98</b>	<b>408.32</b>	<b>871.11</b>
Other revenue	27.00	34.59	70.94	27.37	38.81	70.38
<b>Operating profit</b>	<b>379.63</b>	<b>436.17</b>	<b>857.17</b>	<b>352.35</b>	<b>447.13</b>	<b>941.49</b>
Administrative expenses	183.81	189.19	274.20	189.06	203.14	298.52
Director compensation	28.73	26.12	27.44	31.10	27.20	28.52
<b>Total expenses</b>	<b>212.54</b>	<b>215.31</b>	<b>301.64</b>	<b>220.16</b>	<b>230.34</b>	<b>327.04</b>
Share of profit (loss) from associates	-	-	-	-	11.44	12.48
<b>EBIT</b>	<b>167.09</b>	<b>220.86</b>	<b>555.53</b>	<b>132.19</b>	<b>205.35</b>	<b>601.97</b>
Cost of debts	15.10	37.62	105.06	19.44	41.01	107.60
Taxes	39.16	48.26	77.71	39.16	48.26	77.71
<b>Profit (loss) before NCI</b>	<b>112.83</b>	<b>134.98</b>	<b>372.76</b>	<b>73.59</b>	<b>116.08</b>	<b>416.66</b>
Plus(minus) loss (profit ) of NCI	-	-	-	-	-	-
<b>Net profit (loss)</b>	<b>112.83</b>	<b>134.98</b>	<b>372.76</b>	<b>73.59</b>	<b>116.08</b>	<b>416.66</b>
Profit (loss) per share						
weighted average	0.29	0.31	0.73	0.23	0.27	0.78
Fully Diluted	0.25	0.28	0.72	0.20	0.25	0.77

**Statement of Cash Flows**

Items (baht million)	Company Only			Consolidated		
	2010	2011	2012	2010	2011	2012
Cash flow provided (used) from operation	(44.47)	384.76	(433.51)	(56.95)	416.28	(404.96)
Cash flow provided (used) from investing	(64.24)	(726.73)	(564.34)	(40.29)	(723.23)	(582.97)
Cash flow provided (used) from financing	243.42	365.83	1,010.44	232.01	342.91	990.73

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Net cash flow increase (decrease) net	134.71	23.86	12.59	134.77	35.96	2.80
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**Financial Ratio**

Items	Company Only			Consolidated		
	2010	2011	2012	2010	2011	2012
<b>Liquidity Ratio</b>						
Current ratio (time)	1.91	1.06	1.08	1.77	1.02	1.07
Quick ratio (time)	1.68	0.97	1.00	1.56	0.94	0.99
Account receivable turn over (time)	7.40	6.87	6.46	7.51	7.23	6.69
Average Collection Period (day)	48.63	52.39	55.74	47.96	49.79	53.79
Inventory Turnover (time)	5.11	4.19	11.56	4.78	3.92	9.90
Inventory Turnover (day)	70.40	85.84	31.13	75.26	91.72	36.36
Account payable turn over (time)	8.90	4.93	6.80	8.97	4.99	6.67
Account payable turn over (days)	40.47	72.95	52.92	40.14	72.21	53.94
Cash Cycle (day)	78.56	65.28	33.95	83.08	69.30	36.21
<b>Profitability Ratio</b>						
Gross profit margin (%)	14.30	12.44	13.01	13.04	12.42	14.67
Gross profit margin (%) sales	2.66	1.02	12.87	2.81	1.10	14.65
Gross profit margin (%) service	16.11	13.47	13.04	14.49	13.35	14.67
Operating profit margin (%)	6.78	6.84	9.19	5.30	6.24	10.13
Net profit margin (%)	4.58	4.18	6.17	2.95	3.53	7.01
ROE (%)	10.70	12.27	21.59	7.01	10.78	23.85
<b>Efficiency Ratio</b>						
ROA (%)	5.96	3.72	8.35	3.74	3.17	9.39
ROFA (%)	83.57	80.81	199.07	24.93	37.22	129.99
Asset turn over (time)	1.30	0.89	1.35	1.27	0.90	1.34
<b>Financial Policy Ratio</b>						
D/E Ratio (time)	0.80	2.30	1.58	0.87	2.40	1.54
Interest Coverage Ratio (time)	12.59	6.56	5.69	9.19	6.29	6.24
Dividend payout (%)	51.72	37.10	47.94	65.22	42.59	44.87

## 2.6 Analysis of Operating Results and Financial Status of the Company

### Business overview of the Company and its subsidiaries

The Company provides a complex solution of design, construction, and installation of electrical engineering, electrical and mechanical systems, telecommunication tower, signaling system, energy conservation, renewable energy power plants, and manufacture and distributes steel structure, electrical component, and building materials for public and private sector mostly through bidding process. Its subsidiaries engaged in manufacturing and installation of steel structures, pressure vessel, pressure pipeline system, and mechanical equipment.

### Operational Status

#### ■ Revenue

The Company's policy is to recognize revenue from service business by calculating percentage of job completion and from sales business upon delivery. In 2011 the Company's total revenue was baht million 3,263.25 increased 31% from the previous years due to the revenue from service increase from baht million 2,134.34 to 2,961.14 due to the incremental of revenue from renewable energy. In 2012, the Company had total revenues of baht million 6,114.09, representing an increase of 87% from 2011. Revenue increased was from both service and sales business of 67% and 306% respectively, due to the increased of obtained renewable energy and telecommunication tower business.

#### 1) Revenue from Service Business

Revenue from engineering service includes electrical distribution system, substation power distribution, construction of transmission lines, electrical and mechanical system, civil construction, and renewable energy. Revenue from service business during year 2010 – 2012 was baht million 2,134.34, baht million 2,961.14, and baht million 4,957.43 respectively, representing 91%, 86% and 81% of the total revenue each year. In 2011, the revenue from service business was baht million 2,961.14 increased 39 percent from 2010. The revenue from service business could separate to be 27% from private sector and 73% from public sector. The significant increase of 2011 service revenue came from renewable energy including wind power and solar power with 472% growth from 2010 and accounting for 38% of service business revenue.

In 2012, service business revenue increased 67% to baht million 4957.43 from 2011 due to the continuous growth in renewable energy business, both wind power and solar energy, representing 48% of service business revenue (111% increase from 2011) and the growth in substation construction from private sector increased 99% from 2011, representing 41% of the total service business revenue. The service business revenue in 2012 was 5% contributed from public sector and 95% from private sector.

2) Revenue from Sales Business

Revenue from sales business comes from manufacturing and distribution of the steel structure, electrical components, and construction materials. Sales revenue in the year 2010 and the year 2011 were baht million 331.59 and baht million 267.52 respectively, representing 13% and 8% of total revenue. Sale revenue in 2011 went down 19% from year 2010 due to the 34% decrease in sales of electrical component and construction material as the market was highly competitive and company was very strict on providing credits to buyers.

In 2012, total sales revenue was baht million 1,085 accounting for 18% of total revenue, which increased by 306% from 2011 due to the incremental of electricity and construction materials revenue (increased by 483%) from the distribution of imported transformers and the incremental of steel structures business from telecommunication tower ( increased by 179%).

The Company has invested in steel structure and pressure vessel in 2008 and added 8,000 square meters plant in addition and started to market its subsidiaries in 2009. However, the company was affected by the Map Ta Phut crisis, financial crisis, and political unrest. As a result, there was only a slight increase of income from its subsidiaries during 2010-2012, which were baht million 2520.20, 3327.60 and 6,009.96 respectively. However, since 2011 the company has expanded its business into civil construction, installation of mechanical system and steel structure of prefabricated house manufacturing for export. The Company expects revenue to rise in the following year.

▪ Cost

The Company cost is separated to 2 parts based on the revenue. The Company total cost in 2010- 2012 were baht million 2,113.29, 2,827.08, 5,256.92 respectively, representing an increase of 34% and 86%, respectively, as can be described as follows

1) Service Business Cost

The Company only costs are materials, direct labor, and overhead cost. In 2011, the Company had cost from service business baht million 2,562.28, representing 87% of service business revenue (27% private sector and 73% public sector). The service business cost increased by 43%, while service business revenue increased by 39%.

In 2012, service business cost were baht million 4,310.97, representing 87% of service business revenue (5% private sector and 95% public sector) similar to service business cost in 2011. In year 2012, Service business cost has increased by 68%, while service business revenue increased by 67%.

2) Sale Business Cost

The cost of trading business and steel structure manufacturing in 2010 and 2011 were baht million 322.77 and 264.80 respectively, 18% decrease from 2010, due to the revenue decrease from the sales of electrical components and building material. Cost of sales business was 97% to the revenue in 2010 and 2011.

In 2012 the Company's cost of sales business was baht million 945.95 increased from 2011 by 257% in line with the increase sale. The cost of sales to revenues was 87% due to the increased of revenues from the sale of Steel Structure in telecommunications.

▪ **Sales and Administrative expense**

Company only sale and administrative expense are salary, utilities cost, bank fees, depreciation, entertainment expenses and vehicle expenses. In 2010 and 2011, the Company had sales and administrative expense of baht million 183.81 and 189.19 reactively or 3% increase. Sales and Administrative expense were 7% and 6% of the total revenue in 2010 and 2011 respectively.

In 2012, sales and administrative expense were baht million 274.20, 45% increased from the previous year due to the increase of salary, bank fees and doubtful receivable. Sales and Administrative expenses were 4% of total revenue 2012.

▪ **Net Profit**

The Company only Net profit in 2011 was baht million 134.98 (20% increase form 2010) and has net profit margin 4% lower than the previous year due to the reduction of gross profit from both sales and service business and additional cost from business expansion.

In 2012, the Company only has baht million 372.76 net profit or 176% increase from 2011. Net profit ratio was 6.17% higher than 2011 due to the increase of sales business gross profit and the lower sales and administrative margin to the revenue.

For consolidated financial statement during 2010 – 2011, the Company has baht million 73.59 and 116.08 net profit respectively considered 3% and 4% of total revenue. Net profit increase in 2011 due to the increase in revenue from service.

Year 2012, the Company has net profit baht million 416.66 increased 259% from 2011 due to the increase of the revenue. In year 2012, the Company has 7% net profit

**Financial Positions**

▪ **Assets**

Dated 31 December 2012, the Company has total assets baht million 4,438.61 as a combination of (1) Bath million 2,803.42 current assets (63% of total asset) and (2) baht million 1,635.19 non-current asset (34% of total assets). The total assets increase baht million 782.32 or 21% from previous year due to the increase of account receivable and credit notes baht million 592.56 and Investment in subsidiaries of baht million 570.13.

Dated 31 December 2011, the Company has baht million 3,656.29 as a combination of (1) baht million of 2,571.79 current assets (70% of total assets) and (2) intangible asset of baht million 1,084.50 (30% of total assets). The total assets increase baht million 1,687.23 or 86% from 31 December 2010 due to the increase of unbilled installment on completed work of baht million 556.61, account receive able and credit notes of baht million 266.01 and Investment in subsidiary of baht million 603.67.

▪ **Liabilities**

Dated 31 December 2012, the Company total liabilities were baht million 2,691.42 as a combination of current liabilities of baht million 2,628.87 (98% of total liabilities) and non-current liabilities of baht million 62.55 (2% of total liabilities). Total liabilities in 2012 were increased by baht million 111.70 or 4% due to the increase of current liabilities of baht million 115.23 from the overdraft and short term loan from financial institution. Account payable, credit-notes, and advance payment from service business are decrease from the previous year.

Dated 31 December 2011, the Company had baht million 2,579.72 liabilities baht million 1,669.57 or 183% increased from 2010. The total liabilities is a combination of current liabilities of baht million 2,513.64 or 97% of total liabilities and non-current liabilities of baht million 66.08 or 3% of total liabilities.

▪ **Shareholders' equity**

Dated 31 December 2012, the Company had shareholder equity of baht million 1,747.19 increase baht million 670.62 from 2011 as a combination of Net profit increase by baht million 416.66, additional paid-up by baht million 269.40 from warrant exercise, sell of treasury stocks by baht million 103.04 and dividend paid out by baht million 129.21.

Dated 31 December 2012, the Company had shareholder equity of baht million 1,076.57 increase baht million 26.15 from 2010 as a combination of Net profit increase by baht million 116.08, additional paid-up by baht million 10.57 from warrant exercise, reserved for buyback stock of baht million 40.97 and dividend paid out by baht million 34.93.

**Liquidity**

In 2012, the Company has used baht million 404.96 cash flow from operation due to the increased of account receivable baht million 409.48, increased of baht million receivable from insurance 116.14, decreased in account payable baht million 262.16, decreased in advance receivable baht million 407.58, increased in net profit of baht million 671.67 and the expenses from interest and corporate income taxes. However, the Company has unbilled installments on completed work-net decreased by baht million 409.48. The Company used cash flow from investing baht million 582.97 from investment in subsidiaries baht million 582.62 and acquired non-current asset of baht million 24.24 but decreased restricted deposit at financial institution by baht million 25.12 as a result cash flow from financing has to increase by baht million



990.73. Cash flow from financing was the combination of increased in bank overdraft and short term loan of baht million 482.59, other short term loan 280, cash received from selling ordinary shares of baht million 280.14, cash received from selling treasury stocks of baht million 28.63 and long term loan of baht million 22.50 and pay back long term loan and dividend of baht million 28.63 and baht million 129.14 respectively.

In 2011, the Company has earned baht million 416.28 cash flow from operation due to the increased of net profits of baht million 257.90, increase of account payable of baht million 619.58, increase of advance payment of baht million 619.58 but the Company has increased its account payable and unbilled unbilled installments on completed work. The Company has used cash flow from investing baht million 723.2 from investment in subsidiaries of baht million 615.11, long term investment of baht million 25.32, acquired non-current asset of baht million 28.44 and increased in restricted deposit at financial institution by baht million 54.85 as a result cash flow from financing has to increase by baht million 342.91. Cash flow from financing is a combination of increased in bank overdraft and short term loan of baht million 449.07, other long term loan 23.70, cash received from selling ordinary shares of baht million 26.33, cash used from buying treasury stocks of baht million 52.12 and pay back long term loan and dividend of baht million 35.71 and baht million 34.92 respectively.

#### 5. Industrial analysis

According to board resolution of energy policy and planning office, the electricity generation plan is updated from PDP 2010 2<sup>nd</sup> to PDP 2010 3<sup>rd</sup>, which includes the development of electrical production during 2012 – 2030. An update has new prediction of electrical usage to match economic growth and infrastructure development including the railway system, 10 additional subways in Bangkok, high speed train and to match with the government policy such as covert the energy business to be the profitable business for the country and be a centralized of the energy business in the region. The policy includes environmental plan for the next 20 years.

For the last 1-2 years, the demand for design, construction, and electrical engineer has been slow down due to the government investment and private sector. However, with the company experience for more than 18 years, the Company is confident to stay in the business.

**Attachment 2**

**Overview of the business and company performance**

**Wind Energy Holding Company Limited**

**1. Basic Information**

Company Name	:	Wind Energy Holding Company Limited (“WEH”)
Business	:	Develop wind farm
Head quarter	:	87 MThai Tower, Allseasons level 27, Wireless Road, Lumpini, Paatumwan, Bangkok
Phone	:	0 2245 6640-7
Fax	:	0 2247 3328
Registered capital	:	baht 1,000,000,000 ordinary share of 100,000,000 shares at par value of baht 10 per share
Paid-up capital*	:	baht 535,089,752.50 ordinary share of 100,000,000 shares:
	1)	Fully paid-up (baht 10) 322,374,650 shares, total baht 322,374,650
	2)	Not fully paid-up (baht 5.42)16,682,000 shares, total bath 90,416,440
	3)	Not fully paid-up (baht 2.5) 48,919,465 shares, total baht 122,298,662
	4)	Un-paid-up 2,161,070 shares.

Notes: \* WEH's shareholder list

**2. Nature of Business**

**2.1 History**

Wind Energy Holding Company Limited (“WEH”) found on 27 January 2009 as registered capital of baht million 1,000 to developed and sell electricity to Electricity Generating Authority of Thailand (“EGAT”). WEH is found to take over of Renewable Energy Corporation Company Limited (“REC”), which is found in 2006. REC is the company, which initially studies all information and hired AWS Truewind, the leading wind consultant of the world from the USA. Moreover, WEH also used the information from World Bank, installment of wind tower, collecting of the wind information and finally confirm the potential of the wind in Thailand. WEH also coordinate with all related government agencies including EGAT, the land from Agricultural Land Reform Office (“ALRO”) and other government agencies.

Currently, WEH has subsidiaries for wind farm expansion and confident to bring the stable power to Thailand.

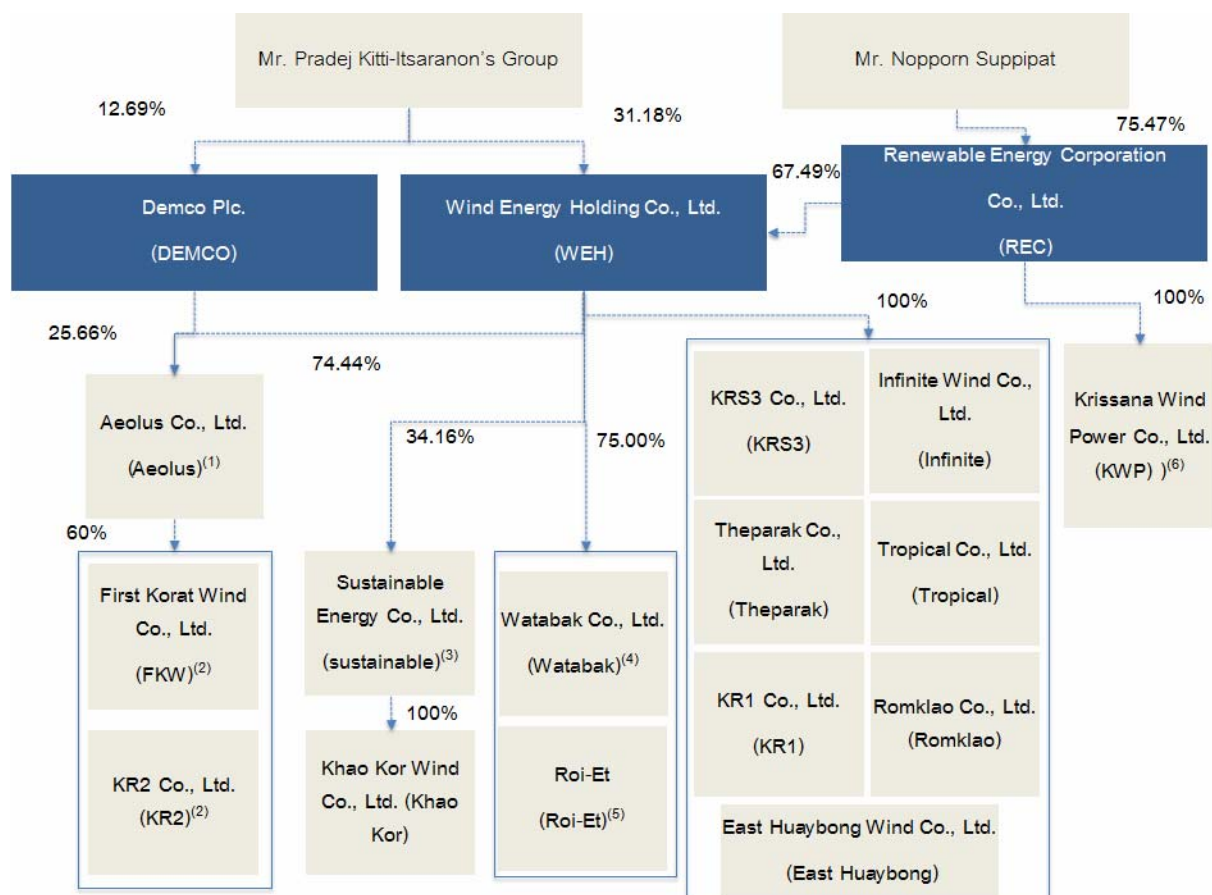
Key events for WEH

2010	WEH has signed Power Purchase Agreement (“PPA”) with EGAT West Huaybong 3 under First
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	Korat Wind Company Limited ("FKW") and West Huaybong 2 under KR2 Company Limited ("KR2")
2011	Start construction of FKW and KR2
2012	FKW starts commercial operation date ("COD") 14 November 2012
2013	FKW starts commercial operation date ("COD") 14 November 2012

## 2.2 Business

Currently, WEH as subsidiaries and associates ("WEH Group") total of 14 companies (12 subsidiaries and 2 associates) all of WEH Group is developing the wind farm projects. The details are listed below.



**Note:**

- (1) DEMCO owns 25.56 of Aeolus
- (2) Chubu Electric Power Korat Company Limited owns 40% of FKW and KR2, Ratchaburi Electrical Holding Company Limited own 20% of FKW and KR2.
- (3) RATCH และ DEMCO owns Sustainable 55.18% and 10.43% of the total shares of Sustainable ตามลำดับ
- (4) 25% of Watabak's shares owned by individual investor
- (5) 25% of Roi-Et's share owned by foreign entity
- (6) Based on the side letter of draft share purchase agreement between WEH and DEMCO, at the success of the capital increase REC will sell its 99,997 shares in KWP (99.99% KWP) at total of Baht Million 45.00 to WEH.

WEH group wind farm projects:

Project		Company	PPA (MW)	Production Capacity (MW)	COD	Progress of the Project
1.	West Huaybong 2	Aeolus/ KR2	90	103.5	February 2013	COD
2.	West Huaybong 3	Aeolus/ FKW	90	103.5	November 2555	
3.	Khao Kor*	Sustainable/Khao Kor	60	59.8	2556	PPA Signed
4.	Watabak	Watabak	60	68	2557	Received PPA acceptant
5.	Korat 02/01	Theparak	90	100	2559	
6.	Korat 02/02	Tropical	90	100	2559	
7.	Korat 02/03	KRS3	90	100	2559	
8.	North Krissana	KWP	90	100	2559	Waiting for PPA acceptant
9.	Korat 02/04	KR1	90	100	2560	
10.	ST1	Infinite	60	75	2561	
11.	Roi-Et	Roi-Et	60	75	2560	
12.	Mukdahan	Romklao	60	75	2560	
13.	East Huaybong	East Huaybong wind	N/A	N/A	N/A	Rejected for PPA

Source: Wind Energy Holding Company Limited

\* Khao Kor project by Sustainable Energy Company Limited ("Sustainable") WEH owns 34.16% therefore the information of Khao Kor is the information from Sustainable WEH has no control

## 2.2 Detail of Assets and future projects

### Project details of FKW and KR2, which are in the commercial production

Project	West Huaybong 2	West Huaybong 3
Company	KR2	FKW
Investment (Baht Million)	6,087.00	6,481.96
Install Capacity (MW)	103.5	103.5
Offer Capacity to EGAT (MW)	90	90
Turbine	45	45
Location	Huaybong sub-district, Dan Khun Thot district, Nakorn Ratchasima	
Land Size (Rai)	8,954	14,928
Turbine Manufacturing	Siemens Wind Power A/S และ Siemens Limited Thailand (	

	"Siemens")	
Useful life of asset*	22 years	
COD	8 February 2556	14 November 2555

Source: Wind Energy Holding Company Limited

\*Useful life of asset starts counting on COD date.

Additional detail for 5 future projects (expected to COD within 2017, which WEH is the major shareholder and already received PPA acceptant

Project	Watabak	Korat 02/01	Korat 02/02	Korat 02/03	North Krissana
Company	Watabak	Theparak	Tropical	KRS3	KWP
Investment (Baht Million)	4,059.36	6,210.26	6,169.06	6169.06	6,014.56
Install Capacity (MW)	68	100	100	100	100
Offer Capacity to EGAT (MW)	60	90	90	90	90
Turbine	34	40	40	40	40
Location	Chaipoom	Nakorn Ratchasima	Nakorn Ratchasima	Nakorn Ratchasima and Chaipoom	Nakorn Ratchasima
Turbine Manufacturing**	Vestas	GE	GE	GE	GE
COD	September 2014	February 2016	July 2016	July 2016	May 2017

Source: Wind Energy Holding Company Limited

\*Investment estimated from KR2 and adjusted by Vestas and GE turbines

\*\* Not confirm

<b>Project (1)</b>	:	<b>Watabak</b>
Company	:	Watabak
Investment*	:	Baht Million 4,059.36 (estimate)
Install Capability (MW)	:	68
Offer Capacity to EGAT (PPA) (MW)	:	60
Number of Turbine*	:	34 (estimate)
Turbine Model**	:	Vestas V110-(125) (2 MW/WTG)

Turbine Manufacturing	:	Vestas Limited
Annual Energy Production (GW) ***	:	166.01-206.00 (P90-P50)
COD	:	September 2014
Useful life of asset	:	25 years
Location	:	Watabak Sub-district, Thepsatit district, Chaipoom

**Note:**

\*estimate

\*\* Not confirm

\*\*\* AEP from technical advisor at the height 120 meters using Vestas V110-(125) turbine

<b>Project (2)</b>	:	<b>Korat 02/01</b>
Company	:	Theparak
Investment*	:	Baht Million 6,210.26 (estimate)
Install Capability (MW)	:	100
Offer Capacity to EGAT (PPA) (MW)	:	90
Number of Turbine*	:	40 (estimate)
Turbine Model**	:	GE 2.5-120 (2.5 MW/WTG)
Turbine Manufacturing	:	General Electric Company Limited
Annual Energy Production (GW) ***	:	240.90-284.60 (P90-P50)
COD	:	December 2016
Useful life of asset	:	25 years
Location	:	Bueng Pler and Sumnak Takro Sub-district, Theparak district, Nakorn Ratchasima.

**Note:**

\*estimate

\*\* not confirm

\*\*\* AEP from technical advisor at the height 120 meters using GE 2.5-120 turbine

Project (3)	:	Korat 02/02
Company	:	Tropical
Investment*	:	Baht Million 6,169.06 (estimate)
Install Capability (MW)	:	100
Offer Capacity to EGAT (PPA) (MW)	:	90
Number of Turbine*	:	40 (estimate)
Turbine Model**	:	GE 2.5-120 (2.5 MW/WTG)
Turbine Manufacturing	:	General Electric Company Limited
Annual Energy Production (GW) ***	:	250.90-294.30 (P90-P50)
COD	:	July 2016
Useful life of asset	:	25 years
Location	:	Bueng Pler and Wongyaytong Takro Sub-district, Theparak district, Nakorn Ratchasima.

**Note:**

\*estimate

\*\* Not confirm

\*\*\* AEP from technical advisor at the height 120 meters using GE 2.5-120 turbine

Project (4)	:	Korat 02/03
Company	:	KRS3
Investment*	:	Baht Million 6,169.06 (estimate)
Install Capability (MW)	:	100
Offer Capacity to EGAT (PPA) (MW)	:	90
Number of Turbine*	:	40 (estimate)
Turbine Model**	:	GE 2.5-120 (2.5 MW/WTG)
Turbine Manufacturing	:	General Electric Company Limited
Annual Energy Production (GW) ***	:	246.30-286.70 (P90-P50)
COD	:	July 2016
Useful life of asset	:	25 years
Location	:	Wongyaytong Takro Sub-district, Theparak district, Nakorn Ratchasima and Watabak Sub-district, Tepsatit district, Chaipoom

**Note:**

\*estimate

\*\* Not confirm

\*\*\* AEP from technical advisor at the height 120 meters using GE 2.5-120 turbine

Project (5)	:	North Krisana
Company	:	KWP
Investment*	:	Baht Million 6,014.56 (estimate)
Install Capability (MW)	:	100
Offer Capacity to EGAT (PPA) (MW)	:	90
Number of Turbine*	:	40 (estimate)
Turbine Model**	:	GE 2.5-120 (2.5 MW/WTG)
Turbine Manufacturing	:	General Electric Company Limited
Annual Energy Production (GW) ***	:	203.60 – 241.80 (P90-P50)
COD	:	May 2017
Useful life of asset	:	25 years
Location	:	Krissana Sub-district, Sricuse district, Nakorn Ratchasima

**Note:**

\*estimate

\*\* Not confirm

\*\*\* AEP from WEH at the height 120 meters using GE 2.5-120 turbine

### 3. Shareholders

WEH's shareholders dated 18 March 2013

	Name	Shares	(%)
1.	Renewable Energy Corporation Company Limited <sup>1/</sup> ("REC")	67,494,990	67.49
2.	DD Mart Company Limited <sup>2/</sup> ("DDMART")	19,601,790	19.60
3.	Mr. Pradej Kitti-Itsaranon <sup>3/</sup>	5,000,000	5.00
4.	Miss Nantida Kitti-Itsaranon	2,161,070	2.16
5.	Miss Janejira Kitti-Itsaranon	2,161,070	2.16
6.	Mr. Kamtorn Kitti-Itsaranon	2,161,070	2.16
7.	Miss Jaruan Wongma	700,000	0.70
8.	Mr. Chai Kulvanich	300,000	0.30
9.	Mr. Nopporn Suppipat	200,000	0.20
10.	Mr. Sajja Marattanachai	100,000	0.10
11.	Mr. Somgpong Kitti-Itsaranon	100,000	0.10
	Others	20,010	0.02



	Name	Shares	(%)
	<b>Total</b>	<b>100,000,000</b>	<b>100.00</b>

Notes:

1/ REC shareholders

	Name	Shares	(%)
1.	Mr. Nopporn Suppipat *	9,999,994	75.47%
2.	Mrs. Aeumporn Sakulkaw	1	0.00%
3.	Miss Prinya Kuhasuwan	1	0.00%
4.	Mrs. Ornsung Bukranak	1	0.00%
5.	Energy Shino Investment Limited **	3,250,001	24.53%
6.	Miss Kanyarat Kanjanpangka	1	0.00%
7.	Miss Sukanya Chumsawat	1	0.00%
	<b>Total</b>	<b>13,250,000</b>	<b>100%</b>

Note: \* Director of the company signed and seal of the company

\*\* Foreign company

2/ DDMART shareholders

	Name	Shares	สัดส่วน (ร้อยละ)
8.	Mr. Pradej Kitti-Itsaranon	6,716,210	18.66%
9.	Mrs. Busya Kitti-Itsaranon	5,000,000	13.89%
10.	Miss Nantida Kitti-Itsaranon *	5,000,000	13.89%
11.	Miss Jenejira Kitti-Itsaranon *	5,000,000	13.89%
12.	Mr. Kamtom Kitti-Itsaranon*	5,000,000	13.89%
13.	Renewable Energy Corporation Company Limited	4,000,000	11.11%
14.	Mr. Pairoj Sirirat	1,418,150	3.94%
15.	Miss Wilailuck Ekniyom	759,000	2.11%
16.	Mr. Eng Mir Laik Ali	510,000	1.42%
17.	Other shareholders	2,596,640	7.21%
	<b>Total</b>	<b>36,000,000</b>	<b>100.00%</b>

Note: \* Director of the company signed by the second in three co-sign and seal of the company

3/ Mr. Pradej Kitti-Itsaranon and related persons are: DDMart, Miss Nantida Kitti-Itsaranon, Miss Jenejira Kitti-Itsaranon and Mr. Kamtom Kitti-Itsaranon hold WEH's share total 31,085,000 shares or 31.08% of paid-up shares of WEH

#### 4. Board of Directors

##### 4.1 Board of Directors Wind Energy Holding Company Limited

Board of Directors consist of 4 directors

Name	Position
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Name	Position
1. Mr. Nopporn Suppipat	Director
2. Mr. Pradej Kitti-Itsaranon	Director
3. Mr. Somnuk Teerakulpisut	Director
4. Mr. Frank Hojerslev	Director

Mr. Nopporn Suppipat is an authorized signature and seal of the company

#### 4.2 Management of Wind Energy Holding Company Limited

Name	Position
1. Mr. Frank Hojerslev	CEO
2. Mr. Ray Marling	CFO
3. Mr. Aaron Daniels	Director of Business Development

#### 5. WEH's operating performance and financial analysis

##### ■ Statement of Financial Position

(Unit: Baht million)	2010 Company only	2011 Consolidated	2012 Consolidated
<b>Assets</b>			
Cash and cash equivalents	0.19	919.37	1,478.92
Trade accounts receivable	4.77		103.44
Other receivables	-	102.40	107.90
Subscription receivable	1.06	1.06	-
Loan to related person	10.00	-	-
Advance payments to contractors	-	2,278.04	35.56
Value added tax receivable	5.05	119.93	271.20
Other current assets	1.85	-	-
<b>Total current assets</b>	<b>22.92</b>	<b>3,420.80</b>	<b>1,997.03</b>
Investment in associate	186.84	-	-
Investment in subsidiaries	181.83	109.92	125.73
Long-term loans to related parties	16.84	36.17	-
Property, plant and equipment	30.69	1,368.05	10,332.99
Power plant development	11.79	-	-

(Unit: Baht million)	2010 Company only	2011 Consolidated	2012 Consolidated
Intangible assets	0.35	5.39	365.311
Other receivables	85.62	92.43	22.01
Other current assets	1.56	1.54	1.61
<b>Total non-current assets</b>	<b>515.52</b>	<b>1,613.50</b>	<b>10,847.69</b>
<b>Total assets</b>	<b>538.45</b>	<b>5,034.30</b>	<b>12,844.73</b>
<b>Liabilities</b>			
Trade accounts payable	44.58	44.18	42.46
Other payables	38.24	283.96	2,548.89
Short term loan form other person	2.00	197.61	620.25
Current portion of long term loan	-	-	361.00
Income tax payable	2.00	-	-
Other liabilities	8.92	-	-
Accrued interest expense	-	26.53	155.87
<b>Total current liabilities</b>	<b>95.74</b>	<b>552.28</b>	<b>3,728.47</b>
Long-term loans from related party	42.36	21.98	-
Long-term loans from financial institutions	-	2,511.68	6,126.82
Long-term loan from other company	-	413.82	400.11
Other non-current liabilities	0.34	-	44.84
<b>Total non-current liabilities</b>	<b>42.70</b>	<b>2,947.48</b>	<b>6,571.76</b>
<b>Total liabilities</b>	<b>138.43</b>	<b>3,499.76</b>	<b>10,300.23</b>
<b>Shareholder equity</b>			
Registered capital	500.00	1,000.00	1,000.00
Paid-up capital	395.74	520.74	522.91
Other equity	-	379.60	648.77
Share premium	-	-	-
Retain earnings (deficit)			
Reserved	-		
Un appropriate	4.28	(289.09)	(519.41)
other part of equity	-	-	-
<b>Total equity to the company</b>	<b>400.02</b>	<b>611.25</b>	<b>652.26</b>
Non controllable interest	-	923.29	1,892.23
<b>Total shareholder equity</b>	<b>400.02</b>	<b>1534.54</b>	<b>544.50</b>
<b>Total liabilities and shareholder equity</b>	<b>538.45</b>	<b>5,034.30</b>	<b>12,844.73</b>

■ Statement of Comprehensive income

(Unit: Baht million)	2010 Company only	2011 Consolidated	2012 Consolidated
<b>Revenue</b>			
Revenue from sale of electricity	-	-	96.44
Revenue from service	83.19	-	0.24
Cost of goods sold	(65.71)	-	(51.12)
<b>Gross profit</b>	<b>17.48</b>	<b>-</b>	<b>45.55</b>
Interest income	1.06	10.08	15.88
Profit from disposal of investment in subsidiaries	31.74	-	-
Profit from selling equipment	20.59	-	-
Other revenue	1.60	0.19	-
<b>Total revenue</b>	<b>72.47</b>	<b>10.27</b>	<b>61.43</b>
<b>Expenses</b>			
Share of loss of associated entity	-	(2.72)	(2.91)
Loss on disposal of investments in subsidiaries		(27.84)	-
Net foreign exchange loss	-	(7.27)	(34.21)
Administrative expenses	(61.54)	(198.48)	(86.03)
<b>Total expenses</b>	<b>(61.54)</b>	<b>(236.31)</b>	<b>(123.15)</b>
Loss before finance costs and income tax expense	10.93	(226.04)	(61.72)
Finance costs	0.32	(46.21)	(198.58)
Earnings before tax	10.61	(272.25)	(260.30)
taxes	3.92	-	-
<b>Net profit (loss)</b>	<b>6.69</b>	<b>(272.25)</b>	<b>(260.30)</b>
Attribute profit (loss):			
Equity holders of the company	6.69	(245.82)	(230.33)
Non control interest	-	(26.43)	(29.98)

■ **Statement of cash flow**

(Unit: Baht million)	2010 Company only	2011** Consolidated	2012* Consolidated
Cash flow provided (used) from operation	42.01	N/A	2,152.54
Cash flow provided (used) from investing	(126.98)	N/A	(7,069.17)
Cash flow provided (used) from financing	47.66	N/A	5,476.18
<b>Net cash flow increase (decrease) net</b>	<b>(37.31)</b>	<b>N/A</b>	<b>559.55</b>

\*there is no statement of cash flow in audited financial statement therefor the numbers have not been audited

\*\* WEH only have consolidated financial statement in 2011 therefore no statement of cash flow in 2011

■ **Financial Ratio**

(Unit: Baht million)		2010 Company only	2011 Consolidated	2012 Consolidated
Current ratio	(time)	0.24	6.19	0.54
Gross profit margin	(%)	-26.60%	N/A	-89.10%
Net profit margin	(%)	8.04%	N/A	-269.24%
Return on equity (ROE)	(%)	1.67%	N/A	-2.91%
Return on assets (ROA)	(%)	1.24%	N/A	-2.91%
D/E Ratio	(time)	0.24	0.90	5.72

**Analysis of Operating Results and Financial Status of the Company**

**Operational Status**

■ **Total Revenue**

WEH has revenue in 2010 (company only) baht million 83.19. Most of the revenue comes from its associates and subsidiaries for the services. This revenue is not show in the consolidated financial statements year 2011 and 2012 due to the consolidated rules. FKW and KR2 (subsidiaries) started their commercial operating date in November 2012 and February 2013 respectively. Therefore, WEH consolidated financial statement year 2011 will not show any revenue. WEH has revenue of baht million 96.68 in 2012 (baht million 96.44 was from the electricity revenue of FKW)

■ **Cost**

FKW and KR2 (subsidiaries) start selling electricity in November 2012 and February 2013 respectively. Therefore 2011 consolidated financial statement of WEH had cost of goods sold equal to 0. In 2012, WEH has baht million 51.12 cost of goods sold due to the depreciation of its power plants.

■ **Sales and Administrative expense**

Sales and administrative expense in 2010 (company only), 2011 (consolidated) and 2012 (consolidated) are baht million 61.55, baht million 198.48 and baht million 86.03 respectively. During 2010-2012, WEH was at the beginning of its business therefore the needs of legal and financial consultant as well as technical advisor was high. During 2010 – 2012, WEH has consultancy expenses baht million 38.94, baht million 143.81, and baht million 15.07 respectively, considered 64.89%, 72.46%, and 17.52% of the sales and administrative expense.

■ **Net Profit (loss)**

During 2010-2012, WEH was at the beginning of its business and start to have revenue in November 2012. As a result, WEH had net loss for the past 3 years. Even though in 2010 WEH had profit of baht million 6.69 (company only), it was the company only financial statement and the revenue came from its subsidiaries. During 2011-2012, WEH has net loss of baht million 272.25, baht million 260.30 respectively attributed to the equity owner of the company baht million 245.82 and baht million 230.33. In 2011, the loss mainly came from sales and administrative expense of baht million 198.48 and loss from disposible of investment in subsidiaries baht million 27.48 (2011, WEH sold its investment in FKW and KR2 to Ratchaburi holding public company limited (“RATCH”) at loss of baht million 27.84), loss from exchange rate baht million 7.26 and loss from associated company baht million 2.72.

Financial Position

■ **Assets**

During 2010-2013, WEH has net assets increase from baht million 538.45, to baht million 5,034.30 and to baht million 12,844.73 respectively. The reason for the incremental of assets in 2011 was because the change of the type of financial statement (company only to consolidated). In 2012, assets increase baht million 7,810.43 or 155.14% from the previous year due to the progress of FKW and KR2. Current assets increase baht million 9,234.20 or 572.31%, the majority was the incremental of property plants and equipment baht million 8,964.94 or 655.31%

In 2012, WEH's current assets decreased by baht million 1,423.77 or 41.62% from the previous year due to the reduction of advance payment for power plant construction of baht million 2,242.48 or 98.44% from 2011.

■ **Liabilities**

During 2010-2012, WEH has total liabilities of baht million 138.34, baht million 3,499.76 and baht million 10,300.23 respectively. The reason for the incremental of liabilities in 2011 from 2010 was the change of financial statement (company only to consolidated). In 2012, total liabilities increased baht million 6,800.47

or 194.31% from the previous year due to the incremental of non-current liabilities of baht million 3,624.28 or 122.96% and the incremental of current liabilities of baht million 3,176.19 or 575.11%. The incremental of non-current liability was from loan from financial institution due to the progress of FKW and KR2 construction. The incremental of current liabilities came from the power plant development cost (other payable).

▪ **Shareholder equity**

During 2010 – 2012, shareholder equity has increased from baht million 400.02 to baht million 5,034.30 and baht million 12,844.73 respectively. Net loss for the past 2 years came from subsidiaries. WEH's

Liquidity

▪ **Cash Flow**

In 2012, WEH had cash flow provided by operation baht million 2,512.54 due to unpaid power plant development. Currently, WEH is under the negotiation of its suppliers regarding to the quality of the product. In 2012, WEH used cash flow from investment baht million 7,069.17 due to the development progress of FKW and KR2. FKW and KR2 projects are highly leverage therefore WEH had cash flow from financing increase baht million 5,476.18.

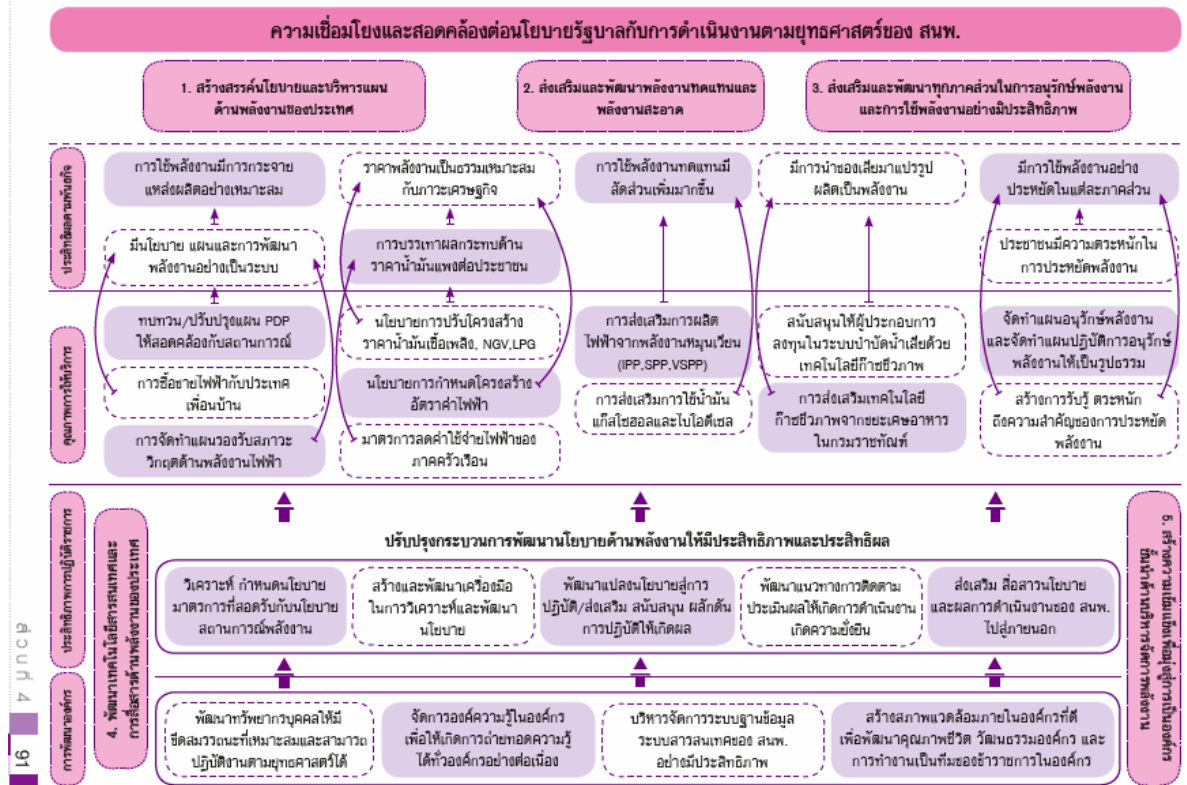
6. Industrial analysis

6.1 **Wind farm in Thailand**

According to energy ministry, Thailand use 6.7% more power and 8.5% more electricity in 2012. Current electrical production is 32,290 MW and the highest usage of electricity on 26 April 2012 was 26,774 MW due to the temperature and the recovery of industrial and house hold from the flood in 2011. In 2012, Thailand uses 161,548 units of electrical 8.5% increase from the previous year due to the temperature and economic recovery from the flood in 2011. Moreover, the government subsidy program also increases the usage of the care manufacturing and expecting to increase by 5.9% in 2013.

In 2013, the economic growth is expecting to be 4.5%-5.5% and the usage of electricity is expecting to increase around 5%. EGAT is expecting the usage of electricity will increase 5% as the result the electrical reserved will be at 20% even though there is no big power plant entering to the system in 2013. Currently, electricity is generated by natural gas 68%, coal 20%, hydro power 10%, and renewable energy 2%.

6.2 Government Policy related to renewable energy



Source: ministry of energy

Currently, the government is focusing (Renewable Energy) in order to reduce the natural gas usage. According to the PDP, Thailand will increase its contribution of renewable energy from 5% to 10% in 2030. For PDP 2010 3<sup>rd</sup> update, electrical production is expecting to be 9,516 MW based on VSPP, SPP Firm type. The production plans during 2012 – 2030 is shown below.

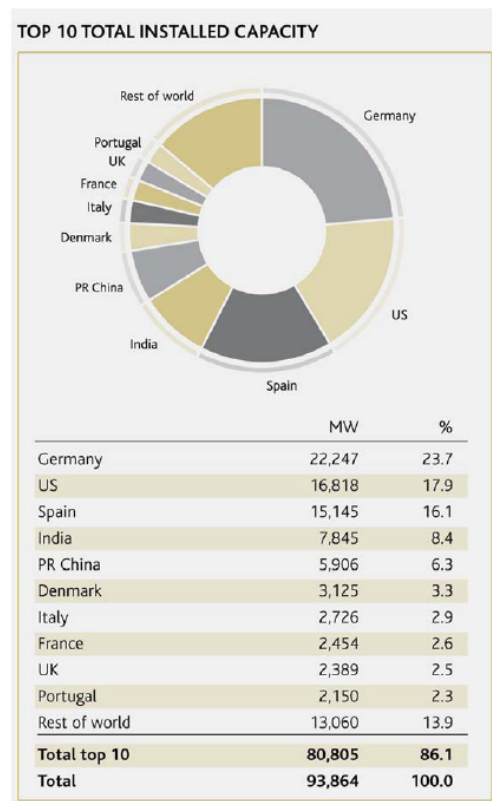
	(MW)	
	PDP 2102 Rev2	PDP 2012 Rev3
renewable energy	4,433.00	9,516.00
cogeneration	8,319.00	6,374.00
natural gas	18,400.00	25,451.00
coal	77,400.00	4,400.00
nuclear	4,000.00	2,000.00
turbine gas	-	750.00
import	10,982.00	6,572.00

Source: ministry of energy



### 6.3 Wind farm industry

Currently, wind farm is highly develop therefore many countries have focus on expanding wind farm projects. As of 2007, the world has more than 93,864 MW electricity from wind farms in more than 70 countries. Top 5 countries for wind farms are: Germany, USA, Spain, India and china.



Source: [www.gwec.net](http://www.gwec.net)

Summary of SPP from Renewable (As of March 2012)

No	Company (Project)	Location	Installed (MW)	PPA (MW)
PPA Signed				
1	KR2 Co., Ltd. (West Huaybong 2)	Dan Khun Thot district, Nakorn Ratchasima	103.50	90.00
2	First Korat Wind Co., Ltd. (West Huaybong 2)	Dan Khun Thot district, Nakorn Ratchasima	103.50	90.00
3	Khao Kor	Khao Kor district, petchaboon	60.00	60.00
4	Wind development Co., Ltd. (Vayu wind farm)	Dan Khun Thot district, Nakorn Ratchasima	59.20	50.00
PPA Acceptant				

No	Company (Project)	Location	Installed (MW)	PPA (MW)
5	Theparak wind Co., Ltd. (Korat 02/1)	Theparak district, Nakorn Ratchasima	92.00	90.00
6	Tropical Wind Co., Ltd.(Korat 02/2)	Theparak district, Nakorn Ratchasima	92.00	90.00
7	KRS3 Co., Ltd. (02/3)	Theparak district, Nakorn Ratchasima	92.00	90.00
Waiting for PPA acceptant				
8	EGCO Plc. and CLP Power Co., Ltd. (Ratchasima wind farm)	Sricuse, Nakorn Ratchasima	64.80	60.00
9	Watabak Co., Ltd.*	Thepsatit district, Chaipoom	62.10	60.00
10	Gunkul Engineering (2000) Co., Ltd. (Vayu wind farm 2)	Dan Khun Thot district, Nakorn Ratchasima	48.00	40.00
11	Gunkul Engineering (2000) Co., Ltd. (Vayu wind farm 2)	Dan Khun Thot district, Nakorn Ratchasima	56.00	50.00
12	Infinite Wind Co., Ltd. (ST1)*	Thepsatit district and Dan Khun Thot district	62.10	60.00
13	Gloal Green Energy Co., Ltd. (45.0 MW)	Dan Khun Thot district, Nakorn Ratchasima	47.50	45.00
14	Global Green Energy Co., Ltd. (32.5 MW)	Dan Khun Thot district, Nakorn Ratchasima	35.00	32.50
15	Pure Energy Plc. Hardkanghan 1	Janod District, songkra	36.800	36.000
16	Pure Energy Plc. Hardkanghan 2	Huisai, Nakorn Ratchasima	46.000	45.000
17	Pure Energy Plc. Hardkanghan 3	Pakpanang district, Nakornsritthumarat	46.000	45.000
18	Pure Energy Plc. Hanuman 1	Tepsatit district, chaipoom	46.000	45.000
19	Pure Energy Plc. Hanuman 2	Tepsatit district, chaipoom	46.000	45.000
20	Pure Energy Plc. Hanuman 3	Umper mueng district, chaipoom	32.200	30.000
21	Pure Energy Plc.	Kangkraw district,	32.200	30.000

- Translation -

No	Company (Project)	Location	Installed (MW)	PPA (MW)
	Hanuman 4	chaipoom		
22	Pure Energy Plc. Hanuman 5	Tepsatit district, chaipoom	48.300	48.000
23	Pure Energy Plc. Hanuman 6	Nong boidang district, chaipoom	41.400	40.000
24	Pure Energy Plc. Hanuman 7	Tepsatit district, chaipoom	41.400	40.000
25	Thai wind power Co. ,Ltd.	Nicomkumsoi district, Mukdaharn	45.000	44.600
26	Greenovatioin Co., Lt.d (Saranrom Wind farm)	Dan Khun Thot district, Nakorn Ratchasima	67.500	60.000

Source: Ministry of Energy

\*current get PPA acceptant