

ENERGY

UAC posts higher net profit on renewables

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UAC Global Plc, an MAI-listed chemical trader that has diversified into renewable energy, posted a 13% rise in net profit in the first quarter of this year from rising revenue of new renewable power projects, and growing demand in the chemical business.

Strong earnings are also encouraging the company to expand into the neighbouring countries of Cambodia, Laos, Myanmar and Vietnam (CLMV) to capitalise on rising demand in both power and chemical sectors at a time the economies are growing, according to its president and chief executive Chatchaphol Prasopchoke.

In the first quarter of 2017, the company had a total revenue of 377 million baht, up 15.7% from the same period of last year, when it had revenue of 326 million baht, he said.

Mr Chatchaphol said rising revenue mostly came from renewable power

projects that started commercial operations earlier this year, including solar rooftop projects and a biomass power plant in Chiang Mai, with a combined power generating capacity of 12 megawatts.

Demand in the chemical sector also rose higher and helped strengthen the company's polymer sales, he added.

"We expect an even brighter outlook in the second quarter of this year with demand for power and polymers remaining strong to yield rising revenue, and encouraging the company to expand further in neighbouring countries," said Mr Chatchaphol.

He added the company expects total revenue to rise by 30% to reach 1.8 billion baht this year, up from 1.4 billion baht last year.

He said the company is conducting a feasibility study for the expansion plan, particularly in CLMV countries.

Mr Chatchaphol said the economies of CLMV countries are growing quickly, triggering demand for chemicals, especially in painting, garments, and construction

materials sectors.

The company is expected to seal a deal to sell power from its 20-MW power plant to the Myanmar government within the first half of the year, which is a part of the company's plan to push total revenue to 1.8 billion baht.

He said the 20MW power plant in Myanmar is worth 1.1 billion baht and the company is in talks with banks to secure loans for it.

The company plans to double the production capacity of latex to 20,000 tonnes per year through its fully-owned subsidiary UAC Advance Polymers and Chemicals Co Ltd.

UAC also plans to list UAC Advance Polymers and Chemicals on the Market for Alternative Investment by 2018 to raise funds for the expansion of its chemical business.

UAC shares closed yesterday on the MAI at 5.35 baht, down five satang, in trade worth 1.2 million baht.