

Management Discussion and Analysis (MD&A) and operating result of the second quarter and the first six months of 2018

Performance

Revenue

In the second quarter and the first six months of 2018, the revenue of the company and its subsidiaries was 710 million baht and 1,589 million baht respectively, increased 6.49 million baht and increased 243.53 million baht, or 0.9% and 18.1%, from the same period of the previous year.

Cost of sales and services

In the second quarter and the first six months of 2018, the cost of sales and services of the company and its subsidiaries was 567 million baht and 1,292 million baht respectively, increased 10.1 million baht or 1.8% and increased 241 million baht or 22.9% from the same period of the previous year.

Sales and administrative expenses

In the second quarter and the first six months of 2018, the sales and administrative expenses of the company and its subsidiaries was 142 million baht and 260 million baht respectively, increased 39.8 million baht or 39% and increased 49.6 million baht or 23.6% from the same period of the previous year. In the second quarter of 2018, The Company recognizes impairment loss on investments and adjusts the value of investments in a subsidiary. Total amount was Baht 37.33 million, which was the result of the expected return on such investment less than the equity method.

Corporate Income Tax

In the second quarter and the first six months of 2018, the corporate income tax of the company and its subsidiaries was 7.9 million baht and 15.6 million baht respectively, increased 1.6 million baht and 4.0 million baht, or 26% and 34%, from the same period of the previous year, due to increased tax profits.

Comprehensive income for the period

In the second quarter and the first six months of 2018, the comprehensive income for the period of the company and its subsidiaries was (6.78) million baht and 20 million baht respectively, decreased 43.37 million baht and 50.78 baht, or 117.50% and 71.7%, from the same period of the previous year. In the second quarter of 2018, The Company recognizes impairment loss on investments and adjusts the value of investments in a subsidiary. Totaling Baht 37.33 million, which was the result of the expected return on such investment less than the equity method.

Financial Status Assets

As of June 30, 2018, the total assets amounted to 2,954 million baht, decreased 416 million baht or 12.34% from the same period of the previous year, as a result of the decreased of 87 million baht in cash and cash equivalents and short-term investment, the decreased of 167 million baht in trade and other accounts receivable as most receivables were not yet due, the increased of 0.7 million baht in amounts due from related parties, the increase of 70 million baht in unbilled accounts receivable, and the decreased of 188 million baht in cost of work in process in accordance with the work process. Non-current assets were decreased 41 million baht, the increased of 3 million baht in net equipment, the decreased of 13 million baht in intangible assets, the increased of 3 million baht in the investment in associate company and decreased of 37 million baht in goodwill

Liabilities

As of June 30, 2018, the total liabilities amounted to 1,061 million baht, decreased 362 million baht or 23% from the same period of the previous year, the decrease of 211 million baht in trade and other accounts payable, the decrease of 90 million baht in accrued expenses, the increase of 19 million baht in Deferred income and the decreased of 27 million baht in unbilled payable.

Shareholders' equity

As of June 30, 2018, the shareholders' equity amounted to 1,885 million baht, decreased 91 million baht or 4.59% from the same period of the previous year. The comprehensive profit of the first six months of 2018 was 20 million baht of, and the dividend for 2017, paid in the second quarter of 2018, was 155 million baht.

Financial Ratio

The necessary ratios are illustrated below.

Ratio	As of June 30, 2018	As of June 30, 2017
Liquidity ratio (times)	2.2	2.3
Debts to shareholders' equity ratio (times)	0.5	0.5
Margin ratio (%)	17.2	20.6
Net profit ratio (%)	1.3	5.3
Book value per share ratio (baht)	4.3	4.3

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