

Management Discussion and Analysis (MD&A) and operating result of the third quarter and the first nine months of 2017

Performance

Revenue

In the third quarter and the first nine months of 2017, the revenue of the company and its subsidiaries was 845 million baht and 2,190 million baht respectively, increased 37 million baht or 4.6% and decreased 109 million baht or 4.8% , from the same period of the previous year. In the second quarter of 2016, other revenue of the company and its subsidiaries was raised 112 million baht as a result of the recognized profit from the divestment of some of its shares in a subsidiary .

Cost of sales and services

In the third quarter and the first nine months of 2017, the cost of sales and services of the company and its subsidiaries was 658 million baht and 1,710 million baht respectively, increased 63 million baht or 10.7% and increased 21 million baht or 1.2% from the same period of the previous year.

Sales and administrative expenses

In the third quarter and the first nine months of 2017, the sales and administrative expenses of the company and its subsidiaries was 122 million baht and 333 million baht respectively, increased 5 million baht or 4% and decreased 40 million baht or 11% from the same period of the previous year. In the second quarter of 2016, the forecast of the project expense of a subsidiary was increased 16 million baht.

Corporate Income Tax

In the third quarter and the first nine months of 2017, the corporate income tax of the company and its subsidiaries was 13 million baht and 24 million baht respectively, decreased 3 million baht and 17 million baht, or 18% and 43%, from the same period of the previous year, due to the decreased profit.

Comprehensive income for the period

In the third quarter and the first nine months of 2017, the comprehensive income for the period of the company and its subsidiaries was 47 million baht and 117 million baht respectively, decreased 33 million baht and 76 million baht, or 41.6% and 39.6%, from the same period of the previous year, due to the increased profit which was particularly caused by the divestment of some of its shares in a subsidiary.

Financial Status

Assets

As of September 30, 2017, the total assets amounted to 3,008 million baht, decreased 320 million baht or 9.61% from the same period of the previous year, as a result of the decrease of 748 million baht in cash and cash equivalents and short-term investment, the decrease of 86 million baht in trade and other accounts receivable as most receivables were not yet due, the increase of 27 million baht in amounts due from related parties, the increase of 428 million baht in unbilled accounts receivable, and the increase of 45 million baht in cost of work in process in accordance with the work process. Non-current assets were increased 21 million baht, the decrease of 6 million baht in net equipment, the increase of 6 million baht in intangible assets, and the increase of 10 million baht in the investment in associate company which was caused by the divestment of some shares of a subsidiary.

Liabilities

As of September 30, 2017, the total liabilities amounted to 1,058 million baht, decreased 287 million baht or 21% from the same period of the previous year, due to the increase of 2 million baht in bank overdraft and short-term loan, the decrease of 182 million baht in trade and other accounts payable, the decrease of 89 million baht in accrued expenses, and the increase of 45 million baht in unbilled payable.

Shareholders' equity

As of September 30, 2017, the shareholders' equity amounted to 1,939 million baht, decreased 38 million baht or 2% from the same period of the previous year. The comprehensive profit of the first nine months of 2017 was 117 million baht of, and the dividend for 2016, paid in the second quarter of 2017, was 155 million baht.

Financial Ratio

The necessary ratios are illustrated below.

Ratio	As of Sep 30, 2017	As of Sep 30, 2016
Liquidity ratio (times)	2.3	2.2
Debts to shareholders' equity ratio (times)	0.5	0.5
Margin ratio (%)	20.5	21.9
Net profit ratio (%)	5.4	8.3
Book value per share ratio (baht)	4.4	4.4