



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

Performance

Revenue

In the second quarter and the first six months of 2017, the revenue of the company and its subsidiaries was 704 million baht and 1,345 million baht respectively, decreased 157 million baht and 146 million baht, or 18.2% and 9.8%, 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 second quarter and the first six months of 2017, the cost of sales and services of the company and its subsidiaries was 557 million baht and 1,051 million baht respectively, decreased 48 million baht or 7.9% and decreased 42 million baht or 3.9% from the same period of the previous year. In the second quarter of 2016, the forecast of project cost of a subsidiary was increased 15 million baht.

Sales and administrative expenses

In the second quarter and the first six months of 2017, the sales and administrative expenses of the company and its subsidiaries was 103 million baht and 213 million baht respectively, decreased 38 million baht or 27.8% and decreased 47 million baht or 18.9% 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 second quarter and the first six months of 2017, the corporate income tax of the company and its subsidiaries was 6 million baht and 12 million baht respectively, decreased 14 million baht and 15 million baht, or 70% and 58%, from the same period of the previous year, due to the decreased profit.

Comprehensive income for the period

In the second quarter and the first six months of 2017, the comprehensive income for the period of the company and its subsidiaries was 36 million baht and 70 million baht respectively, decreased 58 million baht and 43 baht, or 61.6% and 38.1%, 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 June 30, 2017, the total assets amounted to 2,882 million baht, decreased 446 million baht or 13.4% from the same period of the previous year, as a result of the decrease of 659 million baht in cash and cash equivalents and short-term investment, the decrease of 144 million baht in trade and other accounts receivable as most receivables were not yet due, the increase of 9 million baht in amounts due from related parties, the increase of 290 million baht in unbilled accounts receivable, and the increase of 46 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 1 million baht in net equipment, the increase of 8 million baht in intangible assets, and the increase of 5 million baht in the investment in associate company which was caused by the divestment of some shares of a subsidiary.

Liabilities

As of June 30, 2017, the total liabilities amounted to 982 million baht, decreased 363 million baht or 27% from the same period of the previous year, due to the increase of 1 million baht in bank overdraft and short-term loan, the decrease of 207 million baht in trade and other accounts payable, the decrease of 106 million baht in accrued expenses, and the increase of 13 million baht in unbilled payable.

Shareholders' equity

As of June 30, 2017, the shareholders' equity amounted to 1,893 million baht, decreased 85 million baht or 4.3% from the same period of the previous year. The comprehensive profit of the first six months of 2017 was 70 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 June 30, 2017	As of June 30, 2016
Liquidity ratio (times)	2.3	2.0
Debts to shareholders' equity ratio (times)	0.5	0.6
Margin ratio (%)	20.6	18.6
Net profit ratio (%)	5.3	11.0
Book value per share ratio (baht)	4.3	4.2