

## **Management Discussion and Analysis (MD&A) and operating result of the third quarter and the first nine months of 2016**

### **Performance**

#### **Revenue**

In the third quarter and the first nine months of 2016, the revenue of the company and its subsidiaries was 808 million baht and 2,300 million baht respectively, decreased 1 million baht or 0.2% and increased 16 million baht or 0.7% 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 2016, the cost of sales and services of the company and its subsidiaries was 595 million baht and 1,689 million baht respectively, decreased 30 million baht or 5% and decreased 55 million baht or 3% 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 third quarter and the first nine months of 2016, the sales and administrative expenses of the company and its subsidiaries was 117 million baht and 374 million baht respectively, decreased 19 million baht or 16% and decreased 22 million baht or 6% 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 2016, the corporate income tax of the company and its subsidiaries was 15 million baht and 42 million baht respectively, increased 4 million baht and 15 million baht, or 43 % and 56%, from the same period of the previous year, due to the increased profit.

#### **Comprehensive income for the period**

In the third quarter and the first nine months of 2016, the comprehensive income for the period of the company and its subsidiaries was 80 million baht and 193 million baht respectively, increased 45 million baht and 84 baht, or 125% and 77%, 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 Sep 30, 2016, the total assets amounted to 3,000 million baht, decreased 141 million baht or 4% from the same period of the previous year, as a result of the increase of 163 million baht in cash and cash equivalents and short-term investment, the decrease of 389 million baht in trade and other accounts receivable as most receivables were not yet due, the decrease of 10 million baht in amounts due from related parties, the increase of 43 million baht in unbilled accounts receivable, and the increase of 40 million baht in cost of work in process in accordance with the work process. Non-current assets were increased 21 million baht due to the decrease of 4 million baht in receivable under financial lease agreements, the decrease of 15 million baht in net equipment, the decrease of 10 million baht in intangible assets, and the increase of 65 million baht in the investment in associate company which was caused by the divestment of some shares of a subsidiary. As the shareholding proportion in the subsidiary was decreased from 60% to 20%, the investment in the subsidiary is transferred into the investment in associates.

### **Liabilities**

As of Sep 30, 2016, the total liabilities amounted to 1,052 million baht, decreased 173 million baht or 14% from the same period of the previous year, due to the decrease of 23 million baht in bank overdraft and short-term loan, the decrease of 112 million baht in trade and other accounts payable, the decrease of 77 million baht in accrued expenses, and the increase of 12 million baht in unbilled payable.

### **Shareholders' equity**

As of Sep 30, 2016, the shareholders' equity amounted to 1,943 million baht, increased 47 million baht or 2% from the same period of the previous year. The comprehensive profit of the first nine months of 2016 was 193 million baht of, non-controlling interests was decreased 14 million baht, and the dividend for 2015, paid in the second quarter of 2016, was 146 million baht.

### **Financial Ratio**

The necessary ratios are illustrated below.

<b>Ratio</b>	<b>As of Sep 30, 2016</b>	<b>As of Sep 30, 2015</b>
<b>Liquidity ratio (times)</b>	2.2	1.8
<b>Debts to shareholders' equity ratio (times)</b>	0.5	0.8
<b>Margin ratio (%)</b>	21.9	22.4
<b>Net profit ratio (%)</b>	8.3	4.7
<b>Book value per share ratio (baht)</b>	4.4	4.1

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