

Management Discussion and Analysis (MD&A) of operating results for the second quarter and the first six months of 2016

Statement of Income

Revenue

In the second quarter and the first six months of 2016, the revenue of the company and its subsidiaries was 861 million baht and 1,491 million baht respectively, increased 115 million baht and 18 million baht, or 15% and 1% respectively, 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 2016, the cost of sales and services of the company and its subsidiaries was 605 million baht and 1,094 million baht respectively, increased 26 million baht or 4% and decreased 24 million baht or 2% respectively 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.

Selling and administrative expenses

In the second quarter and the first six months of 2016, the selling and administrative expenses of the company and its subsidiaries was 140 million baht and 260 million baht respectively, increased 10 million baht or 8% and decreased 6 million baht or 2% respectively 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 2016, the corporate income tax of the company and its subsidiaries was 20 million baht and 26 million baht respectively, increased 15 million baht and 10 million baht, or 251% and 65% respectively, from the same period of the previous year, due to the increased profit.

Comprehensive income for the period

In the second quarter and the first six months of 2016, the comprehensive income for the period of the company and its subsidiaries was 94 million baht and 113 million baht respectively, increased 63 million baht and 38 baht, or 204% and 52% respectively, 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.

Statement of Financial Position

Assets

As of June 30, 2016, the total assets amounted to 3,025 million baht, decreased 116 million baht or 4% from the same period of the previous year, as a result of the increase of 115 million baht in cash and cash equivalents and short-term investment, the decrease of 237 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 decrease of 14 million baht in unbilled accounts receivable, and the increase of 16 million baht in cost of work in process in accordance with the work process. Non-current assets were increased 26 million baht due to the decrease of 3 million baht in receivable under financial lease agreements, the decrease of 14 million baht in net equipment, the decrease of 18 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 June 30, 2016, the total liabilities amounted to 1,157 million baht, decreased 68 million baht or 6% from the same period of the previous year, due to the decrease of 16 million baht in bank overdraft and short-term loan, the increase of 65 million baht in trade and other accounts payable, the decrease of 97 million baht in accrued expenses, and the decrease of 25 million baht in unbilled payable.

Shareholders' equity

As of June 30, 2016, the shareholders' equity amounted to 1,863 million baht, decreased 33 million baht or 2% from the same period of the previous year. The comprehensive profit of the first six months of 2016 was 113 million baht of, non-controlling interests was decreased 15 million baht, and the dividend for 2015, paid in the second quarter of 2016, was 146 million baht.

Financial Ratios

The necessary ratios are illustrated below.

Ratios	As of June 30, 2016	As of June 30, 2015
Liquidity ratio (times)	2.0	1.9
Debts to shareholders' equity ratio (times)	0.6	0.7
Gross Profit Margin (%)	18.6	23.1
Net Profit Margin (%)	11.0	5.0
Book value per share (baht)	4.2	4.1