

## **Management Discussion and Analysis (MD&A) and operating result of the third quarter and the first nine months of 2018**

### **Performance**

#### **Revenue**

In the third quarter and the first nine months of 2018, the revenue of the company and its subsidiaries was 720 million baht and 2,308 million baht respectively, decreased 125 million baht or 14.8% and increased 118 million baht or 5.4% , from the same period of the previous year.

#### **Cost of sales and services**

In the third quarter and the first nine months of 2018, the cost of sales and services of the company and its subsidiaries was 561 million baht and 1,854 million baht respectively, decreased 97 million baht or 14.7% and increased 144 million baht or 8.4% from the same period of the previous year.

#### **Sales and administrative expenses**

In the third quarter and the first nine months of 2018, the sales and administrative expenses of the company and its subsidiaries was 123 million baht and 339 million baht respectively, increased 0.92 million baht or 0.76% and increased 5.23 million baht or 1.57% 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 third quarter and the first nine months of 2018, the corporate income tax of the company and its subsidiaries was 10 million baht and 25 million baht respectively, decreased 2.6 million baht and increased 1.4 million baht, or 20.63% and 5.97%, from the same period of the previous year

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

In the third quarter and the first nine months of 2018, the comprehensive income for the period of the company and its subsidiaries was 24 million baht and 44 million baht respectively, decreased 23 million baht and 74 million baht, or 48.7% and 62.5%, 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 September 30, 2018, the total assets amounted to 2,955 million baht, decreased 415 million baht or 12.31% from the same period of the previous year, as a result of the decrease of 62 million baht in cash and cash equivalents the decrease of 215 million baht in trade and other accounts receivable as most receivables were not yet due ,the increase of 2.8 million baht in amounts due to related parties , the increase of 68 million baht in unbilled accounts receivable, and the decrease of 163 million baht in cost of work in process in accordance with the work process. Non-current assets were decrease 34 million baht, the decrease of 37 million baht in goodwill , the increase of 9 million baht in net equipment and the decrease of 13 million baht in intangible assets.

### **Liabilities**

As of September 30, 2018, the total liabilities amounted to 1,025 million baht, decreased 358 million baht or 26% from the same period of the previous year, the decrease of 245 million baht in trade and other accounts payable, the decrease of 73 million baht in accrued expenses, and the decrease of 23 million baht in unbilled payable.

### **Shareholders' equity**

As of September 30, 2018, the shareholders' equity amounted to 1,912 million baht, decreased 63 million baht or 3.2% from the same period of the previous year. The comprehensive profit of the first nine months of 2018 was 44 million baht of, and the dividend for 2017, paid in the second quarter of 2018, was 110 million baht.

### **Financial Ratio**

The necessary ratios are illustrated below.

<b>Ratio</b>	<b>As of Sep 30, 2018</b>	<b>As of Sep 30, 2017</b>
<b>Liquidity ratio (times)</b>	2.3	2.3
<b>Debts to shareholders' equity ratio (times)</b>	0.5	0.5
<b>Margin ratio (%)</b>	18.2	20.5
<b>Net profit ratio (%)</b>	1.9	5.4
<b>Book value per share ratio (baht)</b>	4.3	4.4

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