

November 10, 2016

Subject : Management Discussion and Analysis for 3rd Quarter the period ending 30 September 2016

To : The President of Stock Exchange of Thailand

Sino-Thai Engineering and Construction Public Company Limited (The Company and its subsidiaries) would like to inform the Company's operation result on the third quarter consolidated financial statements ending 30 September 2016 which was reviewed by the Company's auditor as follows:

- 1. Revenues :** The total revenue of the Company and its subsidiaries for the three-month period and nine-month period in 2016 were Baht 4,838.37 million and Baht 13,167.68 million comparing to the same periods of the previous year, the total revenue of the Company and its subsidiaries were Baht 4,719.33 million and Baht 14,026.83 million respectively, increasing by Baht 119.04 million or 2.52% for the three-month period and decreasing by Baht 859.15 million or 6.13% for the nine-month period. Since the Company's revenue recognition was the percentage of completion method and some of new construction projects were just beginning.
- 2. Expenses :** The Company and its subsidiaries had total expenses at Baht 4,545.66 million for the three-month period and Baht 12,305.25 million for the nine-month period, comparing to the same periods of the previous year, the amount of total expenses were Baht 4,391.01 million for the three-month period and Baht 12,902.20 million for the nine-month period reflecting the increase of total expenses in the amount of Baht 154.65 million or increasing 3.52% for the three-month period and decreasing by Baht 596.95 million or decreasing 4.63% for the nine-month period. This resulted from decrease of cost of construction according to the revenue recognition. The main expenses were cost of construction totaling Baht 4,429.92 million for the three-month period and Baht 11,949.29 million for the nine-month period, administrative expenses totaling Baht 111.06 million and Baht 341.65 million, and cost of sales and services totaling Baht 4.68 million and Baht 14.31 million respectively.

3. Profitability : The consolidated financial statements for the third quarter ending 30 September 2016 showed that the Company and its subsidiaries had profitability as follows:

- The Company and its subsidiaries had gross profit margin from construction 7.87% for the three-month period and 8.58% for the nine-month period comparing to the same periods of the year 2015, gross profit margin from construction were 9.50% and 9.98% respectively.
- The Company and its subsidiaries had operating profit before tax and interest expenses amounting to Baht 299.28 million, representing 6.19% for the three-month period and Baht 880.65 million, representing 6.69% for the nine-month period. When comparing the same period of previous year, the Company and its subsidiaries had operating profit amounting to Baht 335.05 million, representing 7.10% for the three-month period and Baht 1,133.62 million, representing 8.08% for the nine-month period.

Please be informed accordingly,

Yours sincerely,

(Mr. Pakpoom Srichamni)

Director