

## EKARAT ENGINEERING PUBLIC COMPANY LIMITED

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February 23, 2017

To: Director and Manager  
The Stock Exchange of Thailand  
Subject: Management Discussion and Analysis Year 2016

Ekarat Engineering Public Company Limited (the Company) would like to clarify the performance of the Company and the subsidiaries which reviewed by the Company's auditor for Year 2016 compared to Year 2015. The performance of the Company is as follow:

In Year 2016 and Year 2015, the Company Separate Financial Statement showed the Net Profit(Loss) of Baht (65.71) million and Baht 93.03 million, respectively. The Net Profit of the Company decreased by Baht 158.74 million or decreased 170.64% from the major factors as describe below:

1. The revenue from sale of goods decreased about 25.79%. In Year 2016, the revenue from the sale of goods was Baht 1,341.29 million and Year 2015 was Baht 1,807.32 million.

The revenue from services and maintenance decreased about 2.56%. In Year 2016, the revenue from services and maintenance was Baht 257.00 million and Year 2015 was Baht 263.75 million.

2. In Year 2016, the Company had the Gross Profit margin from the sales of goods of 14.14% decreased from Year 2015 which had the Gross Profit margin from the sales of goods of 26.83%. The amount of Gross Profit from the sales of goods in Year 2016 and Year 2015 is Baht 189.67 million and Baht 484.84 million, respectively.

In Year 2016, the Company had the Gross Profit margin from services and maintenance of 28.73% increased from Year 2015 which had the Gross Profit margin from services and maintenance of 26.78%. The amount of Gross Profit from services and maintenance in Year 2016 and Year 2015 is Baht 73.84 million and Baht 70.63 million, respectively.

3. In Year 2016, the Company had the Operating Profit (Loss) margin of (2.88)% decreased from Year 2015 which had the Operating Profit (Loss) margin of 7.43%. The amount of Operating Profit (Loss) in Year 2016 and Year 2015 is Baht (46.61) million and Baht 155.38 million, respectively.

4. In Year 2016 and Year 2015, the company Separate Financial Statement showed the Net Profit(Loss) of Baht (65.71) million and Baht 93.03 million or equal to the Net Profit (Loss) margin of (4.06) % and 4.45%, respectively.


5. In Year 2016, the subsidiary began to operate the business more than Year 2015, which made the subsidiary had the Net Profit(Loss) of Baht (3.93) million and the Consolidated Financial Statement showed the Net Profit(Loss) of Baht (62.18) million or equal to Baht (0.046) per share.

In Year 2015, the Consolidated Financial Statement showed the Net Profit(Loss) of Baht 94.61 million of equal to Baht 0.070 per share.

Please be informed accordingly,

Sincerely yours,

Ekarat Engineering Public Company Limited



(Mr. Danucha Noichaiboon)

Managing Director

Authorized to sign on behalf of the company

CC: The secretary  
The office of Securities and Exchange Commission