

- Translation -

Management Discussion and Analysis for Interim Business Operations

ผลการดำเนินงานสำหรับงวด 3 เดือน สิ้นสุดวันที่ 30 มิถุนายน 2560 (หน่วย : ล้านบาท)				
	2560	2559	เพิ่ม/(ลด)	%
รายได้จากการก่อสร้าง	64.20	131.15	-66.95	-51.05
รายได้จากการให้บริการ	7.80	13.20	-5.40	-40.91
รายได้อื่น	0.92	0.37	0.55	148.65
รวมรายได้อื่น	72.92	144.72	-71.80	-49.61
ต้นทุนในการก่อสร้าง	63.28	132.61	-69.33	-52.28
ต้นทุนการให้บริการ	3.79	7.10	-3.31	-46.62
ค่าใช้จ่ายในการบริหาร	13.12	10.92	2.20	20.15
ต้นทุนทางการเงิน	3.48	4.12	-0.64	-15.53
รวมค่าใช้จ่าย	83.67	154.75	-71.08	-45.93
ส่วนแบ่งกำไร/ขาดทุนจากเงินลงทุน		-0.02	0.02	100.00
ขาดทุนก่อนภาษีเงินได้	-10.75	-10.05	-0.70	-6.97
ค่าใช้จ่ายภาษีเงินได้	-0.01	-0.29	0.28	-96.55
ขาดทุนสำหรับงวด	-10.76	-10.34	-0.42	-4.06
กำไรขาดทุนเบ็ดเสร็จอื่น	-0.22	-0.02	-0.20	-1000.00
กำไรขาดทุนเบ็ดเสร็จสำหรับงวด	-10.98	-10.36	-0.62	-5.98
ส่วนที่เป็นของส่วนได้เสียที่ไม่มีอำนาจควบคุม	0.04	0.00	0.04	
การแบ่งปันขาดทุน-ส่วนที่เป็นของบริษัทใหญ่	-10.80	-10.34	-0.46	-4.45
ขาดทุนต่อหุ้นขั้นพื้นฐาน (บาท)	-0.03	-0.03		
อัตรากำไรขั้นต้น	6.85%	3.21%		
อัตรากำไรสุทธิ	-14.81%	-7.14%		
อัตราส่วนหนี้สินต่อส่วนของผู้ถือหุ้น(เท่า)	8.96	5.88		

Financial Performance of 2nd quarter for 6 months ended June 30, 2017 (Unit : Million Baht)				
	2017	2016	Inc./(Dec.)	%
Construction income	146.58	250.70	-104.12	-41.53
Service income	15.96	24.00	-8.04	-33.50
Sale of goods	1.05		1.05	
Other income	1.64	1.09	0.55	50.46
Total Revenues	165.23	275.79	-110.56	-40.09
Cost of construction	143.34	266.63	-123.29	-46.24
Cost of services	7.75	13.82	-6.07	-43.92
Cost of sold	0.36		0.36	
Administrative expenses	27.01	26.18	0.83	3.17
Finance cost	7.06	7.63	-0.57	-7.47
Total Expenses	185.52	314.26	-128.74	-40.96
Share of gain/loss from investments in associate	0.00	-0.49	0.49	-100.00
Loss Before Income Tax	-20.29	-38.96	18.67	-47.91
Income tax expense	-0.05	-0.75	0.70	-93.33
Total loss for the period	-20.34	-39.71	19.37	48.77
Other Comprehensive Income	1.73	2.21	-0.48	21.72
Total comprehensive loss for the period	-18.61	-37.50	18.89	50.36
Non-controlling interests of the subsidiaries	0.10	-0.03	0.13	
Profit(Loss) attributable to equity holders of the company	-20.44	-39.68	19.24	48.48
Financial Position as at June 30 , 2017 and December 31, 2016 (Unit : Million Baht)				
	2017	2016	Inc./(Dec.)	%
Current Assets	220.09	189.91	30.18	15.89
Non-Current Assets	273.02	278.47	-5.45	-1.96
Total Assets	493.11	468.38	24.73	5.28
Current Liabilities	285.67	243.80	41.87	17.17
Non-Current Liabilities	155.09	154.06	1.03	0.67
Total Liabilities	440.76	397.86	42.90	10.78
Equity attributable to the owner of the company	49.17	67.72	-18.55	-27.39
Basic Loss Per Share (Baht)	-0.05	-0.10		
Gross Margin	7.42%	-2.09%		
Net Profit Margin	-12.37%	-14.39%		
Debt to Equity Ratio (Time)	8.96	5.88		

The 3-month Operating Result as ended 30 June 2017

Construction Income

In the 2nd quarter of 2017, the company and its subsidiaries' construction income was Baht 64.20 million whereas Baht 131.15 million in the same quarter of 2016 showing a decrease of Baht 66.95 million or representing 51.05 % decrease there has been no any new awarded project and such an income has been gained from project on hand since 2016.

Service Income

The service income in this quarter was Baht 7.80 million whereas Baht 13.20 million in 2016 decreasing Baht 5.4 million or 40.91 % decrease due to having only one service project whereas last year there were 3 service projects.

Other Income

The other income was Baht 0.92 million whereas Baht 0.37 million in the same quarter of last year increasing Baht 0.55 million or 148.65 % decrease due ining the reimbursement of employee medical expenses from the workmen's compensation fund.

Construction Cost

The company and its subsidiaries' construction cost was Baht 63.28 million whereas Baht 132.61 million in the same quarter of last year decreasing Baht 69.33 million or 52.28 % decrease and equivalent to the gross margin of 1.44 % and -1.12 %, respectively. The increase of gross margin was from gaining the reimbursed construction cost from the company's joint venture of Baht 5.73 million.

Service Cost

The service cost in this quarter was Baht 3.79 million whereas Baht 7.10 million decreasing Baht 3.31 million or representing 46.62 % decrease and equivalent to the gross margin of 51.41 % and 46.21 %, respectively and in line with the decrease of the service income as mentioned above.

Administrative Expenses

The administrative expenses was Baht 13.12 million whereas Baht 10.92 million in the same quarter of last year showing an increase of Baht 2.20 million or 20.15 % increase since last year manpower was moved to support the awarded service projects causing the overhead cost to be lower than 2017.

Finance Cost

The financial cost of the company and subsidiaries was Baht 3.48 million whereas Baht 4.12 million in the same quarter of last year decreasing Baht 0.64 million or 15.53 % decrease since some of loan repayments have been made upon their due date.

Share of Loss from Investment in Associate

In this captioned quarter, there was no any share of loss from investment in associate since the investment amount has been sold out to the company' s major shareholder since June 2016 and the captioned loss was recognized from the aforementioned sold out of Baht 0.02 million in the consolidated comprehensive financial statement.

Loss Attributable to Equity Holders of the Company

In this captioned quarter, the loss attributable to equity holders of the company was Baht 10.80 million whereas Baht 10.34 million in the same quarter of last year equivalent to - 14.81 % and -7.14 % of the net profit margin of 2017 and 2016, respectively showing an increase of loss from 2016 due to the reduction of the construction income and service income as mentioned above.

Summary of the 6-month Operating Result as ended 30 June 2017

The 6-month total income as ended 30 June 2017 was Baht 165.23 million whereas Baht 275.79 million in the same period of last year showing a decrease of Baht 110.56 million or representing 40.09 % decrease. Those were the construction income of Baht 104.12 million representing 41.53 % decrease and the service income of Baht 8.04 million representing 33.50 % decrease since there have been no new awarded project while there was only one service project of Baht 1.10 million in 2017 expected to be totally recognized in the 3rd quarter of this year. The 6-month cost and expenses of the current year was Baht 185.52 million whereas last year Baht 314.26 million showing a decrease of Baht 128.74 million or 40.96 % decrease. The construction cost decreased Baht 123.29 million or 46.24 % decrease and the service cost decreased Baht 6.07 million or 43.92 % decrease. This was in line with the decrease of the construction and service incomes. In addition, the company and its subsidiaries' 6-month operating result of 2017 is Baht 20.44 million loss whereas Baht 39.68 million loss in the same period of last year or equivalent to -12.37 and -14.39 net profit, respectively. The reduction of this captioned loss was due to gaining on construction project.

Summary of the Financial Position as ended 30 June 2017

Total Asset

As ended June 30, 2017, the total asset of the company and subsidiaries was Baht 493.11 million whereas Baht 468.38 million as ended June 30, 2016 showing an increase of Baht 24.73 million or 5.28 % increase. The significant increase was the current asset of unbilled completed work value of Baht 33.07 million since the work progress has not yet been achieved as per the contract whereas there was a significant decrease of the non-current asset of the mortgage cash at bank of Baht 7.34 million due to the withdrawal of non-mortgage cash at bank.

Total Liabilities

As ended June 30, 2017, the company and its subsidiaries' total liabilities was Baht 440.76 million whereas 2016 was Baht 397.86 million showing an increase of Baht 42.90 million or 10.78 % increase. The significant increase was the increasing account payables of Baht 47.52 million due to the construction project execution which was in line with the increase of unbilled completed work value. The debt to equity ratio in this quarter was equivalent to 8.96 times since the shareholders' equity was lower from the operating loss whereas the liabilities were higher.

Shareholders' Equity

As ended June 30, 2017, shareholders' equity which attributable to the owner of the company was totally Baht 49.17 million whereas Baht 67.12 million in the same quarter of last year showing a decrease of Baht 18.55 million or 27.40 % decrease due to the abovementioned operating loss.

Project on hand as ended June 30, 2017

Project on hand as of June 30, 2017			
	No. of project	Contract Value (Million Baht)	Backlog (Million Baht)
Construction proe	8	1,118.54	333.56
Service Project	2	157.10	
Total	10	1,275.64	333.56

As ended June 30, 2017, the company and its subsidiaries had 8 projects on hand with their contract values of totally Baht 1,118.54 million and backlog of Baht 333.56 million. For this captioned quarter of the current year, there was one completed project whereas there have been no new awarded one. For service contract, there have been 2 projects on hand of which the income shall be recognized completely as per the contract in the 3rd quarter of this year.

Investment project on hand as ended June 30, 2017

The progress of the 2 investment projects are as follows:

1. Water Supply Investment Project for Chiang Mai Municipality : It is the Build Own and Operate (BOO) one with asset value during construction period as ended June 30, 2017 of Baht 87.07 million of which the construction has been partly executed.

2. Waste Water Treatment Investment Project in Myanmar : It is the Build Own and Transfer (BOT) one of which the construction has been commenced and the total values of receivables under the concession agreement and intangible assets as ended June 30, 2017 were Baht 9.80 million and Baht 4.07 million, respectively.

Slib Soongsawang

Mr.Slib Soongsawang
(Chief Executive Officer)

