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August 10, 2018

Subject : Management Discussion and Analysis for 2nd Quarter the period ending 30 June 2018

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 second quarter consolidated financial statements ending 30 June 2018 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 six-month period in 2018 were Baht 5,734.43 million and Baht 11,109.16 million comparing to the same periods of the previous year, the total revenue of the Company and its subsidiaries were Baht 4,462.28 million and Baht 9,488.71 million respectively, increasing by Baht 1,272.15 million or 28.51% for the three-month period and Baht 1,620.45 million or 17.08% for the six-month period.

The major revenue were from construction amounting to Baht 5,659.99 million for the three-month period and Baht 10,950.15 million for the six-month period, rental and service income amounting to Baht 17.04 million and Baht 33.62 million, interest income amounting to Baht 10.01 million and Baht 15.21 million respectively and gain on sale of long-term investment amounting to Baht 56.25 million.

- 2. Expenses :** The Company and its subsidiaries had total expenses at Baht 5,356.39 million for the three-month period and Baht 10,363.56 million for the six-month period, comparing to the same periods of the previous year, the amount of total expenses were Baht 4,175.11 million for the three-month period and Baht 8,893.19 million for the six-month period reflecting the increase of total expenses in the amount of Baht 1,181.28 million or increasing 28.29% for the three-month period and Baht 1,470.37 million or increasing 16.53% for the six-month period. This resulted from increase of cost of construction according to the revenue recognition. However, the Company and its subsidiaries had administrative expenses totaling Baht 114.85 million for the three-month period



and Baht 223.97 million for the six-month period, comparing to the same periods of the previous year, the amount of administrative expenses were Baht 133.89 million and Baht 251.58 million respectively, decreasing by Baht 19.04 million or 14.22% for the three-month period and Baht 27.61 million or 10.97% for the six-month period.

- 3. Profitability :** The consolidated financial statements for the second quarter ending 30 June 2018 showed that the Company and its subsidiaries had operating profit before tax and interest expenses amounting to Baht 383.98 million, representing 6.70% for the three-month period and Baht 756.35 million, representing 6.81% for the six-month period. When comparing the same period of previous year, the Company and its subsidiaries had operating profit amounting to Baht 301.30 million, representing 6.75% for the three-month period and Baht 618.76 million, representing 6.52% for the six-month period.

Please be informed accordingly,

Yours sincerely,

(Mr. Pakpoom Srichamni)

Director