

## Management Discussion and Analysis for Interim Business Operations

Financial Performance for the quarter March 31, 2019 (Unit : Million Baht)						
	2019	%	2018	%	Inc./Dec.	%
Construction Income	150.24	92.91	21.63	87.82	128.61	594.59
Service Income	9.70	6.00	0.41	1.66	9.29	2,265.85
Sales Revenues	0.00	0.00	0.00	0.00	0.00	
Other Income	1.76	1.09	2.59	10.52	(0.83)	(32.05)
<b>Total Income</b>	<b>161.70</b>	<b>100.00</b>	<b>24.63</b>	<b>100.00</b>	<b>137.07</b>	<b>556.52</b>
Cost of Construction	167.08	103.33	17.54	71.21	149.54	852.57
Cost of Service	10.46	6.47	0.21	0.85	10.25	4,880.95
Cost of Goods Sold	0.00	0.00	0.00	0.00	0.00	
Administrative Expenses	64.28	39.75	13.58	55.14	50.70	373.34
Cost of Finance	8.06	4.98	2.59	10.52	5.47	211.20
<b>Total Expenses</b>	<b>249.88</b>	<b>154.53</b>	<b>33.92</b>	<b>137.72</b>	<b>215.96</b>	<b>636.67</b>
<b>Earning Before Tax</b>	<b>(88.18)</b>	<b>(54.53)</b>	<b>(9.29)</b>	<b>(37.72)</b>	<b>(78.89)</b>	<b>849.19</b>
Income Tax	4.90	3.03	(0.07)	(0.28)	4.97	
<b>Total Loss for Period</b>	<b>(83.28)</b>	<b>(51.50)</b>	<b>(9.36)</b>	<b>(38.00)</b>	<b>(73.92)</b>	<b>789.74</b>
<b>Other Comprehensive Income</b>	<b>(0.41)</b>	<b>(0.25)</b>	<b>(4.37)</b>			
<b>Total Comprehensive Loss for the period</b>	<b>(83.69)</b>	<b>(51.76)</b>	<b>(13.73)</b>	<b>(55.75)</b>	<b>(69.96)</b>	<b>509.54</b>
<b>Non-controlling interests of the subsidiaries</b>	<b>(14.60)</b>	<b>(9.03)</b>	0.05			
<b>Profit(Loss) attributable to equity holders of the company</b>	<b>(68.68)</b>	<b>(42.47)</b>	<b>(9.41)</b>	<b>(38.21)</b>	<b>(59.27)</b>	<b>629.86</b>
<b>Basic Loss Per Share (THB)</b>	<b>(0.09)</b>		<b>(0.02)</b>			
<b>Book Value per Share (THB)</b>	<b>0.46</b>		<b>0.32</b>			
Financial Position as at March 31, 2019 (Unit : Million Baht)						
	31/3/2019	%	31/12/2018	%	Inc./Dec.	%
Current Asset	400.11	22,733.52	421.06	16,257.14	(20.95)	(4.98)
Non-Current Asset	892.18	50,692.05	923.26	35,647.10	(31.08)	(3.37)
<b>Total Asset</b>	<b>1,292.29</b>	<b>73,425.57</b>	<b>1,344.32</b>	<b>51,904.25</b>	<b>(52.03)</b>	<b>(3.87)</b>
Current Liabilities	442.69	25,152.84	405.82	15,668.73	36.87	9.09
Non-Current Liabilities	489.14	27,792.05	494.34	19,086.49	(5.20)	(1.05)
<b>Total Liabilities</b>	<b>931.83</b>	<b>52,944.89</b>	<b>900.16</b>	<b>34,755.21</b>	<b>31.67</b>	<b>3.52</b>
<b>Total Shareholders' Equity</b>	<b>360.46</b>	<b>20,480.68</b>	<b>444.16</b>	<b>17,149.03</b>	<b>(83.70)</b>	<b>(18.84)</b>

## **Summary of the Annual Operating Result as ended 31 March 2019**

### Construction Income

In 2019, the company and its subsidiaries' construction income was Baht 150.24 million, whereas Baht 21.63 million in 2018, showing a decrease of Baht 128.61 million or representing 594.59 % increase since there have been 2 projects delivery complete in the period. Therefore, revenues realization have more than last quarter Baht 128.61 million.

### Service Income

In 2019, the company's and subsidiaries' service income was totally Baht 9.7 million, whereas Baht 0.41 million in 2018, increasing Baht 9.29 million or 2,265.85 % increase because there is a new service project which is complete in next quarter.

### Other Income

The other income in 2019 of the company and subsidiaries was Baht 1.76 million, whereas Baht 2.59 million in 2018, showing an decrease of Baht 0.83 million or 32.05 % decrease. Overall nearly the same, there is no significant change. Most of them are revenues from interests and revenues from warranty of work.

### Cost of Construction

The company and its subsidiaries' cost of construction in 2019 was Baht 167.08 million, whereas Baht 17.54 million in 2018, increasing Baht 149.54 million or 852.57% increase and equivalent to the gross margin of -11.2 % Gross margin is minus because of both adjustment of estimation of cost of construction and redundancy of expenses in Beung Karn project about Baht 30 million from law issue.

### Cost of Services

The company and its subsidiaries' cost of service in 2019 was Baht 10.46 million, whereas Baht 0.21 million in 2018, increasing Baht 10.25 million or 4,880.95% increase.

### Administrative Expenses

The administrative expenses in 2019 was Baht 64.28 million, whereas Baht 13.58 million in 2018, showing an increase of Baht 50.70 million or 373.34 % increase. Significant factor is expenses of Subsidiaries Company that have increase since quarter 2 of 2018 which have no in quarter 1 of 2018 so that administrative cost increasing a lot. However, compare to last quarter there is no significant change.

### Finance Cost

In 2019, the finance cost of the company and subsidiaries was Baht 8.06 million, whereas Baht 2.59 million in 2018, showing an increase of Baht 5.47 million or 211.20 % increase due to recording of the interest payable for convertible debenture whereas there is no this transaction in 2018

## **Summary of the financial status as ended 31 March 2019**

### Total Assets

As ended March 31, 2019, the total asset of the company and subsidiaries was Baht 1,292 million, whereas Baht 1,344 million in 2018, showing decrease of Baht 52 million or 3.87 % decrease. The significant decrease came from Baht 80 million loss whereas Baht 52 million impact on asset and the rest impact on liability.

### Total Liabilities

As ended March 31, 2019, the company and its subsidiaries' total liabilities was Baht 931 million, whereas in 2018 was Baht 900 million, showing an increase of Baht 31 million or 3.52 % increase. Due to loss effect on liquidity of company so that there is rebalance by increasing of debt for increasing liquidity. Most of them base on longer on payment term.

### Shareholders' Equity

As ended March 31, 2019, the shareholders' equity of the company and subsidiaries was totally Baht 360 million, whereas Baht 444 million in 2018, showing an decrease of Baht 84 million or 18.84 % decrease because of loss from operation.

## **Project on hand as ended 31 March 2019**

As ended March 31, 2019, the company and its subsidiaries had 7 projects on hand with a total of contract values of Baht 977.87 million in which there was one new awarded project in this captioned year with its contract value of Baht 436.32 million

Supareuk Na Songkhla

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