



Ref.No.ST/2019/0265

May 15, 2019

Subject : Management Discussion and Analysis Quarter 1 Ending 31 March 2019

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 first quarter consolidated financial statements ending 31 March 2019 which was reviewed by the Company's auditor as follows:

- 1. Revenues** : The Company and its subsidiaries had total revenue for the first quarter of 2019 amount of Baht 7,555.54 million, or Baht 2,180.81 million increasing from the same period of the year 2018, representing 40.58%. The major revenue were from construction revenue amount of Baht 7,480.79 million, rental and service income was Baht 19.65 million, interest income was Baht 37.06 million.
- 2. Expenses** : The Company and its subsidiaries had total expenses for the first quarter of 2019 amount of Baht 7,099.06 million, or Baht 2,091.89 million increasing from the same period of the year 2018, representing 41.78%, resulting from increase in cost of construction according to the revenue recognition due to an increasing in construction projects. Furthermore, the Company and its subsidiaries had recorded provision for long-term employee benefit amount of Baht 56.94 million, which is an additional legal severance pay for employees in accordance with Labor Protection Act (No. 7) B.E. 2562.

The main expenses were cost of construction amount of Baht 6,947.58 million, cost of rental and services was Baht 5.48 million and administrative expenses was Baht 146 million.

- 3. Profitability** : The consolidated financial statements for the first quarter ending 31 March 2019 showed that the Company and its subsidiaries had gross profit amount of Baht 547.38 million, representing 7.30% and operating profit before finance cost and income tax amount of Baht 455.19 million, representing 6.02%.

Please be informed accordingly,

Yours sincerely,

(Mr. Pakpoom Srichamni)

Director