

## Management Discussion and Analysis for Interim Business Operations

Financial Performance for the quarter June 30, 2019 (Unit : Million Baht)						
	2019	%	2018	%	Inc./(Dec.)	%
Construction Income	44.36	86.52	35.57	96.14	8.79	24.71
Service Income	5.94	11.59	0.00	0.00	5.94	#DIV/0!
Sales Revenues	0.00	0.00	0.00	0.00	0.00	
Other Income	0.97	1.89	1.43	3.86	(0.46)	(32.17)
<b>Total Income</b>	<b>51.27</b>	<b>100.00</b>	<b>37.00</b>	<b>100.00</b>	<b>14.27</b>	<b>38.57</b>
Cost of Construction	33.88	66.08	31.41	84.89	2.47	7.86
Cost of Service	4.22	8.23	0.00	0.00	4.22	#DIV/0!
Cost of Goods Sold	0.00	0.00	0.00	0.00	0.00	#DIV/0!
Goodwill Impairment Loss	80.74	157.48	0.00	0.00	80.74	#DIV/0!
Administrative Expenses	22.59	44.06	24.98	67.51	(2.39)	(9.57)
Cost of Finance	6.12	11.94	2.60	7.03	3.52	135.38
<b>Total Expenses</b>	<b>147.55</b>	<b>287.79</b>	<b>58.99</b>	<b>159.43</b>	<b>88.56</b>	<b>150.13</b>
<b>Earning Before Tax</b>	<b>(96.28)</b>	<b>(187.79)</b>	<b>(21.99)</b>	<b>(59.43)</b>	<b>(74.29)</b>	<b>337.84</b>
Income Tax	1.78	3.47	(0.02)	(0.05)	1.80	
<b>Total Loss for Period</b>	<b>(94.50)</b>	<b>(184.32)</b>	<b>(22.01)</b>	<b>(59.49)</b>	<b>(72.49)</b>	<b>329.35</b>
<b>Other Comprehensive Income</b>	<b>(0.71)</b>	<b>(1.38)</b>	<b>1.23</b>	<b>3.32</b>	<b>(1.94)</b>	<b>(157.72)</b>
<b>Total Comprehensive Loss for the period</b>	<b>(95.21)</b>	<b>(185.70)</b>	<b>(20.78)</b>	<b>(56.16)</b>	<b>(74.43)</b>	<b>358.18</b>
<b>Non-controlling interests of the subsidiaries</b>	<b>(3.72)</b>	<b>(7.26)</b>	<b>0.05</b>			
<b>Profit(Loss) attributable to equity holders of the company</b>	<b>(90.78)</b>	<b>(177.06)</b>	<b>(22.06)</b>	<b>(59.62)</b>	<b>(68.72)</b>	<b>311.51</b>
<b>Basic Loss Per Share (THB)</b>	<b>(0.12)</b>		<b>(0.04)</b>			
<b>Book Value per Share (THB)</b>	<b>0.12</b>		<b>0.32</b>			
Financial Position as at June 30, 2019 (Unit : Million Baht)						
	30/06/2562	%	31/12/2561	%	เพิ่ม/(ลด)	%
Current Asset	308.86	31,841.24	362.95	25,381.12	(54.09)	(14.90)
Non-Current Asset	597.08	61,554.64	686.61	48,014.69	(89.53)	(13.04)
<b>Total Asset</b>	<b>905.94</b>	<b>93,395.88</b>	<b>1,049.56</b>	<b>73,395.80</b>	<b>(143.62)</b>	<b>(13.68)</b>
Current Liabilities	413.52	42,630.93	405.82	28,379.02	7.70	1.90
Non-Current Liabilities	398.09	41,040.21	393.84	27,541.26	4.25	1.08
<b>Total Liabilities</b>	<b>811.61</b>	<b>83,671.13</b>	<b>799.66</b>	<b>55,920.28</b>	<b>11.95</b>	<b>1.49</b>
<b>Total Shareholders' Equity</b>	<b>94.33</b>	<b>9,724.74</b>	<b>249.91</b>	<b>17,476.22</b>	<b>(155.58)</b>	<b>(62.25)</b>

## **Summary of the Annual Operating Result as ended 30 June 2019**

### Construction Income

In 2019, the company and its subsidiaries' construction income was Baht 44.36 million, whereas Baht 35.57 million in 2018, showing an increase of Baht 8.79 million or representing 24.71 % increase. Overall nearly the same, there is no significant change.

### Service Income

In 2019, the company's and subsidiaries' service income was totally Baht 5.94 million, whereas none of them in 2018, increasing Baht 5.94 million.

### Other Income

The other income in 2019 of the company and subsidiaries was Baht 0.97 million, whereas Baht 1.43 million in 2018, showing a decrease of Baht 0.46 million or 32.17 % 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 33.88 million, whereas Baht 31.41 million in 2018, increasing Baht 2.47 million or 7.86% increase and equivalent to the gross margin of 25% Gross margin is higher than normal because we can clear redundancy of expenses in Beung Karn project from law issue which is realize in last quarter.

### Cost of Services

The company and its subsidiaries' cost of service in 2019 was Baht 4.22 million, whereas none of them in 2018, increasing Baht 4.22 million.

### Administrative Expenses

The administrative expenses in 2019 was Baht 22.59 million, whereas Baht 24.98 million in 2018, showing a decrease of Baht 2.39 million or 9.57 % decrease. Overall nearly the same, there is no significant change.

### Finance Cost

In 2019, the finance cost of the company and subsidiaries was Baht 6.12 million, whereas Baht 2.60 million in 2018, showing an increase of Baht 3.52 million or 135.38 % 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 30 June 2019**

### Total Assets

As ended June 30, 2019, the total asset of the company and subsidiaries was Baht 906 million, whereas Baht 1,049 million in 2018, showing decrease of Baht 144 million or 3.68 % decrease. The significant decrease came from Goodwill impairment loss solely.

### Total Liabilities

As ended June 30, 2019, the company and its subsidiaries' total liabilities was Baht 812 million, whereas in 2018 was Baht 800 million, showing an increase of Baht 12 million or 1.49 % 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 June 30, 2019, the shareholders' equity of the company and subsidiaries was totally Baht 94 million, whereas Baht 250 million in 2018, showing a decrease of Baht 156 million or 62.25 % decrease mainly because of loss from goodwill impairment which is realize by PPA this quarter.

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

As ended June 30, 2019, the company and its subsidiaries had 7 projects on hand with a total of contract values of Baht 977.87 million same as last quarter.

Sarun Yansopananan

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