

AT SET SR-E2016/003

25 February 2016

Subject : Management Discussion and Analysis for the year ended 31 December 2015 (Revised)

To : Managing Director  
The Stock Exchange of Thailand

Siamraj Public Company Limited (“the Company”) would like to clarify the operating results for the year ended 31 December 2015 which changes at the rate exceeding 20% of those from the prior year. The details are as follows;

| Unit : THB million                           | Consolidated financial statement |                 |
|--|----------------------------------|-----------------|
|  | 2015                             | 2014            |
| Main revenue                                 | 1,616.64                         | 2,211.93        |
| Other revenue                                | 81.35                            | 29.20           |
| <b>Total revenue</b>                         | <b>1,697.99</b>                  | <b>2,241.13</b> |
| Cost and operating expenses                  | (1,627.39)                       | (2,117.74)      |
| Loss on impairment of building and equipment | -                                | (78.66)         |
| Expenses from share-based payment            | -                                | (78.56)         |
| Loss from discontinued operation             | -                                | (19.48)         |
| <b>Profit (Loss) for the years</b>           | <b>67.44</b>                     | <b>(55.44)</b>  |

The Company reported its operation results according to consolidated financial statement for the year ended 31 December 2015 as net profit of 67.44 million, comparing to the net loss of 55.44 million in 2014. The main reasons for the change of the operation are as follows;

#### Main Revenue

In the year 2015, the Company had the main revenue from the operation of Baht 1,616.64 million decreasing from those of 2014 by Baht 595.29 million or at the rate of 26.91% decrement. The significant decrement of main revenue is from Metering and Pipeline Transmission business units as a result of the completion of Zawtika projects in the early of 2015. The Zawtika project is the large construction project of gas metering station and pipeline transmission system in Myanmar with the total project value of Baht 1,073.18 million. During the year 2013 -2014, the Company gradually recognized the revenues from such project in the amount of Baht 99.10 million and Baht 992.39 million respectively. The revenues from the project, however, have been no longer recognized in the year 2015.

#### Other incomes

Other incomes for the year 2015 were Baht 81.35 million increasing from those of the year 2014 by Baht 52.15 million or increase at the rate of 178.60 increments. During the year 2015, the Company recognized the commission revenues from the certain foreign counterparty of Baht 53.55 million for the service provided as a provider and coordinator for the sale of Gas Turbine to power plants. The transactions are considered the regular business operation which occurred occasionally. As at 31 December 2015, the Company received the full payment for such transaction

### Costs and operating expenses

In the year 2015, the Company had costs and operating expenses of Baht 1,627.39 million decreasing from those of 2014 by Baht 490.35 million or at the rate of 23.15% decrement. The change is a result of the decrease in variable expenses which move in respond to the decrease of revenues. Moreover, during the year 2015, the Company has adopted the operation expense reduction programs where the expenses are carefully monitored and scrutinized which results in significantly decrease of many major expenses.

### Extraordinary items from accounting adjustment and the impacts of discontinued operation

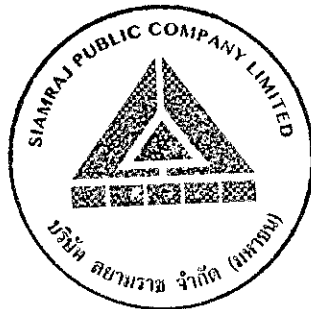
During the year 2014, the certain items from accounting adjustment have been recorded as follows;

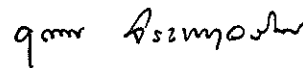
- The Company set aside the allowance for impairment of building and equipment of NGV stations located in Kampeangpetch and Pisanulok province at the amount of Baht 78.66 million.
- The Company recorded the expenses from share-based payment amounting to Baht 78.56 million in the statement of income of 2014 in according to TFRS 2 (revised 2014) as the result of the new shares issued by the Company to the third parties at the price approximate to the par value.
- The Company recognized the loss from discontinued operation of Conversion Kits business units in the amount net off income tax of 19.78 million.

During the year 2015, there is no significant items raised from accounting adjustments which provide the significant impact to the operation of the Company.

To be acknowledged accordingly

Sincerely Yours,



  
(Mrs. Udomporn Jiranapakulwat)  
Chief Financial Officer