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August 14, 2019

Subject : Management Discussion and Analysis Quarter 2 Ending 30 June 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 second quarter consolidated financial statements ending 30 June 2019 which was reviewed by the Company's auditor as follows:

- 1. Revenues :** The Company and its subsidiaries had total revenue for the three-month period and six-month period in 2019 amount of Baht 7,411.73 million and baht 14,967.28 million, comparing to the same periods of the previous year, the total revenue was Baht 5,734.43 million and Baht 11,109.16 million respectively, increasing by Baht 1,677.30 million or 29.25% for the three-month period and Baht 3,858.12 million or 34.73% for the six-month period.

The major revenue were from construction, amounting to Baht 7,277.63 million for the three-month period and Baht 14,758.42 million for the six-month period, rental and service income, amounting to Baht 18.86 million and Baht 38.51 million, interest income, amounting to Baht 46.50 million and Baht 83.56 million respectively and dividend income, amounting to Baht 58.88 million.

- 2. Expenses :** The Company and its subsidiaries had total expenses for the three-month period and six-month period in 2019 amount of Baht 7,069.00 million and baht 14,168.06 million, comparing to the same periods of the previous year, the total expenses was Baht 5,356.39 million and Baht 10,363.56 million respectively, increasing by Baht 1,712.61 million or 31.97% for the three-month period and Baht 3,804.50 million or 36.71% for the six-month period. This resulted from increase in cost of construction 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, amounting to Baht 6,917.44 million for the three-month period and Baht 13,865.03 million for the six-month period, and administrative expenses, amounting to Baht 147.66 million for the three-month period and Baht 293.66 million for the six-month period.



3. Profitability: The consolidated financial statements for the second quarter ending 30 June 2019 showed that the Company and its subsidiaries had profitability as follows:

- The Company and its subsidiaries had gross profit amount of Baht 375.05 million, representing 5.14% for the three-month period and Baht 922.52 million, representing 6.23% for the six-month period.
- The Company and its subsidiaries had operating profit before finance cost and income tax amount of Baht 339.21 million, representing 4.31% for the three-month period and Baht 794.40 million, representing 5.34% for the six-month period.

Please be informed accordingly,

Yours sincerely,

(Mr. Pakpoom Srichamni)

Director