

Management Discussion and Analysis for Interim Business Operation (Revised)

Financial Performance for the year ended September 30, 2019 (Unit : Million Bath)				
	2019	2019	Inc/(Dec)	%
<i>Construction income</i>	23.88	59.13	(35.25)	(59.61)
<i>Service income</i>	-	3.09	(3.09)	(100.00)
<i>Other income</i>	1.13	1.14	(0.01)	(1.01)
<i>Total Revenues</i>	25.01	63.35	(38.35)	(60.53)
<i>Cost of construction</i>	47.89	87.62	(39.73)	(45.35)
<i>Cost of services</i>	-	2.33	(2.33)	(100.00)
<i>Administrative expenses</i>	36.45	27.17	9.28	34.14
<i>Finance cost</i>	6.72	6.94	(0.22)	(3.12)
<i>Total Expenses</i>	91.06	124.07	(33.01)	(26.60)
<i>Loss before income tax expenses</i>	(66.05)	(60.71)	(5.34)	8.80
<i>Income tax income (expense)</i>	2.49	(0.40)	2.90	(715.97)
<i>Loss for the period</i>	(63.56)	(61.12)	(2.44)	4.00
<i>Other comprehensive income (loss) for the period</i>	(0.10)	(0.48)	0.38	(78.70)
<i>Total comprehensive loss for the period</i>	(63.67)	(61.60)	(2.07)	3.36
<i>Non-controlling interests</i>	(4.30)	(3.39)	(0.91)	26.68
<i>Equity holders of the Company</i>	(59.26)	(57.72)	(1.54)	2.67
<i>Basic loss per share</i>	(0.08)	(0.08)		
<i>Gross Margin</i>	-101%	-45%		
<i>Net Profit Margin</i>	-254%	-96%		

Financial Performance for the 9 months ended September 30, 2019 (Unit : Million Bath)				
	2019	2019	Inc/(Dec)	%
<i>Construction income</i>	218.48	116.33	102.15	87.81
<i>Service income</i>	15.64	3.50	12.14	347.11
<i>Other income</i>	3.69	5.16	(1.47)	(28.44)
<i>Total Revenues</i>	237.81	124.99	112.82	90.26
<i>Cost of construction</i>	248.85	136.57	112.28	82.22
<i>Cost of services</i>	13.23	2.54	10.69	421.01
<i>Administrative expenses</i>	176.18	65.74	110.44	168.00
<i>Finance cost</i>	20.90	12.13	8.78	72.35
<i>Total Expenses</i>	459.16	216.97	242.19	111.62
<i>Loss before income tax expenses</i>	(221.36)	(91.99)	(129.37)	140.64
<i>Income tax income (expense)</i>	3.34	(0.05)	3.84	(771.25)
<i>Loss for the period</i>	(218.02)	(92.48)	(125.54)	135.74
<i>Other comprehensive income (loss) for the period</i>	(1.22)	(3.62)	2.40	(66.35)
<i>Total comprehensive loss for the period</i>	(219.24)	(96.11)	(123.13)	128.12
<i>Non-controlling interests</i>	(14.54)	(3.30)	(11.24)	340.58
<i>Equity holders of the Company</i>	(203.48)	(89.18)	(114.29)	128.16
Financial Position as September 30, 2019 and December 31, 2018				
	2019	2019	Inc/(Dec)	%
<i>Current Assets</i>	306.25	362.95	(56.70)	(0.16)
<i>Non-Current Assets</i>	223.69	686.61	(462.92)	(0.67)
<i>Total Assets</i>	529.94	1,049.56	(519.62)	(0.05)
<i>Current Liabilities</i>	341.19	405.82	(64.63)	(0.16)
<i>Non-Current Liabilities</i>	141.49	393.84	(252.35)	(64.00)
<i>Total Liabilities</i>	482.68	799.66	(316.98)	(0.40)
<i>Equity attributable to the owners of the company</i>	43.16	251.79	(208.63)	(0.83)
<i>Basic loss per share</i>	(0.26)	(0.14)		
<i>Gross Margin</i>	-12%	-16%		
<i>Net Profit Margin</i>	-95%	74%		
<i>Debt to Equity ratio</i>	11.18	3.18		

Quarter 3 Year 2019, the company and subsidiaries company with revenue from construction income is 23.88 million baht, while in the year 2018, revenue was 59.13 million baht, a decrease of 35.25 million baht or 59.61% decrease. There are only 3 projects under construction and no additional construction projects in the year present which all projects will be completed in 2020

The third quarter in the year 2019, there was no income from service whereas the previous year, the company has service income is 3.09 million baht.

Other income

The 3rd quarter in the year 2019, the company and its subsidiaries had other incomes of 1.13 million baht, while in the year 2018, their incomes were 1.14 million baht, decreased by 0.01 million baht or decreased by 0.88 percent. From bank deposits.

Construction costs

The 3rd quarter of the year 2019, the company and its subsidiaries had the construction cost in the amount of 47.89 million baht, while in the year 2018, the cost was 87.62 million baht, decreased by 39.73 million baht or 45.34 percent, representing a gross margin of -24.01 percent and -28.49 respectively.

Quarter 3 years does not have a cost of service while the year 2018 the company has a cost of sales in the amount of 2.33 million baht.

Administrative expenses

The third quarter of 2019, the company and its subsidiaries had administrative expenses in the amount of 33.56 million baht, while in the year 2018, administrative expenses were 27.17 million baht increase of 6.39 million baht an increase of 23.52 percent. Marketing consulting fees for seeking work for projects in the company.

Finance costs

The 3rd quarter of the year 2019, the company and its subsidiaries had financial costs in the amount of 6.72 million baht, while in the year 2018, the financial costs were 6.94 million baht, decreased by 0.22

million baht or decreased by 3.17 percent. Due to the fact that the company in the case of mediation, there is a mediation to pay less interest.

Sharing of profits from the head quarter company

The 3rd quarter of the year 2019, the company and its subsidiaries shared loss of the head company 59.26 million baht, while the same period in the previous quarter, loss 57.72 million, representing the net profit margin for the year 2019 and 2018, -236.97 percent and regarding the loss rate increased from the year 2018 due to the decrease of the total revenue of the company while having higher administrative expenses as mentioned above.

Financial Statement for the ended of 30 September 2019

Total assets

As at 30 September 2019, the company and its subsidiaries the end of 2018, the total assets were 1,049.57 million baht, a decrease of 519.63 million baht or a 49.51 percent decrease. The significant decrease in assets was 421 million baht due to the sale of subsidiaries.

Total liabilities

As of 30 September 2019, the company and its subsidiaries had total liabilities of 482.67 million baht, while in the year 2018, total liabilities were 799.66 million baht, decrease of 316.93 million baht or 39.63 percent decrease. Convertible debentures 242.29 million baht. This is the sale of the company received compensation for the conversion of convertible bonds.

Shareholders' Part

As at 30 September 2019, the Company and its subsidiaries total shareholders' equity was 47.26 million baht, while in year 2018 there was a total shareholders' equity of 249.90 million baht, decrease of 202.64 million baht or decrease of 81.09 percent due to operating losses and loss adjustment from Impairment of assets 80.74 and loss from sales of investment 2.90 million baht

Projects under construction as at September 30, 2019

As of 30 September 2019, the company has 3 construction projects on progress, with a total project value of 801.56 million baht, outstanding work value of 356.98 million baht.

Investment projects in progress as at September 30, 2019

For the progress of the investment 2 project

1. Water supply system investment project to the municipality in Chiang Mai It is an investment in the form of Build Own and Operate (BOO). The value of assets under construction as September 30, 2019 the total amount of 87.07 million baht. And on process of permission water production and distribution concessions.

2. Waste water treatment system investment project in Myanmar It is an investment form of Build Own and Transfer (BOT). At the present, construction is under permission. The process of requesting approval for the part of construction modification has value of receivables under the concession agreement And intangible assets as at 30 September 2019 in the amount of Baht 10.96 million and Baht 4.26 million respectively.

Sarun Yansopananan

Mr.Sarun Yansopananan

(Chief Executive Officer)