

At SR-E2016/008

11 August 2016

Subject : Management Discussion and Analysis for 6 month period ended 30 June 2016 (Revised)

To : Managing Director

The Stock Exchange of Thailand

Siamraj Public Company Limited (“The Company”) would like to clarify the operating results for the 6 month period ended 30 June 2016 which changes at the rate exceeding 20% of those from the prior period. The details are as follows;

	Consolidated financial statements	
Units : Baht million	2016	2015
Main revenues	524.75	943.61
Other revenues	12.12	67.09
<b>Total revenues</b>	<b>536.87</b>	<b>1,010.70</b>
Cost and operating expenses	(518.31)	(911.46)
<b>Profit (Loss) for the periods</b>	<b>11.43</b>	<b>75.44</b>

The Company reported its operating results according to consolidated financial statement for the 6 month period ended 30 June 2016 as net profit of 11.43 million, decreasing by Baht 64.01 million, or 84.85% from the prior period. The main reasons for the change of the operation are as follows;

#### Revenues

For the first 6 month of 2016, the Company generated total revenue of Baht 524.75 million, decrease from the same period of 2015 for Baht 418.86 million or 44.39%. The significant decrement of main revenues is from Metering and Pipeline Transmission business units. During the first 6 month of 2016, the numbers of outstanding construction project on hand and their value were significantly less than those of the same period last year. Moreover, the extend of construction percentage progress toward the completion is lower than those of prior year, resulting in the decrease of underlying revenues. In addition, the first 6 month of 2016, other revenue decrease from the prior year resulting mainly from the Company recognized revenue from commission fee of Baht 57.30 million, the Company got the commission fee from being a provider and coordinator for selling Gas Turbine to power plants which is the regular business operation occurred occasionally with the opportunity from Engineered Pumps and Systems business unit.

### Costs and operating expenses

In the first 6 month of 2016, the Company had costs and operating expenses of Baht 518.31 million decreasing from that of 2015 by Baht 393.15 million or at the rate of 43.13% decrement. The change is a result of the decrease in variable expenses which move in respond to the decrease of revenues. Moreover, during the first 6 month of 2016, 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.

To be acknowledged accordingly



Sincerely Yours.

  
(Mrs Udomporn Jiranapakulwat)

Chief Financial Officer