

9 August 2018

Subject : Management Discussion and Analysis (MD&A) for the second quarter of 2018

To : Managing Director

The Stock Exchange of Thailand

Siamraj Public Company Limited (“The Company”) would like to clarify the operating results for the second quarter of 2018 which changes at the rate exceeding 20% of those from the prior period. The details are as follows ;

**Table of key financial results**

(Units:Million Baht)	Q1	Q2	Q2	%	%	6M	6M	%
	2018	2018	2017	Inc.(Dec.)	Inc.(Dec.)	2018	2017	Inc.(Dec.)
				QOQ	YOY			YTD
Main revenues	307.54	396.23	215.42	28.84%	83.93%	703.77	392.82	79.16%
Other revenues	7.57	8.28	4.08	9.38%	102.94%	15.85	11.32	40.02%
<b>Total revenues</b>	<b>315.11</b>	<b>404.51</b>	<b>219.50</b>	<b>28.37%</b>	<b>84.29%</b>	<b>719.62</b>	<b>404.14</b>	<b>78.06%</b>
Cost and operating expenses	(316.28)	(387.89)	(223.52)	22.64%	73.54%	(704.17)	(422.24)	66.77%
<b>Profit(Loss)for the periods</b>	<b>(0.97)</b>	<b>16.76</b>	<b>(3.74)</b>	<b>1,827.84%</b>	<b>548.13%</b>	<b>15.79</b>	<b>(17.10)</b>	<b>192.34%</b>

**For Second quarter of 2018 compared with First quarter of 2018**

In the second quarter of 2018 (Q2/2018), net profit of the Company was Baht 16.76 million, increasing by Baht 17.73 million or 1,827.84% when compared with the first quarter of 2018 mainly due to

**Revenue**

The Company generated main revenue of Baht 396.23 million increasing from the first quarter of 2018(Q1/2018) by Baht 88.69 million of at the rate 28.84%. The significant increment of main revenue is from (1) Construction of natural gas metering and transmission systems business had the extend of construction percentage progress toward the completion of the new contract. Signed contract in the quarter 3-4 of 2017. (2) the Company realized income from Field of flow measurement business was based on the published share price on 1 November 2017. (3) Procurement, distribution and installation of industrial pumps business had sales order from last years and delivery product on the second quarter of 2018

**Cost and operation expenses**

The Company had cost and operation expenses of Baht 387.89 million, increasing from the first quarter of 2018(Q1/2018) by Baht 71.61 million or at the rate 22.64%. The change is a result of the increase in variable cost which moves in response to the increase of revenue.



**For Second quarter of 2018 compared with Second quarter of 2017**

In the second quarter of 2018 (Q2/2018), net profit of the Company was Baht 16.76 million, increasing by Baht 20.50 million or 548.13% when compared with the Second quarter of 2017 mainly due to

**Revenue**

The Company generated main revenue of Baht 396.23 million, increasing from the Second quarter of 2017(Q2/2017) by Baht 180.81 million or at the rate 83.93%. The significant increment of main revenue is from (1) Construction of natural gas metering and transmission systems business had the extend of construction percentage progress toward the completion of the new contract. Signed contract in the quarter 3-4 of 2017. (2) the Company realized income from Field of flow measurement business .Was based on the published share price on 1<sup>st</sup> November 2017. (3) Alternative energy business had changing calculated maintenance natural gas contract for billing with PTT bid on 2017. Separated to maintenance equipment and variable sales volume of each station natural gas.

**Cost and operation expenses**

The Company had cost and operation expenses of Baht 387.89 million, increasing from the Second quarter of 2017(Q2/2017) by Baht 164.37 million or at the rate 73.54%. The change is a result of the increase in variable cost which moves in response to the increase of revenue. The operating expenses increase resulting mainly from the expenses of Field of flow measurement business and other business. Had investment in subsidiaries on 2017.

**For the Six-month period ended June 2018 compared with 2017**

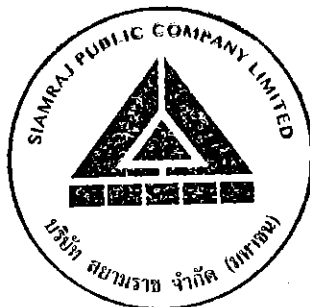
For the six-month period ended June 2018, net profit of the Company was Baht 15.79 million, increasing by Baht 32.89 million or 192.34% when compared with the same period of 2017 mainly due to same period

**Revenue**

The Company generated main revenue of Baht 703.77 million, increasing from the same period of 2017 by Baht 310.95 million or at the rate 79.16%. The significant increment of main revenue to same period for Second quarter of 2018 compared with Second quarter of 2017

**Cost and operation expenses**

The Company had cost and operation expenses of Baht 704.17 million, increasing from the same period of 2017 by Baht 281.93 million or at the rate 66.77%. The change is a result of the increase in variable cost which moves in response to the increase of revenue. For operating expenses increase resulting mainly from the expenses of Field of flow measurement business as mentioned above and other subsidiaries business as mentioned above.



Sincerely Yours.

  
(Mrs. Udornporn Jiranapakulwat)

Chief Financial Officer