



At SR-E2562/010

8th August, 2019

Subject : Management Discussion and Analysis (MD&A) for the second quarter of 2019

To : President of the Stock Exchange of Thailand

Siamraj Public Company Limited (“The Company”) would like to clarify the operating results for the second quarter of 2019 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)	Q2	Q1	Q2	%	%	6M	6M	%
	2019	2019	2018	Inc.(Dec.)	Inc.(Dec.)	2019	2018	Inc.(Dec.)
			Restated	QOQ	YOY		Restated	YTD
Main revenues	313.10	308.47	396.23	1.50%	(20.98%)	621.57	703.77	(11.68%)
Other revenues	0.07	2.21	7.02	(96.83%)	(99.00%)	2.28	12.25	(81.39%)
Total revenues	313.17	310.68	403.25	0.80%	(22.34%)	623.85	716.02	(12.87%)
Cost and operating expenses	(314.57)	(312.37)	(387.46)	0.70%	(18.81%)	(626.94)	(702.22)	(10.72%)
Profit(Loss) for the periods	(1.68)	(1.62)	15.93	(3.70%)	(110.55%)	(3.30)	14.14	(123.34%)

For Second quarter of 2019 compared with First quarter of 2019

In the Second quarter of 2019 (Q2/2019), net loss of the Company was Baht 1.68 million, net loss increasing by Baht 0.06 million or at the rate 3.70% when compared with the first quarter of 2019 (Q1/2019). There were non-significant change in the revenue costs and operation expenses which it was similar to the previous quarter.

For Second quarter of 2019 compared with Second quarter of 2018

In the second quarter of 2019 (Q2/2019), net loss of the Company was Baht 1.68 million, decreasing by Baht 17.61 million or 110.55% when compared with the Second quarter of 2018 (Q2/2018) mainly due to ;

Revenue

The Company generated main revenue of Baht 313.10 million, decreasing by Baht 83.13 million or at the rate 20.98% from the Second quarter of 2018 (Q2/2018). The significant decrement of main revenue were from ;

- (1) The Metering and Pipeline Transmission Business Unit could not recognize the revenue as per expected due to the owner requested to postpone the working progress. Therefore, the construction had been unable to finish work in progress by timeline accordingly, which it’s expected to be completed within this year.
- (2) The Engineered Pumps and Systems Business Unit had recognized the revenue less than expected due to in Q2/2018 was able to deliver some orders faster than the target plan. While this year the unit had purchase orders from customers which are high value project work orders received in early 2019 are still being shipped from overseas. Expected to be ready for delivery to customers within the fourth quarter of 2019.



- (3) The Alternative Energy Business Unit, referring to the Natural Gas for Vehicles (NGV) station had been the revenue decreased due to stop operated for 1 NGV station since the third quarter of 2018 (Q3/2018).
- (4) The revenue from the other business groups had been increased due to the subsidiaries which was established in 2017 had been starting the operation in the fourth quarter of 2018 (Q4/2018).

Cost and operation expenses

The Company had cost and operation expenses of Baht 314.57 million, decreasing by Baht 72.89 million or at the rate for 18.81% from the second quarter of 2018 (Q2/2018) because of the decline in variable costs that corresponding to the main income decreased and also the NGV station was stopped to operate for 1 station since the third quarter of 2018 (Q3/2018).

For the Six-month period ended June 2019 compared with 2018

For the six-month period ended June 2019, net loss of the Company was Baht 3.30 million, net profit decreasing by Baht 17.44 million or at the rate 123.34% when compared with the same period of 2018. The significant change in the revenue costs and operation expenses are same period for the Second quarter of 2019 compared with Second quarter of 2018. While other income decreased resulting mainly from the decrease of the commission fee and gain from sales of assets less than the same quarter of the previous year.

Sincerely Yours.

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