



No. SR-E2563/013

August 13th, 2020

Subject: Management Discussion and Analysis (MD&A) for the second quarter ended 30 June 2020.

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 ended 30 June 2020 which the details are as followings;

Table of key financial results

(Units: Million Baht)	Q2	Q2	%	6M	6M	%
	2020	2019	Inc.(Dec.) YOY	2020	2019	Inc.(Dec.) YTD
Revenues from construction contracts, sales and services	513.85	313.10	64.12%	1,022.46	621.57	64.50%
Other incomes	(3.59)	0.07	(5,228.57%)	5.28	2.28	131.58%
Total revenues	510.26	313.17	62.93%	1,027.74	623.85	64.74%
Cost and operating expenses	(523.00)	(314.57)	66.26%	(1,067.34)	(626.94)	70.25%
Profit(Loss) for the periods	(12.40)	(1.68)	638.10%	(39.47)	(3.30)	1,096.06%

For the second quarter of 2020 compared with the second quarter of 2019

For the second quarter of 2020, the Company's revenues from construction contracts, sales and services were Baht 513.85 million, an increase of 64.12% from Baht 313.10 million in the same period last year. The revenue increased was due to the progress of large projects of contractual construction increasing from the same period of prior year that was in the beginning of the project such as the Floating Solar Power Project which it's a new project that started in the third quarter of 2019 (Q3/2019). As a result, the company's total revenue in the second quarter of 2020 (Q2/2020) has growth significantly.

However, in the second quarter of 2020 (Q2/2020), the Company has net loss of Baht 12.40 million, net loss an increase of 638.10% from net loss of Baht 1.68 million in the same period last year mainly due to;

1. The Company reported other incomes of Baht (3.59) million, decreased by Baht 3.66 million or 5,228.57% from the same period last year as a result of increased Loss from changes in fair value of derivatives.
2. The Company had cost and operating expenses of Baht 523.00 million, an increase of 66.26% from Baht 314.57 million in the same period last year. The change is a result of the increase in variable cost which move in response to the increase of revenues. Moreover, the Company considers the impairment on devalue of inventories in the Maintenance of NGV stations business, inventories are spare parts for Maintenance as the slow-moving items. Therefore, the Company recorded the impairment on devalue of the inventories in Q2/2020 of Baht 4.37 million



by referring to the market price of those inventories according to the policy of impairment on devalue of inventories and conservative business operation.

3. The outbreak of Coronavirus Disease 2019 (“COVID-19”) in early 2020 has negative effects on operating results of the rental area of car park business and NGV service station included in the alternative energy segment.

For the six-month period ended 30 June 2020 compared with 2019

For the six-month of 2020, the Company's revenues from construction contracts, sales and services were Baht 1,022.46 million, an increase of 64.50% from Baht 621.57 million in the same period last year. . The revenue increased was due to the progress of large projects of contractual construction increasing from the same period of prior year that was in the beginning of the project such as the Floating Solar Power Project which it's a new project that started in the third quarter of 2019 (Q3/2019). As a result, the company's total revenue in the six-month of 2020 has growth significantly.

The Company reported other incomes of Baht 5.28 million, increased by Baht 3.00 million or 131.58% from the same period last year as a result of increased gains from foreign exchange rates.

However, the six-month of 2020, the Company has net loss of Baht 39.47 million, net loss an increase of 1,096.06% from net loss of Baht 3.30 million in the same period last year mainly due to;

1. The Company had cost and operating expenses of Baht 1,067.34 million, an increase of 70.25% from Baht 626.94 million in the same period last year. The change is a result of the increase in variable cost which move in response to the increase of revenues. Moreover, the Company considers the impairment on devalue of inventories in the Maintenance of NGV stations business, inventories are spare parts for Maintenance as the slow-moving items. Therefore, the Company recorded the impairment on devalue of the inventories of Baht 4.37 million by referring to the market price of those inventories according to the policy of impairment on devalue of inventories and conservative business operation and the impairment on devalue of inventories in the Alternative Energy Business Unit of Baht 55.11 million which it is on process of claiming with supplier following the contract.
2. The outbreak of Coronavirus Disease 2019 (“COVID-19”) in early 2020 has negative effects on operating results of the rental area of car park business and NGV service station included in the alternative energy segment.

Sincerely Yours.

(Mrs. Udomporn Jiranapakulwat)

Chief Finance Officer and Accounting