



No. SR-E2563/016

12<sup>th</sup> November, 2020

Subject : Management Discussion and Analysis (MD&amp;A) for the third quarter ended 30 September 2020

To: President of the Stock Exchange of Thailand

Siamraj Public Company Limited (“The Company”) would like to clarify the operating results for the third quarter ended 30 September 2020 which the details are as followings;

**Table of key financial results**

(Units:Million Baht)	Q3	Q3	%	9M	9M	%
	2020	2019	Inc.(Dec.) YOY	2020	2019	Inc.(Dec.) YTD
Revenues from construction & sales and services	313.38	359.94	(12.94%)	1,335.84	981.51	36.10%
Other incomes	3.85	2.37	62.45%	9.13	4.65	96.34%
<b>Total revenues</b>	<b>317.23</b>	<b>362.31</b>	<b>(12.44%)</b>	<b>1,344.97</b>	<b>986.16</b>	<b>36.38%</b>
Cost of construction & cost of sales and services	(369.43)	(303.23)	21.83%	(1,354.86)	(828.73)	63.49%
Operating expenses	(46.40)	(50.93)	(8.89%)	(128.31)	(152.37)	(15.79%)
<b>Total cost and operating expenses</b>	<b>(415.83)</b>	<b>(354.16)</b>	<b>17.41%</b>	<b>(1,483.17)</b>	<b>(981.10)</b>	<b>51.17%</b>
<b>Profit(Loss) for the periods</b>	<b>(98.53)</b>	<b>7.89</b>	<b>(1,348.80%)</b>	<b>(138.00)</b>	<b>4.59</b>	<b>(3,106.54%)</b>

**The Third quarter of 2020 compared with Third quarter of 2019**

In the third quarter of 2020, the Company had net loss of Baht 98.53 million, which it increased of 1,348.80% from net profit of Baht 7.89 million at the same period last year, mainly due to the Company had cost of construction & cost of sales and services increased 21.83% comparing the same period last year. The mainly cause due to the Metering and Pipeline Transmission Business Unit had increased costs of construction projects by Baht 95.84 million because of the delayed project construction from the plan, moreover importing delayed during the COVID-19 outbreak. As a result, there is more cost estimation for construction projects to expedite the work to be completed to meet the schedule.

**For the nine-month period ended September 2020 compared with 2019**

For the nine-month of 2020, the Company's revenues from construction contracts, sales and services were Baht 1,335.84 million, an increase of 36.10% from Baht 981.51 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 nine-month of 2020 has growth significantly.

However, the nine-month of 2020, the Company had net loss of Baht 138 million, net loss an increase of 3,106.54% from net profit of Baht 4.59 million in the same period last year mainly due to;

1. The Company had cost of construction & cost of sales and services of Baht 1,354.86 million, an increase of 63.49% from Baht 828.73 million in the same period last year mainly due to;

- 1) The Metering and Pipeline Transmission Business Unit had increased costs of construction projects by Baht 95.84 million because of the delayed project construction from the plan, moreover importing delayed during the COVID-19 outbreak. As a result, there is more cost estimation for construction projects to expedite the work to be completed to meet the schedule
- 2) The change is a result of the increase in variable cost which move in response to the increase of revenues mainly from the Alternative Energy Business Unit.
- 3) The Company considers 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