

## Overview

In its consolidated financial statements as of September 30, 2017, Phol Dhanya Public Company Limited (The Company) recorded revenue from sales and services of 251.92 MB, decreasing 23.90 MB or 8.66% compared to the revenue from sales and services of 275.82 MB in the same quarter of previous year. Revenue from sales and services of Occupational Safety, Health and Environment Products (SAFETY) and Control Environment Products (CE) were increase, however, Water Solution Products (WATER) recorded revenue recognized from construction contracting service of the community water supply projects decreased compared with the same quarter of previous year. In addition, the reversal of penalties arising from delays of constructions of 16.64 MB was recorded as deduction of revenue from construction and service contracts. In Quarter 3/2017, the Company's profit before income tax was 1.13 MB and income tax credit balance of 11.05 MB from deferred tax assets which's calculated from allowance for doubtful debts. In Quarter 3/2017, the Company's profit before income tax was 1.13 MB and had income tax credit of 11.05 MB from deferred tax assets, the results in net profit attributable to equity holders of 12.18 MB in Quarter 3/2017, increasing by 2.48 MB or 25.53% compared to net profit attributable to equity holders of 9.70 in Quarter 3/2016.

For the nine months period of 2017, The Company's revenue from sales and services totals 752.29 MB, decreasing 95.87 MB or 11.30%, compared to the revenue from sales and services of 848.16 MB in the same period of previous year. The Company's consolidate net loss attributable to equity holders of 84.44 MB.

## Operating performance

	Unit : Million Baht							
	Q3/2017	Q3/2016	% YoY	Q2/2017	% QoQ	9M/2017	9M/2016	% YoY
Revenue from sales	213.56	207.86	2.74%	221.47	-3.57%	649.12	605.58	7.19%
Revenue from rendering of services	18.03	5.06	256.54%	11.86	51.99%	38.47	16.06	139.54%
Revenue from construction and service contracts	20.33	62.90	-67.67%	18.81	8.11%	64.70	226.52	-71.44%
Other Revenue	1.86	1.88	-1.21%	2.78	-33.12%	6.51	3.82	70.55%
<b>Total Revenue</b>	<b>253.78</b>	<b>277.70</b>	<b>-8.61%</b>	<b>254.92</b>	<b>-0.45%</b>	<b>758.80</b>	<b>851.98</b>	<b>-10.94%</b>
Cost of sales	157.22	152.97	2.78%	162.69	-3.37%	476.80	449.36	6.11%
Cost of rendering of services	16.05	2.93	448.12%	14.80	8.46%	36.68	11.92	207.82%
Cost of construction and service contracts	44.67	56.03	-20.28%	43.45	2.79%	114.10	198.55	-42.53%
<b>Total Costs</b>	<b>217.94</b>	<b>211.92</b>	<b>2.84%</b>	<b>220.95</b>	<b>-1.36%</b>	<b>627.58</b>	<b>659.83</b>	<b>-4.89%</b>
<b>Gross Profit</b>	<b>33.99</b>	<b>63.90</b>	<b>-46.81%</b>	<b>31.20</b>	<b>8.93%</b>	<b>124.71</b>	<b>188.33</b>	<b>-33.78%</b>
<b>Gross Profit (%)</b>	<b>13.49%</b>	<b>23.17%</b>	<b>-41.77%</b>	<b>12.37%</b>	<b>9.03%</b>	<b>16.58%</b>	<b>22.20%</b>	<b>-5.63%</b>
Total Selling & Administrative Expenses	31.70	50.30	-36.97%	120.15	-73.61%	222.02	142.47	55.84%
Profit (Loss) before Finance Costs and Income Taxes Expense	4.14	15.48	-73.26%	(86.17)	-104.80%	(90.80)	49.68	-282.77%
<b>Profit (Loss) before Finance Costs and Income Taxes Expense (%)</b>	<b>1.63%</b>	<b>5.57%</b>	<b>-70.74%</b>	<b>-33.80%</b>	<b>-104.83%</b>	<b>-11.97%</b>	<b>5.83%</b>	<b>-17.80%</b>
Profit (Loss) attributable to equity holders	12.18	9.70	25.53%	(85.63)	-114.22%	(84.44)	33.25	-353.97%
<b>Net Profit (Loss) (%)</b>	<b>4.80%</b>	<b>3.49%</b>	<b>37.36%</b>	<b>-33.59%</b>	<b>-114.28%</b>	<b>-11.13%</b>	<b>3.90%</b>	<b>-15.03%</b>
Basic earnings per share (Baht)	0.06	0.06	0.42%	(0.42)	-114.22%	(0.42)	0.21	-303.18%
Weighted average number of ordinary shares (Million shares)	202.50	162.00		202.50		202.50	162.00	

### **Revenue**

In Quarter 3/2017, the Company's sales and services were 251.92 MB, comprise 213.56 MB of revenue from sales, 18.03 MB of revenue from services and 20.33MB of revenue from construction contracts. Total revenue decreased by 23.90 MB or 8.66%, compared with 275.82 MB in the same quarter of previous year. Revenue from Occupational Safety, Health and Environment Products or SAFETY was 174.99 MB, which similar to the same quarter of previous year. Revenue earned from Control Environment Products or CE was 43.74 MB, increasing by 12.31% compared with the same quarter of previous year. Major customers are in the electronics industry which has been growth according to market export growth.

Revenue from Water Solution Products or WATER equals 33.19 MB, decreasing by 34.21 MB or 50.76% compared with the same quarter of previous year, due to revenue recognized from construction contracting service of the community water supply project was decreased. However, Revenue from services of water treatment systems in industrial customers were increase compared with the same quarter of previous year

### **Cost of Sales and Services**

The Company's cost of sales and services in Quarter 3/2017 were 217.94 MB, comprising of 157.22 MB cost of sales and 16.05 MB cost of services and 44.67 MB cost of construction. Cost of sales increased proportionally with more revenue from sales. Cost of services increased proportionally with more revenue from services and depreciation cost for services. Cost of construction was high than revenue due to the extra cost to rush the project completion and records the penalties arising from construction delay in cost of construction. In quarter 3/2017, The Company's gross profit of 13.49% which decrease, compare with 23.17% of the same quarter of previous year.

### **Selling and Administrative Expenses**

In Quarter 3/2017, selling and administrative expenses amounted to 48.34 MB comprising of 20.33 MB selling expenses and 28.01 MB administrative expenses. Selling expenses were decrease; however, administrative expenses were increase due to the record of allowance for doubtful account-sub contractors increased.

### **Net profit**

In Quarter 3/2017, The Company's profit before income tax was 1.13 MB and income tax credit balance of 11.05 MB from deferred tax assets. The company's consolidate net profit (attributable to equity holders of the Company) was 12.18 MB, accounted for net profit margin 4.80%

## Financial Position

	September 30, 2017		December 31, 2016		Unit : MB % Change
	Amount	%	Amount	%	
	Current Assets	563.37	49.67%	770.07	
Non-Current Assets	226.10	19.93%	190.88	19.86%	18.45%
Current Liabilities	480.75	42.39%	534.12	55.51%	-9.99%
Non-Current Liabilities	41.69	3.68%	75.82	7.88%	-45.01%
Shareholder's Equity of the Company	268.33	23.66%	352.31	36.61%	-23.84%

### Assets

As of September 30, 2017, the Company's total assets equaled 789.47 MB, decreasing by 171.48 MB or 17.85% from December 31, 2016. The decreased assets were mainly from current assets decreasing from 131.78 MB of other receivables from allowance for doubtful debt for receivables for penalties arising from delays of construction. And unbilled receivables and prepaid expenses to the subcontractors for the construction decreased of 118.43 MB. Non-current assets amount to 226.10 MB, mainly increase from 30 MB of restricted deposits with financial institution for short-term loan facility and deferred tax assets increased of 17.89 MB.

### Liabilities

As of September 30, 2017, the Company's total liabilities equaled 522.44 MB, decreasing by 87.50 MB or 14.35% from December 31, 2016. The decreased liabilities mainly due to the decreased of 37.22 MB in short-term loans from financial institutions and moving the penalties arising from construction delay to cost of construction.

### Shareholder's equity

As of September 30, 2017, Total shareholders' equity of the Company was 268.33 MB, decrease due to the resulting from 86.48 MB of net loss for the period.

### Cash Flows

Cash Flows	Unit : MB	
	September 30, 2017	September 30, 2016
Cashflow from (used in) operating activities	87.56	(111.09)
Cashflow from (used in) investing activities	(32.22)	(11.20)
Cashflow from (used in) financing activities	(62.35)	302.81
Net increase (decrease) in cash and cash equivalents	(7.01)	180.52
Cash and cash equivalents at the end of the period	42.32	239.83

The Company's net cash acquired from the operating activities was 87.56 MB, with operating profits prior to changes in the operating assets and liabilities of 15.86 MB. The major reason for the change, due to the trade and other receivables increased 76.02 MB, and unbilled receivables and prepaid expenses to the subcontractors for the construction decreased of 118.43 MB and trade and other payable were increased of 9.14 MB.

Cash flow utilized in investment activities amounts to 32.22 MB, mainly from 30 MB of restricted deposits with financial institution for short-term loan facility and 3.96 MB was used to purchase fix assets, but proceeds from sales of fixed assets of 1.19 MB.

Cash flow utilized in financing activities amounts to 62.35 MB; mainly from repayment of loans from financial institutions of 47.83 MB and debt settlement according to financial lease of 5.50 MB was arranged, with an interest expense of 9.02 MB.