

August 10, 2017

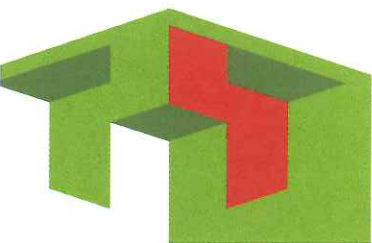
Subject: Management Discussion & Analysis for 6 months period ending 30 June 2017

To: The President
 The Stock Exchange of Thailand

Harn Engineering Solutions Public Company ("The Company") would like to provide information on the Company's operating results for 6 months period ending 30 June 2017 duly reviewed by the auditor, as follows:

(Unit: Million Baht)	JAN-JUN 2017	JAN-JUN 2016	Increase (Decrease)	% Change
Revenues from sales and services	621.07	282.35	338.72	119.96
Other revenues	8.15	10.36	(2.21)	(21.33)
Total revenues	629.22	292.71	336.51	114.96
Costs of sales and services	393.95	182.45	211.50	115.92
Selling expenses	53.86	37.71	16.15	42.83
Administrative expenses	43.19	16.11	27.08	168.09
Finance costs	68.28	36.68	31.60	86.15
Profit before income tax	-	-	-	-
Income tax	69.94	19.77	50.17	253.77
Net profit	12.83	3.95	8.88	224.81
Gross profit margin (%)	57.11	15.82	41.29	261.00
Net profit margin (%)	36.57%	35.38%		

In six month period of the year 2017, the Company recorded total revenues of Baht 629.22 million, increasing by baht 336.51 million or 114.96% from same previous period of Baht 292.71 million.



The segment of revenues from sales and services by business.

(Unit: Million Baht)	JAN-JUN 2016	JAN-JUN 2017
Fire protection systems and projects	259.91	285.54
Air-conditioning and sanitary products	22.43	41.31
Refrigeration systems	-	147.79
Digital printing systems	-	146.43

The segment of gross profit by business.

(Unit: Million Baht)	JAN-JUN 2016		JAN-JUN 2017	
	Gross Profit		Gross Profit	Gross Profit Margin
Fire protection systems and projects	55.57		67.46	23.63%
Air-conditioning and sanitary products	6.62		10.67	25.83%
Refrigeration systems	-		41.78	28.27%
Digital printing systems	-		53.35	36.43%

Net profit, Baht 57.11 million increased Baht 41.29 million or 261% in the same period of 2016, Baht 15.82 million.

First haft of the year 2017, more expenses are increased, the selling expenses increased Baht 27.08 million and the administrative expenses increased Baht 31.60 million. The main reasons of increase are expenses for new business units: the refrigeration systems and the digital printing systems that the Company had received from the entire business transfer.

Sincerely yours,



(Mr. Wirat Sukchai)

Chief Executive Officer

