

Subject: Management Discussion and Analysis for the three-month period ended 30 September 2016

To: The President
The Stock Exchange of Thailand

Business Alignment Public Company Limited ("The Company") would like to submit this Management Discussion and Analysis of the Company's operation for the three-month period ended 30 September 2016, with details as follows

Statement of Comprehensive Income for the three-month period ended 30 September 2016

| Statement of Comprehensive Income | Three-month period ended 30 September 2016 | Three-month period ended 30 September 2015 | Increase (Decrease) |
|-----------------------------------|---|---|------------------------|
| | Million Baht | Million Baht | % |
| Income from Sales | 329.32 | 10.49 | 3,040.18% |
| Income from Services | 28.24 | 20.32 | 39.00% |
| Income from Sales and Services | 357.56 | 30.81 | 1,060.65% |
| Other Income | 1.88 | 2.56 | (26.69%) |
| Total Revenue | 359.44 | 33.37 | 977.21% |
| Cost of Sales | 253.61 | 8.17 | 3,003.18% |
| Cost of Service | 22.72 | 15.00 | 51.48% |
| Gross Profit | 81.23 | 7.64 | 964.10% |
| Selling Expenses | 2.03 | 0.83 | 146.31% |
| Administrative Expenses | 6.40 | 4.69 | 36.52% |
| Exchange Loss | 0.00 | 4.36 | (100.00%) |
| Earnings Before Interest & Tax | 74.68 | 0.32 | 23,385.41% |
| Interest Expenses | 1.89 | 0.13 | 1,341.26% |
| Earnings Before Tax | 72.79 | 0.19 | 38,897.53% |
| Tax Expenses | 11.67 | 0.04 | 31,155.53% |
| Net Profit (Loss) | 61.12 | 0.15 | 40,833.03% |

Revenue from Sales and Services

For the three-month period ended 30 September 2016, the Company generated revenue from sales and service of 357.56 million Baht, increasing by 326.75 million Baht or 1,060.65%, when compared to the same period in the previous year, with details as follows:

1. Revenue from Sales

For the three-month period ended 30 September 2016, the Company generated a revenue from sales of 329.32 million Baht, increasing by 318.83 million Baht or 3,040.18%, when compared to the same period in the previous year, which had a revenue from sales of 10.49 million Baht. This increase is due to the completion and revenue recognition of 3 projects (as expected in the Company's Backlog), which are Sawan Pracharak Hospital worth 72.43 million Baht, Lopburi Cancer Hospital worth 143.93 million Baht and Chonburi Cancer Hospital worth 108.88 million Baht.

2. Revenue from Services

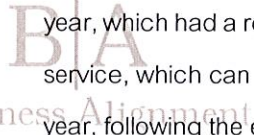
For the three-month period ended 30 September 2016, the Company generated a revenue from service of 28.24 million Baht, increasing by 7.92 million Baht or 39.00%, when compared to the same period in the previous year, which had a revenue from sales of 20.32 million Baht. This increase is due to the increase in revenue from service, which can be attributed to the increase in the number of maintenance agreements from the previous year, following the expiry of the warranties on previously sold products.

Cost of Goods Sold and Gross Profit from Sales

For the three-month period ended 30 September 2016, the Company had a gross profit from sales of 75.71 million Baht, or equivalent to a gross profit margin from sales of 22.99%, which is similar to the gross profit margin from sales in the same quarter of the previous year at 22.07%.

Cost of Services and Gross Profit from Services

For the three-month period ended 30 September 2016, the Company had a gross profit from services of 5.52 million Baht, or equivalent to a gross profit margin from services of 19.55%, which is lower than the gross profit margin from services in the same quarter of the previous year at 26.18%. This is because the new maintenance agreements that have been signed are with large hospitals, where the profit margin is lower. However, the gross profit margin from services in this quarter remains within the Company's average range at 20-25%.



Selling and Administrative Expenses

For the three-month period ended 30 September 2016, the Company had a selling expense of 2.03 million Baht, increasing by 1.02 million Baht or 146.31% from the same period of the previous year. This increase can be attributed to the increase in human resources costs, as the Company had hired more employees in the Sales department, the costs in exhibiting the products and in the bidding process.

For the three-month period ended 30 September 2016, the Company had an administrative expense of 6.40 million Baht, increasing by 1.71 million Baht or 36.52% from the same period of the previous year. This increase is primarily due to the increase in a number of administrative expenses, such as personnel (after restructuring of the base salary of employees), remuneration of directors, marketing and public relations.

Financial Costs

For the three-month period ended 30 September 2016, the Company had a financial cost of 1.89 million Baht, increasing by 1.76 million Baht from the same period of the previous year. This is because for the three-month period ended 30 September 2016, the Company had many on-going large-scale projects; therefore short-term loans from financial institutions are necessary, increasing the costs of interests per installment.

Net Profit and Net Profit Margin

For the three-month period ended 30 September 2016, the Company had a net profit of 61.12 million Baht, or a net profit margin of 17.00%. When compared to the same period of the previous year, which had a net profit of 0.15 million Baht or a net profit margin of 0.45%, the increase in profit of this three-month period is due to the increase in revenue, which is higher than the Company's fixed costs.

Please be informed accordingly.

Sincerely,



(Mr. Sompong Chunekitiyanone)

Chief Executive Officer

Business Alignment Public Company Limited