

## Press Release

**No. 36/2018**  
**22 February 2018**

### **TRIS Rating Says Rating of STEC Is Not Affected By Bt611 Million Losses**

TRIS Rating holds the view that the credit rating of Sino-Thai Engineering & Construction PLC (STEC) is not affected by the Bt611 million losses reported in the financial results for 2017. STEC recorded a provision for losses, worth almost Bt3 billion, in the fourth quarter of 2017. The provision was due mainly to delays in the Parliament building project.

TRIS Rating believes that the hefty provision for losses reflects the conservative financial policies of the company. The provision is a one-time charge. The financial profile should not be significantly affected by the provision, given the company's solid liquidity profile and very low gearing. The financial profile remains commensurate with the current company rating of "A-", with "stable" outlook.

TRIS Rating maintains a positive view on STEC's business prospects for the next three years. The view is based on the company's sizable backlog. We reaffirm the assumptions underpinning our recent forecast. Revenue should rise steadily, reaching Bt30 billion by 2020. STEC's financial position remains resilient to a slowdown in the engineering and construction (E&C) industry. Leverage is low and liquidity is robust.

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