

Translation

Sor.Lor.Nor. 138/2019

August 8, 2019

Subject : Explanation and Analysis of Operating Result for the 2nd Quarter of 2019

**To : Director and Manager
Stock Exchange of Thailand**

According to the Financial Statement for the 2nd Quarter as at 30th June 2019, the operation of the company had the result differed over 20% compared to the year 2018 which can be explained as follows:-

The net profit of the Company for the three - month period had the amount of 60 million Baht or equivalent to 1.14 Baht per share, which had been decreased from the year 2018 for the amount of 8 million Baht or equivalent to 12.28%. The basic earnings per share had been decreased from the year 2018 for the amount of 0.16 Baht per share and the net profit for six-month period had the amount of 161 million Baht or equivalent to basic earnings per share of 3.10 Baht, which had been increased from 2018 for the amount of 27 million Baht or increased by 20.45% and had the basic earnings per share increased from the year 2018 for the amount of 0.53 Baht per share.

The main reasons for the different of the net profit are as follows:-

- The Sales and Service Income of the Company for the three - month period and six - month period for the amount of 809 million Baht and 1,704 million Baht, which had increased or equivalent to 13.43% and 14.94% respectively. It was due to the increase from sale of the high price product and increase of the new product from previous year.

- The Administrative expenses of the Company for the three - month period and six - month period for the amount of 76 million Baht and 123 million Baht, which had increased or equivalent to 59.66% and 40.50% respectively. It was due to the Government had amendments to the law relating to the legal severance pay rates as the Labor Protection Act (No. 7) B.E. 2562. The Company reflects the effect of the change by recognising past service costs as expenses in the income statement of the second quarter of 2019 for the amount of 35.9 million Baht.

Yours faithfully,

(Mr. Panthep Supachaiyakit)

President