

Translation

Sor.Lor.Nor. 146/2018

May 9, 2018

Subject : Explanation and Analysis of Operating Result for the 1st Quarter of 2018

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

According to the Financial Statement for the 1st Quarter as at 31th March 2018, the operation of the company had the result differed over 20% compared to the year 2017 which can be explained as follows:-

The net profit of separate financial statements of the Company for three-month period had the amount of 66 million Baht or equivalent to 1.27 Baht per share, which had been decreased from the year 2017 for the amount of 24 million Baht or equivalent to 26.4%. The basic earnings per share had been decreased from the year 2017 for the amount of 0.45 Baht per share

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

1. The Sales and Service Income of the Company for the three-month period for the total amount of 732 million Baht, which had been increased from the year 2017 for the amount of 33 million Baht or equivalent to 4.7%. It was due to the recovery economy of the country and the increase from sale of the high price product from previous year.
2. The Company had the cost of sales for the three-month period for the amount 618 million Baht or equivalent of 84.4% of total sales which had been increased from the year 2017 for the 2.8%. It was due to the increase from the raw material price, which effected by global situation. Moreover, the manufacturing overhead expenses had increased from previous year as well as the cost of the labor cost.

3. The Company had the gross profit for the three-month period for the amount of 114 million Baht or equivalent to 15.6% of total sales, which had been decreased from the year 2017 for the amount of 14 million Baht or equivalent to 10.9%, It was due to the increase of cost of goods sold from previous year.

4. The Company had the selling expenses for the three-month period for the amount of 28 million Baht or equivalent to 3.8% of total sales, which had been increased from the year 2017 for the amount of 14 million Baht or equivalent to 100.0%, It was due to the increase of reservation from the claim expenses for product with under standard quality that sold to customer.

Yours faithfully,

(Mr. Panthep Supachaiyakit)

President