

Translation

Sor.Lor.Nor. 034/2019

February 21, 2019

Subject : Explanation and Analysis of Operating Result for year 2018

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

According to the Financial Statement for the year 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 the year period had the amount of 330 million Baht or equivalent to 6.25 Baht per share, which had been increased from the year 2017 for the amount of 90 million Baht or equivalent to 37.3%. The basic earnings per share had been decreased from the year 2017 for the amount of 1.70 Baht per share.

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

1. The Company had recognized gain on revaluation of investment properties for the year 2018 for the amount of 193 million Baht which was determined by external, independent property valuers which provided the fair value by the market comparison approach and the main reason increasing of fair value is the subject's neighborhood is developed predominantly with residential.
2. The Company had recognized impairment loss on other long-term investments for the year 2018 for the amount of 30 million Baht. It was due to the company that had investment experienced operating loss for many consecutive years which the company believed these are indicators of impairment of the investment. The Company prepared discounted cash flow projections to determine the value in use of the investment.

3. The Sales and Service Income of the Company for the year 2018 for the amount of 2,841 million Baht, which had increased or equivalent to 6.6%. It was due to the recovery economy of the country as well as worldwide. And The Company had increased the cost of sales, it was due to the continuing increase of the main raw material price from the last year.
4. From the above reasons, The Company had the gross profit for the year 2018 for the amount of 380 million Baht.

Yours faithfully,

(Mr. Panthep Supachaiyakit)

President