

Date : August 14, 2014

Subject : The Explanation to SET concerning the operating result for Q2/2014 more than 20%

Attention : The Director and Manager of the Stock Exchange of Thailand

For the Q2/2014 period ended of June 30, 2014 operating result of the Company net loss Baht 16.12 Million in comparison with the previous Q2/2013's net loss of Baht 27.76 Million a decreased of Baht 11.64 Million or 41.93 percent. The reasons for such decreases are:-

- Sale increased from Baht 226.08 Million in Q2/2013 to Baht 233.06 Million in Q2/2014 an increase of Baht 6.98 Million or 3.09% due to the big customer expand production line.

- Cost of the sales and services from Q2/2013 was 92.24 percent increased to 95.24 percent in Q2/2014 or increase 3 percent from sales because of wages cost increased 10.4% and depreciation cost increased 5.5%.

- Selling and administrative expenses of Q2/2013 was 10.0 percent of sale, increased to 10.2 percent in Q2/2014 an increase of 5% from sale due to transportation expenses increase due to energy cost increased and depreciation cost increased 122.6%

- Cost of finance decreased from Baht 24.05 Million from Q2/2013 to Baht 7.59 Million in Q2/2014 decreased Baht 16.46 Million due to the Company and subsidiary company change for using fund from the financial institute that parent company guarantee and in Q2/2013 subsidiary company pay bank charge for the repayment of loan in advance for 3 years amount Baht 13.5 Million.

Please be informed accordingly.

Yours sincerely,

*-Mr. Yutaka Ito-*

(Mr. Yutaka Ito)  
President