



FANCY WOOD INDUSTRIES PUBLIC CO.,LTD.

357 MU 12 SOI SUKSAWAT84, SUKSAWAT RD., PRASAMUTJADEE, SAMUTPRAKARN 10290, THAILAND

TEL : (662) 815-7060 8163060-1 , 461-2100-1, FAX : (662) , 461-2102

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Subject: the explanation of business profits for the quarter of 2/2017

To : the President of the Stock Exchange of Thailand

We, Fancy Wood Industries Public Co., Ltd. would like to clarify the overall operation of the Company and its subsidiary company for the second quarter of 2017 between April and June 2017 with the details below.

In Q2/2017 the Company and its subsidiaries had total revenues of 293.82 million Baht, an increase of 179.43 million Baht from the same period of fiscal year 2016 with total revenues of 114.39 million Baht or an increase of 156.86 percent. The revenue increase was mainly due to the expansion of the two subsidiary companies, Fancy Wood International Co., Ltd. (engage in business of Rubberwood Sawn Timber) and Fancy Assets Co., Ltd. (engage in business of real estate) with total income increase of 67.25 million Baht and 107.31 million Baht respectively.

As a result of the increase in total revenues of the above mentioned group companies and the effect of better management caused the Company's cost-to-income ratio decreased from 99% to 87% and made the Company and its subsidiaries had a profit of 40.77 million Baht in Q2/2017, the Company had business loss of 32.10 million Baht from Q2/2016 and from effect of property sale relative to golf course business of Fancy Wood International, LLC (a subsidiary of Fancy Wood International Co., Ltd.), which operated the golf course business in the United States in May 2017, resulted in profit of 70.27 million Baht from abovementioned property sale. Moreover Fancy Wood International, LLC is able to repay all loans which borrowed from Fancy Wood International Co., Ltd. As a result, the previously reserved Allowance for doubtful accounts has been reversed to 36.60 million Baht. For these reasons, in Q2/2017 the Company and its subsidiaries had a profit of Baht 40.76 million Baht while in Q2/2016 had loss of 32.10 million Baht.

From better performance in Q2/2017 it made the Company and its subsidiaries had total revenue for the six months ended June 30, 2017 equaled to 434.33 million Baht, an increase of 221.12 million Baht from the same period of 2016 which had total revenue of 213.21 million Baht or an increase of 103.71 percent and loss had decreased from 53.37 million Baht in Q2/2016 to 23.42 million Baht loss in Q2/2017.

Please be informed accordingly,

Yours Faithfully,

(Mr. Vichai Tanpatanarat)

Director