

(Translation)

Re: BOD.SET 029/2017

August 11, 2017

Subject: Clarification on the Change in operating results for year ended June 30, 2017 over 20% compared with the same period of the previous quarterly

To: The President  
The Stock Exchange of Thailand

Due to the lack of directional from local and oversea economics, automotive industrial not become yet, the cost of living of household rises, which was still with the weak purchasing power. Banks are not lending for fear of affecting the collection, the market is increasingly competitive so affected our customers postponed plan and slow down investment, From such situations effected Company performance for quarterly2 2017 as follow;

- Decreased on sales from Baht 226.04M in Q2'2016 to Baht 172.88M in Q2'2017 at 23.52% due to the market is increasingly competitive and the automotive industry has not yet come back and affected sales volume of press hydraulic did not on target.
- Decreased on cost of goods sold from Baht 222.92M in Q2'2016 to Baht 153.39M in Q2'2017 at 31.19% due to factory headcount was decreasing from last year and high competitive so there is a price cut from customers.
- In Q2'17, the Company review cost reduction with Department of Export Promotion and the company has Voluntarily resign that affect gross profit was increasing from 1.38% in Q2'2016 to 11.28% in Q2'2017
- The Company focus on quality and manage cost of goods sold so we import goods from Europe market instead off China market so cost of goods was decreased due to Baht was appreciation from same period of last year.
- Increased on other incomes from Baht 0.49M in Q2'2016 to Baht 27.21M in Q2'2017 more than 100.00% due to the company sold land on February 15, 2017 with gain of Baht 24.93M.
- The company kept saving policy so our admins expenses was decreased at 12.84% and selling expenses at 8.80% respectively from same period of last year.
- Cost of financial was increased from Baht 7.23M in Q2'2016 to Baht 8.75M in Q2'2017 at 21.07% due to personal loan at interest rate 9.00% per annum and OD interest rate at 7.50%.
- As the end of quarter2'2017, total assets Baht 939.00M was higher than previous year at 1.23% due to work in process of inventories 29MB which will be delivery to customers next quarter and lower from land for sales. Total liabilities Baht 494.49M was higher than previous

- year at 4.01% due to personal loan at Baht 30.00M and return loan from UOB Baht 12.00M. The equity's shareholder was lower than last year at 1.69% due operating loss this previous.
- Came from invested on Sahaphat Amorn Company Limited for develop machinery for water resource development and related business. The company receive a sales order 1 boat sucking mud for prototype. We are going to delivery to customer about end of September 2017
  - To make sales management effective, the Company has changed the organization follow products grouping (Business Units) since July 1 2017. This results in each unit can sell, focus and response through their products
  - In the second haft of 2017, Our sales target still on crane hydraulic, press hydraulic which is 4 orders and high volume on maintenance and services that make the company achieve target at Baht 500M

Please be informed accordingly.

Sincerely yours,

-Mr. Surachet Kamolmongkolsuk-

(Mr. Surachet Kamolmongkolsuk)

Managing Director