

(Translation)

Re: BOD.SET 005/2018

February 23, 2018

Subject: Clarification on the Change in operating results for the year ended December 31, 2017 over 20% compared with the same period of the previous year

To: The President  
The Stock Exchange of Thailand

Due to The Manufacturing Production Index (MPI) grew by 1.58 percent from 2016, making Thai economy more favorable. The company received orders for 17 Hydraulic Press machineries, resulting in outstanding backlog of up to 222 million Baht. However, during the third quarter of 2017, customers were unable to install due to heavy rain and flooding. Make delivery and installation delayed.

In the fourth quarter of 2017, the Company has installed and delivered to the customers for installation and remaining 11 Hydraulic Press Machineries have not yet delivered. Resulting in outstanding backlog of up to 175 million Baht. The operating results for the year 2017 as follows.

- Sales decreased from Baht 395.22 million in 2016 to Baht 357.72 million in 2017, or 9.49%, due to the increasing competition from the market and customers were unable to install them that affected sales recognition did not on the target.
- Cost of sales decreased from Baht 393.55 million in 2016 to Baht 324.85 million in 2017, or 17.46%, due to the decrease in labor force from the voluntary resignation program and the cost reduction project with the Department of Industrial Promotion. To reduce production costs and increase gross margin to sales and service income from 0.42 percent in 2016 to 9.19 percent in 2017.
- The company focuses on the quality and cost management of goods, so imports from Europe instead of imports from China, resulting in lower costs from the Thai Baht strengthens, compared with the previous year.
- Other income increased more than 100% because, on February 15, 2560, the Company agreed to sell the investment assets of 23 rai, at the price of Baht 38 million, resulting in a gain on sales of Baht 24.96 million.
- The company still maintains cost control measures, resulting in a decrease in administrative expenses for the year of 18.72%. Selling expenses decreased by 9.90% from the same period last year, respectively.

- Financial expenses increased from Baht 14.90 million in 2016 to Baht 18.07 million in 2017, or 21.29%, resulting from the use of personal loans of 9.00% per annum and overdraft facilities 7.50% per annum.
  - At the end of 2017, the Company had total assets of Baht 941.53 million, an increase of 1.50% from the end of last year due to the increase in production of Baht 39.62 million due to the products wait for delivery and installation and decrease from the investment assets sold Baht 10.5 million. Total liabilities decreased 21.47% from the end of last year due to the repayment of personal loans Baht 20.00 million, Bill of exchange Baht 105 million and UOB's loans Baht 15 million and increased from trade accounts payable by extend credit term with vendors. Shareholders' equity increased by 25.67% resulting from the exercise of the right to purchase ordinary shares of TMC-W1 of Baht 142 million, a gain from the calculation of long-term benefits of mathematicians of Baht 17.86 million and the loss for the year 2017 of Baht 41.34 million.
  - In order to effectively sales management, the Company has restructured its business unit, effective from July 1, 2017, to allow each unit to sell its product directly to the product group and to its customers goal It also monitors the production process and costs of each business unit to control production costs and expenses.
  - In the fourth quarter of 2017, the company continues to focus on the hydraulic crane segment. The hydraulic press machineries, which now has orders for 17 hydraulic press machineries, will recognize revenue in the fourth quarter of 2017 and the first quarter of 2018, resulting in outstanding backlog up to 222 million.
  - For the year 2018, the Company aims to achieve sales and service income of Baht 480 million, divided into the following product groups:
    - Hydraulic Crane Product Group, Hydraulic Press machineries and Make to order Responsible for sales Baht 410 Million.
    - Maintenance and Service Center Responsible for sales at Baht 40 million.
    - Trading products group Responsible for sales at 30 million.
- With the target sales. The Company takes into account product responsibility and quality in competition with existing and new customers both domestically and internationally.

Please be informed accordingly.

Sincerely yours,

-Mr. Surachet Kamolmongkolsuk-

(Mr. Surachet Kamolmongkolsuk)  
Managing Director