

No. Tapac 6/2018

Date: March 19, 2018

Subject Explanation about TAPACO Plc.'s Financial Statement Quarter 1/2018

Attention The Director and The President of The Stock Exchange of Thailand

According to TAPACO PUBLIC COMPANY LIMITED and its subsidiary ("TAPAC") were prepared and submitted its reviewed consolidated financial statements for the period as at January 31, 2018 to The Stock Exchange of Thailand, TAPAC would like to provide additional explanation in regard to its financial performance of Quarter 1/2018 in which it has total net profit in the amount of **30.24 Million Baht, decrease from the same period of last year 8.37 Million Baht, decrease** 21.68%, This was due to and details are as follows:

The Company and its subsidiaries have a total Revenue in Quarter 1/2018 is in the amount 556.81 Million Baht, Decrease from the same period prior year at 579.57 Million Baht, decrease around 21.44% or amount 22.76 Million Baht. Revenue from Sales of Goods and Services and Contract Revenue is at 99.80% of Total Revenue which Revenue and Gross Margin from each business as details as the following table;

Unit: Million Baht	Quarter 1/2018	Quarter 1/2017
<b>Contract Revenue</b>	335.15	295.32
<b>Sales and Services Income</b>		
- Plastic Part & Mold Business	203.25	191.30
- Real Estate Business	17.31	89.46
<b>Total Revenue</b>	<b>555.71</b>	<b>576.08</b>
<b>Cost of Contract Work</b>	306.64	261.48
<b>Cost of Sales and Services</b>		
- Plastic Part & Mold Business	146.73	130.59
- Real Estate Business	4.01	78.11
<b>Total Cost</b>	<b>457.38</b>	<b>470.18</b>
<b>Gross Margin</b>	<b>98.34</b>	<b>105.90</b>
<b>Gross Margin of Construction Business</b>	28.51	33.84
Gross Margin of Sales & Services		
- Plastic Part & Mold Business	56.53	60.71
- Real Estate Business	13.30	11.35

1. During the period, The Company and its subsidiaries received orders decreasing due to The Company's Customers are during the closing year-ended both Plastic Parts and Mold Business. As a result, Gross Profit Margin decreased by 4.18 Million Baht or 6.89% from the same period prior year.
2. During the period, Gross Profit Margin of Sales of Real Estate Business of The Subsidiary Company in Sweden increased by 1.95 Million Baht or 17.21% from the same period prior year.

3. During the period, The Subsidiary Company in Sweden recognized revenue from construction by reference to the stage of completion of the projects increase and assessed based on the ratio of project costs incurred at the reporting date to total expected project costs. As a result, Gross Profit Margin decreased by 5.33 Million Baht or 15.75% from the same period prior year. The Main cause due to during the period the temperature in Sweden has dropped considerably. This resulted in delayed construction and higher wages. Including a higher average exchange rate. As a result, the gross profit from construction business in Sweden decreased.
4. During the Q1/2018, a subsidiary is preparing to open its store in Bangkok area. Due to the operation start-up no revenue from the sale. As a result, the administrative expenses were 3.3 Million Baht or 11.01% of net profit portion.

Yours Faithfully,

Mr.Soros Tangnaitham

Managing Director

Tapaco Public Co.,Ltd.