

August 10, 2018

Re: Management Discussion and Analysis for the period 3 months June 30 ,2018

To: The Registrar, Stock Exchange of Thailand

Patkol Public Company Limited : Management Discussion and Analysis for the period 3 months June 30 ,2018 as follows:-

Million Baht By	Consolidation method				The Company			
	Q2/18	Q2/17	Q2/Different		Q2/18	Q2/17	Q2/Different	
Sales and service income	978	1,037	-59	-6%	825	907	-81	-9%
Cost of sales and services	-733	-790	-57	7%	-639	-682	-43	6%
Gross Profit	246	248	-2	-1%	186	225	-38	-17%
Other Income	40	5	35	699%	50	14	35	248%
Distribution costs	-70	-82	-12	-14%	-59	-72	-12	-17%
Administrative expenses	-156	-113	43	38%	-125	-93	32	35%
Finance cost	-11	-8	3	41%	-7	-5	2	40%
Corporate income tax	-10	-17	-6	-38%	-8	-13	-5	-39%
Profit (Loss) for the period	39	34	5	15%	37	57	-20	-35%
Non controlling interest	2	0	1	0	0	0	0	0
Profit (Loss) : Owners of the Parent	37	34	4	11%	37	57	-20	-35%

According on the table above, the consolidated financial statements for the period ended June 30 ,2018 showed that the net profit amount of 37 million baht had decrease 4 million baht equivalent 11%, Less than from the same period of last year. Therefore the company would like to clarify that the change was caused mainly by the significant transaction as bellows

1.1 Sales and service income of the company for year 2018 decrease by 59 million baht equivalent 6% from previous year, because of the revenue from sales and service of Ice machine and industrial refrigeration system business had decrease 128 million baht equivalent 20% According to the economic situation of the industry.

1.2 The gross profit of company in 2018 decrease amount of 2 million baht equivalent 1% from previous year. This is in line with the declining proportion of sales in the year 2018. However, when considering the gross margin. Company able to control cost better than last year. With a gross margin of 25% in 2018 and 23% in 2017.

1.3 Other income is the indirect business income generated by the Company such as gains from exchange rate, Interest income, Gain on Debt restructure etc. In year 2018 other income are increase amount of 35 million baht equivalent 699%. Because there are records Gain on Debt restructure in previous year 2017, Interest income from financial leasing and gains from exchange rate.

1.4 In years 2018 The selling expenses increased 43 million baht equivalent 38% from previous year. The majority of the staffing increases to support future expansion.

1.5 Corporate income tax decrease 6 million baht from the same period equivalent 38%. Due to 2018, there are gain decreased from the same period of last year 2017.

Yours faithfully,

PATKOL PUBLIC COMPANY LIMITED

(Mr.Sangchai Chotchuangchutchaval)
Chief Executive Officer