



**ELECTRONICS INDUSTRY PUBLIC COMPANY LIMITED**



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SGS TH07/1033

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- Translation -

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August 10, 2018

Subject Management Discussion and Analysis for the Six-Month Period Performance Ending June 30, 2018

To President  
The Stock Exchange of Thailand

The Board of Directors of Electronics Industry Public Company Limited (the “Company”) No. 5/2018 convened on August 10, 2018 has passed a resolution to certify the financial statements and the performance for six-month period ending June 30, 2018 which has been audited by the Auditor.

The overall of the Company’s performance and financial status can be summarized as follows:

**Income Statement**

Unit: Thousand Baht

Performance (Income Statement)	Q2.2018	Q2.2018	Increase/(decrease)	%
<b>Income</b>				
Income from Sale of Goods	86,805	96,061	(9,256)	(9.64)
Income from Service	54,488	-	54,488	100
Cost of Sale of Goods	(64,937)	(64,016)	(921)	1.44
Cost of Service	(27,835)	-	(27,835)	100
<b>Gross Profit</b>	<b>48,521</b>	<b>32,045</b>	<b>16,476</b>	<b>192</b>
Other Income	5,417	2,724	2,693	99
<b>Profit before Expense</b>	<b>53,938</b>	<b>34,769</b>	<b>19,169</b>	<b>55.13</b>
Sale Expense	(5,681)	(3,186)	(2,495)	78.31
Administrative Expense	(28,428)	(21,422)	(7,006)	32.70
Directors and Executives' Remuneration	(7,679)	(6,529)	(1,150)	17.61
Loss from Impairment of Fund in Subsidiary		(25)	25	(100.00)
Reverse of Doubful Account	4,687	2,000	2,687	134.35
Profit (loss) from Exchange Rate	(750)	(3,817)	3,067	(80.35)
<b>Profit (loss) before Finance cost and Income Tax</b>	<b>16,087</b>	<b>1,790</b>	<b>14,297</b>	<b>798.72</b>
Finance Cost	(4,050)	(989)	(3,061)	309.50
<b>Profit (loss) before Income Tax</b>	<b>12,037</b>	<b>801</b>	<b>11,236</b>	<b>1,108</b>
Income Tax Expense	(6,963)	-	6,963	100.00
Annual Net Loss	5,074	801	(4,273)	(533.46)
<b>Comprehensive Profit (loss) for Period</b>	<b>5,074</b>	<b>801</b>	<b>(4,273)</b>	<b>(533.46)</b>

In the 2<sup>nd</sup> quarter of 2018, the Company had income from the sale of goods and provision of services which increased from Baht 96.06 million to Baht 141.29 million by Baht 45.23 million or equivalent to 47.09% when compared with the same period of the previous year as a result of a reduction in the income from the sale of goods in the amount of Baht 9.26 million or equivalent to 9.64% and the income from the billboard rental service invested by the Company in October 2017 in the amount of Baht 54.49 Million. The cost of sale of goods and provision of services increased by Baht 28.76 million from the previous year or equivalent to 4.92%. The said increase was caused mainly by the cost of billboard rental service of Baht 27.84 million.

Gross profit in the 2<sup>nd</sup> quarter of 2018, when compared with the same period of the previous year, increased from Baht 32.05 million to Baht 48.52 million by Baht 16.78 million or 51.42%. The increase was caused mainly by the income from the billboard rental service which had gross profit at a rate of 48.92 %.

Other income in the 2<sup>nd</sup> quarter of 2018, when compared with the same period of the previous year, increased by from Baht 2.72 million to Baht 5.42 million by Baht 2.69 million or 99.00%. The increase was caused mainly by the income from interest on the fund invested in the short-term bill of exchange.

#### **Sale Expense**

The Company's sale expense in the 2<sup>nd</sup> quarter of 2018 was Baht 5.68 million or 4.02% of the total income from the sale of goods and provision of services. When compared with the same period of the previous year where the sale expense was equivalent to Baht 3.19 million, it increased by Baht 2.50 million or 78.31%. In this regard, the sale expense increased mainly because of the business of billboard rental service invested by the Company during the end of the previous year.

#### **Administrative Expense**

In the 2<sup>nd</sup> quarter of 2018, the administrative expense was in the amount of Baht 28.43 million or 20.12% of the total income of the sale of goods and provision of services. It increased by Baht 7.00 million when compared with the same period of the previous year where the administrative expense was equivalent to Baht 21.42 million. In this regard, the administrative expense increased mainly because of the business of billboard rental service invested by the Company during the end of the previous year.

#### **Loss from Disposition of Fund Invested in Subsidiary**

In the 2<sup>nd</sup> quarter of 2018, the Company suffered the loss from the disposition of investment fund that decreased by Baht 0.03 million when compared with the same period of the previous year as in the 2<sup>nd</sup> quarter of 2017, the loss was caused by the disposition of the investment fund in Thai Prime Investment Co., Ltd.

### **Loss from Exchange Rate**

In the 2<sup>nd</sup> quarter of 2018, the Company suffered the loss from exchange rate in the amount of Baht 0.75 million or 0.86% of the sale of goods. The loss reduced from the same period of the previous year due to the fluctuation of the Thai Baht.

### **Finance Cost**

In the 2<sup>nd</sup> quarter of 2018, the Company's finance cost was Baht 4.05 million which increased by Baht 3.06 million when compared with the same period of the previous year where the finance cost was Baht 0.99 million. The increased amount consisted of the payable interest of the Company and its subsidiaries in the amount of Baht 0.26 million and the interest under the financial lease in the amount of Baht 2.80 million.

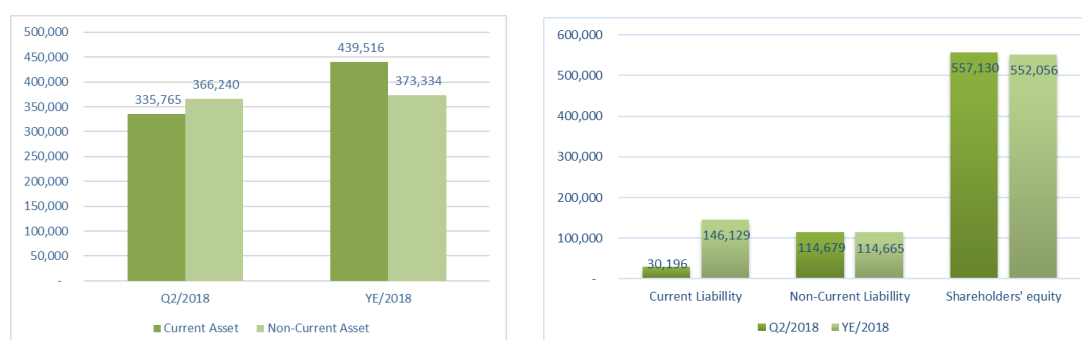
### **Income Tax Expense**

In the 2<sup>nd</sup> quarter of 2018, the Company had income tax expense in the amount of Baht 6.96 million which incurred from deferred tax asset in the amount of Baht 2.51 million and corporate income tax of the subsidiaries in the amount of Baht 4.45 million.

### **Net Profit (Loss)**

The Company's net profit (loss) in the 2<sup>nd</sup> quarter of 2018 and the 2<sup>nd</sup> quarter of 2017 was equivalent to 5.07 and 0.80 respectively, which were equivalent to the rate of net profit(loss) at 3.59 and 0.57 % of the total income of the Company respectively. The main factor which resulted in a substantial difference between the net profit(loss) and the rate of net profit (loss) in the 2<sup>nd</sup> quarter of 2018 and the performance in the 2<sup>nd</sup> quarter of 2017 was the income which increased from the business of billboard rental service.

### **Financial Statements**



The Company's total assets as of June 30, 2018 was equivalent to Baht 702.00 million which decreased by Baht 110.85 million which consisted of current assets of Baht 335.77 million which decreased by Baht 103.75 million from the end of the previous year and non-current assets of Baht 366.24 million which decreased by Baht 7.09 million from the end of the previous year as a result of a decrease in cash and cash equivalent of Baht 29.90 million, temporary investment fund of Baht 84.64 million, account receivable of Baht 6.18 million, deposit at financial institutions used as collateral of Million 2.06 Baht, net depreciation of building and equipment of Baht

3.83 million. The deferred tax asset decreased by Baht 4.32 million. The inventory increased by Baht 8.96 million. The amount of loan lent to other businesses increased by Bath 5.00 million. The advance payment of shares and accrued interest increased by Baht 3 million and other assets decreased by Baht 3.11 million.

The Company's total liabilities as of June 30, 2018 decreased by Baht 115.92 million or 222.96% which consisted of current liabilities of Baht 30.20 million which decreased by Baht 115.93 million from the end of the previous year and non-current liabilities of Baht 114.68 million which increased by Baht 14.00 million from the end of the previous year. The main factor was a reduction in account payables and overdrawn amount.

The Company's equity as of June 30, 2018 was Baht 557.13 million which increased by Baht 5.07 million or 0.72% from the end of the previous year as a result of the profit in the 2<sup>nd</sup> quarter of 2018.

Sincerely yours,

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(Mr. Kusol Sangkananta)

Director/Chief Executive Officer