

Our Ref: No.V.029/2018

August 14,2018

Subject : Explanation for operation of second quarter of year 2018

Attn : Managing Director

The Stock Exchange of Thailand

Enclosed please find the financial statements for second quarter of year 2018 ended June30,2018.

The details are as follows:

1. For the 2nd quarter of year 2018, total revenue from sales was 472.35 million Baht, or an increase of 11.23% from the same period of last year and an increase of 1.71% over the last quarter. Such increase was mainly due to the increase in aluminium price and the expansion of sales volume from exporting to overseas market.
2. Cost of sales was 449.5 million Baht or at 95.17% of sales which increased from the 2nd quarter of last year of 90.35% and increased from the last quarter of 94.37% and that was due to higher costs.
3. Selling and administrative expenses increased from the same period of last year to 22.72 million Baht while Finance costs increased to 4.82 million baht due to higher in borrowing and higher in interest rate.
4. In the 2nd quarter, other revenues was 0.39million Baht. Foreign exchange loss was 39.41 million Baht which mainly due to the weakness of local currency and gain on commodity swap agreement was 24.82 million Baht.
5. In conclusion, for the 2nd quarter of year 2018, the company had net loss 21.97 million Baht or 0.22 Baht per share.

In conclusion, the company's operating results for the second quarter ended June 30,2018 showed the net loss which decreased over than 20% when compared to the second quarter of year 2017.Enclosed please find the financial statements and statement of accounts ended June 2018 which have been audited by the authorized auditors.

Sincerely yours,

VAROPAKORN PUBLIC COMPANY LIMITED

(Mr. Sahasee Chitanondh)
Managing Director

