



ELECTRONICS INDUSTRY PUBLIC COMPANY LIMITED



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SGS TH07/1033

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(Translation)

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February 27, 2019

Subject: Management Discussion and Analysis Yearly Financial Period Ending 31 December 2018

To: President

The Stock Exchange of Thailand

The Board of Directors of Electronics Industry Public Company Limited (the “Company”) No.2/2019 convened on February 27, 2019 has passed a resolution to certify the financial statements and the performance for the year period ending December 31, 2018 which has been audited by the Auditor.

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

Electronics Industry Public Company Limited and its subsidiaries

Operating results for the year 2018 ended December 31, 2018

(Unit : Thousand Baht)

Performance (Income Statement)	2018	2017	Increase/(decrease)	%
Income				
Income from Sale of Goods	190,461.74	203,555.86	(13,094.12)	(6.43)
Income from Service	107,526.94	26,275.28	81,251.66	309.23
Cost of Sale of Goods	(151,506.32)	(146,038.20)	5,468.12	(3.74)
Cost of Service	(59,327.70)	(13,389.70)	45,938.00	(343.08)
Gross Profit	87,154.66	70,403.24	16,751.42	23.79
Reversal (loss) of doubtful account	14,238.71	5,026.23	9,212.48	183.29
Interest income	4,702.46	1,735.72	2,966.74	170.92
Other Income	2,230.85	5,170.39	(2,939.54)	(56.85)
Profit before Expense	108,326.68	82,335.58	25,991.10	31.57
Sale Expense	(11,762.46)	(11,176.84)	585.62	(5.24)
Administrative Expense	(57,706.08)	(53,783.32)	3,922.76	(7.29)
Directors and Executives' Remuneration	(16,557.31)	(15,165.01)	1,392.30	(9.18)
Loss on impairment of goodwill	-	(121,708.94)	121,708.94	(100.00)
Profit (loss) from Exchange Rate	(931.01)	(7,964.13)	(7,033.12)	88.31
Loss on idemnity claims	-	(11,811.98)	11,811.98	(100.00)
Profit (loss) before Finance cost and Income Tax	21,369.82	(139,274.64)	160,644.46	(115.34)
Finance Cost	(7,123.35)	(2,984.36)	4,138.99	(138.69)
Profit (loss) before Income Tax	14,246.47	(142,259.00)	164,783.45	(115.83)
Income Tax Expense	(9,014.36)	10,743.45	19,757.81	183.91
Annual Net Loss	5,232.11	(131,515.55)	136,747.66	(103.98)
Remeasurement of employee benefit obligations	-	288.42	-	-
Comprehensive Profit (loss) for Period	5,232.11	(131,515.55)	136,747.66	(103.98)

The Company's income from service in 2017 was THB 26.28 million, while that in 2018 was THB 107.53 million. The THB 81.25 million increase in 2018 was equivalent to 309.23 percent. Costs of service in 2018 increased from 2017 by THB 45.94 million or 343.08 percent. This resulted from the Company's realization of income and costs related to providing billboard rental services beginning from its date of investment in October 2017, where the gross profit made from billboard rental services amounts to 44.83 percent.

The Company's gross profit for 2017 was THB 70.40 million, while that for 2018 was THB 87.15 million, equivalent to a THB 16.75 million or 23.79 percent increase. This increase was a result of revenue obtained through its billboard rental service.

Reversal (Loss) of Doubtful Account

The Company's reversal of doubtful account for 2018 was THB 14.24 million, which increased by THB 9.21 million from 2017 or equivalent to 183.29 percent. Such increase was due to settlement of debts received from Miss Pornpun amounting THB 15 million, representing a THB 8 million increase from 2017. Further, the Company's subsidiaries' allowance for reversal (loss) of doubtful account was reduced by THB 1.21 million compared to 2017.

Interest Income

The Company's interest income for 2018 was THB 4.70 million, which increased by THB 2.97 million from 2017. This was a result of the Company receiving interests from short-term loans in the form of promissory notes of THB 2.24 million as well as interests from subsidiaries' bank of THB 0.73 million

Other Income

The Company's other income for 2018 was THB 2.23 million, which had decreased from 2017 by THB 2.94 million. This decrease was due to cessation of business of EIC Semiconductor Co., Ltd. in 2018, which had functioned as the Company's agent for providing supply to customers in 2017.

Loss on Impairment of Goodwill

In 2017 the Company experienced a loss in impairment of goodwill due to purchase of additional business valued at THB 121.71 million. In 2018, due to better performance of the Company's subsidiary, there was no loss on impairment of goodwill.

Loss from Exchange Rate

The Company's loss from exchange rate in 2018 was THB 0.93 million or 0.49 percent of sale. Such loss decreased by THB 7.03 million from the same period of 2017, representing an 88.31 percent decrease. Such decrease was due to fluctuations of the Thai Baht currency.

Loss on Indemnity Claims

In 2017, the Company experienced a THB 11.81 million loss on indemnity claims due to indemnity claims made in that year against EIC Semiconductor Co., Ltd. amounting RMB 2.38 million. EIC Semiconductor Co., Ltd. is currently negotiating with the claimants for reduction of the claims amount, and the final result of this negotiation has not been reached.

Financial Costs

The Company's financial costs in 2018 were THB 7.12 million, constituting an increase by THB 4.14 million from the same period of 2017, representing a 138.69 percent increase. Such increase was due to settlement of interests on short-term loans in the form of promissory notes, which increased by THB 1.90 million from 2017. EIC Semiconductor Co., Ltd. faced a THB 2.14 million financial loan interest increase from the previous year, while S. Thana Media Co., Ltd. faced interests from car purchase at THB 0.10 million.

Income Tax Expense

In 2018, the Company's income tax expense was THB 9.01 million. This figure resulted from realization of EIC Semiconductor Co., Ltd.'s deferred income tax due to temporary difference and reversal of temporary difference of THB 1.14 million. S. Thana Media Co., Ltd. had deferred income tax of THB 7.87 million.

Remeasurement

In 2017, the Company underwent a remeasurement of employee benefit obligations in terms of post-employment benefits of THB 0.29 million, which was due to adjustment of assumption for establishing employee benefit obligations as an expense under the Labour Protection Act (No. 6) B.E. 2560, which requires for determination of retirement age for employees over sixty years old, effective from 1 September 2017.

Please be informed accordingly.

Sincerely yours,

(Mr.Kusol Sangkananta)

Chief Executive Officer