

May 10, 2019

Re: Management Discussion and Analysis for Quarter 1/2019 (March 31 ,2019)

To: Director and Manager of the Stock Exchange of Thailand

Patkol Public Company Limited and its subsidiaries report the operating results for the first quarter of year 2019 of the Company and its subsidiaries in the consolidated financial statements for the three-month period ended 31 March 2019 which have been reviewed. The Group had sales and service income 796 million baht and net loss 87 million baht, compared with the first quarter of 2018 sales and service income at 1,047 million baht for and net profit at 3 million. By order of the operating results for the 1st quarter of 2019 and year 2018 are summarized below.

Million Baht	Consolidation method				The Company			
	Q1/2019	Q1/2018	Different		Q1/2019	Q1/2018	Different	
Sales and service income	796	1,047	-250	-24%	653	924	-271	-29%
Cost of sales and services	-645	-798	-153	-19%	-537	-732	-194	-27%
Gross Profit	151	248	-97	-39%	116	193	-77	-40%
Other Income	9	11	-2	-18%	19	16	3	19%
Distribution costs	-97	-93	4	4%	-77	-84	-7	-8%
Administrative expenses	-139	-154	-15	-10%	-113	-126	-13	-10%
Finance cost - Interest expenses	-11	-8	3	36%	-8	-6	2	37%
Corporate income tax	-1	-2	1	-21%	0	0	0	-0%
Earnings (Loss) for the Period	-88	3	-91	3,259%	-63	-6	-57	904%
Non controlling interest	-1	0	-1	782%	0	0	0	0%
Net Earnings (Loss)	-87	3	-90	3,327%	-63	-6	-57	904%

Sales and service income

Sales and service income for the first quarter of 2019 totaled 796 million baht, decrease 250 million baht or 24% from the first quarter of 2018, mainly from the majority of customers have slow down of investment.

Gross Profit

The Group's gross profit margin was 151 million baht in the first quarter of 2019, decrease of 97 million baht or 40% from the same period of last year along with declining proportion of sales in the year 2019 and the recognition of income from some projects with lower margins.

Other Income

Other income is income from other business activities of the company, such as gain on exchange rate, interest income, bad debt and bad debt recovery. In the first quarter of 2019, the group had other income decreased by Baht 2 million or 18% in the same period last year.

Distribution costs

In the first quarter of 2019, the group's cost of sales was 97 million baht, increase 4 million baht or 4% compared to the same period of last year due to expenses related to trade fairs, marketing and travel expenses.

Finance cost

The group's financial cost was 11 million baht, an increase of Baht 3 million or 36% compared to the same period last year. The group has entered into a long-term loan agreement with a financial institution for building a new subsidiaries's office and start re-payment interest.

Corporate income tax

In the first quarter of 2019, the group had income tax of 1.4 million baht, a decrease of 0.4 million baht or 21% from the same period of last year. This is due to the decrease in revenue from sales and services and net profit.

Yours faithfully,

PATKOL PUBLIC COMPANY LIMITED

(Mr.Sangchai Chotchuangchutchaval)
Chief Executive Officer

