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(Translation)

Ref: EIC-AD020/2019

15 May 2019

Subject: Management Discussion and Analysis for the Performance for Three-Month Period ended 31 March 2019

To: President

The Stock Exchange of Thailand

The Board of Directors of Electronics Industry Public Company Limited (the “Company”) No.5/2019 convened on 14 May 2019 has passed a resolution to certify the financial statements and the performance for the three-month period ended 31 March 2019 which has been reviewed by the Auditor.

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

(Unit : Thousand Baht )

Performance (Income Statement)	Q1.2562	Q1.2561	Increase/(decrease)	%
<b>Income</b>				
Revenue from sale of goods	51,495	46,822	4,673	9.98
Revenue from sevice	25,685	27,672	(1,987)	(7.18)
Cost of sale of goods	(41,034)	(32,945)	8,089	(24.55)
Cost of service	(14,789)	(14,142)	647	(4.58)
<b>Gross Profit</b>	<b>21,357</b>	<b>27,407</b>	<b>(6,050)</b>	<b>(22.07)</b>
Reversal of provision for doubtful accounts	4,712	-	4,712	100.00
Other income	801	3,376	(2,575)	(76.27)
<b>Profit before Expenses</b>	<b>26,870</b>	<b>30,783</b>	<b>(3,913)</b>	<b>(12.71)</b>
Selling expenses	(12,173)	(2,904)	9,269	(319.18)
Administrative expenses	(19,136)	(13,982)	5,154	(36.86)
Directors and managements' remuneration	(5,466)	(4,038)	1,428	(35.36)
Loss on exchange rate	(5,944)	(4,456)	1,488	(33.39)
<b>Profit (loss) before Finance cost and Income Tax</b>	<b>(15,849)</b>	<b>5,403</b>	<b>(21,252)</b>	<b>(393.34)</b>
Finance cost	(1,755)	(2,962)	(1,207)	40.75
<b>Profit (loss) before Income Tax</b>	<b>(17,604)</b>	<b>2,441</b>	<b>(22,459)</b>	<b>(920.07)</b>
Income tax expenses	(5,692)	(3,499)	2,193	(62.68)
<b>Comprehensive Profit (loss) for Period</b>	<b>(23,296)</b>	<b>(1,058)</b>	<b>(22,238)</b>	<b>2,101.89</b>

In the 1<sup>st</sup> quarter of 2019, the Company's revenue from sales and cost of sales increased when compared with the 1<sup>st</sup> quarter of 2018, resulted from the recognition of revenue and cost of food business beginning from its date of investment in January 2019. The proportion of revenue from sales increased by Baht 4.67 million or equivalent to 9.98% and gross profit margin from sales was 20.31%.

#### **Reversal of Provision for Doubtful Accounts**

In the 1<sup>st</sup> quarter of 2019, the Company reversed provision for doubtful accounts amounting to Baht 4.71 million or equivalent to 100% because EIC Semiconductor Co., Ltd. and S. Thana Media Co., Ltd. received payment from customers which had already set up provision for doubtful accounts amounting to Baht 4.52 million and Baht 0.19 million, respectively.

#### **Other Income**

The Company and its subsidiaries' other income in the 1<sup>st</sup> quarter of 2019 were Baht 0.80 million, which had decreased from the 1<sup>st</sup> quarter of 2018 by Baht 2.58 million mainly due to interest income of promissory note amounting to Baht 2.20 million which the Company's received the principle repayment in 2018 full amount. Income of EIC Semiconductor Co., Ltd. which had functioned as the Company's agent for providing supply to customers decreased by Baht 0.60 million because there was no such transaction in the 1<sup>st</sup> quarter of 2019. On the other hand, S. Thana Media Co., Ltd. had income from compensation claims of damaged billboards amounting to Baht 0.22 million.

#### **Selling Expenses**

The Company and its subsidiaries' selling expenses in the 1<sup>st</sup> quarter of 2019 increased by Baht 9.27 million or equivalent to 319.18% when compared with the 1<sup>st</sup> quarter of 2018 mainly due to the recognition of expenses of food business beginning from its date of investment in January 2019.

#### **Administrative Expenses**

The Company and its subsidiaries' administrative expenses in the 1<sup>st</sup> quarter of 2019 increased by Baht 5.15 million or equivalent to 36.86% when compared with the 1<sup>st</sup> quarter of 2018 mainly due to the recognition of expenses of food business beginning from its date of investment in January 2019

#### **Directors and Managements' remuneration**

The Company and its subsidiaries' directors and managements' remuneration in the 1<sup>st</sup> quarter of 2019 increased by Baht 1.43 million or equivalent to 35.36% when compared with the 1<sup>st</sup> quarter of 2018 because the Company appointed Management team to oversee the effectiveness of all functions.

### **Loss on Exchange Rate**

The Company and its subsidiaries' loss on exchange rate in the 1<sup>st</sup> quarter of 2019 were Baht 5.94 million or equivalent to 11.54% of revenue from sales, which increased by Baht 1.49 million or equivalent to 33.39% when compared with the 1<sup>st</sup> quarter of 2018 due to fluctuations of the Thai Baht currency.

### **Finance Costs**

The Company and its subsidiaries' finance costs in the 1<sup>st</sup> quarter of 2019 were Baht 1.76 million which decreased by Baht 1.21 million or equivalent to 40.75% when compared with the 1<sup>st</sup> quarter of 2018 mainly due to the decrease in interest expenses of promissory note amounting to Baht 1.92 million. Interest expenses from finance lease of EIC Semiconductor Co., Ltd., S. Thana Media Co., Ltd. and Bake Cheese Tart (Thailand) Co., Ltd. decreased by Baht 0.37.million , Baht 0.03 million, and Baht 0.31 million, respectively.

### **Income Tax Expense**

The Company and its subsidiaries' income tax expenses in the 1st quarter of 2019 were Baht 5.70 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 Baht 3.78 million. Moreover, S. Thana Media Co., Ltd. had income tax expenses for the period amounting to Baht 1.91 million.

Sincerely yours,

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(Mr.Kusol Sangkananta)

Chief Executive Officer