

No. 022/2019

30 July 2019

Subject Management Discussion and Analysis 1<sup>st</sup> Quarter Ending 31 March 2018

To President  
The Stock Exchange of Thailand

Chuo Senko (Thailand) Public Company Limited (the “Company”) would like to explain the Company’s result of operations and financial position for the three-month period ended 31 March 2018 as follows:

#### **Analysis of Operating Results**

The Company group (Consolidated Financial Statement) has net loss for the period Baht 9.92 million, decreased by Baht 18.20 million or 64.72 percent when compared with net loss at the same period last year in an amount of Baht 28.12 million.

During 1<sup>st</sup> quarter of the year 2018, the Company group has no commission and service income as a result of the sale on investment of subsidiaries in the year 2016 and re-organization of the Company group and there was a change of the Executive Committee of the Company in January 2018, after the resignation of the former Chairman of the Executive Board in December 2017. The Current Executives began to manage and found many unusual transactions, therefore the Current Executives started to review the transactions of the former management, assess the investments and review the legal status.

However, 1<sup>st</sup> quarter of the year 2018, the Company group has other income of Baht 2.29 million, increased by Baht 1.17 million or 104.46 percent when compare with other income at the same period last year in an amount of Baht 1.12 million. The increase was due to the retroactive adjustment and other service income.

For the three-month period ended 31 March 2018 and 2017, the Company group had administrative expenses in an amount of Baht 10.42 million and Baht 20.58 million, decreased by Baht 10.16 million or 49.37 percent as a result of the re-organization of the Company group and the decrease in the main expenses such as employee expenses and rental fee.

#### **Analysis of Financial Position**

As at 31 March 2018 and 31 December 2017, the Company group had assets of Baht 17.52 million and Baht 65.92 million, decreased by 48.40 million. Meanwhile, the Company group had liabilities as at 31 March 2018 in an amount of Baht 64.53 million, decreased by 38.48 million when compared with liabilities as at 31 December 2017 in an amount of Baht 103.01 million as a result of the cancellation of all bank overdraft line and other credit facilities with the bank and withdrawal of the fixed deposits which is a collateral of Baht 46.60 million to repay bank overdrafts.

As at 31 March 2018 and 31 December 2017, the Company group had shareholder's equity of Baht -47.01 million and Baht -37.09 million. The increase of net loss during the period affects the decrease of shareholder's equity.

Please be informed accordingly.

Yours Sincerely,

Chuo Senko (Thailand) Public Company Limited

(Tan Vutithum)

Chief Executive Officer