

No. 023/2019

30 July 2019

Subject Management Discussion and Analysis 2nd Quarter Ending 30 June 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 and six-month periods ended 30 June 2018 as follows:

Analysis of Operating Results

Quarter 2/2018

For three-month period ended 30 June 2018, the Company group (Consolidated Financial Statement) had net loss for the period of Baht 8.83 million, increased by Baht 0.94 million or 11.91 percent when compared with net loss at the same period last year in an amount of Baht 7.89 million.

The Company group had 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, 2nd quarter of the year 2018, the Company group has other income of Baht 1.20 million, decreased by Baht 0.27 million or 18.37 percent when compare with other income at the same period last year in an amount of Baht 1.47 million due to the recognition of other service income.

The Company group had total expenses in an amount of Baht 9.33 million, decreased by Baht 4.74 million due to the decrease in administrative expenses in the amount of Baht 8.32 million, decreased by Baht 6.37 million or 43.36 percent when compare with administrative expenses at the same period last year in an amount of Baht 14.69 million due to the re-organization of the Company group and the decrease in the main expenses such as employee expenses and rental fee.

January – June 2018

For the six-month period ending 30 June 2018, the Company group had net loss for the period of Baht 18.75 million, decreased by Baht 17.27 million or 47.95 percent when compared with net loss at the same period last year in an amount of Baht 36.02 million.

For the six-month period ending 30 June 2018, the Company group had no commission and service income and had other income in an amount of Baht 3.49 million, increased by Baht 0.82 million when

compare with other income at the same period last year in an amount of Baht 2.67 million and the Company group had administrative expenses in an amount of Baht 18.73 million, decreased by Baht 16.54 million when compare with administrative expenses at the same period last year in an amount of Baht 35.27 million.

Analysis of Financial Position

As at 30 June 2018 and 31 December 2017, the Company group had assets of Baht 19.72 million and Baht 65.92 million, decreased by 46.20 million. Meanwhile, the Company group had liabilities as at 30 June 2018 in an amount of Baht 48.56 million, decreased by 54.45 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 30 June 2018 and 31 December 2017, the Company group had shareholder's equity of Baht -28.84 million and Baht -37.09 million. The increase of net loss during the period affects the decrease of shareholder's equity and in June 2018 , the Company received the subscription payment for the 134,998,852 newly issued ordinary shares with specifying the purpose of utilizing proceed to existing shareholders proportionate to their respective shareholdings (Rights Offering) with the offering price at Baht 0.2 per share in an amount of Baht 27.0 million.

Please be informed accordingly.

Yours Sincerely,

Chuo Senko (Thailand) Public Company Limited

(Tan Vutithum)

Chief Executive Officer