

No. 024/2019

30 July 2019

Subject Management Discussion and Analysis 3<sup>rd</sup> Quarter Ending 30 September 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 nine-month periods ended 30 September 2018 as follows:

### **Analysis of Operating Results**

#### Quarter 3/2018

For three-month period ended 30 September 2018, the Company group (Consolidated Financial Statement) had net loss for the period of Baht 5.79 million, decreased by Baht 6.31 million or 52.15 percent when compared with net loss at the same period last year in an amount of Baht 12.10 million.

During the 3<sup>rd</sup> quarter of the year 2018, the Company group had service income in an amount of Baht 2.00 million when compared with no service income at the same period last year.

The Company group had main cost of services which is employee expenses in sale and marketing department in an amount of Baht 1.01 million, the proportion of cost of services to the service income were 50.45 percent and administrative expenses of the Company group in an amount of Baht 7.92 million, decreased by Baht 2.33 million or 22.73 percent when compared with the expenses at the same period last year in an amount of Baht 10.25 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 – September 2018

For the nine-month period ending 30 September 2018, the Company group had net loss for the period of Baht 24.55 million, decreased by Baht 23.56 million or 48.97 percent when compared with net loss at the same period last year in an amount of Baht 48.11 million.

For the six-month period ending 30 September 2018, the Company group had service income in an amount of Baht 2.00 million and had other income in an amount of Baht 2.80 million, increased by Baht 0.36 million when compare with other income at the same period last year in an amount of Baht 2.44 million and the Company group had administrative expenses in an amount of Baht 26.66 million, decreased by Baht 19.14 million when compare with administrative expenses at the same period last year in an amount of Baht 45.80 million.

### Analysis of Financial Position

As at 30 September 2018 and 31 December 2017, the Company group had assets of Baht 21.76 million and Baht 65.92 million, decreased by 44.16 million. Meanwhile, the Company group had liabilities as at 30 September 2018 in an amount of Baht 48.37 million, decreased by 54.64 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 September 2018 and 31 December 2017, the Company group had shareholder's equity of Baht -26.62 million and Baht -37.09 million. The increase of net loss during the period affects the decrease of shareholder's equity and in August 2018, the Company received the subscription payment for the 20,049,334 newly issued ordinary shares under general mandate basis to existing shareholders proportionate to their respective shareholdings (Rights Offering) with the offering price at Baht 0.4 per share in an amount of Baht 8.0 million.

Please be informed accordingly.

Yours Sincerely,

Chuo Senko (Thailand) Public Company Limited

(Tan Vutithum)

Chief Executive Officer