



(Translation)

Re: BOD.SET 011/2019

August 8, 2019

Subject: Clarification on the Change in operating results for the six month ended June 30, 2019 over 20% compared with the same period of the previous Quarterly

To: The President  
The Stock Exchange of Thailand

As a result of the trade war, both the United States and China have pulled the world economy down sharply and may cause a recession in the near future. For the impact on Thailand, The Baht appreciation is greatly appreciated. Compared to other currencies, as a result, the competitiveness of Thailand on the world stage has decreased, slowdown in Thai exports from the weakening global economy has more possibilities which is a factor that dragged down the expansion of the Thai economy, Stability of political groups. As a result, investment from the private sector and the government slowed down. There is intense competition. The cost of goods increases from the labor cost that the company must bear.

In the second quarter of 2019, the company delivered work to customers who postponed from the previous year and recognized revenue from the production line installation project and testing of the production line in the first phase according to the percentage of completion of the work. As a result, the operating results for the six month period ended June 30, 2019 are as follows:

- Sales increased from 199.72 million Baht in the second quarter of 2018 to 254.78 million Baht for the second quarter of 2019, representing 27.57 percent, which results from the delivery of work to customers that have been postponed from the previous year and recognized revenue according to the success of the project to increase production efficiency.
- Cost of sales increased from 182.73 million Baht in the second quarter of 2018 to 235.63 million Baht for the second quarter of 2019, representing for 28.96 percent, which results from the delivery of work to customers that have been postponed from the previous year and recognized revenue according to the success of the project to increase production efficiency and results from the calculation of the long-term employment benefits of 400 days scheme at 4.78 million Baht, as resulted decrease in gross profit margin from 8.51 percent for the second quarter of 2018 to 7.51 percent for the second quarter of 2019.
- Other income decreased 43.41% from the same period of the previous quarter. Since in the second quarter of 2018, the company had a gain from the exchange rate of 1.28 million Baht.
- Administrative expenses for the second quarter of 2019 decreased by 9.03% due to the penalty tax of customs of 2014 and 2015 at 6.32 million Baht and the results from the calculation of long-term employment benefits 400 days scheme increased by 1.20 million Baht



- and decreased from the depreciation of BanBueng factory 5.27 million Baht and reduced the office manpower section for by 3.50 million Baht.
- At the end of the second quarter of 2019, the company had total assets of 846.10 million Baht, at increase of 0.45 percent. Total liabilities decreased by 15.52% resulting from the short-term loans of 30 million Baht and The result of calculation of long-term employment benefits of 400 days scheme increased by 24.61 million Baht. The shareholders' equity decreased by 9.86% resulting from the loss for the two quarter of 2019 as the amount Baht 32.62 million and results from the calculation of long-term employment benefits 400 days scheme in the past increased by 16.66 million Baht.
  - As of June 30, 2019, the Company recognized revenue of 72.02 million Baht in proportion to the project completed in the production line project and the production line testing, Total contract value of 255 million Baht. The project period ended 19 October 2020

Please be informed accordingly.

Sincerely yours,

-Mr. Surachet Kamolmongkolsuk-

(Mr. Surachet Kamolmongkolsuk)

Managing Director