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(Translation)

Ref: EIC-AD033/2019

13 August 2019

Subject: Management Discussion and Analysis for the Performance for Six-Month Period ended 30 June 2019

(Added Information)

To: President

The Stock Exchange of Thailand

The Board of Directors of Electronics Industry Public Company Limited (the “Company”) No.8/2019 convened on 13 August 2019 has passed a resolution to certify the financial statements and the performance for the six-month period ended 30 June 2019 which has been reviewed by the Auditor.

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

(Unit : Thousand Baht)

Performance (Income Statement)	Q2.2019	Q2.2018	Increase/(decrease)	%
Income				
Revenue from sale of goods	126,068	86,805	39,263	45.23
Revenue from sevice	49,842	54,488	(4,646)	(8.53)
Cost of sale of goods	(97,455)	(64,937)	32,518	(50.08)
Cost of service	(29,149)	(27,835)	1,314	(4.72)
Gross Profit	49,306	48,521	785	1.62
Reversal of allowance for doubtful accounts	6,167	4,687	1,480	31.58
Other income	1,266	5,417	(4,151)	(76.63)
Profit before Expenses	56,739	58,625	(1,886)	(3.22)
Selling expenses	(30,778)	(5,681)	25,097	(441.77)
Administrative expenses	(44,920)	(28,428)	16,492	(58.01)
Directors and managements' remuneration	(11,841)	(7,679)	4,162	(54.20)
Gain (loss) on exchange rate	(3,621)	(750)	2,871	(382.80)
Profit (loss) before Finance cost and Income Tax	(34,421)	16,087	(50,508)	(313.97)
Finance cost	(3,751)	(4,050)	(299)	7.38
Profit (loss) before Income Tax	(38,172)	12,037	(50,807)	(422.09)
Income tax expenses	(407)	(6,963)	(6,556)	94.15
Net Loss for the period	(38,579)	5,074	(43,653)	(860.33)

In the 2nd quarter of 2019, the Company's revenue from sales and cost of sales increased when compared with the same quarter last year, 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 39.26 million or equivalent to 45.23% and gross profit margin from sales was 22.70%.

Reversal of Allowance for Doubtful Accounts

In the 2nd quarter of 2019, the Company reversed allowance for doubtful accounts amounting to Baht 6.17 million or equivalent to 31.58% because the Company received the payment of advance for share subscription amounting to Baht 0.40 million. EIC Semiconductor Co., Ltd. and S. Thana Media Co., Ltd. received payment from customers which had already set up allowance for doubtful accounts amounting to Baht 5.63 million and Baht 0.14 million, respectively.

Other Income

The Company and its subsidiaries' other income in the 2nd quarter of 2019 were Baht 1.27 million, which had decreased from the same quarter last year by Baht 4.15 million mainly due to interest income of promissory note amounting to Baht 3.58 million which the Company's received full principle repayment in 2018. Income of EIC Semiconductor Co., Ltd. which had functioned as the Company's agent for providing supply to customers decreased by Baht 0.80 million because there was no such transaction in the 2nd quarter of 2019.

Selling Expenses

The Company and its subsidiaries' selling expenses in the 2nd quarter of 2019 increased by Baht 25.10 million or equivalent to 441.77% when compared with the same quarter last year mainly due to the recognition of expenses of [Bake Cheese Tart \(Thailand\) Co., Ltd.](#) beginning from its date of investment in January 2019 **totally Baht 24.39 million. These expenses were consist of rental amounting to Baht 15.61 million, wages amounting to Baht 4.86 million, royalty fee amounting to Baht 1.51 million, marketing expenses amounting to 1.89 million and utilities expenses amounting to Baht 0.52 million.**

Administrative Expenses

The Company and its subsidiaries' administrative expenses in the 2nd quarter of 2019 increased by Baht 16.49 million or equivalent to 58.01% when compared with the quarter last year 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 2nd quarter of 2019 increased by Baht 4.16 million or equivalent to 54.20% when compared with the same quarter last year because the Company appointed Management team to oversee the effectiveness of all functions during the period.

Loss on Exchange Rate

The Company and its subsidiaries' loss on exchange rate in the 2nd quarter of 2019 were Baht 3.62 million or equivalent to 2.87% of revenue from sales, which increased by Baht 2.87 million or equivalent to 382.80% when compared with the same quarter last year due to fluctuations of the Thai Baht currency.

Income Tax Expenses

The Company and its subsidiaries' income tax expenses in the 2nd quarter of 2019 were Baht 0.41 million, resulted from realisation of EIC Semiconductor Co., Ltd.'s deferred tax assets due to temporary difference and reversal of temporary difference of Baht 3.20 million. Moreover, S. Thana Media Co., Ltd. had income tax expenses for the period amounting to Baht 3.61 million.

Sincerely yours,

(Mr.Kusol Sangkananta)

Director/Chief Executive Officer