

Our Ref: No.V. 027//2019

August 14,2019

Subject: Explanation for operation of second quarter of year 2019

Attn : Managing Director

The Stock Exchange of Thailand

Enclosed please find the financial statements for second quarter of year 2019 ended June 30,2019.
The details are as follows:

1. In the 2nd quarter of year 2019, revenues from sales was at 401.15 million Baht, or a decrease of 15.07% from the same period of last year mainly due to lower aluminium prices. However, when comparing with previous quarter, it was increased 10.5%
2. Cost of sales was 431.57 million Baht or 107.58% of sales which increased from the 2nd quarter of last year of 95.17% and increased from the last quarter of 105.83%. Such high cost was resulted from low productivity and higher procurement cost of raw material.
3. Selling and administrative expenses increased from the same period of last year to 33.29 million Baht mainly due to marketing expenses and the increase in set up of employee benefits. Finance costs slightly decreased from previous quarter to 4.9 million baht due to less borrowing.
4. In the 2nd quarter, other revenues was 2.03million Baht. Foreign exchange gain was 11.50 million Baht which mainly due to the strengthening of local currency
5. In conclusion, for the 2nd quarter of year 2019, the company had net loss 51.3 million Baht or 0.54 Baht per share.

In conclusion, the company's operating results for the second quarter ended June 30,2019 showed the net Loss which decreased over 20% when compared to the second quarter of year 2018. Enclosed please find the financial statements and statement of accounts ended June 2019 which have been audited by the authorized auditors.

Sincerely yours,

VAROPAKORN PUBLIC COMPANY LIMITED

(Mr. Sahasee Chitanondh)
Managing Director

CC. Corporate Monitoring Department, The Securities and Exchange Commission