



(Translation)

Ref. STARK003/2020

February 27, 2020

Subject: Management Discussion and Analysis Q4/2019 and for the Year 2019 Ending 31 December 2019 (Audited)

Attention: President

The Stock Exchange of Thailand

Background

In 2019, Stark Corporation Public Company Limited (**"the Company"**) has a significant change in its operation including (1) Engaged in Reverse Takeover of Siam Inter Multimedia Public Company Limited on 9 July 2019 (2) Divested in Multimedia business ("Old Business") and (3) Invested in Adisorn Songkhla Co., Ltd. on 25 December 2019 under the same controlling person.

Therefore, the Company's Financial Statement ending 2019 showed data from all 3 businesses including (1) Wire and Cable Business (2) Human Resource Services Business (**"Adisorn Songkhla Co., Ltd."**) and (3) Multimedia Business. 2019 was the year that the Company had a significant change in company structure which incurred many extra expense items including accounting expense. As a result, net profit for the year 2019 was THB 241.82 million. However, after adjusted extra items mentioned, the Company will have a net profit of THB 510.37 million.

As a result of Reverse Takeover, Comparison of the old company's financial statement for 2018 will not be included. Financial statement will show only from (1) Wire and Cable Business and (2) Human Resource Services Business (**"Adisorn Songkhla Co., Ltd."**) and not including extra expense items resulting in the Company's net profit of THB 525.17 million.

Stark Corporation Public Company Limited (**"the Company"**) hereby reports an operating result for the fourth quarter and as of year 2019 ending 31 December 2019 as follows:

(1) Wire and Cable Business

Wire and Cable Business is under subsidiary which hold 99.3% by Phelps Dodge International (Thailand) Co., Ltd. having details as follows:

	Comparison between 2019 and 2018				
	Year 2019		Year 2018		Variance (%)
	Million Baht	Percent	Million Baht	Percent	
Total Revenue	10,378.69	100.00	10,674.74	100.00	(2.77)
EBITDA	1,118.00	10.77	1,024.23	9.60	9.15
EBITDA*	1,180.50	11.37	1,024.23	9.60	15.26
Net Profit	479.35	4.62	462.96	4.34	3.54
Net Profit*	541.85	5.22	462.96	4.34	17.04

Remark:

* Adjusted other expenses of company re-structuring (e.g. Financial advisor fee and Legal advisor fee) amount approximately THB 62.50 mm. These items are considered as one-time expense from company restructuring.

** Net profit in separate financial statement of Phelps Dodge International (Thailand) Co., Ltd. will be higher than net profit in consolidated financial statement of the company due to difference in depreciation from adjusted book value of taking over Phelps Dodge International (Thailand) Co., Ltd. by Team A holding 2 Co., Ltd.

According to Phelps Dodge International (Thailand) Co., Ltd. ("PDITL") financial statement, total revenue is approximately the same as previous year. As a result of better management, adjusted EBITDA and adjusted Net Profit increase by THB 1,180.50 million and THB 541.85 million respectively which are 15.26% and 17.04% respectively.

(2) Human resource services business ("Adisorn Songkhla Company Limited")

Adisorn Songkhla Company Limited ("Adisorn") operates human resource services business. Providing repair and maintenance services, rental warehouse services which is a subsidiary company of the Company in which the Company holds 99.9% of the company's with details as follows:

	Comparison between 2019 and 2018				
	Year 2019		Year 2018		Variance (%)
	Million Baht	Percent	Million Baht	Percent	
Revenue	1,370.70	100.00	1,428.97	100.00	(4.08)
Net income	114.80	8.38	137.68	9.63	(16.62)

From the above financial statements of Adisorn, it has lower operating income due to lower revenue from repair and maintenance services.

(3) Multimedia business (“Old Business”)

On 15 August 2019, the Company has divested its multimedia business. In 2019, the Company has recorded the loss from the operation of the old business including the restructuring and related expense amount of approximately THB 204.35 million.

Please be informed accordingly

Best regards,

-Mr. Sathar Chantrasettalead-

(Mr. Sathar Chantrasettalead)

Director