

Our Ref: No.V. 017 /2019

May 14,2019

Subject: Explanation for operation of first quarter of year 2019

Attn : Managing Director

The Stock Exchange of Thailand

Enclosed please find the financial statements for first quarter of year 2019 ended March 31,2019.

The details are as follows:

1. For the 1st quarter of year 2019, total revenues from sales was 363.07 million Baht, or a decrease of 21.82% from the same period of last year and a decrease of 5.28% over the last quarter . Such decrease was mainly due to dropping in metal price and low level of production and sales.
2. Cost of sales was 384.25 million Baht or at 105.83% of sales which increased from the 1stquarter of last year of 94.37% and increased from the last quarter of 98.91% and that was due to low production and sales especially in high margin products.
3. Selling and administrative expenses slightly decreased from the same period of last year to 20.27 million Baht while Finance costs decreased to 5.05 million baht due to the less financing.
4. In the 1st quarter, other revenues was 1.32 million Baht. Foreign exchange gain was 12.98 million Baht which mainly due to the strengthening of local currency
5. In conclusion, for the 1st quarter of year 2019, the company had net loss 32.18 million Baht or 0.32 Baht per share.

In conclusion, the company's operating results for the first quarter ended March 31,2019 showed the net Loss which decreased over 20% when compared to the first quarter of year 2018. Enclosed please find the financial statements and statement of accounts ended March 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