

August 9, 2019

Re: Management Discussion and Analysis for Quarter 2/2019 (June 30 ,2019)

To: Director and Manager of the Stock Exchange of Thailand

Patkol Public Company Limited and its subsidiaries report the operating results for the Second quarter of year 2019 of the Company and its subsidiaries in the consolidated financial statements for the three-month period ended 30 June 2019 which have been reviewed. The Group had sales and service income 707 million baht and net loss 50 million baht, compared with the Second quarter of 2018 sales and service income at 978 million baht for and net profit at 38 million. By order of the operating results for the Second quarter of 2019 and year 2018 are summarized below.

Million Baht	Consolidation method				The Company			
	Q2/2019	Q2/2018	Different		Q2/2019	Q2/2018	Different	
Sales and service income	707	978	-271	-28%	571	825	-254	-31%
Cost of sales and services	-591	-707	116	17%	-478	-614	136	-22%
Gross Profit	116	271	-155	-57%	93	211	-118	-56%
Other Income	51	40	11	28%	30	50	-20	-40%
Distribution costs	-90	-70	-20	29%	-62	-59	-3	5%
Administrative expenses	-108	-181	73	-40%	-75	-150	75	-50%
Finance cost - Interest expenses	-11	-11	-	-	-8	-7	-1	14%
Corporate income tax	-8	-10	2	-20%	-7	-8	1	-13%
Earnings (Loss) for the Period	-50	39	-89	-228%	-29	37	-66	-178%
Non controlling interest	-	1	-1	-100%	-	-	-	-
Net Earnings (Loss)	-50	38	-88	-232%	-29	37	-66	-178%

Sales and service income

Sales and service income for the Second quarter of 2019 totaled 707 million baht, decrease 271 million baht or 28% from the Second quarter of 2018, mainly from the majority of customers have slow down of investment.

Gross Profit

The Group's gross profit margin was 116 million baht in the Second quarter of 2019, decrease of 155 million baht or 57% from the same period of last year along with declining proportion of sales in the year 2019 and the recognition of income from some projects with lower margins.

Other Income

Other income is income from other business activities of the company, such as gain on exchange rate, interest income, bad debt and bad debt recovery. In the Second quarter of 2019, the group had other income increased by Baht 11 million or 28% in the same period last year.

Distribution costs

In the second quarter of 2019, the group of company had distribution costs of 90 million baht increase 20 million or 29% compared to the same period of the previous year. Resulting from reduction of sales volume and work hours reduce which increase cost allocated to the cost of distribution.

Administrative expenses

In the Second quarter of 2019, the group's administrative was 108 million baht, decrease 73 million baht or 40% compared to the same period of last year due to decrease in employee and travelling expense

Corporate income tax

In the Second quarter of 2019, the group had income tax of 8 million baht, a decrease of 2 million baht or 20% from the same period of last year. This is due to the decrease in revenue from sales and services and net profit.

Yours faithfully,

PATKOL PUBLIC COMPANY LIMITED

(Mr.Sangchai Chotchuangchutchaval)
Chief Executive Officer