



(Translation)

Re: BOD.SET 013/2019

November 12, 2019

Subject: Clarification on the Change in operating results for the nine month ended September 30, 2019 over 20% compared with the same period of the previous Quarterly

To: The President
The Stock Exchange of Thailand

At present, the Thai economy and other countries in the world, there are clear direction of growth in the downtrend. The rate of economic growth slowed down from the previous year, which is mainly due to the rapid slowdown in exports from the risks of global economic policies, including trade wars and Brexit. The Thai government introduced monetary and semi-fiscal policies to cope with the economic downturn to support the economy.

In the third quarter of 2019, the company recognized revenue from the production line installation project and testing of the production line in the second and third phase according to the percentage of completion of the work. As a result, the operating results for the nine month period ended September 30, 2019 are as follows:

- Sales increased from 288.27 million Baht in the third quarter of 2018 to 392.24 million Baht for the third quarter of 2019, representing 36.07 percent, due to recognize revenue according to success of the production line project.
- Cost of sales increased from 269.22 million Baht in the third quarter of 2018 to 354.48 million Baht for the third quarter of 2019, representing for 31.67 percent, due to recognize revenue according to the success of the project and new law changed of the long-term employment benefits of 400 days scheme at 5.84 million Baht, as resulted decrease in gross profit margin from 6.61 percent for the third quarter of 2018 to 9.63 percent for the third quarter of 2019.
- Other income decreased 60.35% from the same period of the previous quarter due to the company received tax refund of year 2016 from the Revenue Department of Baht 1.57 million therefore has a gain on reserve.
- Administrative expenses for the third quarter of 2019 decreased by 14.66% due to the penalty tax of customs of 2014 and 2015 of Baht 6.33 million, new law changed of long-term employment benefits 400 days scheme increase of Baht 1.06 million, decreased from the depreciation of BanBueng factory of Baht 6.57 million and reduced the workforce of office personnel of Baht 3.96 million.
- Finance costs increased by 31.37 percent from the same period of the previous quarter. Since in the year 2019 The Company needed funds to support project, therefore, increased external borrowing and overdraft lines.



- At the end of the third quarter of 2019, the company had total assets of Baht 875.37 million, an increase of 3.93 percent. Total liabilities decreased by 24.97% resulting from the short-term loans - net of Baht 20 million, new law changed affected of long-term employment benefits of 400 days scheme increasing of Baht 25.36 million and account payable of Baht 37.02 million. The shareholders' equity decreased by 10.48% resulting from the loss for 2019 as the amount Baht 35.72 million and results new law changed long-term employment benefits 400 days scheme in the past increased by 16.66 million Baht.
- As of September 30, 2019, the Company recognized revenue of Baht 151.49 million in proportion of project completed in the production line project and the production line testing, Total contract value of 255 million Baht. The project period ended 19 October 2020.

Please be informed accordingly.

Sincerely yours,

-Mr. Surachet Kamolmongkolsuk-

(Mr. Surachet Kamolmongkolsuk)

Managing Director