

No. 14/2019

13 November 2019

President
The Stock Exchange of Thailand
93 Ratchadapisek Road, Kwang Dindaeng, Khet Dindaeng,
Bangkok 10400

Subject : Clarification of the operating result.

Dear sir,

We, Unimit Engineering Public Company Limited (UEC), would like to clarify the change in the operating results for Q3/2019 which has had a change of over 20% from the same period last year.

Unimit and its subsidiaries have contract revenues that amount to Baht 168 million in Q3/2019, which is a decrease of around Baht 164 million (49%) with a net loss of Baht 64 million; an increase of Baht 63 million in terms of loss compared to Q3/2018, which had a net loss of Baht 1 million.

In line with contractual obligation, we were obliged to deliver the major projects within the first nine months of 2019. Thus, in order to cope with the time frame, substantial subcontractors costing Baht 58 million were employed for Q3/2019.

Overall, in terms of the nine-month periods, Unimit and its subsidiaries have contract revenues that amount to Baht 639 million, which is an increase of Baht 51 million (9%) with a net loss of Baht 192 million or an increase in the net loss of around Baht 166 million from last year's net loss of Baht 27 million.

Discussion and Analysis of the Company and its subsidiaries Operational Results in Q3/2019 and Q3/2018

Corporate Revenue

In Q3/2019 the Company and its subsidiaries' total earnings amount to Baht 169 million, consisting of Baht 168 million contract revenue and Baht 1 million of other income and interest. This is a decrease of Baht 166 million (50%) from Q3/2018.

Q3/2019's total earnings were solely from the Company and not its subsidiaries.

The changes are as follows:

The Q3/2019 contract revenue is Baht 168 million, a decrease of Baht 164 million (49%) from Q3/2018's Baht 332 million. This is mainly due to most major contracts being completed and recognized within Q2/2019.

The Q3/2019 total other income is Baht 1 million, a decrease of Baht 2 million from Q3/2018's Baht 3 million. This is due to the investments made in Unimit Engineering Myanmar.

Costs and Expenses

In Q3/2019, the company and its subsidiaries' cost of goods sold and operating expenses has reduced by Baht 105 million (31%) from Q3/2018's Baht 337 million to Baht 232 million.

The changes are as follows:

There is a reduction in contract costs of Baht 104 million (34%) from Q3/2018's Baht 304 million resulting in Q3/2019's value of Baht 200 million. This is the consequence of the reduction in workload.

There is also an increase in the operating expenses of Baht 7 million, from Baht 20 million in Q3/2018 to Baht 27 million in Q3/2019. This is due to the operating cost of Baht 6 million in Unimit Engineering Myanmar.

In Q3/2019, there are no foreign currency losses while in Q3/2018 there was a foreign currency loss of Baht 2 million.

Profit / (Loss)

The Company and its subsidiaries' net loss is amount Baht 64 million in Q3/2019. This loss is Baht 63 million higher than the net loss in the same quarter last year (Baht 1 million).

Please be informed accordingly.

Sincerely yours,

Mr.Prasit Hanpiyavatanasakul
Authorized Signature