

ACC1/20-012

February 25, 2020

Subject: Management Discussion and Analysis for the year ended December 31, 2019

To: Director and Managing Director

The Stock Exchange of Thailand

Qualitech Public Company Limited and Subsidiaries hereafter refer as (The Company) would like to clarify the Company's operating results for the year ended December 31, 2019. The Company had the net profit of 50.94 million baht, increased by 40.91 million baht or 407.74% from the previous year as following details.

- In 2019, the revenue from services was 476.92 million baht increased from the previous year by 111.61 million baht or 30.55%. The increase from the revenue from services by the Company, as a result of continue increasing demand of Non-Destructive testing service from construction and fabrication sector. And the Company also had revenue from inspection service for turnaround of refinery and petrochemical customer.
- Cost of service, distribution costs and administrative expense were 425.44 million baht increased from the previous year by 61.36 million baht or 16.85%, as a result of increasing staff to cope with increasing services demand. And the company have to increase the reserve of employee benefit. This is in line with the new Labor Protection Act and the calculation assumptions are changed.
- Net profit was 50.94 million baht increased from the previous year by 40.91 million Baht or 407.74%.

Please be informed accordingly.

Yours sincerely,

(Mr.Domdej Sripinproach)

Managing Director