



(Translation)

Re: BOD.SET 003/2020

February 25, 2020

Subject: Clarification on the Change in operating results for the twelve month ended 31 December 2019 over 20% compared with the same period of the previous yearly.

To: The President  
The Stock Exchange of Thailand

In the fourth quarter of the year, the Thai economy grew by only 2.4%, which is contracted according to domestic factors. Especially the delay in the budget year 2020, which makes public investment "negative", as well as the drought problem, Thai Baht appreciation, the impact of the US trade war with China and Epidemic problems Causing entrepreneurs to postpone investment plans.

For the year 2019, the company recognizes income from the production line installation project and the testing of the production line work in Phase IV and Phase V according to process of the work's success. As a result, the operating results for the twelve months ended 31 December 2019 are as follows:

- Sales increased from 346.16 million Baht in the year of 2018 to 542.45 million Baht for the year of 2019, representing 56.71 percent, due to recognize revenue according to success of the production line project.
- Cost of sales increased from 319.67 million Baht in the year of 2018 to 505.07 million Baht for the year of 2019, representing for 58.00 percent, due to recognize revenue according to the success of the project, new law changed of the long-term employment benefits of 400 days scheme at 6.20 million Baht and the production capacity is not full efficiency, as resulted decrease in gross profit margin from 7.65 percent for the year of 2018 to 6.89 percent for the year of 2019.
- Other income decreased 50.37% from the same period of the previous year 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 year of 2019 increased by 6.34% 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 1.14 million and reduced the workforce of office personnel of Baht 2.80 million.
- Finance costs increased by 34.98 percent from the same period of the previous year due to the Company needed funds to support project, therefore, increased external borrowing and overdraft with a relatively high interest rate.



- At the end of the year of 2019, the company had total assets of Baht 881.79 million, an increase of 4.69 percent. Total liabilities decreased by 33.70% resulting from the short-term loans - net of Baht 47.00 million, new law changed affected of long-term employment benefits of 400 days scheme increasing of Baht 26.00 million and account payable of Baht 41.41 million. The shareholders' equity decreased by 15.17% resulting from the loss for 2019 as the amount Baht 59.17 million and results new law changed long-term employment benefits 400 days scheme in the past increased by 16.66 million Baht.
- As of 31 December 2019, the Company recognized income of Baht 211.04 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.
- For the year 2020, the company has sales and service targets at Baht 620 million divided by product groups as follows:
  - Hydraulic Crane Product of Baht 266.10 Million
  - Hydraulic press product of Baht 321.20 million
  - Hydraulic handling material & devices of Baht 32.70 million

Please be informed accordingly.

Sincerely yours,

-Mr. Surachet Kamolmongkolsuk-

(Mr. Surachet Kamolmongkolsuk)

Managing Director