

Our Ref: No.V 003 /2020

February 28,2020

Subject : Explanation for operation of the year 2019

Attn : Managing Director

The Stock Exchange of Thailand

Varopakorn Public Company Limited would like to explain our performance of the year 2019 ended December 31, 2019

The details are as follows:

1. For the year 2019, the company reported the revenue from sales of 1,569.20million Baht, decreased 12.65% from last year and total revenues of 1,603.93 million Baht which also decreased 13.07% from last year. This was mainly due to the lower price of Aluminium (LME).
2. Cost of sales was 1,638.69 million Baht or at 104.43% of revenue from sales which increased from 95.29% of year 2019 due to higher production costs and product mix.
3. Selling and administrative expenses was 96.17 million Baht which increased from 84.8 million Baht of year 2018 due to marketing expense for export business.
4. Finance Cost was 18.94 million baht decreased from Year 2018 of 20.81 million Baht due to lower in borrowing and interest rate.
5. For the year 2019 there were other revenues of 4.07 million baht and gain on exchange rate was 30.61 million Baht.
6. In conclusion, for the year 2019, the company has net loss of 146.82 million Baht or 1.49 Baht per share.

In conclusion, the company's operating results for year 2019 ended December 31,2019 showed the net loss which decreased more than 20% when compared to year 2018. Enclosed please find the financial statements and statement of accounts ended December 2019 which have been audited by the authorized auditors.

Sincerely yours,

VAROPAKORN PUBLIC COMPANY LIMITED

(Mr. Sahasee Chitanondh)

Managing Director

CC. Corporate Monitoring Department, The Securities and Exchange Commission