

Translation
DIMET AC 2008/001

August 31, 2020

Subject Management Discussion and Analysis for business operation year 2019
(July 1, 2019 - June 30, 2020)
To The Manager and President
The Stock Exchange of Thailand

Dimet (Siam) Public Company Limited “company” would like to notify on qualified opinion from auditor as shown in Noted to Financial Statement due to authorized directors of ASIAN CORROSION CONTROL TECHNOLOGY as company holds 99.98 percent has resigned from authorized director therefore unable to obtain bank confirmation letter and credit bureau letter thus company has made corrections and await for certification from Ministry of Commerce, moreover professional and consulting expenses arise before current management of company took over and managed from June 18, 2020 (reference from company certificate dated June 18, 2020). The company has sent a letter to professional and consulting in order to provide evidence of their performance

Business operation as ended June 30, 2020 of Dimet (Siam) Public Company Limited “company” and its subsidiaries has losses of 84.02 Million Baht as 28.64 Million Baht decreased when compared to same period of previous year of 112.66 Million Baht by following details;

Analysis of operating results

(1) Revenue

REVENUES FOR THE YEAR ENDED 30 Jun 20 (Million Baht)	For period 12 Month				Increase(decrease) %
	2020	%	2019	%	
Revenues from sales and services	297.73	79.83%	298.18	89.12%	-0.15%
Revenues from condtruction work	67.71	18.15%	35.07	10.48%	93.08%
Gain on bargain purchase of investment in subsidiary	3.19	0.85%	-	0.00%	100.00
Other Income	4.33	1.16%	1.32	0.40%	227.34%
Total Revenues	372.95	100.00%	334.57	100.00%	11.47%

Year 2019, company and its subsidiaries has total revenue of 372.95 Million Baht as 38.38 Million Baht increased or 11.47 percent when compared to same period of previous year of 334.57 Million Baht by following details

- Revenue from sales and service of 297.73 Million Baht as 0.45 Million Baht decreased or 0.15 percent when compared to same period of previous year of 298.18 Million Baht
- Revenue from construction service of 67.71 Million Baht as 32.64 Million Baht increased or 93.08 percent due to more works from related companies

- Other revenue of 4.33 Million Baht as 3.01 Million Baht increased or 227.34 when compared to same period of previous year as of 1.32 Million Baht due to interest received from loans to related companies

(2) Gross Profit

Year 2019, company and its subsidiaries has total gross profit of 77.86 Million Baht or 21.33 percent of revenue from sales and services which increased when compared to same period of previous year of 73.32 Million Baht due to more construction services

(3) Expenses

EXPENSES FOR THE YEAR ENDED 30 Jun 20 (Million Baht)	For period 12 Month				Increase(decrease) %
	2020	% Per Revenue	2019	% Per Revenue	
Costs of sales and services	224.93	60.31%	225.20	67.31%	-0.12%
Cost of construction work	62.65	16.80%	34.73	10.38%	80.37%
Selling Expenses	30.19	8.09%	61.86	18.49%	-51.20%
Administrative Expenses	132.59	35.55%	115.86	34.63%	14.44%
Financial Costs	3.88	1.04%	0.15	0.04%	2490.07%
Total Expenses	454.22	121.79%	437.80	130.85%	3.75%

Year 2019, company and its subsidiaries has total expenses of 454.22 Million Baht as 16.42 Million Baht increased from year 2018 of 437.80 Million Baht or 3.75 percent by following reasons;

- Cost of sales and services for year 2019 (company and its subsidiaries) increased by 27.64 Million Baht or 10.63 percent when compared to same period of previous year of 259.93 Million Baht due to more construction services
- Selling expenses of 30.19 Million Baht as 31.67 Million Baht decreased or 51.20 percent when compared to same period of previous year of 61.86 Million Baht due to more tight of control on selling costs
- Administrative expenses of 132.59 Million Baht as 16.73 Million Baht increased or 14.44 percent when compared to same period of previous year of 115.86 Million Baht due to

1. The company has recorded impairment of investment on IGEN ENGINEERING COMPANY LIMITED (“IGE”) as amount 41.14 Million Baht according to opinion of independent financial advisor on fair value of company by IGE sold IGEN Power Tech Company Limited (“IGP”) which IGE holds 51 percent as their nature business of selling Bus duct (only seller in

- Thailand) to Millcon Steel Public Company Limited of 686, 000 shares or 49 percent
 - 2. The company has recorded impairment of investment on IGEN ENERGY COMPANY LIMITED (“IGE”) as amount 2.26 Million Baht due to decline in estimate of business plans and backlog
 - 3. Increasing on professional and consulting expenses from previous year
- Financial cost of 3.88 Million Baht as 3.73 Million Baht or 2,490.07 percent when compared to same period of previous year of 0.15 Million Baht due to more liabilities

Financial Status

1. Assets

As at June 30, 2020 company and its subsidiaries has total assets of 342.07 Million Baht as 8.25 Million Baht increased when compared to June 30, 2019 of 333.82 Million Baht due to

- Current assets of 162.46 Million Baht as 12.89 Million Baht decreased when compared to June 30, 2019 of 177.35 Million Baht, mostly came from decline in current assets by decreased in equivalent to cash of 6.74 Million Baht, decrease in trade account receivable of 43.11 Million Baht, offset payments for shares and declining inventories of 6.44 Million Baht
- Non-current assets of 179.61 Million Baht as 21.14 Million Baht increased when compared to June 30, 2019 of 158.47 Million Baht mostly came from Increased from realization of property

2. Liabilities

As at June 30, 2020; company has total liabilities of 187.97 Million Baht as 92.53 Million Baht increased when compared to June 30, 2019 of 95.44 Million Baht by ASIAN CORROSION CONTROL TECHNOLOGY has loans from other company of 45.00 Million Baht by using land and building as collateral (April 2020) and IGEN Energy Company Limited has long term loans from financial institution of 25.03 Million Baht thus Solar Rooftop and recognize provisions for compensation and dismissal of employees of 13.86 Million Baht

3. Proportion of holding shares

As at June 30, 2020 company has proportion of holding shares of 154.10 Million Baht as 84.29 Million Baht decreased when compared to June 30, 2019 of 238.39 Million Baht due to loss from business operation

Please be informed for acknowledgement,

Sincerely yours,

(Mr. Monthon Chatuwallopkul)

Managing Director