

T.K.S. Technologies Public Company Limited

Management Discussion and Analysis

Operating Results for the three months period ended 31 March 2019

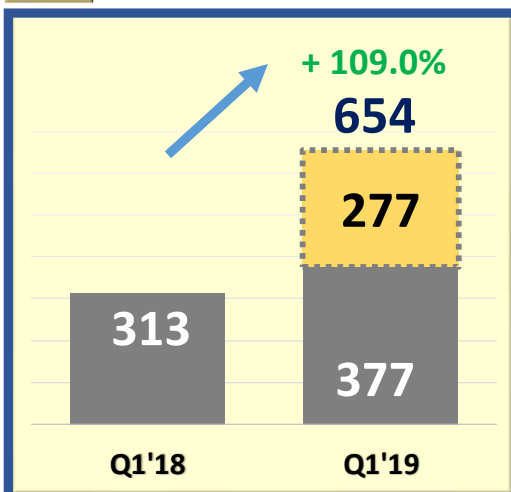
Business Overview

Q1'2019 Performance

T.K.S. Technologies Public Company Limited (“Company”) reported total revenues growth of 109.0% or THB 341 mil from q-q, primarily due to business combination consolidated TBSP Public Company Limited (“TBSP”) since April 4, 2018. Excluding TBSP, Company’s core revenues increased by 20.6% or THB 64 mil from q-q, mainly caused by higher revenues from High-Valued Document.

Revenue Breakdown

Mil THB

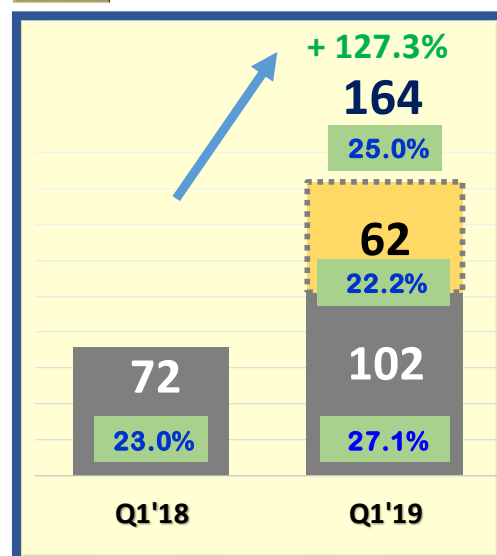


■ Sales TKS ■ Sales TBSP

THB million	Q1'19	Q1'18	%Chg
As Reported			
Total Revenues	654	313	109.0%
<i>Company</i>	377	313	20.6%
<i>TBSP</i>	277	-	100.0%

%Gross Profit Margin

Mil THB



■ GP TKS ■ GP TBSP
■ %GP

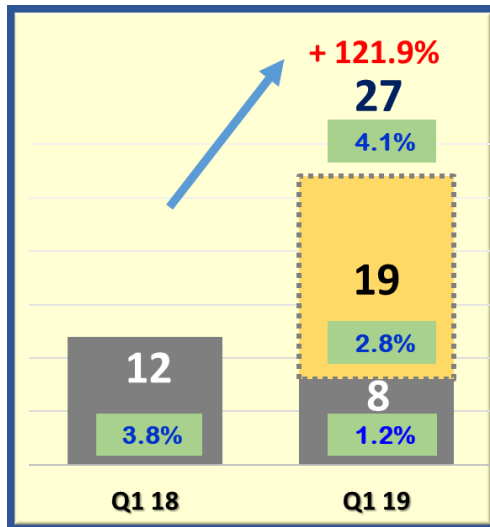
% GP	Q1'19	Q1'18
As Reported		
Total GP	25.0%	23.0%
<i>Company</i>	27.1%	23.0%
<i>TBSP</i>	22.2%	-

For the 1st quarter 2019, consolidated %GP reported at 25.0%, while showed of 23.0% in the same quarter of last year. Excluding TBSP of 22.2% GP, Company’s %GP represented at 27.1%, primary by higher Gross Profit of High-Valued Document.



Selling Expenses

Mil THB



SG TKS
 SG TBSP
 % SG

THB million Q1'19 Q1'18 %Chg

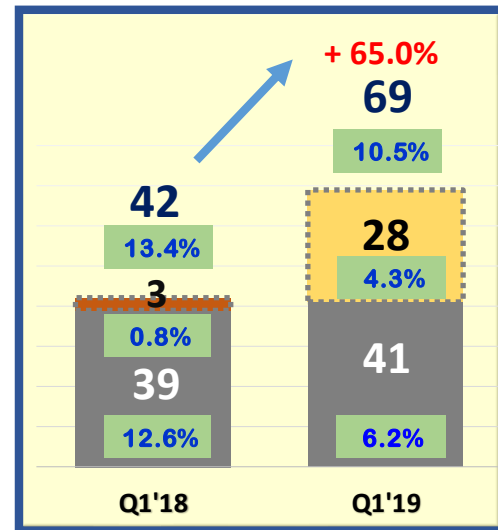
As Reported (% to Sales)

Total Selling Exp.	27(4.1%)	12(3.8%)	121.9%
<i>Company</i>	<i>8(1.2%)</i>	<i>12(3.8%)</i>	<i>(31.8%)</i>
<i>TBSP</i>	<i>19(2.8%)</i>	<i>-</i>	<i>100.0%</i>

For the 1st quarter 2019, Company reported Selling expenses of THB 27 mil. (4.1%), while showed of THB 12 mil. (3.8%) in the same quarter of last year. Excluding TBSP THB 19 mil. (2.8%), Company's Selling expenses represented at THB 8 mil. (1.2%), 31.8% decremental primary by lower logistic expenses which came from more effective management in logistic & distribution.

Administrative Expenses

Mil THB



Admin exp.TKS
 Admin exp.TBSP
 % Admin exp.
 Extra exp.

THB million Q1'19 Q1'18 %Chg

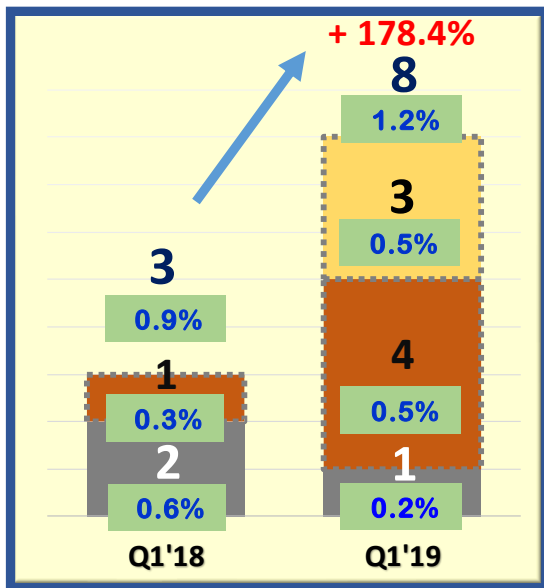
As Reported (% to Sales)

Total Admin Exp.	69(10.5%)	42(13.4%)	65.0%
<i>TKS</i>	<i>41(6.2%)</i>	<i>39(12.6%)</i>	<i>4.7%</i>
<i>One-off Extra exp.</i>	<i>-</i>	<i>3(0.8%)</i>	<i>(100.0%)</i>
Company	41(6.2%)	42(13.4%)	(1.9%)
TBSP	28(4.3%)	-	100.0%

For the 1st quarter 2019, Company reported Administrative expenses of THB 69 mil. (10.5%), while showed of THB 42 mil. (13.4%) in the same quarter of last year. Excluding TBSP THB 28 mil. (4.3%), Company's Administrative expenses represented THB 41 mil. (-1.9%), decremental primary by one-off extra expenses for Tender Offer in TBSP by THB 3 mil in the 1st quarter 2018. When comparing TKS, without one-off items, Administrative expenses increased by 4.7% q-q from rising employee expenses.

Finance cost

Mil THB

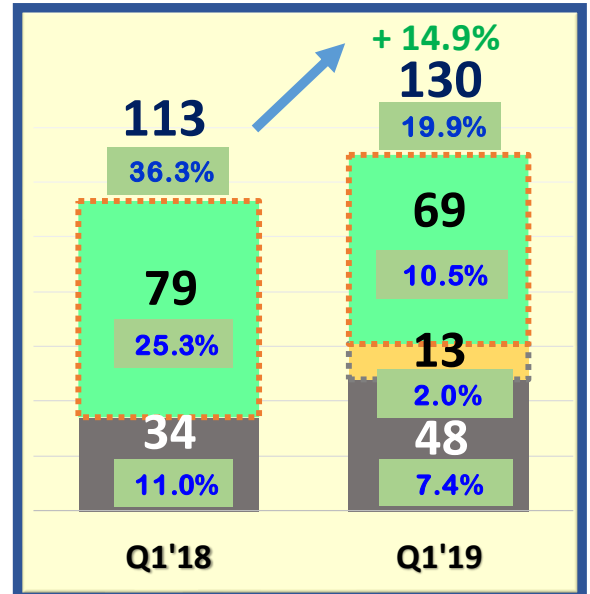


THB million	Q1'19	Q1'18	%Chg
As Reported (% to Sales)			
Total Fin Exp.	8(1.2%)	3(0.9%)	178.4%
<i>TKS</i>	<i>1(0.2%)</i>	<i>2(0.6%)</i>	<i>(41.3%)</i>
<i>Extra Fin. cost</i>	<i>4(0.5%)</i>	<i>1(0.3%)</i>	<i>271.0%</i>
Company	5(0.7%)	3(0.9%)	68.4%
TBSP	3(0.5%)	-	100.0%

Company consolidated finance cost for the 1st quarter 2019 of THB 8 mil., +178.4% when compared same quarter of last year regarding to TBSP consolidation and extra finance cost from additional long-term loan for Tender Offer in TBSP. Excluding the extra finance cost of THB 4 mil. the finance cost of Company reduced by 41.3% q-q.

Net Profit

Mil THB



THB million	Q1'19	Q1'18	%Chg
As Reported			
Total NP	130(19.9%)	113(36.3%)	14.9%
<i>TKS</i>	<i>48(7.4%)</i>	<i>34(11.0%)</i>	<i>40.9%</i>
<i>Profit sharing</i>	<i>69(10.5%)</i>	<i>79(25.3%)</i>	<i>(13.0%)</i>
Company	117(17.9%)	113(36.3%)	3.4%
TBSP	13(2.0%)	-	100.0%

Company represented net profit for the 1st quarter 2019 of THB 130 mil, +14.9%, when compared same quarter of last year regarding to TBSP consolidation. Excluding net profit TBSP, profit sharing of investment and extra finance cost, Company delivered net profit THB 52 mil. or growth of 51.2% q-q as well as primary due to higher revenue from the operation of the company.