



MBAX 002/2562

May 15, 2019

Subject : Clarification of the operating results which are deviated more than 20%

To : The Managing Director  
The Stock Exchange of Thailand

- ❖ Multibax Public Company Limited would like to clarify the operating results which are deviated more than 20% from the same period last year, for three months ended March 31, 2019 as follows:

#### 1. Revenue of sales

Total revenue was accounted for 334.75 million Baht, decreased by 12.13 million Baht or 3.50 percent compared to the same period last year (346.88 million Baht).

#### 2. Cost of sales

Total cost of sales was accounted for 299.23 million Baht, decreased by 27.30 million Baht or 8.36 percent compared to the same period last year (326.53 million Baht).

#### 3. Selling and Administrative Expenses

Total selling and administrative expenses were accounted for 22.43 million Baht, decreased by 2.64 million Baht or 10.53 percent compared to the same period last year (25.07 million Baht).

#### 4. Finance costs

Finance costs was accounted for 2.57 million Baht, decreased by 0.35 million Baht or 11.99 percent compared to the same period last year (2.93 million Baht).

#### 5. Other Income and Gain on exchange rate

Other income and Gain on exchange rate were accounted for 5.52 million Baht, decreased by 6.16 million Baht or 52.74 percent compared to the same period last year (11.68 million Baht).

#### 6. Tax Expenses (Income tax expenses)

Tax expenses was accounted for 0.89 million Baht, increased by 1.13 million Baht compared to the same period last year (income tax expenses 0.24 million Baht).

#### 7. Net Profit

Net profit was accounted for 15.17 million Baht, increased by 10.88 million Baht or 253.61 percent compared to the same period last year (net profit 4.29 million Baht).

## Reasons for the increase of net profit for three months ended March 31, 2019 were:

1. Revenue of sales decreased by 12.13 million Baht or 3.50 percent, from the lower sales quantity, mainly from the decreasing orders. Nevertheless, the company had focused the sales on the high gross margin items.
2. Cost of sales decreased from 94.13 percent in 2018 to 89.39 percent in 2019 from the improvement of all relevant administrative activities especially the production units. The company can somehow properly control the production cost including raw material procurement, labor cost and other expense as well as those of variable costs. From these combining activities and plans, the company have seen the reduction of production cost in all products produced. As a result, the gross profit for this year has been recorded at 35.52 million Baht, increased by 15.17 million baht or 74.55 percent
3. Total selling and administrative expenses were decreased by 2.64 million Baht or 10.53 percent, mainly from the decrease of the administrative expenses from the 3<sup>rd</sup> party warehouse service contracts for raw material storage, to accommodate the new building construction. The contract was ended in October 2018, therefore, no more rental expense for this quarter.
4. Finance costs decreased by 0.35 million Baht or 11.99 percent, from the painstaking management of the short-term loans.
5. Other income and gain on exchange rate were decreased by 6.16 million Baht or 52.74 percent, mainly from the decreased of the gain on exchange rate from hedging activity. However, with an effective management of the company forex portfolio, the gain on exchange rate in this quarter was still recorded to 3.69 million Baht.
6. Tax expenses were increased by 1.13 million Baht. In 2019 the provisions for employee benefits were decrease from a retired employee. This item had decreasingly impacted the temporary difference between the accounting and the tax base, resulting to the incurring of the tax expenses. While in 2018, the income tax expense from the decreased of the temporary differences of the plant and machinery depreciation was recorded.
7. In summary, even though the revenue of sales decreased but the cost of sales decreased more than the revenue of sales, so gross profit was increased by 15.17 million Baht or 74.55 percent. Then, the performance was enhanced from the decrease of the selling, administrative expense and finance costs. At the same time, the other income and gain on exchange rate were decreased while tax expense was recorded, as such, the overall outcome of net profit for three months ends March 31, 2019 was recorded at 15.17 million Baht. This net profit was increased by 10.88 million Baht or 253.61 percent when compared to the same period of 2018 (4.29 million Baht).

For your acknowledgement.

Yours Sincerely,

Signature \_\_\_\_\_  
(Mr. Pisuth Lertvilai)  
Deputy Managing Director