

SITHAI-1101/59

November 11, 2016

Subject : Clarifications Regarding the Financial Information for the Q3/2016 Period.

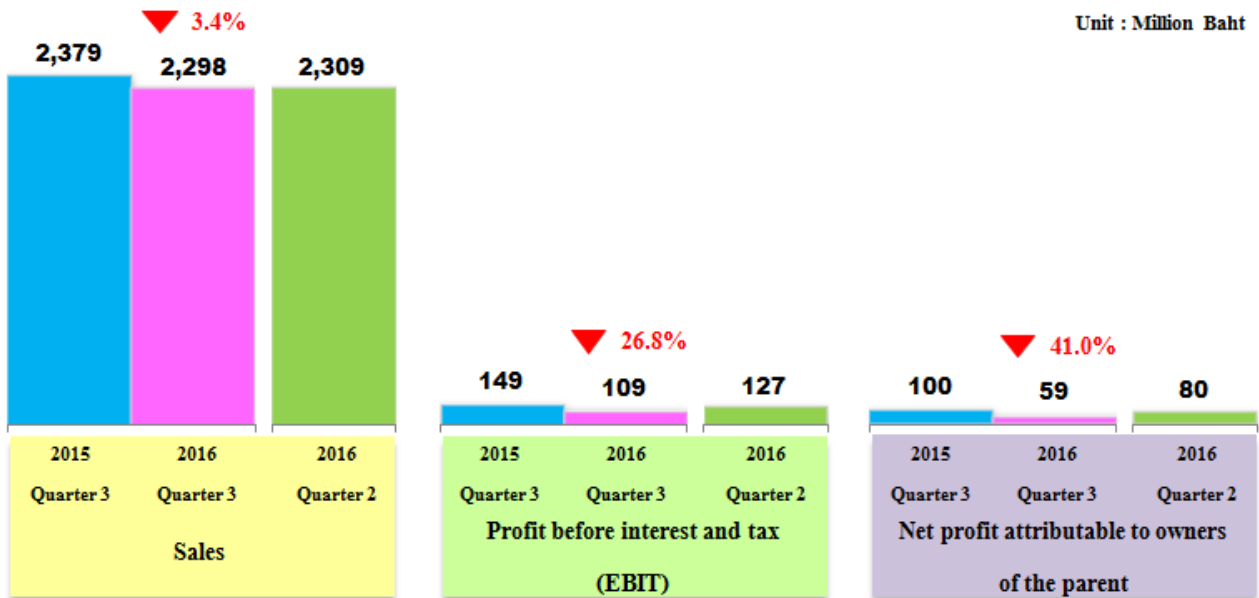
Dear : President,
The Stock Exchange of Thailand (SET)

Reference is made to the financial information for the Quarter 3/2016 period, as submitted by the Company, which has been reviewed by the external auditor, considered by the Audit Committee, and approved by the Company's Board of Directors on November 11, 2016. The Company wishes to report further clarifications in summary as follows:

1. Summary of Operating Performance Results of the Company and its Subsidiaries

For the Q3/2016 period, consolidated sales of the Company and its subsidiaries decreased by 3.4% Year-On-Year (YoY). Gross Margin decreased to 17.1% (from 17.4%) of total sales. As such, consolidated profit for Q3/2016 is Baht 61 million with Profit Attributable to the Owners of the Parent being Baht 59 million, a decrease of Baht 41 million (or 41.0%) YoY. This represents an Earnings Per Share (EPS) of Baht 0.02 – a decrease of Baht 0.02 YoY (from Baht 0.04).

Picture 1 Overview of consolidated income information

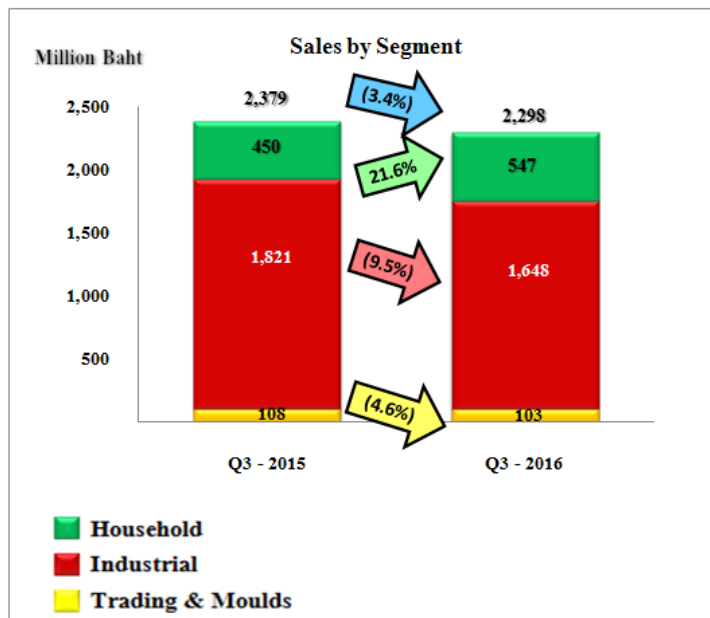
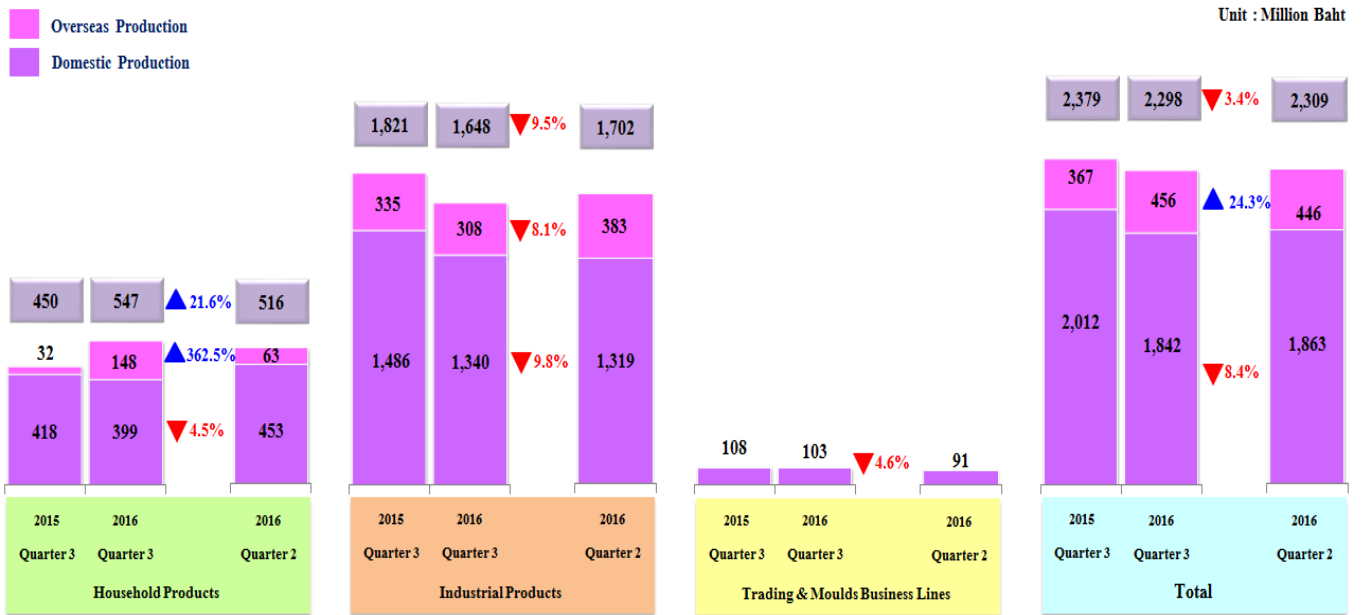


	Unit	Quarter 3, 2015	Quarter 3, 2016	Quarter 2, 2016
Gross profit	%	17.4%	17.1% ▼	17.8%
Net profit attributable to owners of the parent	Million Baht	100	59 ▼	80
Net profit on sales	%	4.2%	2.6% ▼	3.5%
Earnings per share	Baht	0.04	0.02 ▼	0.03

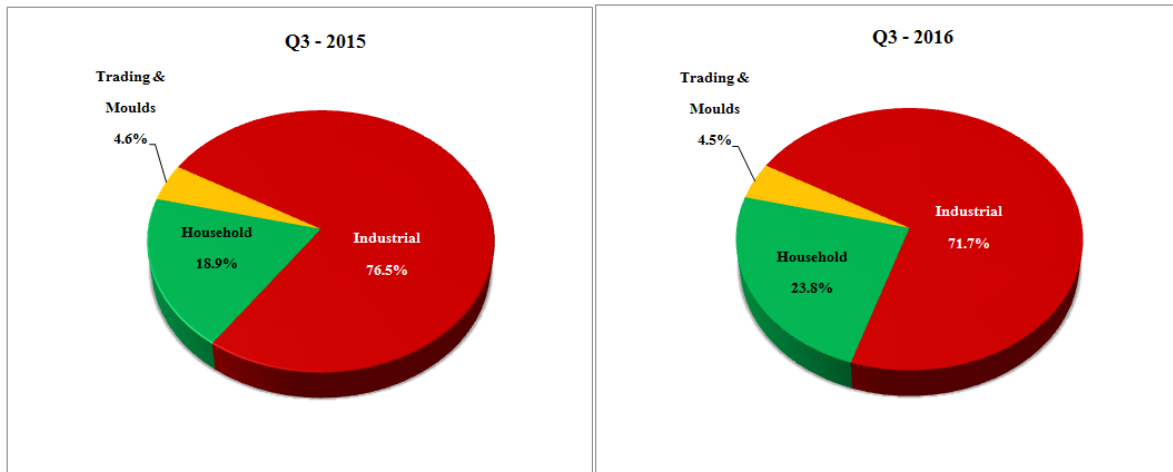
2. Analysis of the Operating Results for Q3/2016

2.1 Sales - by Types of Business

Picture 2 Sales - by Types of Business



Sales Proportion by Business Line



The proportion of total sales for the Plastics Business Line in Q3/2016 is nearly the same as for the Q3/2015 period, namely 95.5%, comprising Household Products that achieved an increase in its share of total sales to 23.8% (from 18.9%) and Industrial Products that saw a decrease in its share of total sales to 71.7% (from 76.5%). The share of total sales for the Trading and Moulds Business Line in Q3/2016 is also similar to Q3/2015, namely 4.5%.

1) Household Products

Comparison between Q3/2016 and Q3/2015

Sales of Household Products increased in Q3/2016 by Baht 97 million, or 21.6%, compared to the same period last year, which can be divided by the production bases as follows:

- Domestic production base

Domestic sales decreased due to having received, last year, a large order of patented cartoon design for melamine products from a major convenience stores operator for sale as premium products.

The Group's total export sales also decreased marginally due to the impact from an economic slowdown in the Middle East markets resulting from the decline in global crude oil prices. While for the US market, there is an increased demand for this group of products from the restaurants business sector as a result of the increasingly popular trend for consumers to dine out.

Sales for the direct sales business increased when compared to the previous year, due to the associated management changes together with the introduction of new product designs that are more appealing and attractive to this market.

- Overseas production base

Overseas subsidiary – namely Srithai (Vietnam) Company Limited – also achieved increased sales of OEM melamine products for using as premium products for a beverage customer in Vietnam together with changes in its marketing strategies that has resulted in continuing increased sales made through wholesales/retail sales channels (or traditional market), department stores (or modern trade) outlets and also export sales channel.

The newly established subsidiary in India, namely Srithai Superware Manufacturing Private Limited that produces and distributes melamine household products, started to generate revenues as of the last Quarter of last year.

Comparison between Q3/2016 and Q2/2016

Sales of Household Products in Q3/2016 increased when compared to Q2/2016, due to a special OEM sales order for melamine products that was received for use as premium products for a beverage customer in Vietnam.

2) Industrial Products

Comparison between Q3/2016 and Q3/2015

Total Q3/2016 sales of Industrial Products decreased by Baht 173 million, or 9.5% year-on-year (YoY), with details for each respective product line as follows:

- Sales of Beverage Packaging products decreased when compared to the Q3/2015 as a result of:

- 1) Decrease in sales of **Preform** products due to the domestic economic slowdown in Thailand together with the overall decrease in export sales to Indonesia, the Philippines

and Laos resulting from some customers having purchased **Preform** products themselves from elsewhere.

- 2) Decrease in export sales of Closure to Indonesia and Laos due to declining sales orders.
- 3) Adjustments in sale prices based on declining cost of raw materials.
- 4) Development of new Lightweight products causing reduced use of raw materials and also lower selling prices.

Sales for the overseas subsidiaries in Vietnam decreased due to decline in orders received from core customers. This is because of the impact of the constantly changing local weather conditions that resulted in a decline in overall consumer purchasing power together with the downward pricing adjustment from the previous year.

- Domestic sales of Food Packaging products decreased when compared to the previous year. This is primarily due to the ongoing slowdown of the domestic economy, continued high household debts, continuing problems with regard to agricultural commodities' prices, and declining income for the agricultural sector. All of which have made households to be more careful with their spending that lowered overall consumer demands during the recent Vegetarian Festival.
- Sales of Other Industrial Products have also decreased when compared to the previous year. Sales of automotive parts by the subsidiaries decreased as a result of the design changes in the automotive industry having already been made last year, some car models having been discontinued, and overall slow sales in the automotive sector. However, sales of Industrial Products in other industry sectors by the Company have increased - especially battery cases, for which the Company has improved the manufacturing process to be more efficient so as to be able to produce and deliver higher quantities of this product. Also increased orders have been received for plastic pallets from a major industrial project.

Comparison between Q3/2016 and Q2/2016

Q3/2016 sales of Industrial Products decreased against Q2/2016, since it is the ‘low season’ for Food and Beverage Packaging products and because of decrease in orders received by the subsidiaries for other Industrial Products.

3) Trading & Moulds Business Lines

Comparison between Q3/2016 and Q3/2015

Q3/2016 sales of the Trading and Moulds Business Line decreased Baht 5 million, or 4.6%, YoY compared to the same period of the previous year, resulting from:

- A decrease in the Moulds Business that corresponds to the overall economic slowdown and decline in sales orders for new moulds from the automotive industry sector.
- An increase in sales of the Network Marketing Business under Trading Business Line, attributable to the expansion of the overall sales network and the newly appointed leadership positions for new members joining the business from other network marketing companies. This increase was also due to the expanded range of health and beauty products as well as of agriculture-related products. The launch of these new products yielded the increase in both the quantity and value of sales orders.

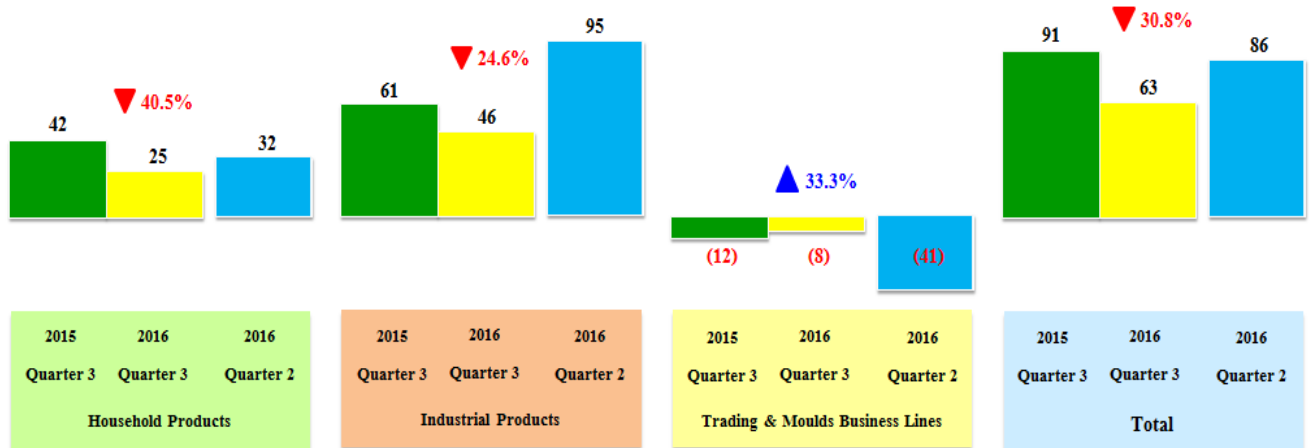
Comparison between Q3/2016 and Q2/2016

Q3/2016 overall sales of the Trading and Moulds Business Line increased when compared to Q2/2016, due to the increased sales in the Trading Business as a result of the expanded network of members and launch of various new products.

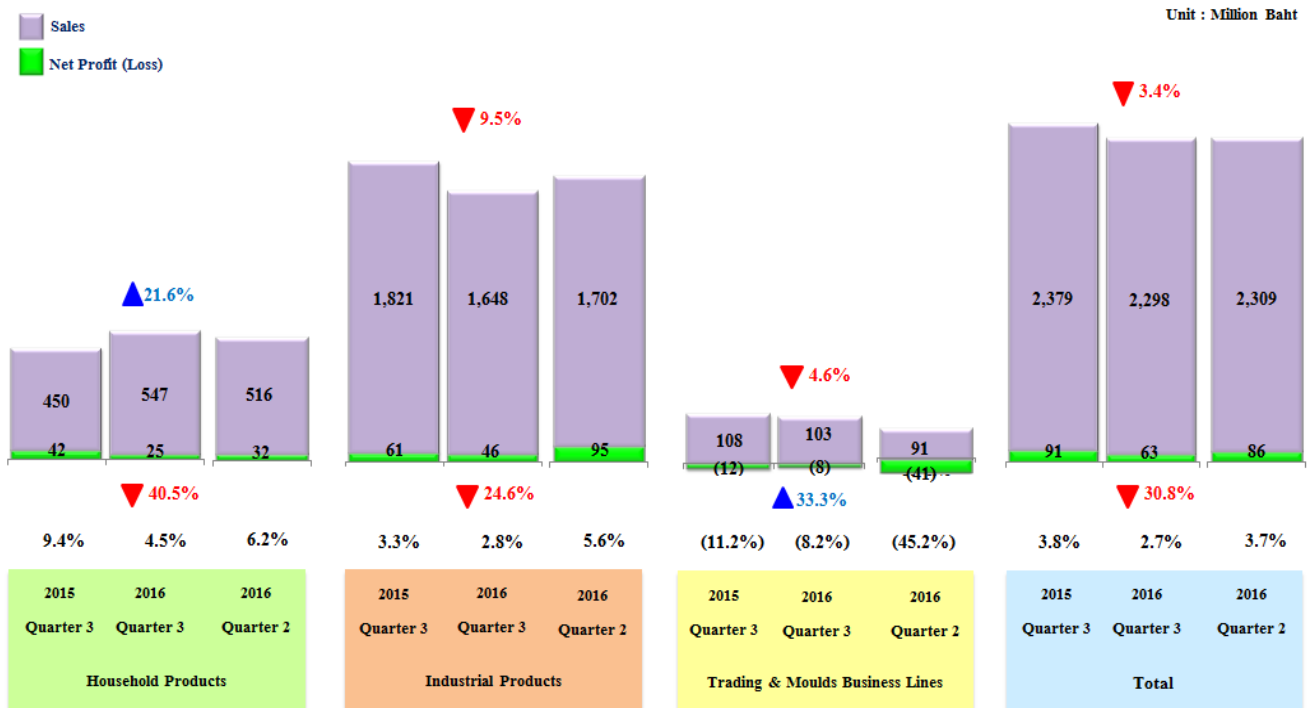
2.2 Profit (Loss) from Sales by Segment

Picture 3 Profit (Loss) from Sales by Segment

Unit : Million Baht



Picture 4 Sales and Profit (Loss) from Sales by Segment



Profits from sales in Q3/2016 of the respective Business Lines decreased by Baht 28 million, or 30.8%, YoY with the following details:

1) Household Products

Profits of Household Products decreased by 40.5% in Q3/2016 compared to Q3/2015, with profit margins declining to 4.5% of total sales (from 9.4%) resulting from increased sales of those products with low margins, overall increased selling and administrative expenses in line with sales together with an addition of sales and marketing promotions expenses by new overseas subsidiaries.

Profits from sales of Household Products in Q3/2016 decreased when compared to Q2/2016 due to the increase in sales of products with a lower profit margin together with the increase in overall selling expenses.

2) Industrial Products

Profits for Industrial Products decreased by 24.6% when compared to the same period last year, and profit margin decreased to 2.8% (from 3.3%), due to decreased Gross Profit of overseas subsidiary, as a result of the overall declining use of production facilities corresponding to lower orders and adjustment in the selling price due to declining raw material costs from the previous year but having an effect this year, whilst selling and administrative expenses decreased marginally.

Profits from sales of Industrial Products in Q3/2016 decreased when compared to Q2/2016. This is due to the decrease in the Goss Margin resulting from the lower usage of the production machinery corresponding to declining sales orders since it is the low sales season for these products; while overall expenses have increased.

3) Trading & Moulds Business Lines

The Trading and Moulds Business Line made an overall loss of Baht 8.0 million, with a loss margin of 8.2% of total sales, of which loss was lower than that of the previous year. This was due to the Trading Business achieving improved profit margins from higher sales. However, the Moulds Business suffered higher losses due to the declining sales and business for the automotive industry, that resulted in decreased orders for new moulds. Overhead costs were still high whereas selling and administrative expenses increased relating to various sales promotions events aimed at boosting sales, as well as reducing inventories on hand in order to achieve a balanced inventory aging.

The Trading and Moulds Business Line experienced a lower loss in Q3/2016 when compared to Q2/2016, especially for the Trading Business that achieved both higher sales and improved profits.

2.3 Selling and Administrative Expenses

Table 1 Selling and Administrative Expenses

unit : Million Baht

Description	Quarter 2, 2016		Quarter 3, 2016		Quarter 3, 2015		Change from Quarter 3, 2015	
	Amount	% on sales	Amount	% on sales	Amount	% on sales	Amount Inc (Dec)	% +(-)
Selling and administrative expenses	326	14.1%	333	14.5%	322	13.6%	11	3.4%

Selling and Administrative Expenses in Q3/2016 increased Baht 11 million, or 3.4% YoY, when compared to the same Quarter of the previous year. This is due to sales and marketing campaigns undertaken to boost sales for the Trading Business. Also the sales activities of overseas subsidiaries located in Vietnam and India, that have just opened, caused an increase in selling and administrative expenses relating to logistics and products display-related expenses corresponding to the increased sales.

3. Analysis of Consolidated Financial Position

Table 2 Consolidated Financial Position (partial)

Unit : Million Baht

Description	As at Sep 30, 2016	As at Dec 31, 2015	Changes from Dec 31, 2015	
	Amount	Amount	Amount Inc (Dec)	% +(-)
Trade accounts receivable, net	1,883	1,928	(45)	(2.3%)
Inventories, net	1,830	1,658	172	10.4%
Property, plant and equipment, net	5,888	5,852	36	0.6%
Total assets *	11,048	11,107	(59)	(0.5%)
Bank overdrafts and short-term loans	1,542	1,752	(210)	(12.0%)
Trade accounts payable	847	959	(112)	(11.7%)
Long-term loans	3,127	2,656	471	17.7%
Employee benefit obligations	403	379	24	6.3%
Total liabilities *	6,347	6,150	197	3.2%
Unappropriated retained earnings	1,709	1,792	(83)	(4.6%)
Non-controlling interests	237	245	(8)	(3.3%)
Total shareholders' equity *	4,701	4,957	(256)	(5.2%)

Note : The 'Total' lines extracted from Consolidated Statements of Financial Position.

As at September 30, 2016, significant changes in the consolidated financial position compared to December 31, 2015 are as follows:

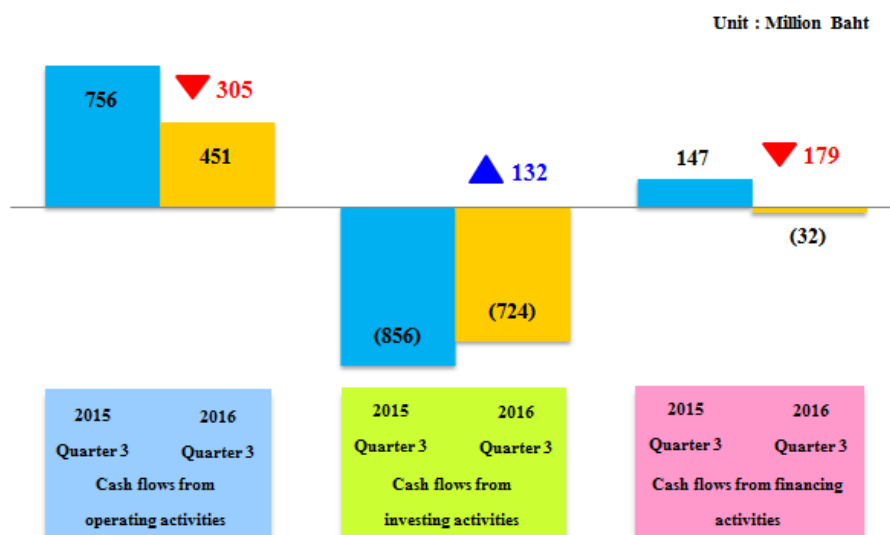
- Decrease in Trade Accounts Receivable corresponding to declining sales for Q3/2016 compared to the last Quarter of the previous year, stemming from the low season, overall economic slowdown, some customers recently buying their products from elsewhere, and downwards adjustment in sales prices.
- Increase in Inventories on hand, due to new moulds awaiting delivery as well as still being in the production process by subsidiaries. This is because of moulds having been imported and awaiting delivery to the customers against their sales orders. Finished goods and raw materials also

increased so as to be prepared for the expected higher sales orders during the upcoming high sales season in Quarter 4 this year.

- Increase in the net book value of Property, Plant and Equipment as a result of additional acquisition of assets during the period netted with depreciation expenses and disposal.
- Decrease in Bank Overdrafts and Short-Term Loans due to repayment.
- Decrease in Trade Accounts Payable in regards to trade accounts payable for Industrial Products Businesses that have decreased considerably in line with orders. Further, the Company has also purchased and now keeps on hand only the optimum quantity of key raw materials required for its production plans, as well as has renegotiated payment terms for such raw materials to gain more optimum costs.
- Increase in Long-Term Loans (net after scheduled repayments) from the loan draw downs for assets acquisition especially of overseas subsidiaries having investment expansion.
- Increase in Employee Benefit Obligations resulting from the recognition of committed staff welfare and other benefits obligations during the year.
- Decrease in Unappropriated Retained Earnings totaling Baht 83 million, from the increase in Profit Attributable to Owners of the Parent for the nine-month period ended September 30, 2016, netted with the dividend payment in respect of operating result of 2015 amounting to Baht 271 million.
- Decrease in Non-controlling Interests from dividend payment in respect of subsidiaries' operating result of 2015 netted with net profits of subsidiaries for the nine-month period ended September 30, 2016.

4. Analysis of Liquidity

Picture 5 Consolidated Cash Flows (partial)



Unit : Million Baht

	Sep 30, 2015	Sep 30, 2016
Net increase (decrease) in cash and cash equivalent	47	(305)
Cash and cash equivalents, opening balance	473	621
Cash and cash equivalents, closing balance	520	316

For the 9 months period of 2016, the Group had significant cash flows transactions compared against the same period of 2015 as follows:

- 1) Decrease in Cash Flows from Operating Activities due to the decrease in net profit and increase in inventory.
- 2) Decrease in Cash Flows for Investing Activities which is lower than the previous year as this year less new investments were made in addition to replacements of some assets, whereas big investment were already spent for new manufacturing plants in Vietnam and India last year.
- 3) Decrease in Cash Flows from Financing Activities due to the repayment of short term loans during the period.

As at September 30, 2016, the Group still has available unused credit facilities totaling more than Baht 5 billion comprising overdraft facilities, long term loans, revolving credit lines – all of which have

associated interest costs that are appropriate. As such, the Group is confident that it has adequate cash flows for its operations and planned investment projects.

5. Analysis of Key Financial Ratios

Table 3 Key Financial Ratios

Description		Unit	Quarter 1 2016	Quarter 2 2016	Quarter 3 2016	Quarter 3 2015	12 months 2015
Working Capital Ratios							
1.	Collection Period	Days	77.2	75.0	73.8	75.1	71.1
2.	Inventory Turnover	Days	85.9	81.0	86.5	76.9	75.4
3.	Payment Period	Days	43.2	38.7	40.0	40.3	43.6
4.	Cash Cycle	Days	119.9	117.3	120.2	111.7	102.9
Profitability Ratios							
5.	Return on Equity	%	1.0	1.7	1.3	2.0	9.0
6.	Return on Operating Assets	%	0.8	1.4	1.0	1.7	7.6
Financial Policy Ratios							
7.	Debt to Equity	Times	1.2	1.3	1.4	1.3	1.2

5.1 Working Capital Ratios

Cash cycle of the Group for Q3/2016 was 120.2 days, longer than that for Q3/2015 and for the year ended December 31, 2015 being 111.7 days and 102.9 days, respectively, due to:

1) Average collection day of trade accounts receivable was 73.8 days, a shorter compared to Q3/2015 that equaled to 75.1 days – owing to decrease in sales of distribution channel which have longer credit term in Q3/2016 but a longer compared to the 12 months period ended as at December 31, 2015 being 71.1 days – resulting from the declining sales of Beverage Packaging Products having shorter credit terms than other products in 2016.

2) Average day of inventory on hand was 86.5 days, a longer compared to Q3/2015 and the 12 months period ended as at December 31, 2015 being 76.9 days, and 75.4 days, respectively – due to declining sales and increased stocks of raw materials and finished goods to support orders in Q4/2016.

3) Average payment period was 40.0 days, a shorter compared to Q3/2015 and the 12 months period ended as at December 31, 2015 that equaled to 40.3 days, and 43.6 days, respectively – resulting from purchasing of the required raw materials as necessary for the production plans together with the lower orders of raw materials and purchased goods in line with sales.

5.2 Profitability Ratios

- 1) The Return on Equity Ratio as at September 30, 2016 was 1.3%, a decrease compared to Q3/2015 which equaled to 2.0% corresponding to the decrease in overall net profit results.
- 2) The Return on Operating Assets Ratio as at September 30, 2016 was 1.0%, a decrease compared to Q3/2015 which equaled to 1.7% corresponding to the decrease in net profit results; whilst the Group acquired additional assets for its operation. Furthermore, the Group is yet to effectively utilize operating assets due to the economy and a recent business start-up of the two overseas subsidiaries in Vietnam and India.

5.3 Financial Policy Ratio

- The Debt to Equity Ratio of the Group as at September 30, 2016 was 1.3 times, approximately the same as those for Q3/2015 which equaled to 1.3 times but slightly increase compared to the 12 months period ended as at December 31, 2015 being 1.2 times - resulting from the increase in long term loans for investment in assets and annual dividend payment.

6. Risk Management

The Group has the following measures to manage various risks:

- 1) Movements of raw material costs

Given that the costs of key raw materials, plastic pellets account for over 60% of total product costs and are a commodity product, of which the prices change corresponding to the movements in crude oil prices. The Company then places great importance on the purchase of these raw materials so as to achieve the most appropriate costs. As such, the purchase of this raw material is managed by a special procurement group that closely follows ongoing fluctuations in the prices of the raw materials based on various sources of information, as well as that carefully plans the required raw materials purchases – in terms of quantity and prices. The appropriate timing of

purchases together with the occasional adjustments to selling prices are also taken into consideration.

2) Labor cost

Labor costs is another important component of our production process. The Group of Companies have adjusted the workers' working hours so as to reduce overall labor costs as well as to achieve improved production efficiency without reducing any productivity. It has also expanded intensive-labor manufacturing activities into those countries where both labor is more readily available and costs of labor is comparatively less.

3) Exchange rate fluctuations

The Company's total export sales accounts for more than 20% of total revenues and key raw materials, machinery and equipments are to be imported from overseas. Hence, the Group focuses on the following risks management activities in order to diversify relevant risks as well as to reduce potential impacts from being too reliant on any one particular foreign currency:

- Focus on selling products or purchasing materials or goods in foreign currencies other than just the US dollars.
- Sell products in Thai Baht for customers in certain countries as well as for certain customers.
- Negotiate with key customers relating to price adjustments in the event that significant foreign exchange rates fluctuations occur.
- Execute foreign currency forward contracts, so as to reduce the potential impacts as appropriate and when the opportunity arises.
- Manage In/Out Cash Flows of foreign currencies, so as to achieve an effective balance of foreign currencies held by the Company (namely: a 'Natural Hedge').

4) Management of customers and associated credit lines

The Group has a limited number of customers for some products lines. It then plans to expand the customer base – both in the domestic and overseas markets – in order to diversify risks as well as to reduce the potential impact of being too reliant on any specific group of customers.

As for the management of customers credit lines, the Group analyzes and assesses the capability to pay by customers on a regular basis. Their credit lines and payment terms may be adjusted, in a systematic manner, according to the customer's actual payment history. There are measures in place to closely follow-up on and speed up any overdue receivables.

5) Overseas investments

The Group has risks management policies in place in regards to its overseas investments, through taking into consideration business opportunities relating to the target customers, the cost structure of the business, applicable legal and financial systems, as well as local political stability and environment.

6) Management of capital funds

The Group has ongoing investments activities every year so as to expand its businesses. Capital funds is, therefore, an important factor – which is consisted of internal cash flows and commercial banks loans. The cost of funds is also taken into account. Despite relying on commercial banks for its source of funds, the Group has diversified the associated risks in the following manners:

- Source borrowing funds from several commercial banks, taking into consideration the best proposed loans' terms and conditions each and every time as when the funds are required;
- Make use of applicable interest rates that are both fixed and floating;
- Make use of interest rates that are based on various financial/banking indicators or factors;
- Primarily borrow funds locally, so as to reduce potential impacts from any foreign currency fluctuations or volatility; and
- Set loan conditions with no security and collateral or guarantees – except for special instances of getting lower interest rates if providing a security or guarantees.

7. Outlook of the Overall Businesses in Q4/2016

7.1 Household Products

Domestic market

- Sales of Direct Sales Business is expected to increase on a continuing basis as a result of the changes in the sales management activities. This resulted from changes in the overall business

directions by the Sales Management group that has been initiated since the end of last year, so as to increase the overall number of people who are interested in the Direct Sales Business activity. As well, the increases are from the active role of marketing activities through implementing both new pricing and product designs strategies aimed at responding to the current economic trends, as well as social and consumer trends or values.

- Increased sales are from Srithai Super Outlet located in Cholburi, where products from the Company's own manufacturing plants, together with those from other leading manufacturers, are offered in one outlet.
- The 3 Grand Sales events would help push sales to be held by the Company during Quarter 4 at 3 locations, namely: late October to early November at the Amata Nakorn, Cholburi; late November to early December at the Suksawat plant located at the Head Office, Bangkok; and in mid-December at the Korat plant, Nakhon Ratchasima.

Export Markets

- It is expected that export trends will be similar to that of the previous Quarter, due to the fact that both the African and Middle East markets are still facing domestic economic difficulties. However, the Company has endeavored to find new and additional customers. Given the upcoming Christmas Season and New Year Festivities, it is expected that this will drive soaring consumer demands and purchases.
- It is expected that the newly established subsidiary in India will achieve increased total sales, due to the increased production output capacity and the expanded distribution and sales coverage throughout the country together with the various planned product promotions campaigns to be undertaken during the upcoming Christmas Season and New Year Festivities.

7.2 Industrial Products

Food and Beverage Packaging Products

- For Q4/2016, it is expected that sales of Industrial Products for various types of Food and Beverage Packaging products will increase from Q3/2016, since the upcoming New Year Festivities is traditionally the high sales season for these products. Due to the Government's order to halt all forms of public entertainment for 30 days during the period of official Royal

Mourning coupled with the ongoing domestic economic slowdown, it will have somehow an effect on the overall sales. Sales of these products by the subsidiaries in Vietnam will continue to achieve positive growth from the previous year.

Other Industrial Products

- For Q4/2016, it is expected that sales of these products will increase, due to order received from a large industrial project, for plastic pallets, containers. Growth of these sales correspond to the growth in the associated types of industry sectors, manufacturing plants or sales orders. The Company is able to increase its customer base for its plastic pallets with ample production capacity for plastic pallets products which support the increased demand for the second half of this year.
 - Plastic containers/pails: The Company is focused on increasing its market base for household paint containers/pails through using the IML manufacturing technology that yields a much better quality product with a higher selling price than those using the silk screening process.
 - The Company has received large sales order for premium products from a convenience stores operator, with these premium products having started selling since Quarter 3 and going into Quarter 4 this year.
 - If the Government stimulates the economy further and accelerates budget disbursements, it will lead to increased sales of the Company's plastic furniture and garbage bin products.
- Sales of subsidiaries' Automotive Component Parts business is expected to be maintained at the same level as for Q3. Full year sales are, however, probably lower than the previous year, due to the overall slow sales of the automotive industry that has caused automotive manufacturers to cut the production outputs and their orders for automotive component parts.

7.3 Trading and Moulds Business Lines

Trading Business Line

- Sales of Srithai Network Marketing Business for Q4/2016 is expected to be moderate. It plans for implementation of new activities with business partners in the research and development of

new agriculture-related products that are of international standards, aiming at introduction and distribution of the new S-Matrix products into the ASEAN markets as follows:

- Use of Drones for fertilizer spraying to support sales of other agriculture-related products and enable this business to become a comprehensive innovative organic agricultural products center.
- Adjusting the packaging size of the S-Matrix products to be smaller, which will encourage test using of this product on a wider scale.

Moulds Business Line

- Sales of the Mould Business in Q4/2016 is expected to be similar to that in this Quarter, due to the slow and poor sales in the automotive business; despite some remaining back-orders for new moulds due to be delivered.

8. Significant Events during Q3/2016

During Q3/2016, the Group did not have any new accounting policies in addition to those of last year. However, there were some key events as follows:

8.1 Dividend payment of a subsidiary

- **Korat Thai Tech Company Limited**

Approved by	Total Dividend (Million Baht)	Dividend per share (Baht)	Percentage of shareholding	Dividend to be received (Million Baht)
1st Extraordinary General Shareholders' Meeting on September 30, 2016	30	10.0	100.0	30

8.2 Commitments and contingent liabilities

On May 15, 2011, the Company made an agreement with a recruitment agent registered in Cambodia for recruiting Cambodian migrant workers to work legally in Thailand. Once the work permits were obtained for the recruited workers and the workers had completed their work duties for the contract period, the Company paid the agreed service fee to the agent in full according to the agreement terms and agent invoices.



On June 13, 2016, the agent filed a lawsuit against the Company claiming it failed to pay. The agent filed the lawsuit for the service fee plus 7.5% annual interest from the date of filing until the settlement. Subsequently, the Company appointed an attorney and a representative to contest the lawsuit as it had not breached the agreement. The Company also filed a countersuit for breach of agreement. During the 3rd quarter of 2016, the Company's attorney and Company representative had a court hearing for dispute resolution. As it is unable to reach agreement, the court then set an appointment during March 14, 2017 to March 16, 2017 in order to take evidence from both Company and the agent. The Company believes that this is not liable and management is confident that the ruling will be in the Company's favour. Therefore, the Company did not recognize contingent liabilities in the financial information.

Please be informed accordingly.

Yours faithfully,

Prin Bholnivas

Director and Company Secretary