



FANCY WOOD INDUSTRIES PUBLIC CO.,LTD.

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14th May, 2019

Subject : Explanation of the business profits for the quarter 1/2019(edit)

To : The President of the Stock Exchange of Thailand

We, Fancy Wood Industries Public Co., Ltd., would like to explain the overall operations of the company and its subsidiaries for the quarter 1/2019 as at 31st March, 2019 which was reviewed by authorized Auditor with the details as follows:

The total revenues of the Company and its Subsidiaries in the Quarter 1/2019 was equal to 77.89 million Baht, a decrease of 87.66 million Baht from the same quarter last year which was equal to 165.55 million Baht, representing a decrease of 52.95 percent, of which the total decrease in revenue mainly came from sales from revenues of the Company has decreased 71.61 million Baht from the quarter 1/2018 which had revenue from sales amounted to 162.80 million Baht, representing a decrease of 56.01 percent. **The main reason that the revenue from sales has decreased due to the Rubber wood kiln dried sawn timber which is the main business of the company in 2018 has highly volatility of the market that caused by the trade war between U.S.A and China. China is hit by a tariff wall which affected Thai Rubber wood exports to China. Another reason came from China with strict environmental regulations which caused many factories in China to stop operations to improve their factories, including the furniture manufacturing plants, thus they stop to order the Rubber wood kiln dried sawn timber for their production, we mainly export the Rubber wood to China have impacted as well.**

At the same time although the Company had lower revenue from sales but the Company had a decrease in expenses of 106.93 million Baht in the quarter 1/2019, from the quarter 1/2018 the expenses were 224.36 million Baht, representing a decrease of 52.34 percent. The decrease of expenses mainly came from a decrease in cost of sales from 176.20 million Baht in the quarter 1/2018 to 78.89 million Baht in the quarter 1/2019, representing a decrease of 55.23 percent.

From the abovementioned reasons as a result the Company and its subsidiaries had a loss of 28.75 million Baht in the quarter 1/2019, of which decreased from the quarter of 1/2018 with a loss of 58.67 million Baht.

Please be informed accordingly.

Yours Faithfully,

(Mr.Vichai Tanpatanarat)

Director